

Condé Nast International Limited

Registered No. 5516970

Report and Financial Statements

31 December 2010



Condé Nast International Limited

Registered No 5516970

Directors

J Newhouse
J Woolhouse
N Coleridge
G Grandi

Secretary

P Raynor

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

HSBC Bank PLC
1 Hanover Square
London W1R 0ES

Solicitors

Wiggin & Co
95 The Promenade
Cheltenham
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Registered Office

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2010

Results and dividends

The group profit for the year, after taxation, amounted to £18,961k (2009 – £3,541k loss) The directors proposed a dividend for the period of £26,008k (2009 - nil) The profit retained has been transferred to reserves

Principal activity

The group's principal activity during the year continued to be that of magazine publishing

Future developments

The group will continue to develop its magazine publishing activities

Financial Review

Turnover for the group was £428,205k for the year (2009 – £422,624k), and operating profit was £34,768k (2009 – £7,472k)

Key risks and uncertainties

The group 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 supply of paper of the quality required, maintaining the printing of our magazines to the standard and deadlines expected, and retaining the staff and contributors to produce the content of our magazines

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

Charitable contributions

Donations made by the company during the year for charitable purposes were £4,498 (2009 – £1,795)

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 group 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 at the individual company level

Directors and their interests

The directors of the company during the year were as listed on page 1. All directors served throughout the year, except where indicated

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditors of the company.

By order of the Board



P Raynor
Secretary

26 MAY 2011

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group 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 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 proper accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Condé Nast International Limited

We have audited the financial statements of Conde Nast International Limited for the year ended 31 December 2010 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent company's affairs at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Condé Nast International 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 by the parent company, 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
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

Ernst & Young LLP

Paul Gordon (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 26 May 2011

Group profit and loss account

for the year ended 31 December 2010

		<i>31 December</i>	<i>31 December</i>
		<i>2010</i>	<i>2009</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Turnover			
Continuing operations	2	428,205	422,624
Change in stocks of finished goods and work in progress		(606)	(964)
		<u>427,599</u>	<u>421,660</u>
Raw materials and consumables		(52,972)	(58,866)
Other external charges		(152,965)	(157,804)
Staff costs	5	(124,404)	(132,586)
Depreciation	3	(5,339)	(6,821)
Amortisation of goodwill	3	(14,957)	(15,013)
Other operating charges		(52,811)	(54,171)
		<u>(403,448)</u>	<u>(425,261)</u>
Other operating income		10,617	11,073
Operating profit			
Continuing operations		34,768	7,472
Profit / (loss) on termination of operations		47	(49)
Income from interests in associated undertakings		403	262
		<u>35,218</u>	<u>7,685</u>
Profit on ordinary activities before interest		35,218	7,685
Other interest receivable and similar income		387	1,005
Interest payable and similar charges	6	(1,000)	(2,290)
		<u>34,605</u>	<u>6,400</u>
Profit on ordinary activities before taxation		34,605	6,400
Tax on profit on ordinary activities	7	(15,644)	(9,941)
		<u>18,961</u>	<u>(3,541)</u>
Profit / (loss) retained for the period	18	18,961	(3,541)

Group statement of total recognised gains and losses

For the year ended 31 December 2010

		<i>31 December</i>	<i>31 December</i>
		<i>2010</i>	<i>2009</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Retained profit / (loss) for the period	18	18,961	(3,541)
Foreign currency translation difference	18	2,453	(2,139)
Pension fund actuarial loss	18	(1,302)	(11,798)
Pension fund deferred tax credit	7	19	3,455
Total recognised gains / (losses) relating to the period		<u>20,131</u>	<u>(14,023)</u>

Group balance sheet

at 31 December 2010

	<i>Notes</i>	<i>2010</i> £000	<i>2009</i> £000
Fixed assets			
Intangible fixed assets	9	182,005	191,816
Tangible assets	10	55,385	58,205
Investments	11	2,018	1,797
		<u>239,408</u>	<u>251,818</u>
Current assets			
Stock	12	17,108	15,298
Debtors	13	160,267	149,114
Investments		2,456	42
Cash at bank and in hand		57,339	59,820
		<u>237,170</u>	<u>224,274</u>
Creditors amounts falling due within one year	14	(117,518)	(108,872)
Net current assets		<u>119,652</u>	<u>115,402</u>
Total assets less current liabilities		<u>359,060</u>	<u>367,220</u>
Creditors amounts falling due after one year	15	(52,306)	(52,482)
Provision for liabilities and charges	16	(2,283)	(3,289)
Net assets excluding pension liability		<u>304,471</u>	<u>311,449</u>
Pension fund liability	21	(36,926)	(38,027)
Total net assets		<u>267,545</u>	<u>273,422</u>
Capital and reserves			
Called up share capital	17	318	318
Share premium account	18	317,683	317,683
Profit and loss account	18	(50,456)	(44,579)
Total shareholders' funds	18	<u>267,545</u>	<u>273,422</u>

