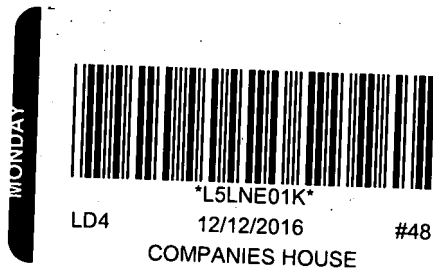


The Condé Nast Publications Limited

Annual report and financial statements

Registered number 226900

31 December 2015



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Company information

Directors

J Newhouse
N Coleridge
S Quinn
A Holcroft
A Read
P Raynor
J Bill
J Faulkner
S Crofts
P Stevenson

Secretary

P Raynor

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

HSBC Bank PLC
1 Hanover Square
London W1R 0ES

Solicitors

Wiggin & Co.
95 The Promenade
Cheltenham
Gloucestershire GL50 1WG

Registered Office

Vogue House
Hanover Square
London W1S 1JU

Strategic Report

The directors present their strategic report of The Condé Nast Publications Limited ("The Company") for the year ended 31 December 2015.

Review of the business

Principal activity

The principal activity of the Company during the year continued to be that of magazine publishing and related activities.

Business strategy and objectives

The Company continues to set the standard for engaging, visually arresting, innovative publishing, creating the finest magazine brands in the world. Our UK brands now reach a combined gross audience, in print, digital format and online, of 52,699,832 (2014: 42,135,861) for the portfolio.

Our obsession for excellence produces authoritative, premium, provocative content, ensuring the trust of millions of followers in print and digital.

Review of development and future prospects

The Company continues to publish twelve (2014: twelve) of the world's leading multi-media brands in print and online.

British Vogue is celebrating its centenary year in 2016. Alexandra Shulman, Editor in Chief of British Vogue, was named Editor of the Year (Consumer Media) at the PPA Awards. The June Centenary issue delivered a high profile focus to the year, with other events marking this milestone including a National Portrait Gallery exhibition, Vogue 100: A Century of Style, one of the most successful exhibitions in the Gallery's history. The Vogue festival also continues to draw crowds, and with an ever increasing digital and social media presence, the demand for Vogue across all platforms is clear to see.

Ars Technica UK, a digital only brand, launched in 2015. Bringing a unique editorial insight to bear on the European markets, Ars Technica UK has published over 5,000 articles and amassed 1.2 million unique users a month since its debut.

The Condé Nast College of Fashion & Design will be offering a two-year intensive BA (Hons) Fashion Communication degree from October 2016, validated by the University of Buckingham. To date, over 600 students have enrolled at the College, from more than 50 different countries, and with graduates going on to secure roles across a wide range of significant companies.

Business to business events continue to grow for Condé Nast. As an example Wired has announced a further event this year – Wired Security, which will be held in 2016.

Dedicated video channels continue to launch in 2016, with GQ and Wired joining the Vogue Video channel launched in 2015. In addition to developing exciting editorial and commercial opportunities, growing reach and revenue, the division was the recipient of two Webby Awards.

All Condé Nast UK magazines are available to download as digital editions, with five of the magazines offering interactive editions, and Vogue, Wired, GQ, Vanity Fair and Glamour also being available as interactive editions on various platforms.

Key performance indicators

The Company utilises brand reach and circulation figures to analyse the performance of the business, in addition to the other financial KPIs discussed in the financial review below.

Circulations remain healthy as engagement across a number of platforms grows. Vogue posted an ABC of 195,010 (July to December 2015), with total UK subscriptions up by 3.5% year on year. Glamour retained its position as the best-selling title in the market by 8%. With an ABC of 78,009, Condé Nast Traveller increased single copy sales by 2.9% year on year while the website has 809,740 unique users at the time of the most recent ABCs being announced, up by 39% year on year.

Strategic Report (*continued*)

Financial review

Turnover was £122,495k for the year, remaining consistent with 2014. Profit for the year was £4,936k, lower than 2014 due to a pension tax credit received in 2014, which reduced staff costs for that year.

