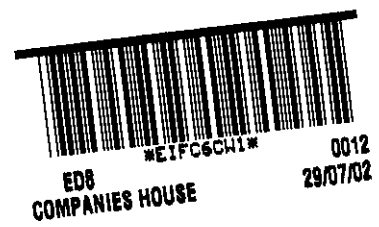


Company Registration No. 01387774 (England and Wales)

CONEGATE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



CONEGATE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2001

The director presents his report and financial statements for the year ended 30 September 2001.

Principal activities and review of the business

The principal activities of the company are those of dealers and publishers of magazines, promoters of ancillary products and management consultants. The company is also an investor and dealer in properties and securities.

The company's subsidiary undertakings are listed in Note 12 to the accounts. None of these companies traded during the year.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

Director

The following director has held office since 1 October 2000:

C. Sullivan

Director's interests

The director's interest in the shares of the company was as stated below:

	ordinary shares of £ 1 each	
	30 September 2001	1 October 2000
C. Sullivan	-	-

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that F. Winter & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

CONEGATE LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



Mrs C. Sullivan
Secretary
23 July 2002

CONEGATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONEGATE LIMITED

We have audited the financial statements of Conegate Limited on pages 4 to 20 for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

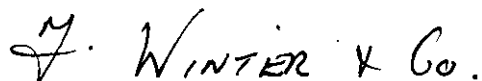
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



F. Winter & Co.

Chartered Accountants
Registered Auditor

23 July 2002

Ramillies House
2 Ramillies Street
London
W1F 7LN

CONEGATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	11,627,988	6,897,162
Cost of sales		(60,744)	(1,312,530)
Gross profit		11,567,244	5,584,632
Administrative expenses		(7,763,341)	(1,502,227)
Other operating income	3	484,404	2,303,505
Operating profit	4	4,288,307	6,385,910
(Loss)/ Profit on disposal of fixed assets	5	(197,513)	(183,394)
Income from other fixed asset investments	6	15,000	45,425
Other interest receivable and similar income	7	1,086,637	698,220
Interest payable and similar charges	8	(158,412)	(160,507)
Profit on ordinary activities before taxation		5,034,019	6,785,654
Tax on profit on ordinary activities	9	(1,631,309)	(1,887,443)
Profit on ordinary activities after taxation	21	3,402,710	4,898,211

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CONEGATE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2001

	2001	2000
	£	£
Profit for the financial year	3,402,710	4,898,211
Unrealised surplus on revaluation of properties	873,900	2,375,018
Total recognised gains and losses relating to the year	<u>4,276,610</u>	<u>7,273,229</u>

Note of historical cost profits and losses

	2001	2000
	£	£
Reported profit on ordinary activities before taxation	5,034,019	6,785,654
Realisation of property revaluation gains of previous years	69,610	80,591
Historical cost profit on ordinary activities before taxation	<u>5,103,629</u>	<u>6,866,245</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>3,472,320</u>	<u>4,978,802</u>

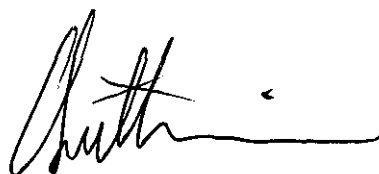
CONEGATE LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	10 and 11	49,966,060		42,252,438	
Investments	12	2,700,200		3,050,876	
		<u>52,666,260</u>		<u>45,303,314</u>	
Current assets					
Stocks	13	1,802,791	1,787,598		
Debtors	14	1,045,269	1,401,282		
Investments	15	5,687,296	7,848,813		
Cash at bank and in hand		23,191,267	16,272,996		
		<u>31,726,623</u>	<u>27,310,689</u>		
Creditors: amounts falling due within one year	16	(33,536,163)	(25,694,229)		
Net current (liabilities)/assets		<u>(1,809,540)</u>		<u>1,616,460</u>	
Total assets less current liabilities		<u>50,856,720</u>		<u>46,919,774</u>	
Creditors: amounts falling due after more than one year	17	(1,650,000)	(1,950,000)		
Provisions for liabilities and charges	18	(125,208)	(164,872)		
		<u>49,081,512</u>		<u>44,804,902</u>	
Capital and reserves					
Called up share capital	20	100	100		
Revaluation reserve	21	7,278,207	6,473,917		
Profit and loss account	21	41,803,205	38,330,885		
Shareholders' funds - equity interests	22	<u>49,081,512</u>		<u>44,804,902</u>	