Director
N Coleridge

Nicolas Coleridge

26 MAY 2011

Company balance sheet

at 31 December 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	11	428,233	428,233
Current assets			
Debtors	13	2,521	2,004
Cash at bank and in hand		964	266
Creditors amounts falling due within one year	14	3,485 (466)	2,270 (247)
Net current assets		3,019	2,023
Total assets less current liabilities		431,252	430,256
Creditors amounts falling due after one year	15	(43,000)	(43,239)
Total net assets		388,252	387,017
Capital and reserves			
Called up share capital	17	318	318
Share premium account	18	317,683	317,683
Profit and loss account	18	70,251	69,016
Total shareholders' funds	18	388,252	387,017

Director
N Coleridge

Nicola Coleridge

26 MAY 2011

Group statement of cash flows

for the year ended 31 December 2010

		<i>31 December</i>	<i>31 December</i>
		<i>2010</i>	<i>2009</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Net cash inflow from operating activities	19(a)	41,472	9,765
Returns on investments and servicing of finance			
Interest received		387	1,005
Interest paid		(1,000)	(2,290)
Net cash outflow from return on investments and servicing of finance		(613)	(1,285)
Taxation			
Taxation paid		(11,551)	(13,026)
Net cash outflow from taxation		(11,551)	(13,026)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,420)	(2,553)
Purchase of intangible fixed assets		(181)	(11,485)
Purchase of short term investments		(2,414)	6,892
Proceeds from sale of fixed assets		219	2,098
Net cash outflow from investing activities		(5,796)	(5,048)
Finance			
Dividend from associate company		15	262
Dividends paid		(26,008)	-
Net cash outflow from financing		(25,993)	262
Decrease in cash	19(b)	(2,481)	(9,332)

Notes to the financial statements

at 31 December 2010

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting convention

Basis of consolidation

The group financial statements incorporate the financial statements of the company and all of its subsidiaries. The financial statements of overseas subsidiaries are translated into sterling at the exchange rates ruling at the balance sheet date and any gain or loss arising from changes in exchange rates during the year are dealt with through reserves. The results of any subsidiaries acquired during the year are included from the date of acquisition.

Pensions

Within the group, Condé Nast Publications Limited and Condé Nast Verlag GmbH operate defined benefit pension schemes.

Conde Nast Publications Limited

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 an independent actuarial advisor.

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 the Statement of Total Recognised Gains and Losses (STRGL) in the year that they occur.

The full actuarial valuation as at 5th April 2008 was updated to the accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

Conde Nast Verlag GmbH

The Company operates three defined benefit pension schemes, The Condé Nast Verlag GmbH New Plan (VO 2006), Old Plan (AVO 2003 closed in 2006) and Old Plan (closed in 2003). 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 an independent actuarial adviser.

The full actuarial valuation was updated to the accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

Edizioni Conde Nast S p A

According to Italian law and Italian national regulations, the amount to which each employee is entitled to, matures in relation to the period of service and must be paid immediately when the employee leaves the company. The *Trattamento di fine rapporto* (TFR) represents a severance indemnity that is due upon termination of employment and is calculated in accordance with Italian civil laws and Italian labour laws on the basis of the period of employment and the taxable remuneration of each employee. This liability is adjusted annually based on the official cost-of-living index. This liability is not associated with any vesting condition or period, nor any funding obligation. Consequently, in accordance with FRS 17, this provision has been accounted for as a "Defined benefit plan".

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

Under the new Italian regulations introduced by Legislative Decree 252/2005 and Law 296/2006 (the State Budget Law 2007), for companies with at least 50 employees, severance indemnities accruing from 2007 are assigned to either the Treasury Fund managed by INPS (starting from January 1) or to supplementary pension funds (from the month of option) and take the form of a "Defined contribution plan". However, revaluations of the provision for employee severance indemnities existing up to December 31, 2006, made on the basis of the official cost-of-living index, and severance indemnities accruing in companies with less than 50 employees, remain recorded in the provision for employee severance indemnities.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 December 2010.