Net assets at 31 December 2015 were £63,134k, up £6,326k compared to £56,808k at 31 December 2014. This movement was mainly due to the reduced pension liability.

Principal risks and uncertainties

The Company faces a number of risks and uncertainties. Whilst we make every effort to mitigate such risks and uncertainties, the principal challenges are: competition from other media impacting circulation and advertising revenues; adverse movement in the UK or worldwide advertising markets; maintaining the production of our print and digital editions to the standard and deadlines expected; and retaining the staff and contributors to produce the content of our print and digital editions and websites.

Going concern

No material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern have been identified by the directors. On the basis of their assessment of the Company's financial position, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Approved by the Board



P Raynor
Secretary

Date: 29/9/16

Directors' report

Proposed dividend

The directors have not proposed a dividend in respect of the current financial year (2014: £203k).

Directors

The directors who held office during the year, and up to the date of this report, were as follows:

J Newhouse
N Coleridge
S Quinn
A Holcroft
A Read
P Raynor
J Bill
J Faulkner
S Crofts
P Stevenson

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2014: none).

Employment of disabled persons

Applications for employment by disabled persons are always considered fully, having regard to the aptitudes and abilities of the applicant concerned and the requirements of the position for which the application is made. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and, where necessary, appropriate retraining is arranged.

Employee consultation

The Company places considerable importance on the contributions to be made by all employees to the progress of the Company, and aims to keep employees informed on matters affecting them and on developments generally within the Company. This is achieved by formal and informal meetings.

Directors and their interests

The directors of the Company during the year and up to the date of this report are listed above and on page 1. All directors served throughout the year unless otherwise stated.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



P Raynor
Secretary

Vogue House
Hanover Square
London W1S 1JU

Date: 29/9/16

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONDÉ NAST PUBLICATIONS LIMITED

We have audited the financial statements of The Condé Nast Publications Limited for the year ended 31 December 2015 set out on pages 8 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONDÉ NAST PUBLICATIONS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date29/09/16.....

Profit and Loss Account and Other Comprehensive Income
for year ended 31 December 2015

	<i>Note</i>	2015 Total £000	2014 Total Restated £000
Turnover	2	122,495	122,166
Raw material and consumables		(8,341)	(8,936)
Other external charges		(44,061)	(42,885)
Staff costs	4	(42,894)	(32,891)
Depreciation and other amounts written off tangible and intangible fixed assets	8,9	(2,502)	(2,550)
Other operating charges		(17,850)	(19,037)
Operating profit		6,847	15,867
Other interest receivable and similar income	6	33	32
Profit on ordinary activities before taxation		6,880	15,899
Tax on profit on ordinary activities	7	(1,944)	(3,811)
Profit for the financial year		4,936	12,088
Other comprehensive income/(loss)			
Remeasurement of the net defined benefit liability		1,770	(7,990)
Tax (charge)/credit on other comprehensive income/(loss)	7	(380)	1,660
Other comprehensive income/(loss) for the year, net of income tax		1,390	(6,330)
Total comprehensive income for the year		6,326	5,758

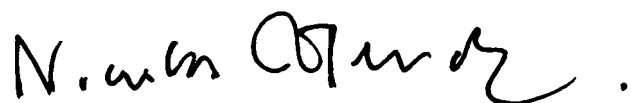
The results stated above are derived from continuing activities.

The notes on pages 11 to 29 form an integral part of these financial statements.

Balance Sheet
at 31 December 2015

	Note	2015 £000	2014 Restated £000
Fixed assets			
<i>Intangible assets</i>			
Other intangibles	8	460	927
Tangible assets	9	20,365	20,621
Investments	10	40	40
		<hr/>	<hr/>
		20,865	21,588
Current assets			
Stocks	11	1,664	3,410
Debtors including £1,227k (2014:£nil) due after more than one year	12	78,510	73,401
Cash at bank and in hand	13	13,515	15,005
		<hr/>	<hr/>
		93,689	91,816
Creditors: amounts falling due within one year	14	(33,920)	(34,946)
		<hr/>	<hr/>
Net current assets		59,769	56,870
		<hr/>	<hr/>
Total assets less current liabilities		80,634	78,458
Provisions for liabilities			
Pensions and similar obligations	16	(17,500)	(21,650)
		<hr/>	<hr/>
Net assets		63,134	56,808
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	17	22,000	22,000
Profit and loss account		41,134	34,808
		<hr/>	<hr/>
Shareholders' funds		63,134	56,808
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 29/9/16 and were signed on its behalf by:



