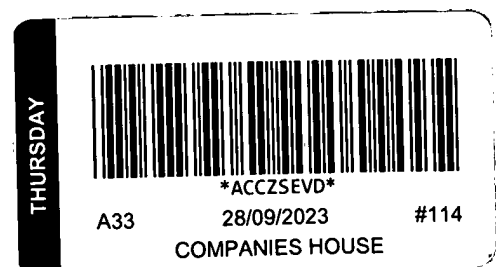


The Condé Nast Publications Limited

**Annual Report and Financial
Statements**

Registered Number 226900

31 December 2022



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Company information

Directors

A Read (Resigned on 3rd October 2022)
S Vandenbroucke (Resigned on 30th September 2022)
E Enninfu
S Crofts
W Bowes
N Gamero Del Castillo Calleja
J M Martin-Moreno Carnero

Secretary

S Vandenbroucke (Resigned on 30th September 2022)

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

HSBC Bank PLC
1 Hanover Square
London W1R 0ES

Solicitor

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

Registered Office

Vogue House
Hanover Square
London W1S 1JU

Strategic Report

The directors present the Strategic Report of The Condé Nast Publications Limited (“the Company”) for the year ended 31 December 2022.

Principal activities and review of the business

The principal activity of Condé Nast Publications Limited during the year continued to be media production and distribution of the following brands: British Vogue, GQ, GQ Style, Vanity Fair, WIRED, Tatler, Condé Nast Traveller, Glamour, House & Garden, and World of Interiors. Condé Nast group (the “Group”) is a global media company, headquartered in New York and London and operates in 32 markets worldwide including China, France, Germany, Italy, Japan, Mexico and Latin America, Spain, Taiwan, the U.K and the U.S., with local licence partners across the globe. Condé Nast is one of the world's most renowned media companies creating and distributing every type of media today - print, video and film, digital, audio and social - widening our influence through technological innovation and by fully leveraging the global infrastructure built for over a century.

During the year, total advertising revenue growth was 8% YoY, with digital and video advertising climbing by 8%. Total digital revenue growth, including advertising and commerce, was up 11% and revenue generated from events grew 32%.

In addition to strong commercial growth, Condé Nast Britain's editorial brands achieved standout moments during this period, continuing to build new audiences by bringing people together through in-person events and by enhancing publishing capabilities (such as livestreaming) and expanding on new platforms. For example, Vogue's Forces for Change in London gathered community and industry leaders to spotlight today's most impressive social change agents. WIRED opened new windows to knowledge and curiosity through insightful events such as WIRED Smarter and WIRED Impact. And signature moments such as GQ's Men of the Year and Glamour's Women of the Year continue to deliver both business and audience success for those brands.

With new editorial leadership at World of Interiors, now under the direction of Hamish Bowles, the publication has been growing, with an increased audience of 28% this year. New efforts at Tatler, such as the Jubilee issue, have helped propel audience growth by 34%.

Consumer revenue is growing as part of the Company's revenue diversification strategy. As our audiences shift into digital content and products, circulation revenue declined 8%, while non-circulation revenue streams, including affiliate, ecommerce and memberships, grew by over 28%. This netted an overall 4% total YoY growth in total consumer revenue streams. In particular, UK affiliate revenue has grown over £1.1m YoY vs 2021.

Financial review

The Company assesses its financial performance using the measure of underlying operating profit defined as the operating profit before intercompany recharges and excluding the cost of the defined benefit scheme. The underlying operating profit before taxation was £30,766k (2021: £17,679k)

Turnover was £99,468k for the year, an increase of 8% from 2021. Operating profit before taxation was £12,967k (2021: £3,758k). Net assets at 31 December 2022 were £36,243k, compared to £38,196k at 31 December 2021.

Future developments

The Company continues to make strategic investments for long-term growth to the business, prioritising digital and technological advances. Diversification of revenue is also a strategic priority with investments to grow consumer revenue streams, including subscriptions, memberships, events, experiences and e-commerce opportunities.

Sustainability continues to be a core principle of our business with robust commitments placing Condé Nast as leaders in this space, both with our audiences and editorial coverage, and also among our publishing peers. So far we have eliminated 100% of our single-use plastic in the UK. As a global company this year we achieved a 44% GHG emissions reduction this year compared to our 2018 baseline.