Turnover

Turnover represents billings to customers for advertising, newsstand sales, subscription revenues, commission sales of published magazines, books and book royalties. Income associated with a particular issue of a magazine is recognised in the profit and loss account when the magazine is published. Income is recognised during the month appearing on the magazine's cover. Income from books is recognised when the books are despatched to the customer.

Goodwill

Goodwill arising on the acquisition of group companies has been capitalised, and will be amortised on a straight line basis over twenty years.

Tangible fixed assets

Long-leasehold property is stated at cost and depreciated on a reducing balance basis over the period of the lease.

Leasehold improvements, plant, equipment and motor vehicles are stated at cost less accumulated depreciation.

Depreciation is provided in equal annual instalments at the following annual rates, calculated to write off the assets over their estimated useful lives:

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

Maintenance and repair costs are charged in the profit and loss account as incurred. Additions and improvements to leasehold properties are capitalised. At the time leaseholds, plant and equipment or motor vehicles are sold, retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the financial statements and any resulting gain or loss is included in the profit and loss account.

Operating leases

Expenses under operating leases are recognised in the profit and loss account over the respective terms of the leases.

Stocks and work in progress

Stocks comprise raw materials, consumables and work in progress.

All stocks are stated at the lower of cost and net realisable value with cost being determined by the first-in, first-out (FIFO) method. Work in progress represents editorial production and associated expenses incurred at the balance sheet date on publishing projects or articles. 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.

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised on a full provision basis

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Translation of foreign currencies

Amounts receivable and payable in foreign currencies are translated at the rates of exchange in effect at the balance sheet date. Exchange gains and losses arising from translation of foreign currency transactions are included in the profit and loss account for the year

The financial statements of overseas subsidiary undertakings are translated into sterling at the exchange rates ruling at the relevant balance sheet date. Differences arising from the retranslation of opening net assets are dealt with through reserves

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 to the financial statements

at 31 December 2010

2. Segmental analysis

The following provides a segmental analysis of turnover

	2010 £000	2009 £000
By geographical destination		
United Kingdom	88,104	85,413
Italy	152,237	150,901
Germany	69,415	70,557
Spain	39,595	39,498
France	50,818	47,312
Rest of the world	28,036	28,943
	<u>428,205</u>	<u>422,624</u>
By geographical origin		
United Kingdom	111,981	106,762
Italy	155,022	157,241
Germany	70,348	71,417
Spain	40,036	39,892
France	50,818	47,312
	<u>428,205</u>	<u>422,624</u>

The activities of the company are principally in the areas of magazine publishing. An analysis of turnover, profit before taxation and net assets by class of business and of profit before tax and net assets by geographical location has not been presented as the directors believe that the disclosure would be seriously prejudicial.

3. Group operating profit

This is stated after charging/ (crediting)

	2010 £000	2009 £000
Operating leases – plant and machinery	4	17
Operating leases – other	2,087	1,932
Amortisation of goodwill	14,957	15,013
Amortisation – other	311	357
Depreciation – owned assets	5,028	6,464
Loss on sale of tangible fixed assets	22	213
Foreign exchange loss	472	1,033
Rents receivable – operating leases	(667)	(607)
Audit of the financial statements *	392	368
Other fees to auditors – tax services	306	384
– ABC audit services	32	31
– IT audit services	10	-
– other audit services	3	-
	<u></u>	<u></u>

* £22,000 (2009 £22,000) of this relates to the company

Notes to the financial statements

at 31 December 2010

4. Directors' emoluments

	2010	2009
	£	£
Remuneration as directors	693,969	797,282
	<u>693,969</u>	<u>797,282</u>

The total number of directors who performed qualifying services during the year was 3 (2009 – 3)

The total number of directors accruing benefits under an approved Executive Pension Plan ("EPP") was 2 (2009 – 2)

The emoluments of the highest paid director, excluding pension contributions, were as follows

	2010	2009
	£	£
Aggregate emoluments	390,764	493,557
	<u>390,764</u>	<u>493,557</u>

The company contributes to an EPP on behalf of the highest paid director. The EPP is a defined contribution arrangement and therefore the level of benefits provided from it are not guaranteed. During the year ended 31 December 2010, contributions of £48,750 (2009 – £48,750) were paid to the EPP.