N Coleridge
Director

Company registered number: 226900

The notes on pages 11 to 29 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	22,000	29,253	51,253
Total comprehensive income for the year:			
Profit for the financial year	-	12,088	12,088
Other comprehensive loss (see note 17)	-	(6,330)	(6,330)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	5,758	5,758
	<hr/>	<hr/>	<hr/>
Dividends	-	(203)	(203)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	22,000	34,808	56,808
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	22,000	34,808	56,808
Total comprehensive income for the year:			
Profit for the financial year	-	4,936	4,936
Other comprehensive income (see note 17)	-	1,390	1,390
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	6,326	6,326
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	22,000	41,134	63,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 29 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The Condé Nast Publications Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments, except for those in note 22, where an explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Fair value or revaluation as deemed cost – the fair value at transition date has been used as deemed cost for specific tangible fixed assets, and specific intangible assets.
- Separate financial instruments – carrying amount of the Company’s cost of investment in subsidiaries/associates is its deemed cost at 1 January 2014.
- Lease incentives – for leases which commenced before 1 January 2014 the Company continued to account for lease incentives under previous UK GAAP.

The Company’s parent undertaking, Condé Nast International Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Condé Nast International Limited are available to the public and may be obtained from Companies House. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Financial Instrument disclosures;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investments in associates and joint ventures measured at fair value.

1.2 Going concern

The accounts are prepared on a going concern basis. No material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern have been identified by the directors. On the basis of their assessment of the Company’s financial position, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.3 **Foreign currency**

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

1.4 **Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 **Basic financial instruments**

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries and associates

These are separate financial statements of the Company. Investments in subsidiaries and associates are carried at cost less impairment.

1.6 **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

1 Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	–	14% or term of lease, if shorter
Long-leasehold	–	term of lease
Plant and office equipment	–	10% to 33%
Computer equipment	–	25% to 33%
Motor vehicles	–	25%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.8 Intangible assets, goodwill and negative goodwill

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 3 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes (continued)

1 Accounting policies (continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. They are charged in the profit and loss account in full in the month of publication of the magazine containing the relevant projects or articles. This is usually the month preceding that appearing on the magazine cover.

1.10 Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

1.11 Turnover

Turnover represents billings to customers for advertising, newsstand sales, subscription revenues, commission sales of published magazines, events, books and book royalties. Newsstand and subscription revenue is recognised in the month the issue is on sale. Income associated with a particular issue of a magazine is recognised in the profit and loss account when the magazine is published, being usually the month preceding that appearing on the magazine's cover. Income from books is recognised when the books are despatched to the customer. College revenue is recognised over the length of the course.

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.12 **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.13 **Royalties**

Royalty advances to authors which are not expected to be earned from future sales of books and rights are written off to the profit and loss account in year of publication.

1.14 **Pensions**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

2 Turnover

	2015 £000	Restated 2014 £000
Publishing activities	122,495	122,166
Total turnover	<u>122,495</u>	<u>122,166</u>
	2015 £000	Restated 2014 £000
By geographical market		
United Kingdom	91,261	95,216
Rest of the world	31,234	26,950
	<u>122,495</u>	<u>122,166</u>

During the year the directors have reviewed the nature of the items included in other operating income and identified revenues in relation to wider publishing activities, which had not been previously presented in turnover. As part of this review, the directors believe that this type of revenue stream is now part of the Company's core operations. Accordingly, the 2014 comparatives have been reclassified to more appropriately present the £8,447,000 of this income within turnover.

3 Expenses and auditor's remuneration

Included in profit are the following:

	2015 £000	2014 £000
Net gain/(loss) on disposal of tangible fixed assets	4	(1)

Auditor's remuneration:

	2015 £000	2014 £000
Audit of these financial statements	68	68
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit-related assurance services	-	8

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was 668 (2014 – 653).