The financial statements were approved by the Board on 23 July 2002

C. Sullivan
Director



CONEGATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	2001 £	2000 £
Net cash inflow from operating activities	12,845,426	3,518,664
Returns on investments and servicing of finance		
Interest received	1,086,637	698,220
Interest paid	(158,412)	(160,507)
Dividends received	15,000	45,425
Net cash inflow for returns on investments and servicing of finance	943,225	583,138
Taxation	(1,947,011)	(2,269,000)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(7,052,127)	(2,540,764)
Payments to acquire investments	-	(2,700,000)
Receipts from sales of tangible assets	95,214	5,723,145
Receipts from sales of investments	172,025	6,057,275
Net cash (outflow)/inflow for capital expenditure	(6,784,888)	6,539,656
Net cash inflow before management of liquid resources and financing	5,056,752	8,372,458
Management of liquid resources		
Current asset investments	2,161,517	(7,848,813)
Financing		
Repayment of long term bank loan	(300,000)	(225,000)
Net cash outflow from financing	(300,000)	(225,000)
Increase in cash in the year	6,918,269	298,645

CONEGATE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001		2000	
		£		£	
	Operating profit	4,288,307		6,385,910	
	Depreciation of tangible assets	83,314		83,433	
	Loss/(profit) on disposal of tangible assets	15,013		(1,542)	
	(Increase)/decrease in stocks	(15,193)		625,316	
	Decrease in debtors	300,361		822,064	
	Increase/(decrease) in creditors within one year	8,173,624		(4,396,517)	
	Net cash inflow from operating activities	12,845,426		3,518,664	
2	Analysis of net funds	1 October 2000	Cash flow	Other non-cash changes	30 September 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	16,272,996	6,918,271	-	23,191,267
	Liquid resources:				
	Current asset investments	7,848,813	(2,161,517)	-	5,687,296
	Debt:				
	Debts falling due within one year	(300,000)	-	-	(300,000)
	Debts falling due after one year	(1,950,000)	300,000	-	(1,650,000)
		(2,250,000)	300,000	-	(1,950,000)
	Net funds	21,871,809	5,056,754	-	26,928,563
3	Reconciliation of net cash flow to movement in net funds	2001		2000	
		£		£	
	Increase in cash in the year	6,918,271		298,645	
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(2,161,517)		7,848,813	
	Cash outflow from decrease in debt	300,000		225,000	
	Movement in net funds in the year	5,056,754		8,372,458	
	Opening net funds	21,871,809		13,499,351	
	Closing net funds	26,928,563		21,871,809	

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents income from property investments and amounts receivable for goods sold and services provided net of value added tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold buildings	Over the Life of the Lease
Fixtures, fittings & equipment	10% per annum on a straight line basis
Motor vehicles	20% per annum on a straight line basis

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit where material, is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Investments are stated at cost less provision for any permanent diminution in value.

Current asset investments are stated at the cost less provision for any permanent diminution in value. The market value of listed investments is based on the closing middle market price on a recognised stock exchange.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

1 Accounting policies (continued)

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Roldvale Limited, a company incorporated in the United Kingdom and is included in the consolidated accounts of that company. Copies of the consolidated accounts are available from Ramillies House, 2 Ramillies Street, London, W1F 7LN.

1.10 Leasing Income

Rentals receivable under operating leases are credited to the profit and loss account on a straight line basis over the lease term.

2 Turnover

The total turnover of the company for the year has been derived from its principle activities wholly undertaken in the United Kingdom.

In the opinion of the Director, given the integrated nature of the company's services, it would be both prejudicial and misleading to provide an analysis of turnover and profit by classes of business.