Strategic Report (continued)

Key performance indicators

The Company utilises audience reach and user engagement across print, digital, video and events to analyse the performance of the business, in addition to the other financial KPIs discussed in the financial review.

Principal risks and uncertainties

The Company makes every effort to mitigate any risks and uncertainties. Whilst the disrupted media landscape may have an adverse impact on print revenues, Condé Nast is limiting its exposure to this risk through a range of initiatives to underpin existing business activities and diversifying its portfolio of offerings and revenue streams, most notably through digital growth.

Financial: The principal financial risk to which the Company is exposed is credit risk. The Company has well-established controls for collections and maintains a strong track record for recovery. The Company benefits from financing provided by the ultimate parent company Advance Publications, Inc. and cash flow reviews are performed regularly.

Regulatory: The Company benefits from the support of the Group's senior management that meets regularly to discuss key compliance risk in the relevant areas including antitrust and competition laws, digital compliance and anti-bribery and corruption risks. Its Business Principles and company policies are continually enhanced in response to regulatory developments. In addition, the Group always takes proactive legal advice to ensure it is compliant with all relevant legislation.

Data privacy: The regulatory environment in relation to data poses compliance risks for media businesses. We have a specialist team of in-house data privacy lawyers and have appointed a Data Privacy Officer to continue to update and develop new protection policies and processes.

Intellectual property: The Group's principal intellectual property assets include trademarks, which protect the Group's valuable brands, copyrights, which protect its content, and patents and trade secrets, which protect the innovative ways that help create and deliver its content. The Group actively protects its intellectual property through appropriate legal means and has implemented internal policies and procedures to safeguard these assets. It has registered a number of website domain names in connection with its online operations, and protects the Group's global trademarks, copyrights and patents through continued registrations, where appropriate, and enforcement against third-parties who threaten to infringe its intellectual property. The Group also relies on confidentiality agreements to protect its rights.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from operational cash flows, intercompany loans and trading balances with the group headed by Condé Nast Holdings Limited, the immediate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its immediate parent company, Condé Nast Holdings Limited (formerly Condé Nast International Limited), to meet its liabilities as they fall due during 12 month period ending 30 September 2024, the going concern assessment period.

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported a total comprehensive loss of £1,953k for the year ended 31 December 2022 (2021: total comprehensive income £24,037k). The Balance Sheet at 31 December 2022 held net assets of £36,243k (2021: £38,196k) and cash at bank and in hand of £12,204k (2021: £12,483k). Included in the cashflow forecasts is a new transfer pricing policy which was implemented across the group during 2022. Operating entities earn a target operating return which guarantees a set level of profitability, whilst services provided to other entities within the Condé Nast group will be compensated at cost plus mark-up.

Strategic Report (continued)

The cash flow forecasts, which include assumptions for macro-economic conditions and sales levels for the company, show continued revenue growth and profitability. These forecasts and projections have considered downside scenarios caused by increased inflation rates; however, taking account of reasonably possible downsides, the company will have sufficient funds, through existing cash balances, to meet its liabilities as they fall due for that period.

Condé Nast Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

S172 statement

Under s172 of the Companies Act, directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Investors

The ultimate parent of the Group is Advance Publications Inc. The board engages with the parent regularly through a monthly reporting process to discuss long term strategy, business performance and governance matters.

Employees

The Group's long-term success is predicated on the commitment of our workforce and its demonstration of our values. Employee engagement surveys highlighted diversity and inclusion and sustainability as two areas which were particularly important to our workforce. Condé Nast in 2020 appointed its first-ever Chief Diversity & Inclusion Officer Yashica Olden to oversee the development and implementation of diversity and inclusion strategies across the company's global portfolio of brands and divisions including its European markets. This important work continues with the release of our annual Diversity and Inclusion report.