5. Staff costs

	2010	2009
	£000	£000
Wages and salaries	99,968	104,656
Social security costs	19,712	20,322
Other pension costs	4,724	7,608
	<u>124,404</u>	<u>132,586</u>

The average monthly number of persons employed by the group was 1,799 (2009 – 1,910)

6. Interest payable and similar charges

	2010	2009
	£000	£000
Interest payable on bank loans and overdrafts repayable within five years	237	603
Interest payable on parent company loan	763	1,661
Interest payable on corporation tax due	0	26
	<u>1,000</u>	<u>2,290</u>

Notes to the financial statements

at 31 December 2010

7. Tax

(a) Tax on profit on ordinary activities

	2010	2009
	£000	£000
<i>Current tax</i>		
UK corporation tax on profit for the year	4,412	1,361
Adjustments in respect of previous years	(25)	598
Group relief payable	-	196
	<u>4,387</u>	<u>2,155</u>
<i>Foreign tax</i>		
Current tax	11,717	9,105
Adjustment in respect of previous years	-	(131)
	<u>16,104</u>	<u>11,129</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(460)	(1,188)
Changes in estimation of amounts of deferred tax assets		
	<u>(460)</u>	<u>(1,188)</u>
Group deferred tax	(460)	(1,188)
	<u>15,644</u>	<u>9,941</u>
Tax on profit on ordinary activities	<u>15,644</u>	<u>9,941</u>

(b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2009 higher) than the standard rate of corporation tax in the UK. The differences are explained below

	2010	2009
	£000	£000
Profit on ordinary activities before tax	34,605	6,400
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	9,689	1,792
<i>Effects of</i>		
Expenses not deductible for tax purposes	6,383	6,061
Decelerated capital allowances	701	71
Other timing differences	(725)	167
Adjustments in respect of prior years	(25)	467
Overseas tax suffered	359	331
Pension provision	122	(308)
Difference in tax rates on overseas earnings	1,446	613
Unrelieved tax losses	-	2,009
Brought forward losses utilised	(1,846)	-
Others	-	(74)
	<u>16,104</u>	<u>11,129</u>
Current tax charge for the year	<u>16,104</u>	<u>11,129</u>

Notes to the financial statements

at 31 December 2010

7. Tax (continued)

(c) Deferred tax

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

	2010	2009
	£000	£000
Included in debtors (note 13)	5,798	4,700
Included in pension fund (note 21)	6,726	7,551
	<u>12,524</u>	<u>12,251</u>
		£000
At 1 January 2010		12,251
Deferred tax credit in group profit and loss account (note 7(a))		460
Deferred tax credit in group statement of total recognised gains and losses		19
Exchange adjustment		(206)
At 31 December 2010		<u>12,524</u>

The deferred tax consists of

	2010	2009
	£000	£000
Decelerated capital allowances	388	417
Other timing differences	5,410	4,283
Pension liability	6,726	7,551
Undiscounted net deferred tax asset	<u>12,524</u>	<u>12,251</u>

The group has unrecognised deferred tax assets of £12,030,461 (2009 – £15,294,811), in respect of tax losses and credits which has not been recognised due to the uncertainty of future profits against which the losses can be offset

The deferred tax asset of £6,726,000 (2009 – £7,551,000) in respect of the pension liability has been reclassified under Pension Fund Liability, which is further discussed in Note 21. The reclassification has been made to offset the deferred tax relating to the defined benefit liability.

Company

The company has no deferred tax included in the balance sheet

Notes to the financial statements

at 31 December 2010

7. Tax (continued)

(d) Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the 22 June 2010 and 23 March 2011 Budget Statements. The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate from 1 April 2011 to 26% with further 1% reductions per annum to 23% by 1 April 2014. The effect of the reduction in the rate to 23% would be to reduce the Group's recognised deferred tax asset by £1,041,174 and the unrecognised deferred tax asset by £70,804.

In addition, with effect from 1 April 2012 a number of changes to the capital allowances regime will impact the Group's future tax charge. This includes a reduction in the rate of capital allowances on the main pool from 20% to 18% and a reduction in the rate of capital allowances on integral features from 10% to 8%. The impact of these changes is not considered to be material for the accounts.

8. Profit and loss account

Condé Nast International Limited has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985. The profit on ordinary activities after taxation for the year ended 31 December 2010 is £27,243k (31 December 2009 – £53,579k).