3	Other operating income	2001 £	2000 £
	Profit on disposal of current asset investments	217,406	2,102,637
	Dividends received from listed investments	195,897	139,280
	Lease rentals receivable	71,101	61,588
		<u>484,404</u>	<u>2,303,505</u>
4	Operating profit	2001 £	2000 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	83,314	83,433
	Operating lease rentals	44,509	43,558
	Auditors' remuneration	21,000	21,000
		<u></u>	<u></u>
5	Profit on disposal of fixed assets	2001 £	2000 £
	(Loss)/ profit on sale on listed investments	(178,650)	(438,751)
	(Loss)/ profit on sale of investment properties	(18,863)	255,357
		<u>(197,513)</u>	<u>(183,394)</u>

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

6	Income from other fixed asset investments	2001	2000
		£	£
	Dividends received from listed investments	15,000	45,425
		<u> </u>	<u> </u>
7	Other interest receivable and similar income	2001	2000
		£	£
	Deposit interest	1,032,178	672,898
	Other interest	54,459	25,322
		<u> </u>	<u> </u>
		<u>1,086,637</u>	<u>698,220</u>
8	Interest payable	2001	2000
		£	£
	On bank loans and overdrafts	158,412	160,507
		<u> </u>	<u> </u>

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2001**

9 Taxation	2001	2000
	£	£
Domestic current year tax		
U.K. corporation tax	1,670,973	1,864,000
Adjustment for prior years	-	1,133
	<u>1,670,973</u>	<u>1,865,133</u>
Current tax charge	1,670,973	1,865,133
Deferred tax		
Deferred tax charge/credit current year	(39,664)	22,310
	<u>1,631,309</u>	<u>1,887,443</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	5,034,019	6,785,654
	<u>5,034,019</u>	<u>6,785,654</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2000 : 30.00%)	1,510,206	2,035,696
	<u>1,510,206</u>	<u>2,035,696</u>
Effects of:		
Non deductible expenses	106,033	181,226
Depreciation	24,994	25,030
Capital allowances	(44,741)	(46,877)
Adjustments to previous periods	-	1,133
Chargeable disposals	145,316	480,147
Dividends and distributions received	(63,269)	(55,412)
Other tax adjustments	(7,566)	(755,810)
	<u>160,767</u>	<u>(170,563)</u>
Current tax charge	1,670,973	1,865,133
	<u>1,670,973</u>	<u>1,865,133</u>

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2001**

10 Tangible fixed assets

	Short leasehold buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 October 2000	25,278	41,548	396,575	463,401
Additions	-	2,774	162,012	164,786
Disposals	-	-	(105,975)	(105,975)
At 30 September 2001	25,278	44,322	452,612	522,212
Depreciation				
At 1 October 2000	25,278	11,767	224,320	261,365
On disposals	-	-	(62,962)	(62,962)
Charge for the year	-	4,393	78,921	83,314
At 30 September 2001	25,278	16,160	240,279	281,717
Net book value				
At 30 September 2001	-	28,162	212,333	240,495
At 30 September 2000	-	29,781	172,255	202,036

Included above, the net book value of other tangible fixed assets held for rental income under operating leases amounted to:-

<u>Motor vehicles</u>	2001 £	2000 £
Cost	303,821	240,652
Less:- Depreciation	(129,836)	(111,210)
Net book value	173,985	129,442

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

11 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 October 2000	42,050,402
Additions	6,887,340
Revaluation	873,900
Disposals	(86,077)
At 30 September 2001	49,725,565

The valuations of investment properties were made as at 30th September 2001 by the Director on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £42,447,359 (2000 - £35,576,485).

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

12 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost or valuation				
At 1 October 2000	350,675	2,700,000	200	3,050,875
Disposals	(350,675)	-	-	(350,675)
At 30 September 2001	-	2,700,000	200	2,700,200
	Market value	Director's valuation		Director's valuation
	£	£		£
At 30 September 2001	-	2,725,083		2,725,083
At 30 September 2000	164,000	2,942,460		3,106,460

Should the investments be sold at their valuation, a tax charge not exceeding £8,000 (2000 - £17,000) would arise.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Centrewall Limited	England & Wales	Ordinary	100
Shape-Up Shops Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Centrewall Limited	(16,663)	-
Shape-Up Shops Limited	(26,147)	-