Additionally, key employee relations groups (including those focused on sustainability and diversity and inclusion) continued to develop and expand in Europe. Condé Nast also established the 'Condé Code,' a common set of values and a mission set forth by the company's executive leadership team to build global community and fellowship through a redefined purpose, vision and values statement in line with the company's ongoing global and European integration. The 'Code' developed and harnessed the views of global employees (including employees across European markets) to address three questions key to the current media landscape: 'why do we exist, what do we want to become and what ideas will guide us along the way.'

Suppliers and customers

The Group has a wide variety of suppliers and customers ranging from individual consumers to multinational companies. The Group has a set of Business Principles which governs how all employees should act whilst representing Condé Nast. This ensures that our employees and directors act in a manner that supports relationships

Strategic Report (continued)

with all suppliers and consumers. The Business Principles ensure that all employees act in an ethical manner which will help promote the success of the Group.

The Group takes into account individual needs of each supplier and consumer. We aim to work collaboratively with our suppliers where possible and maintain our working relationships with them. A procurement policy and tools are being implemented to support our relationships with suppliers, ensure compliance standards are met, and allow alignment with the Group's principles/values.

Approved by the Board

William Bowes

W Bowes
Director

09/27/23
Date:.....

Directors' Report

Proposed dividend

The directors do not propose a dividend to be paid in respect of the current financial year (2021: Nil).

Directors

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

A Read (Resigned on 3 rd October 2022)	W Bowes
S Crofts	J M Martin-Moreno Carnero
E Enniful	N Gamero Del Castillo Calleja
S Vandenbroucke (Resigned on 30 th September 2022)	

Political contributions

The Company made no political donations and did not incur any political expenditure during the year (2021: £nil).

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.

Directors Indemnities

Qualifying third party indemnity provisions were in place for the benefit of the Company directors during the year to 31 December 2022 and are in force as at the date of this report.

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

William Bowes

W Bowes
 Director

09/27/23

Date:

Vogue House
 Hanover Square
 London W1S 1JU

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of The Condé Nast Publication Limited ("the company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year
- then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of management and directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.



Independent Auditor's Report to the Members of The Condé Nast Publications Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to revenue and cash where the journal also impacted unusual or unrelated accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amount or disclosures in the financial statements, for instance through the imposition of fines or litigations. We identified the following areas as those most likely to have such an effect: health and safety and anti bribery, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



Independent Auditor's Report to the Members of The Condé Nast Publications Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



Independent Auditor's Report to the Members of The Condé Nast Publications Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read 'J Tricker', written over a horizontal line.

Jonathan Tricker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, UK
E14 5G

28 September 2023

Profit and Loss Account and Other Comprehensive Income/(Loss)
for year ended 31 December 2022

	<i>Note</i>	£000	Exceptional Items £000	2022 Total £000
Turnover				
Continuing operations	2	99,468	-	99,468
Raw materials and consumables		(5,147)	-	(5,147)
Other external charges		(26,000)	-	(26,000)
Staff costs	3,5	(34,673)	(1,176)	(35,849)
Depreciation and amortisation	4	(835)	-	(835)
Other operating charges		(17,877)	-	(17,877)
Operating profit		14,936	(1,176)	13,760
Other interest receivable and similar income	7	5	-	5
Interest payable and similar charges	8	(797)	-	(797)
Profit before taxation		14,144	(1,176)	12,968
Tax	9	332	-	332
Profit for financial year		14,476	(1,176)	13,300
Other comprehensive income/(loss)				
Remeasurement of the net defined benefit liability		(18,920)	-	(18,920)
Income tax on other comprehensive income		3,667	-	3,667
Other comprehensive loss for the year, net of income tax		(15,253)	-	(15,253)
Total comprehensive loss for the year		(777)	(1,176)	(1,953)

The results stated above are derived from continuing activities.