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	35,262	33,608
Social security costs	3,747	3,563
Other pensions costs/(credits)	3,885	(4,280)
Total staff costs	42,894	32,891

5 Directors' remuneration

	2015	2014
	£000	£000
Directors' remuneration	2,420	3,032
Pension contributions	127	86
	2,547	3,118

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £913k (2014: £1,283k), and company pension contributions of £nil (2014: £nil).

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	10	11
Defined contribution schemes	9	10

Notes (continued)

6 Other interest receivable and similar income

	2015 £000	2014 £000
Bank interest receivable	33	32

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	<i>Restated</i> 2014 £000
<i>Current tax</i>		
Current tax on income for the period	968	2,597
Adjustments in respect of prior periods	330	(195)
Foreign tax relief	(17)	-
	<u>1,281</u>	<u>2,402</u>
Foreign tax	17	4
	<u>1,298</u>	<u>2,406</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	564	1,379
Adjustment in respect of previous periods	(33)	13
Change in tax rate	115	13
	<u>646</u>	<u>1,405</u>
Total deferred tax	646	1,405
	<u>1,944</u>	<u>3,811</u>

b) Tax included in the statement of other comprehensive income

The tax charge/(credit) is made up as follows:

	2015 £000	<i>Restated</i> 2014 £000
<i>Current tax</i>		
Pension contributions	-	(1,007)
<i>Deferred tax</i>		
Actuarial gain/(loss) on pension scheme	359	(1,717)
Pension scheme reserve	-	1,006
Change in tax rate	21	58
	<u>380</u>	<u>(1,660)</u>

Notes (continued)

7 Taxation (continued)

c) Reconciliation of effective tax rate

	2015 £000	Restated 2014 £000
Profit for the year	4,936	12,088
Total tax expense	1,944	3,811
Profit excluding taxation	6,880	15,899
Tax using the UK corporation tax rate of 20.25 % (2014: 21.49%)	1,393	3,417
Effect of tax rates in foreign jurisdictions	-	3
Tax rate changes	114	13
Effects of group relief/other reliefs	(354)	-
Non-deductible expenses	494	559
Under / (over) provided in prior years	297	(182)
Other	-	1
Total tax expense included in profit or loss	1,944	3,811

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2015 £000	Restated 2014 £000
Included in debtors (<i>see note 15</i>)	3,256	4,282
Decelerated capital allowances	(466)	(318)
Pension costs	3,517	4,373
Reserves	205	227
Provision for deferred tax	3,256	4,282

Movement on the deferred tax asset	£000
At 1 January 2015	4,282
Adjustment in respect of previous years	33
Deferred tax charge to income statement for the period	(679)
Deferred tax charge in OCI for the period	(380)
At 31 December 2015	3,256

e) Factors that may affect future charges

The UK government has enacted legislation to reduce the main rate of corporation tax by 1% to 20% from 1 April 2015 and by a further 1% to 19% from 1 April 2017.

Further reductions to the main rate were announced in the Budget 2016, which reduce the rate to 17% from 1 April 2020.

Notes (continued)

8 Intangible assets

Company	Software	Total
	£000	£000
Cost		
Balance at 1 January 2015	2,144	2,144
Additions	46	46
Balance at 31 December 2015	2,190	2,190
Amortisation and impairment		
Balance at 1 January 2015	1,217	1,217
Amortisation for the year	513	513
Balance at 31 December 2015	1,730	1,730
Net book value		
At 1 January 2015 (restated)	927	927
At 31 December 2015	460	460

9 Tangible fixed assets

	Land and buildings £000	Plant and Equipment £000	Fixtures & fittings £000	Total £000
Cost				
Balance at 1 January 2015	14,747	13,190	9,450	37,387
Additions	-	226	1,510	1,736
Disposals	-	-	(2)	(2)
Balance at 31 December 2015	14,747	13,416	10,958	39,121
Depreciation and impairment				
Balance at 1 January 2015	3,275	5,381	8,110	16,766
Depreciation charge for the year	132	930	927	1,989
Disposals	-	-	1	1
Balance at 31 December 2015	3,407	6,311	9,028	18,756
Net book value				
At 1 January 2015 (restated)	11,472	7,809	1,340	20,621
At 31 December 2015	11,340	7,105	1,920	20,365

At 31 December 2015 the net carrying amount of property leased under a finance lease was £11,340 (2014: £11,472).