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2001**

13 Stocks	2001	2000
	£	£
Properties held for resale	1,795,094	1,734,149
Goods for resale	7,697	53,449
	<u>1,802,791</u>	<u>1,787,598</u>
14 Debtors	2001	2000
	£	£
Trade debtors	1,002,987	1,288,181
Amounts owed by subsidiary undertakings	23,031	23,031
Corporation tax	-	55,652
Other debtors	11,051	25,280
Prepayments and accrued income	8,200	9,138
	<u>1,045,269</u>	<u>1,401,282</u>
15 Current asset investments	2001	2000
	£	£
Listed investments	<u>5,687,296</u>	<u>7,848,813</u>
Market valuation of listed investments	<u>4,927,400</u>	<u>7,837,248</u>
16 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	300,000	300,000
Trade creditors	288,249	492,722
Amounts owed to parent and fellow subsidiary undertakings	30,959,040	23,437,334
Corporation tax	932,310	1,264,000
Other taxes and social security costs	947,149	99,890
Other creditors	28,125	31,693
Accruals and deferred income	81,290	68,590
	<u>33,536,163</u>	<u>25,694,229</u>

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

17 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	<u>1,650,000</u>	<u>1,950,000</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	<u>1,950,000</u>	<u>2,250,000</u>
	1,950,000	2,250,000
Included in current liabilities	<u>(300,000)</u>	<u>(300,000)</u>
	<u>1,650,000</u>	<u>1,950,000</u>
Loan maturity analysis		
Between one and two years	300,000	300,000
Between two and five years	900,000	900,000
In five years or more	<u>450,000</u>	<u>750,000</u>

The bank loans are secured by a fixed charge over the company's freehold properties.

The above bank loans are repayable by instalments which will be fully repaid by 2008. Interest on bank loans will continue to be charged at a rate of 1% above the bank's base rate.

18 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 October 2000	164,872
Profit and loss account	<u>(39,664)</u>
Balance at 30 September 2001	<u>125,208</u>

Deferred taxation provided in the financial statements is as follows:

	2001 £	2000 £
Accelerated capital allowances	<u>125,208</u>	<u>164,872</u>

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified.

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2001**

19 Pension costs

Defined contribution

	2001 £	2000 £
Contributions payable by the company for the year	2,000	2,000

20 Share capital

	2001 £	2000 £
Authorised		
100 ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £ 1 each	100	100

21 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 October 2000	6,473,917	38,330,885
Retained profit for the year	-	3,402,710
Transfer from revaluation reserve to profit and loss account	(69,610)	69,610
Revaluation during the year	873,900	-
Balance at 30 September 2001	7,278,207	41,803,205

22 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	3,402,710	4,898,211
Other recognised gains and losses	873,900	2,375,018
Net addition to shareholders' funds	4,276,610	7,273,229
Opening shareholders' funds	44,804,902	37,531,673
Closing shareholders' funds	49,081,512	44,804,902

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

23 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Within one year	5,250	5,250
Between two and five years	31,300	34,300
In over five years	6,500	6,500
	<u>43,050</u>	<u>46,050</u>

24 Director's emoluments

	2001	2000
	£	£
Emoluments for qualifying services	141,900	133,800
Company pension contributions to money purchase schemes	2,000	2,000
	<u>143,900</u>	<u>135,800</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000 - 1).

CONEGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

25 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Office and management	5	5
Sales and distribution	5	5
	<u>10</u>	<u>10</u>

Employment costs

	£	£
Wages and salaries	324,730	297,493
Social security costs	36,044	33,275
Other pension costs	2,000	2,000
	<u>362,774</u>	<u>332,768</u>

26 Control

The Company is under the control of Roldvale Limited and the ultimate control of Mr.D. Sullivan who owns the entire shareholding of Roldvale Limited.

27 Related party transactions

The material related party transactions during the year ended 30th September, 2001 were:-

- Service charges of £7,150,000 (2000: £860,000) were charged by Roldvale Limited.
- VAT amounting to £406,737 (2000: £877,954) was paid on behalf of the company by Roldvale Limited.
- Management fee of £4,250,000 (2000: £2,000,000) was received from Sport Newspapers Limited, a company in which Mr. D. Sullivan has an interest.

The balance due to the group undertakings at 30th September, 2001 was £30,936,009 (2000: £23,414,303) and the balance due from Sport Newspapers Limited at 30th September, 2001 was £166,667 (2000: £166,667).