The notes on pages 16 to 37 form an integral part of these financial statements

Profit and Loss Account and Other Comprehensive Income/(Loss)
for year ended 31 December 2021

	<i>Note</i>	£000	Exceptional Items £000	2021 Total £000
Turnover				
Continuing operations	2	92,096	-	92,096
Raw materials and consumables		(3,804)	-	(3,804)
Other external charges		(27,362)	-	(27,362)
Staff costs	3,5	(33,210)	(78)	(33,288)
Depreciation and amortisation	4	(1,011)	-	(1,011)
Other operating charges		(22,497)	-	(22,497)
Operating profit		4,212	(78)	4,134
Interest payable and similar charges	8	(376)	-	(376)
Profit before taxation		3,836	(78)	3,758
Tax	9	(11)	-	(11)
Profit for financial year		3,825	(78)	3,747
Other comprehensive income/(loss)				
Remeasurement of the net defined benefit liability		20,290	-	20,290
Other comprehensive income for the year, net of income tax		20,290	-	20,290
Total comprehensive income for the year		24,115	(78)	24,037

The results stated above are derived from continuing activities.

The notes on pages 16 to 37 form an integral part of these financial statements

Balance Sheet
at 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Fixed assets			
Intangible assets	<i>10</i>	-	27
Tangible assets	<i>11</i>	12,951	13,588
Investments	<i>12</i>	-	-
		<hr/>	<hr/>
		12,951	13,615
Current assets			
Stocks	<i>13</i>	2,073	1,366
Debtors	<i>14</i>	85,685	72,259
Cash at bank and in hand	<i>15</i>	12,204	12,483
		<hr/>	<hr/>
		99,962	86,108
Creditors: amounts falling due within one year	<i>16</i>	(59,034)	(56,846)
Net Current Assets		<hr/> 40,928	<hr/> 29,262
Total assets less current liabilities		53,879	42,877
Provisions for liabilities			
Pensions and similar obligations	<i>18</i>	(16,350)	(2,880)
Other provisions	<i>19</i>	(1,286)	(1,801)
		<hr/>	<hr/>
Net Assets		36,243	38,196
Capital and reserves			
Called up share capital	<i>20</i>	22,000	22,000
Profit and loss account		14,243	16,196
		<hr/>	<hr/>
Shareholders' funds		36,243	38,196

These financial statements were approved by the Board of Directors on the 27th September 2023 and were signed on its behalf by:

William Bowes

W Bowes
Director

Company registered number: 226900

The notes on pages 16 to 37 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 2021	22,000	(7,841)	14,159
Total comprehensive loss for the year:			
Profit for the financial year	-	3,747	3,747
Other comprehensive income (see note 20)	-	20,290	20,290
Total comprehensive income for the year	-	24,037	24,037
Dividends paid	-	-	-
Balance at 31 December 2021	22,000	16,196	38,196

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2022	22,000	16,196	38,196
Total comprehensive loss for the year:			
Profit for the financial year	-	13,300	13,300
Other comprehensive loss (see note 20)	-	(15,253)	(15,253)
Total comprehensive loss for the year	-	(1,953)	(1,953)
Dividends paid	-	-	-
Balance at 31 December 2022	22,000	14,243	36,243

The notes on pages 16 to 37 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 private company limited by shares incorporated, domiciled and registered in the UK. The registered number is 226900 and the registered address is Vogue House, Hanover Square, London W1S 1JU.

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”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s parent undertaking, Condé Nast Holdings Limited (formerly Condé Nast International Limited), includes the Company in its consolidated financial statements. The consolidated financial statements of Condé Nast Holdings Limited (formerly Condé Nast International Limited) are available to the public and may be obtained from The Adelphi, 1-11 John Adam Street, London, WC2N 6HT. 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:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Condé Nast Holdings Limited (formerly Condé Nast International Limited) include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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: defined benefit pension scheme and investments in associates and joint ventures measured at fair value.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from operational cash flows, intercompany loans and trading balances with the group headed by Condé Nast Holdings Limited, the immediate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its immediate parent company, Condé Nast Holdings Limited (formerly Condé Nast International Limited), to meet its liabilities as they fall due during 12 month period ending 30 September 2024, the going concern assessment period.

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported a total comprehensive loss of £1,953k for the year ended 31 December 2022 (2021: total comprehensive income £24,037k). The Balance Sheet at 31 December 2022 held net assets of £36,243k (2021: £38,196k) and cash at bank and in hand of £12,204k (2021: £12,483k). Included in the cashflow forecasts is a new transfer pricing policy which was implemented across the group during 2022. Operating entities earn a target operating return which guarantees a set level of profitability, whilst services provided to other entities within the Condé Nast group will be compensated at cost plus mark-up.