Notes (continued)

10 Fixed asset investments

Company	Shares in group undertakings £000	Total £000
Cost		
At 1 January and 31 December 2015	40	40
Provisions		
At 1 January and 31 December 2015	-	-
Net book value		
At 31 December 2015	40	40
At 31 December 2014	40	40

The undertakings in which Company has an interest at the year-end are as follows.

	Country of incorporation	Principal activity	Class and percentage of shares held Company
Subsidiary undertakings			
Condé Nast (CNI) Limited	England and Wales	Dormant	100%
Vogue Model Agency Limited	England and Wales	Dormant	100%
Business People Publications Limited	England and Wales	Dormant	100%
Tatler Publishing Company Limited	England and Wales	Dormant	100%
Vogue Design Limited	England and Wales	Dormant	100%
Magazine Holdings Limited	England and Wales	Dormant	100%
Televogue Limited	England and Wales	Dormant	100%
Glamour Magazine (Publishers) Limited	England and Wales	Dormant	100%
Wine & Food Publications Limited	England and Wales	Dormant	100%
Pharos Publications Limited	England and Wales	Dormant	100%
Videovogue Limited	England and Wales	Dormant	100%
Condé Nast (CNI) Limited	England and Wales	Dormant	100%
Vogue Studio Limited	England and Wales	Dormant	100%
Joint ventures			
Business People Publications Ltd	England and Wales	Magazine Publishing	50%
Associates			
Conde Nast and National Magazine Distributors Ltd	England and Wales	Magazine Distributors	35%

Notes (continued)

11 Stocks

	2015 £000	2014 £000
Raw materials and consumables	1,372	1,406
Work in progress	286	1,992
Finished goods	6	12
	<hr/>	<hr/>
Total stock	1,664	3,410
	<hr/>	<hr/>

The replacement cost of stock is not materially different from the amounts stated above.

12 Debtors

	2015 £000	<i>Restated</i> 2014 £000
Trade debtors	25,172	20,724
Amounts owed by group undertakings payable on demand	46,166	43,299
Other debtors	1,288	2,061
Deferred tax assets (see note 8 and note 16)	3,256	4,282
Prepayments and accrued income	2,628	2,878
Corporation tax debtor	-	157
	<hr/>	<hr/>
	78,510	73,401
	<hr/>	<hr/>
Due within one year	77,283	73,401
Due after more than one year	1,227	-
	<hr/>	<hr/>
	78,510	73,401
	<hr/>	<hr/>

13 Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	13,515	15,005
	<hr/>	<hr/>

Notes (continued)

14 Creditors: amounts falling due within one year

	2015 £000	Restated 2014 £000
Trade creditors	2,053	1,786
Amounts owed to group undertakings	12,285	15,085
Taxation and social security	1,401	1,314
Corporation tax creditor	192	-
Other creditors	8,875	7,332
Accruals and deferred income	9,114	9,429
	<u>33,920</u>	<u>34,946</u>

15 Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Accelerated capital allowances	-	-	(466)	(318)	(466)	(318)
Employee benefits	3,517	4,373	-	-	3,517	4,373
Reserves	205	227	-	-	205	227
Tax assets / (liabilities)	<u>3,722</u>	<u>4,600</u>	<u>(466)</u>	<u>(318)</u>	<u>3,256</u>	<u>4,282</u>

Notes (continued)

16 Employee benefits

Within the Group, Condé Nast Publications Limited, Condé Nast Verlag GmbH and Edizioni Conde Nast S.P.A operate defined benefit pension schemes. The amounts disclosed in the balance sheet are the total of the actuarial gains/losses and the pension fund liability for all schemes as disclosed separately below.

Conde Nast Publications Limited

This company operates a defined benefit pension scheme, The Condé Nast Publications Limited Retirement Benefits Scheme. The scheme funds are administered by trustees and are independent of the Company's finances. Contributions are paid to the scheme in accordance with the recommendations of the Scheme Activity.