9. Intangible fixed assets

<i>Group</i>	<i>Goodwill</i>	<i>Other</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost			
At 1 January 2010	263,133	3,250	266,383
Additions	0	181	181
Exchange adjustment	4,723	(156)	4,567
Disposals	0	(61)	(61)
At 31 December 2010	267,856	3,214	271,070
Amortisation			
At 1 January 2010	72,803	1,764	74,567
Provided during the year	14,957	311	15,268
Additions	0	0	0
Exchange adjustment	(688)	(82)	(770)
At 31 December 2010	87,072	1,993	89,065
Net book value			
At 31 December 2010	180,784	1,221	182,005
At 31 December 2009	190,330	1,486	191,816

Notes to the financial statements

at 31 December 2010

10. Tangible fixed assets

<i>Group</i>	<i>Long-leasehold property</i> £000	<i>Short-leasehold property</i> £000	<i>Plant and equipment</i> £000	<i>Total</i> £000
Cost.				
At 1 January 2010	36,284	26,085	30,326	92,695
Additions	–	1,104	2,454	3,558
Disposals	–	(8)	(796)	(804)
Exchange adjustment	–	(1,058)	(1,245)	(2,303)
At 31 December 2010	36,284	26,123	30,739	93,146
Depreciation				
At January 2010	3,451	8,705	22,334	34,490
Provided during the year	341	1,608	3,079	5,028
Disposals	–	(8)	(616)	(624)
Additions	–	111	27	138
Exchange adjustment	–	(373)	(898)	(1,271)
At 31 December 2010	3,792	10,043	23,926	37,761
Net book value				
At 31 December 2010	32,492	16,080	6,813	55,385
At 31 December 2009	32,833	17,380	7,992	58,205

Condé Nast International Limited does not directly own any tangible fixed assets (2009 – nil)

11. Investments

<i>Group</i>	<i>Shares in the net assets of associated undertakings</i> £000	<i>Other investments</i> £000	<i>Total</i> £000
Cost or amount under equity method of accounting			
At 1 January 2010	1,366	431	1,797
Change in net asset values	230	(9)	221
At 31 December 2010	1,596	422	2,018

Notes to the financial statements

at 31 December 2010

11. Investments (continued)

Company

			<i>Shares in group undertakings £000</i>
Cost			
At 1 January 2010			428,233
Additions			-
			<hr/>
At 31 December 2010			428,233 <hr/> <hr/>
			<i>Percentage of ordinary share capital held directly or indirectly by</i>
<i>Subsidiary undertakings</i>	<i>Principal activity</i>	<i>Registered</i>	<i>the company</i>
Condé Nast (CNI) Limited	Management Company	England and Wales	100%
Les Publications Condé Nast S A	Magazine Publishing	France	100%
Edizioni Condé Nast S p A	Magazine Publishing	Italy	100%
Condé Nast Publications Limited	Magazine Publishing	England and Wales	100%
CNI Ediciones Holdings Inc	Magazine Publishing	United States	100%
Condé Nast Verlag GmbH	Magazine Publishing	Germany	100%
			<i>Percentage of ordinary share capital held directly by</i>
		<i>Registered</i>	<i>the company</i>
Condé Nast and National Magazine Distributors Ltd		England and Wales	35%

The principal activity of Condé Nast and National Magazine Distributors Ltd is the distribution of magazines

Notes to the financial statements

at 31 December 2010

12. Stock

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Raw materials and consumables	10,708	7,834	-	-
Work in progress	4,704	5,494	-	-
Finished goods and goods for resale	1,696	1,970	-	-
	<u>17,108</u>	<u>15,298</u>	<u>-</u>	<u>-</u>

13. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	114,437	112,140	-	-
Amounts owed by group undertakings	8,653	6,988	2,224	2,004
Amounts owed by related parties	2,791	2,619	-	-
Other debtors	22,125	17,520	-	-
Other taxation and social security	0	137	-	-
Prepayments and accrued income	6,463	5,010	297	-
Deferred taxation	5,798	4,700	-	-
	<u>160,267</u>	<u>149,114</u>	<u>2,521</u>	<u>2,004</u>

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade creditors	41,341	37,098	-	-
Amounts owed to parent and fellow group undertakings	14,363	13,905	60	247
Corporation tax payable	4,368	1	160	-
Other creditors	16,499	16,909	241	-
Other taxation and social security	8,872	8,413	-	-
Accruals and deferred income	32,075	32,546	5	-
	<u>117,518</u>	<u>108,872</u>	<u>466</u>	<u>247</u>

Notes to the financial statements

at 31 December 2010

15. Creditors: amounts falling due after one year

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Amounts owed to parent and fellow group undertakings	51,614	51,726	43,000	43,239
Other creditors	692	756	–	–
	<u>52,306</u>	<u>52,482</u>	<u>43,000</u>	<u>43,239</u>

16. Provision for liabilities and charges

<i>Group</i>	<i>Other</i>
	<i>£000</i>
Balance at 1 January 2010	(3,289)
Profit and Loss account	848
Foreign exchange difference	158
Balance at 31 December 2010	<u>(2,283)</u>