Strategic Report (continued)

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

The cash flow forecasts, which include assumptions for macro-economic conditions and sales levels for the company, show continued revenue growth and profitability. These forecasts and projections have considered downside scenarios caused by increased inflation rates; however, taking account of reasonably possible downsides, the company will have sufficient funds, through existing cash balances, to meet its liabilities as they fall due for that period.

Condé Nast Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Exceptional items

Exceptional items are identified by virtue of size, nature, or incidence. In determining whether an event or transaction is exceptional, management considers the quantitative as well as qualitative factors such as the frequency and predictability of occurrence. The presentation of Exceptional items in the financial statements is consistent with the way financial performance is measured by management and provides a meaningful analysis of the trading results of the Company.

1.4 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.

1.5 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.

1.6 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

Notes (continued)

1 Accounting policies (continued)

1.6 Basic financial instruments (continued)

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

Investments in subsidiaries and associates are carried at cost less impairment.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.8 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 present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.14 below.

The Company assesses at each reporting date whether there are indicators of impairment for tangible fixed assets (including those leased under a finance lease).

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.

1.9 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)

1.10 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.

1.11 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

1.12 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.

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

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.

1.13 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 are 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.

1.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes *(continued)*

1 *Accounting policies (continued)*

1.14 *Expenses (continued)*

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.15 *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.

1.16 *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.

Notes (continued)

2 Turnover

	2022 £000	2021 £000
Publishing Activities	99,468	92,096
Total turnover	99,468	92,096

	2022 £000	2021 £000
By geographical market:		
United Kingdom	73,432	68,571
Rest of the world	26,036	23,525
	99,468	92,096

	2022 £000	2021 £000
By class of business:		
Advertising and other services	85,681	77,944
Newsstand and other subscriptions	13,787	14,152
	99,468	92,096

3 Exceptional items

	2022 £000	2021 £000
Business Restructuring	1,176	78
	1,176	78

During the year, £1,176k (2021: £78k) of restructuring costs were incurred.

4 Expenses and auditor remuneration

Included in the profit/(loss) are the following:

	2022 £000	2021 £000
Auditor's remuneration: Audit of these financial statements	276	113
Foreign exchange (gain)/loss	(1,239)	632
Operating leases	1,696	1,752
Amortisation and depreciation	835	1,011

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

	2022 £000	2021 £000
Editorial	222	200
Commercial	179	210
Administration	108	100
	<u>509</u>	<u>510</u>

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	30,025	27,210
Social security costs	3,547	3,454
Other pensions costs	2,277	2,624
	<u>35,849</u>	<u>33,288</u>

6 Directors' remuneration

	2022 £000	2021 £000
Directors' remuneration	2,166	2,673
Pension contributions	3	24
Compensation for the loss of office	-	464
	<u>2,169</u>	<u>3,161</u>

The aggregate remuneration (including amounts receivable under long term incentive schemes) of the highest paid director was £925k (2021: £951k), and company pension contributions of £nil (2021: £nil).

Number of directors	2022	2021
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	<u>1</u>	<u>2</u>

Notes (continued)

7 Other interest receivable and similar

	2022 £000	2021 £000
Bank interest receivable	5	-

8 Other interest payable and similar

	2022 £000	2021 £000
Bank interest payable	797	376

9 Taxation

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

a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	2022 £000	2021 £000
<i>Current tax</i>		
UK corporation tax on profits for the period	246	-
Foreign tax	11	11
Total current tax	257	11
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,184)	-
Effect of changes in tax rate	595	-
Total deferred tax	(589)	-
Total tax on profit/(loss)	(332)	11

Notes (continued)

b) Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit on ordinary activities before tax	12,967	3,758
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,464	714
Effects of group relief/other reliefs	(291)	-
Expenses not deductible	157	138
Deferred tax not recognised	(3,268)	(852)
Foreign Tax suffered	11	11
Effect of changes in tax rates	595	
	<u>(332)</u>	<u>11</u>

c) Deferred tax

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

	2022 £000	2021 £000
Accelerated capital allowances	594	543
Pension costs	(4,088)	(543)
Losses carried forward	(165)	-
Other short term timing difference	(598)	-
Net provision for deferred tax liability/(asset)	<u>(4,257)</u>	<u>-</u>

d) Unrecognised deferred tax assets

There were no unrecognised deductible temporary differences relating to the defined benefit pension scheme deficit, losses carried forward or other short-term temporary differences at the balance sheet date as the amounts were fully recognised against the expected future profits of the company.