The pension expense charged to the profit and loss account makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are recognised in Other Comprehensive Income (OCI) in the year that they occur. The latest full actuarial valuation was performed on 5 April 2014 to measure the defined benefit obligation as at 5 April 2014. The full actuarial valuation as at 5 April 2014 was updated to the accounting date by an independent qualified actuary in accordance with FRS102.

This pension has been prepared in accordance with the Pension Act 2004.

Net pension liability

	2015 £000	2014 £000
Defined benefit obligation	(103,230)	(105,380)
Plan assets	<u>85,730</u>	<u>83,730</u>
Net pension liability	<u>(17,500)</u>	<u>(21,650)</u>

Movements in present value of defined benefit obligation

	2015 £000	2014 £000
At 1 January	105,380	95,450
Current service cost/(gain)	70	(6,200)
Interest expense	3,970	4,240
Remeasurement: actuarial losses	(4,170)	13,410
Benefits paid	<u>(2,020)</u>	<u>(1,520)</u>
At 31 December	<u>103,230</u>	<u>105,380</u>

Movements in fair value of plan assets

	2015 £000	2014 £000
At 1 January	83,730	71,730
Interest income	3,200	3,470
Remeasurement: return on plan assets less interest income	(2,400)	5,420
Participant contributions	-	10
Contributions by employer	3,540	4,680
Benefits paid	(2,020)	(1,530)
Admin expenses	<u>(320)</u>	<u>(50)</u>
At 31 December	<u>85,730</u>	<u>83,730</u>

A proportion of the Scheme's assets are invested in gilts and bonds, taking into account the make-up of the Scheme's membership, which will help to reduce the effect of market movements on funding levels.

Notes (continued)

16 Employee benefits (continued)

Expense recognised in the profit and loss account

	2015 £000	Restated 2014 £000
Current service cost	70	1,140
Gains on curtailments and settlements	-	(7,340)
Net interest on net defined benefit liability	770	770
Admin expenses	320	50
Total expense recognised in profit or loss	<u>1,160</u>	<u>(5,380)</u>

The fair value of the plan assets were as follows:

	2015 Fair value %	Restated 2014 Fair value %
Equities	47.6%	48.6%
Corporate bonds	42.0%	51.1%
Cash and cash equivalents	0.4%	0.3%
Other	10.0%	-
	<u>100.0%</u>	<u>100.0%</u>

The fair value of the plan assets at 31 December 2015 were as follows:

	Fair value £000
Equities	40,839
Corporate bonds	36,049
	374
Other	8,468
	<u>85,730</u>

There are no transferable financial instruments held as plan assets.

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2015 %	Restated 2014 %
Discount rate	4.0%	3.8%
Rate of compensation increase	2.1%	2.0%
Price of inflation	3.1%	3.0%
Rate of pension increases in payment (LPI 5%)	3.0%	3.0%

In valuing the liabilities of the pension fund at 31 December 2015, mortality assumptions have been made as indicated below.

Notes (continued)

16 Employee benefits (continued)

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	31 December 2015		31 December 2014	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	24.1	26.1	24.1	26.1
Member age 45 (life expectancy at age 65)	26.0	28.0	25.9	28.0

Effect of the defined benefit plan on future cash flows

The company agreed with the Trustees of the Plan to contribute a £3,083k payment in the period 1 June 2015 to 31 March 2016, with annual payments increasing by inflation until 31 March 2020 and with a final payment of £2.6m by 31 October 2020.

Premiums in respect of death-in-service benefits and the Pension Protection Fund levies are also paid directly by the Company and are not allowed for within the pension disclosures.

The next formal actuarial valuation of the Scheme is due with an effective date of 5 April 2017.

Risks exposed to the entity

The plan does not expose the entity to any unusual, entity-specific or any other significant concentrations of risk.