17. Share capital

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
<i>Authorised, allotted, called up and fully paid</i>	<i>No</i>	<i>No</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	318,000	318,000	318,000	318,000
	<u>318,000</u>	<u>318,000</u>	<u>318,000</u>	<u>318,000</u>

Notes to the financial statements

at 31 December 2010

18. Reconciliation of shareholders' funds and movement on reserves

<i>Group</i>	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
Balance at 1 January 2010	318	317,683	(44,579)	273,422
Profit for the year	–	–	18,961	18,961
Exchange difference	–	–	2,453	2,453
Pension fund actuarial gain	–	–	(1,302)	(1,302)
Pension fund deferred tax credit	–	–	19	19
Dividends paid	–	–	(26,008)	(26,008)
At 31 December 2010	<u>318</u>	<u>317,683</u>	<u>(50,456)</u>	<u>267,545</u>

<i>Company</i>	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
Balance at 1 January 2010	318	317,683	69,016	387,017
Profit for the year	–	–	27,243	27,243
Dividends paid	–	–	(26,008)	(26,008)
At 31 December 2010	<u>318</u>	<u>317,683</u>	<u>70,251</u>	<u>388,252</u>

The group's retained profit as at 31 December 2010 includes a profit of £229,950 (2009 - £413,350 loss) retained by associated undertakings

Notes to the financial statements

at 31 December 2010

19. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2010	2009
	£000	£000
Operating profit	34,768	7,472
Depreciation and amortisation	20,296	21,834
Loss / (profit) on termination of operations	47	(49)
Loss on sale of tangible fixed assets	22	213
Change in net asset value of investment	(221)	486
(Increase) / decrease in stock	(1,810)	5,378
(Increase) / decrease in debtors	(10,492)	60,647
Increase / (decrease) in creditors	714	(77,111)
Exchange differences	(1,852)	(9,105)
Net cash inflow from operating activities	<u>41,472</u>	<u>9,765</u>

(b) Reconciliation of cash flow to movement in net funds

	2010	2009
	£000	£000
Decrease increase in cash in the year	(2,481)	(9,332)
Net funds at 1 January	59,820	69,152
Net funds at 31 December	<u>57,339</u>	<u>59,820</u>

(c) Analysis of net funds

	<i>At</i>		<i>At</i>
	<i>1 January</i>	<i>Cash</i>	<i>31 December</i>
	<i>2010</i>	<i>flows</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash at bank and in hand	59,820	(2,481)	57,339

20. Commitments

Commitments under operating leases are as follows

	<i>Land and</i>	<i>Other</i>	<i>Group</i>	<i>Company</i>
	<i>Buildings</i>	<i>operating</i>	<i>31 December</i>	<i>31 December</i>
	<i>£000</i>	<i>Leases</i>	<i>2010</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Expiring within one year	4,636	–	4,636	–
Expiring between two and five years	14,387	8	14,395	–
Expiring after more than five years	10,488	–	10,488	–
	<u>29,511</u>	<u>8</u>	<u>29,519</u>	<u>–</u>

Notes to the financial statements

at 31 December 2010

21. Pension fund

Within the group, Condé Nast Publications Limited and Condé Nast Verlag GmbH operate defined benefit pension schemes

Conde Nast Publications Limited

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 an independent actuarial advisor.

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 the Statement of Total Recognised Gains and Losses (STRGL) in the year that they occur.

The full actuarial valuation as at 5th April 2008 was updated to the accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

<i>Components of pension cost</i>	<i>Year to 31/12/2010 £m</i>	<i>Year to 31/12/2009 £m</i>
Current service cost	2.64	1.93
Interest cost	3.57	2.68
Expected return on plan assets	(2.67)	(1.93)
Total pension cost recognised in the P&L account	<u>3.54</u>	<u>2.68</u>
Actuarial losses / (gains) immediately recognised	<u>0.07</u>	<u>12.34</u>
Total pension cost recognised in the STRGL	<u>12.34</u>	<u>12.34</u>
Cumulative amount of actuarial losses immediately recognised	20.62	20.55

<i>Amounts recognised in the balance sheet</i>	<i>At year-end 31/12/2010 £m</i>	<i>At year-end 31/12/2009 £m</i>
Present value of funded obligations	(67.95)	(62.24)
Fair value of plan assets	43.04	35.27
Gross pension liability	<u>(24.91)</u>	<u>(26.97)</u>
Related deferred tax asset	6.73	7.55
Net pension liability	<u>(18.18)</u>	<u>(19.42)</u>

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

The scheme is represented on the balance sheet at 31st December 2010 as a liability of £24.91 m under FRS17 (2009 - £26.97m), which amounts to £18.18m net of deferred tax (2009 - £19.42m)

During 2010 the Company contributed 16.0% of Pensionable Salaries for members of The Conde Nast Publications Limited Retirement Benefits Scheme, and an additional 6% from 1 September 2010 in relation to the employee contribution for members who opted for a salary sacrifice arrangement. The Company also contributed £254,167 per month from 1 January 2010 to 30 June 2010 and £262,500 per month from 30 June 2010, as part of the deficit reduction contributions agreed following the 5 April 2008 valuation. The Company is expected to contribute £6.2m over 2011.