e) Factors that may affect future tax charges

The UK main rate of corporation tax has been 19% since 1 April 2017. During the year an increase to the main UK corporation tax rate to 25% on profits over £250,000 from 1 April 2023 was enacted. The change to the main rate of corporation tax has been reflected in the deferred tax balances which are measured using the tax rate which is expected to apply at the time the underlying temporary differences unwind.

Notes *(continued)*

10 Intangible assets

	Software	Total
	£000	£000
Cost		
Balance at 1 January 2022	4,547	4,547
Balance at 31 December 2022	<u>4,547</u>	<u>4,547</u>
Amortisation and impairment		
Balance at 1 January 2022	4,520	4,520
Amortisation for the year	27	27
Balance at 31 December 2022	<u>4,547</u>	<u>4,547</u>
Net Book Value		
At 1 January 2022	27	27
At 31 December 2022	<u>-</u>	<u>-</u>

Notes (continued)

11 Tangible fixed assets

At 31 December 2022 the net carrying amount of property leased under a finance lease was £9,040k (2021: £9,629k).

	Land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
Balance at 1 January 2022	14,248	452	8,346	4,969	28,015
Additions	-	-	-	195	195
Balance at 31 December 2022	<u>14,248</u>	<u>452</u>	<u>8,346</u>	<u>5,164</u>	<u>28,210</u>
Depreciation and impairment					
Balance at 1 January 2022	4,619	452	4,914	4,442	14,427
Depreciation for the year	589	-	23	220	832
Balance at 31 December 2022	<u>5,208</u>	<u>452</u>	<u>4,937</u>	<u>4,662</u>	<u>15,259</u>
Net Book Value					
At 1 January 2022	9,629	-	3,432	527	13,588
At 31 December 2022	<u>9,040</u>	<u>-</u>	<u>3,409</u>	<u>502</u>	<u>12,951</u>

Notes (continued)

12 Fixed asset investments

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

			Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>				
Condé Nast (CNI) Limited			Dormant	100%
Tatler Publishing Company Limited			Dormant	100%
Magazine Holdings Limited			Dormant	100%
Glamour Magazine (Publishers) Limited			Dormant	100%
Wine & Food Publications Limited			Dormant	100%
<i>Joint ventures</i>				
Business People Publications Ltd	England and Wales	Magazine Publishing	Dormant	50%
<i>Associates</i>				
Condé Nast and National Magazine Distributors Ltd	England and Wales	Magazine Distributors	Non-Trading	35%

The registered address of all subsidiary undertakings disclosed above is: Vogue House, Hanover Square, London, W1S 1JU.

Notes (continued)**13 Stocks**

	2022 £000	2021 £000
Raw materials and consumables	1,589	841
Work in progress	484	525
Total stock	<u>2,073</u>	<u>1,366</u>

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

14 Debtors

	2022 £000	2021 £000
Trade debtors [1]	29,703	21,422
Amounts owed by group undertakings [2]	46,296	45,675
Other debtors	3,613	2,877
Prepayments and accrued income	928	1,400
Corporation tax	888	885
Deferred tax assets (see note 8 and 17)	4,257	-
	<u>85,685</u>	<u>72,259</u>
Due within one year	85,685	26,584
Due after more than one year	-	45,675
	<u>85,685</u>	<u>72,259</u>

[1] Trade debtors balance includes a provision for bad debts for 2022 of the value £1,582k (2021: £1,905k).

[2] Amounts owed by group undertakings as at 31 December 2022 are unsecured, collectable on demand and are non-interest bearing.

