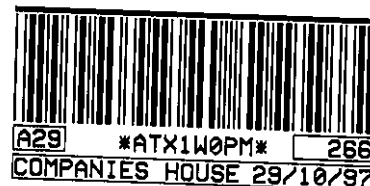


**MAGAZINE HOLDINGS LIMITED**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**

**Registration Number: 2292393**



## **MAGAZINE HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996**

The directors submit their annual report and the financial statements of the company for the year ended 31 December 1996.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is to act as an investment holding company. The information relating to the associated company in which an investment is held is provided in Note 4 to the accounts.

#### **DIRECTORS**

The directors of the company at 31 December 1996 were as follows:

D Salem  
MJM Garvin

#### **DIRECTORS' INTEREST**

No director had any interest in the shares of the company during the period.

#### **RESULTS**

The company's profit for the financial year ended 31 December 1996 after tax was £320,000 (1995 - £Nil). The directors do not propose to declare a dividend (1995 - Nil).

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

**MAGAZINE HOLDINGS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996**  
**(CONTINUED)**

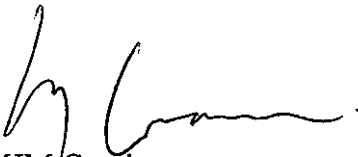
**STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)**

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

**AUDITORS**

Price Waterhouse have been appointed auditors to the company and a resolution proposing their re-appointment and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



MJM/Garvin  
Secretary

Registered Office:

Vogue House  
Hanover Square  
London W1R 0AD

## **AUDITORS' REPORT TO THE MEMBER OF MAGAZINE HOLDINGS LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

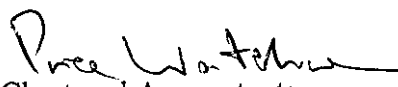
### **Basis of opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
and Registered Auditors

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

22 October 1997

**MAGAZINE HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT - 31 DECEMBER 1996**

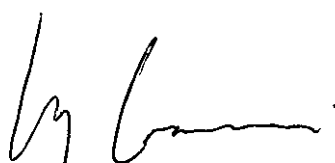
	Notes	<u>1996</u> £	<u>1995</u> £
Income from shares in associated company		400,000	-
Profit on ordinary activities before taxation	3	400,000	-
Taxation on ordinary activities	5	80,000	-
Retained profit for the year		<u>320,000</u>	<u>-</u>

There are no recognised gains and losses for 1996/5 other than the profit for the year. There is no difference between the reported profit and the historical costs profit for 1996/5. All income was derived from continuing activities in 1996.

**MAGAZINE HOLDINGS LIMITED**  
**BALANCE SHEET - 31 DECEMBER 1996**

	Notes	<u>1996</u> £	<u>1995</u> £
<b>FIXED ASSETS</b>			
Investment	4	1,217,103	1,217,103
<b>CURRENT ASSETS</b>			
Debtors	6	366,667	46,667
<b>CREDITORS</b> (amounts falling due after more than one year)	7	(1,217,101)	(1,217,101)
		<u>366,669</u>	<u>46,669</u>
<b>CAPITAL RESERVES</b>			
Called up share capital	8	2	2
Reserves		<u>366,667</u>	<u>46,667</u>
		<u>366,669</u>	<u>46,669</u>

The Financial Statements on pages 4 to 8 were approved by the Board of Directors on  
22<sup>nd</sup> Dec 1997 and were signed on its behalf by:-

  
**MJM Garvin**  
**Director**

**MAGAZINE HOLDINGS LIMITED**  
**NOTES TO THE ACCOUNTS - 31 DECEMBER 1996**

**1. GOING CONCERN**

The Financial Statements have been prepared on the going concern basis which assumes the continuing financial support of the immediate holding company, The Condé Nast Publications Limited.

**2. ACCOUNTING POLICIES**

(1) Basis of accounting

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Investment in associated company

The investment in an associated company is stated at cost. Dividends are credited to the profit and loss account when receivable.

**3. AUDITORS REMUNERATION**

The auditors remuneration has been borne by the immediate holding company, The Condé Nast Publications Limited.

<b>4. INVESTMENTS</b>	<b><u>31 December</u> <u>1996</u></b>	<b><u>31 December</u> <u>1995</u></b>
	<b>£</b>	<b>£</b>
Investment in associated company	1,217,103	1,217,103

On 28 November 1988, the company acquired a 40% interest in Wagadon Limited ("Wagadon") comprising 40 ordinary shares of £1 each. Wagadon is incorporated in England and its principal activity is Magazine Publishing. At 31 December 1996 the accounts of Wagadon Limited disclose net tangible assets of £1,180,671 (1995 £1,230,776) and a retained loss for the year of £50,103 (1995 profit £358,899).

<b>5. TAXATION</b>	<b><u>31 December</u> <u>1996</u></b>	<b><u>31 December</u> <u>1995</u></b>
	<b>£</b>	<b>£</b>
Taxation on franked investment income	80,000	Nil

**MAGAZINE HOLDINGS LIMITED**  
**NOTES TO THE ACCOUNTS - 31 DECEMBER 1996**

**6. DEBTORS**

	<u>31 December</u> <u>1996</u>	<u>31 December</u> <u>1995</u>
Amount receivable from immediate parent company	366,667	46,667

**7. CREDITORS**(Amounts falling due after more than one year)

	<u>31 December</u> <u>1996</u>	<u>31 December</u> <u>1995</u>
	£	£
Amounts owed to immediate parent company	1,217,101	1,217,101

**8. CALLED UP SHARE CAPITAL**

	<u>31 December 1996 and</u> <u>31 December 1995</u>
	£
Ordinary shares of £1 each	
Authorised	1,000
Issued and fully paid	2

**9. DIRECTORS EMOLUMENTS**

Neither of the directors received any emoluments for services to the company during the year. The company had no employees other than directors during the year (1995-Nil).



**MAGAZINE HOLDINGS LIMITED**  
**NOTES TO THE ACCOUNTS - 31 DECEMBER 1996**

**10. RECONCILIATION OF SHAREHOLDERS' FUNDS**

	<u>31 December</u> <u>1996</u> <u>£</u>	<u>31 December</u> <u>1995</u> <u>£</u>
Profit for the financial year	320,000	-
Opening shareholders' funds	<u>46,669</u>	<u>46,669</u>
Closing shareholders' funds	<u><u>366,669</u></u>	<u><u>46,669</u></u>

**11. ULTIMATE PARENT COMPANY**

The company is wholly owned subsidiary of The Condé Nast Publications Limited, a company incorporated in England. This is the smallest group to incorporate the results of Magazine Holdings Limited. The ultimate parent company is Advance Publications Inc which is incorporated in the United States of America.

The registered office of the immediate parent company is the same as that of the company and copies of the consolidated accounts which incorporate the results of the company may be obtained through that address. The ultimate parent company is privately owned and is not required to publish its accounts.