<i>Change in benefit obligation</i>	<i>At year-end 31/12/2010</i>	<i>At year-end 31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Benefit obligation at beginning of year	62.24	42.28
Current service cost	2.64	1.93
Interest cost	3.57	2.68
Plan participants' contributions	0.57	0.86
Actuarial losses / (gains)	1.37	15.44
Benefits paid	(2.44)	(0.95)
	<u>67.95</u>	<u>62.24</u>
<i>Analysis of defined benefit obligation</i>		
Plans that are wholly or partly funded	67.95	62.24
Plans that are wholly unfunded	-	-
	<u>67.95</u>	<u>62.24</u>
<i>Change in plan assets</i>	<i>At year-end 31/12/2010</i>	<i>At year-end 31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Fair value of plan assets at beginning of year	35.27	26.39
Expected return on plan assets	2.67	1.93
Employer contribution	5.67	3.94
Plan participants' contributions	0.57	0.86
Actuarial gain / (loss)	1.30	3.10
Benefits paid	(2.44)	(0.95)
	<u>43.04</u>	<u>35.27</u>

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

Fund assets

The weighted-average asset allocation at the year-end was as follows

Asset category	<i>Plan assets at 31-Dec-10</i>	<i>Plan assets at 31-Dec-09</i>
Equities	64.9%	73.1%
Property	-	0.5%
Bonds	32.8%	24.6%
Cash	2.3%	1.8%
	100%	100%
	100%	100%

To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. The expected return on equities was taken to be 3.25% per annum above the yields on government bonds. This resulted in the selection of the 7.20% assumption for the 2010 expense and 6.60% for the 2011 expense.

	<i>Year to 31-Dec-10</i>	<i>Year to 31-Dec-09</i>
Actual return on plan assets	3.97	5.03

Weighted average assumptions used to determine benefit obligations at

	<i>31-Dec-10</i>	<i>31-Dec-09</i>
Discount rate	5.40%	5.70%
Rate of compensation increase	4.90%	5.00%
Rate of price inflation	3.40%	3.50%
Rate of pension increases in payment (LPI 5%)	3.20%	3.30%

Weighted average assumptions used to determine net pension cost for year ended

	<i>31-Dec-10</i>	<i>31-Dec-09</i>
Discount rate	5.70%	6.20%
Expected long-term return on plan assets	7.20%	6.90%
Rate of compensation increase	5.00%	4.40%
Rate of price inflation	3.50%	2.90%
Rate of pension increases in payment (LPI 5%)	3.30%	2.80%

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

Weighted average life expectancy for mortality tables used to determine benefit obligations at

	31-Dec-10		31-Dec-09	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	22.6	25.7	22.5	25.6
Member age 45 (life expectancy at age 65)	24.4	27.8	24.3	27.7

Five year history

Financial year ending in	2010	2009	2008	2007	2006
Benefit obligation at end of year (£m)	67.95	62.24	42.28	50.28	46.33
Fair value of plan assets at end of year (£m)	43.04	35.27	26.39	33.62	32.08
Deficit (£m)	(24.91)	(26.97)	(15.89)	(16.66)	(14.25)
Difference between actual and expected return on plan assets (£m)	1.30	3.10	(12.05)	(2.98)	0.83
Percentage of plan assets	3%	9%	(46%)	(9%)	3%
Experience losses on plan liabilities (£m)	-	-	(0.16)	-	-
Percentage of plan liabilities	-	-	-	-	-

Condé Nast Verlag GmbH

The Company operates three defined benefit pension schemes, The Condé Nast Verlag GmbH New Plan (VO 2006), Old Plan (AVO 2003 closed in 2006) and Old Plan (closed in 2003). 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 an independent actuarial adviser.