15 Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	<u>12,204</u>	<u>12,483</u>

Notes (continued)

16 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	5,012	3,300
Amounts owed to group undertakings	32,399	33,092
Taxation and social security	9,284	5,973
Other creditors	1,142	2,297
Accruals and deferred income	10,943	12,184
Corporation tax	254	-
	59,034	56,846

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

17 Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Accelerated capital allowances	-	-	(594)	(543)	(594)	(543)
Employee benefits	4,088	543	-	-	4,088	543
Losses carried forward	165	-	-	-	165	-
Other short term timing differences	598	-	-	-	598	-
	4,851	543	(594)	(543)	4,257	-

Notes (continued)

18 Employee benefits

The 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 Actuary.

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 2020 to measure the defined benefit obligation as at 5 April 2020. The full actuarial valuation as at 5 April 2020 was updated to the accounting date by an independent qualified actuary in accordance with FRS 102. The next full

There was a significant increase in UK bond yields over the year to 31 December 2022, which resulted in a material reduction in both the asset and liability valuations compared with the results reported at 31 December 2021. FRS102 requires the defined benefit obligation (DBO) to be calculated at the present value of future liabilities discounted at a rate set with reference to market yields on high quality corporate bonds at the reporting date. The pension scheme assets are invested in a mixture of asset classes including liability driven investments, equities, UK corporate and government bonds designed to move broadly in line with the scheme liabilities for changes to bond yields. Consequently, the increase in yields had the impact of lowering both the liability and asset valuations, with the net impact through 'Remeasurement of the net defined benefit pension scheme' being a loss of £10,980,000. The next formal actuarial valuation of the Scheme is due with an effective date of 5 April 2023.

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

Net defined pension liability

	2022 £000	2021 £000
Defined benefit obligation	(101,840)	(172,710)
Plan assets	85,490	169,830
Net defined pension liability	<u>(16,350)</u>	<u>(2,880)</u>

Movements in present value of defined benefit obligation

	2022 £000	2021 £000
At 1 January	172,710	183,120
Interest expense	3,400	2,360
Remeasurement: actuarial (gains)/losses	(69,320)	(9,820)
Benefits paid	(4,950)	(2,950)
At 31 December	<u>101,840</u>	<u>172,710</u>

Notes (continued)

18 Employee benefits (continued)

Movements in fair value of plan assets

	2022 £000	2021 £000
At 1 January	169,830	154,970
Interest income	3,400	2,030
Remeasurement: return on plan assets less interest income	(88,240)	10,470
Contributions by employer	5,960	5,750
Benefits paid	(4,950)	(2,950)
Administrative expenses	(510)	(440)
At 31 December	<u>85,490</u>	<u>169,830</u>

A proportion of the Scheme's assets is 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.

Expense recognised in the profit and loss account

	2022 £000	2021 £000
Net interest on net defined benefit liability	-	330
Admin expenses	510	440
Total expense recognised in profit or loss	<u>510</u>	<u>770</u>

Remeasurements of the net defined benefit obligation as recognised in Statement of Other Comprehensive income

	2022 £000	2021 £000
Remeasurements of the net defined benefit pension liability	(18,920)	20,290
Total other comprehensive (loss)/income	<u>(18,920)</u>	<u>20,290</u>

The allocation of plan assets across equities, bonds and cash was as follows:

	2022 Fair value	2021 Fair value
Equities	20.90%	30.80%
Diversified Growth Funds	5.80%	6.50%
Corporate Bonds	0.60%	16.20%
Liability Driven Investments	51.40%	40.20%
Secure Income	19.20%	6.00%
Cash and cash equivalents	2.10%	0.30%
	<u>100%</u>	<u>100%</u>

Notes (continued)

18 Employee benefits (continued)

The fair value of the plan assets at 31 December 2022 was as follows:

	2022 Fair value £000	2021 Fair value £000
Equities	17,780	52,310
Diversified Growth Funds	4,990	11,010
Corporate Bonds	550	27,540
Liability Driven Investments	43,970	68,270
Secure Income	16,430	10,140
Cash and cash equivalents	1,770	560
	85,490	169,830

There are no transferable financial instruments held as plan assets.

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

	2022	2021
Discount rate	4.70%	2.00%
Rate of compensation increase	2.60%	2.60%
Rate of inflation	3.20%	3.20%

In valuing the liabilities of the pension fund at 31 December 2022, mortality assumptions have been made as indicated below.