Sensitivity analysis

The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by 0.25%:

	2015	2014
	£000	£000
Increased discount rate	(6,580)	7,520
Decreased discount rate	7,140	(6,910)
Increased inflation rate	2,110	(6,160)
Decreased inflation rate	(10,150)	6,680
Mortality sensitivity	(1,730)	2,560

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 5 April 2014 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

There have been no changes in actuarial assumptions since the valuation other than the changes to the assumptions above.

Notes (continued)

17 Capital and reserves

Share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
220,000 ordinary shares of £100 each	22,000	22,000

Dividends

After the balance sheet date total dividends of £nil (2014:£203k) were proposed by the directors.

Other comprehensive income

	Profit and loss account 2015 £000	Total Other comprehensive income 2015 £000
Other comprehensive income		
Remeasurements of the net defined benefit liability	1,770	1,770
Tax charge on other comprehensive income	(379)	(379)
Total other comprehensive income	1,391	1,391

	Profit and loss account 2014 £000	Total other comprehensive income 2014 £000
Other comprehensive loss		
Remeasurements of the net defined benefit liability	(7,990)	(7,990)
Tax credit on other comprehensive loss	1,660	1,660
Total other comprehensive loss	(6,330)	(6,330)

18 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015 £000	2014 £000
Less than one year	-	-
Between one and five years	52	2,155
More than five years	2,004	190

During the year £2,345k was recognised as an expense in the profit and loss account in respect of operating leases (2014: £2,345k).

Notes *(continued)*

19 Related parties

The Company is exempt from disclosing related party transactions with other group companies as they are wholly owned within the Group.

During the year, the Company had the following transactions with other related parties:

Agreements under which the company received distribution services from Condé Nast and National Magazine Distributors Ltd (COMAG) amounted to £16,173,722 (2014: £17,307,664). At the year end the amount due from COMAG in respect of these transactions was £2,968,403 (2014: £1,888,382).

20 Ultimate parent company

The immediate parent undertaking of the Company is Condé Nast International Limited, which is incorporated in the UK.

The financial statements of Condé Nast International Limited, which consolidate the results of the Company, may be obtained from Vogue House, Hanover Square, London, W1S 1JU.

The ultimate parent undertaking is Advance Publications Incorporated, which is incorporated in the United States of America.

The ultimate parent undertaking is privately owned and is not required to publish its financial statements.

21 Subsequent event

Subsequent to the balance sheet date, there have been no adjusting or non-adjusting events.

Notes (continued)

22 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (old UK GAAP). An explanation of how the transition from old UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

		1 January 2015		31 December 2015			
		Effect of		Effect of			
		transition to		transition			
	Note	UK GAAP	FRS 102	FRS 102	UK GAAP	FRS 102	FRS 102
		£000	£000	£000	£000	£000	£000
Fixed assets							
Intangible assets	a	-	927	927	-	460	460
Tangible fixed assets		21,548	(927)	20,621	20,825	(460)	20,365
Investments		40	-	40	40	-	40
Current assets							
Stocks		3,410	-	3,410	1,664	-	1,664
Debtors (due with one year)		69,119	4,282	73,401	74,993	3,517	78,510
Cash at bank and in hand		15,005	-	15,005	13,515	-	13,515
Creditors: amounts due within one year		(34,994)	48	(34,946)	(33,920)	-	(33,920)
Net current assets		52,540	4,330	56,870	56,252	3,517	59,769
Provisions for liabilities							
Pension liability	b	(17,320)	(4,330)	(21,650)	(13,983)	(3,517)	(17,500)
Net assets		56,808	-	56,808	63,134	-	63,134
Capital and reserves							
Called up share capital		22,000	-	22,000	22,000	-	22,000
Profit and loss account	c	34,808	-	34,808	41,134	-	41,134
Shareholders' equity		56,808	-	56,808	63,134	-	63,134

Notes to the reconciliation of equity

- Software is now categorised as an intangible asset.
- Movement in deferred tax.
- The 2014 profit and loss figures have been restated as follows:
 - £660k previously recognised in the STRGL with regard to pension costs has been reclassified to staff costs which are recognised in the loss for the year under FRS 102; and
 - £199k previously recognised as tax on the loss for the year has been reclassified and has now been recognised in OCI under FRS 102.

The total effect on total comprehensive income for the year is £nil.