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 2022		31 December 2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	22.5	25	22.5	25
Member age 45 (life expectancy at age 65)	23.8	26.4	23.8	26.4
Effect of the defined benefit plan on future cash flows				

Notes (continued)

18 Employee benefits (continued)

Effect of the defined benefit plan on future cash flows

As part of the Trustees' actuarial valuation of the Scheme as at 5 April 2020, the Company and Trustees agreed a Schedule of Contributions covering the period from 5 April 2020 to 31 August 2026. Under this Schedule, contributions of £5,960k were paid in the 2022 financial year, and contributions of £6,170k are expected to be paid in the 2023 financial year. The next review of the Schedule is expected as part of the actuarial valuation as at 5 April 2023.

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.

Sensitivity analysis

The following table summarises the impact on the defined benefit obligation at the end of the reporting period changed as a result of a change in the respective assumptions of 0.1% per annum:

	2022 £000	2021 £000
Increased discount rate (effect of a 0.1% pa change)	(1,800)	(4,000)
Decreased discount rate (effect of a 0.1% pa change)	1,900	4,100
Increased inflation rate	1,400	2,900
Decreased inflation rate	(1,400)	(2,900)
Mortality sensitivity (effect of a one year change)	3,800	6,400

The sensitivities above provide an indication of the potential changes to the scheme liabilities for a limited range of assumption changes and they are not intended to be exhaustive of the possible assumption changes that may be observed in practice. Over 2022, there were significant increases in long-term UK bond yields resulting in a material increase to the discount rate assumption between 2021 and 2022. The impact from a wider range of sensitivities can be broadly inferred from the information provided above.

The weighted average duration of the benefit payments reflected in the defined benefit obligation for the scheme is 19 years (2021: 23 years). The decrease in duration is primarily due to the significant increase in discount rate (approximately 3%), driven by the higher corporate bond yields.

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

Notes (continued)

19 Other provisions

	2022 £000	2021 £000
At 1 January	1,801	1,874
Payment	(515)	(73)
At 31 December	<u>1,286</u>	<u>1,801</u>

Other provisions relate to estimated cash contributions needed to fund continuing pension obligations relating to Condé Nast and National Magazine Distributors Ltd ("COMAG").

20 Capital and reserves

Share Capital	2022 £000	2021 £000
<i>Allotted, called up and fully paid</i> 220,000 ordinary shares of £100 each	<u>22,000</u>	<u>22,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

Dividends

After the balance sheet date total dividends of £nil (2021: £nil) were proposed by the directors.

Notes (continued)

20 Capital and reserves (continued)

Other comprehensive income/(loss)

	Profit and (loss) account 2022 £000	Total comprehensive loss 2022 £000
Other comprehensive loss		
Remeasurements of the net defined benefit pension liability	(18,920)	(18,920)
Tax credit on other comprehensive income	3,667	3,667
Total other comprehensive loss	(15,253)	(15,253)

	Profit and (loss) account 2021 £000	Total comprehensive income 2021 £000
Other comprehensive income		
Remeasurements of the net defined benefit pension liability	20,290	20,290
Total other comprehensive income	20,290	20,290

21 Leases

Non-cancellable operating lease rentals are payable as follows:

	2022 £000	2021 £000
Less than one year	4,044	4,044
Between one and five years	13,347	14,055
More than five years	1,803	5,140

During the year £1,696k was recognised as an expense in the profit and loss account in respect of operating leases (2021: £1,752k).

Non-cancellable finance lease rentals are payable as follows:

	2022 £000	2021 £000
Less than one year	70	70
Between one and five years	370	280
More than five years	13,120	13,190

Notes *(continued)*

22 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 £157k (2021: £169k). At the year end the amount due from COMAG in respect of these transactions was £nil (2021: £nil).

23 Ultimate parent company

The immediate parent undertaking of the Company is Condé Nast Holdings Limited (formerly Condé Nast International Limited), registered address: The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

The financial statements of Condé Nast Holdings Limited (formerly Condé Nast International Limited), which consolidate the results of the Company, may be obtained from The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

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.