The full actuarial valuation was updated to the accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

<i>Components of pension cost</i>	<i>Year to</i>	<i>Year to</i>
	<i>31/12/2010</i>	<i>31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Current service cost	0.44	0.43
Interest cost	0.78	0.77
Expected return on plan assets	(0.11)	(0.10)
Employer contribution	(0.22)	(0.23)
Benefits paid	(0.40)	(0.37)
Total pension cost recognised in the P&L account	0.49	0.50
Actual (gains) / losses immediately recognised	1.23	(0.53)
Total pension cost recognised in the STRGL	1.23	(0.53)

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

<i>Amounts recognised in the balance sheet</i>	<i>At year-end 31/12/2010</i>	<i>At year-end 31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Present value of funded obligations	(15 27)	(13 93)
Fair value of plan assets	2 73	2 57
Gross pension liability	<u>(12 54)</u>	<u>(11 36)</u>
Net pension liability	<u>(12 54)</u>	<u>(11 36)</u>

The scheme is represented on the balance sheet at 31st December 2010 as a liability of £12 54m under FRS17 (2009 - £11 36m). The deferred tax assets have not been recognised in 2010 as they may not be utilised until suitable taxable profits arise and this is not anticipated in the future.

Over the year ended 31 December 2010, the Company made contributions of £0 22m (2009 - £0 23m) to the pension arrangements.

<i>Change in benefit obligation</i>	<i>At year-end 31/12/2010</i>	<i>At year-end 31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Benefit obligation at beginning of year	13 93	14 81
Current service cost	0 44	0 43
Interest cost	0 78	0 77
Actuarial (gains) / losses	1 18	(0 59)
Benefits paid	(0 39)	(0 37)
Effect of exchange rate changes	(0 67)	(1 12)
Benefit obligation at end of year	<u>15 27</u>	<u>13 93</u>
<i>Analysis of defined benefit obligation</i>		
Plans that are wholly or partly funded	15 27	13 93
Plans that are wholly unfunded	-	-
Total	<u>15 27</u>	<u>13 93</u>

<i>Change in plan assets</i>	<i>At year-end 31/12/2010</i>	<i>At year-end 31/12/2009</i>
	<i>£m</i>	<i>£m</i>
Fair value of plan assets at beginning of year	2 57	2 48
Expected return on plan assets	0 10	0 10
Employer contribution	0 22	0 22
Actuarial gain / (loss)	(0 05)	(0 06)
Effect of exchange rate changes	(0 11)	(0 17)
Fair value of plan assets at end of year	<u>2 73</u>	<u>2 57</u>

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

Fund assets

The plan assets are pledged reinsurance contracts therefore a detailed structure of plan assets is not available

	<i>Year to</i> <i>31-Dec-10</i>	<i>Year to</i> <i>31-Dec-09</i>
Actual return on plan assets	0.06	0.05

Assumptions applied at

	<i>31-Dec-10</i>	<i>31-Dec-09</i>
Discount rate	5.40%pa	6.00%pa
Rate of compensation increase	2.0%pa	2.0%pa
Expected return on plan assets	4.25%pa	4.25%pa
Rate of pension increases	1%pa	1%pa
Rate of pension increases (for entrances to the old plan before 01/01/1999)	2.0%pa	2.0%pa

Five year history

Financial year ending in	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
Benefit obligation at end of year (£m)	15.27	13.93	14.81	10.50	11.23
Fair value of plan assets at end of year (£m)	2.73	2.57	2.48	1.67	1.35
Deficit (£m)	(12.54)	(11.36)	(12.33)	(8.83)	(9.88)
Difference between expected and actual return on plan assets (£m)	0.06	0.05	0.04	0.03	0.00
Percentage of plan assets	(2%)	(2%)	(2%)	(2%)	0%

Edizioni Conde Nast S P A

Italy post employment scheme – Trattamento di fine rapporto

According to Italian law and Italian national regulations, the amount to which each employee is entitled to, matures in relation to the period of service and must be paid immediately when the employee leaves the company. The Trattamento di fine rapporto (TFR) represents a severance indemnity that is due upon termination of employment and is calculated in accordance with Italian civil laws and Italian labour laws on the basis of the period of employment and the taxable remuneration of each employee. This liability is adjusted annually based on the official cost-of-living index. This liability is not associated with any vesting condition or period, nor any funding obligation. Consequently, in accordance with FRS 17, this provision has been accounted for as a "Defined benefit plan".

Under the new Italian regulations introduced by Legislative Decree 252/2005 and Law 296/2006 (the State Budget Law 2007), for companies with at least 50 employees, severance indemnities accruing from 2007 are assigned to either the Treasury Fund managed by INPS (starting from January 1) or to supplementary pension funds (from the month of option) and take the form of a "Defined contribution plan". However, revaluations of the provision for employee severance indemnities existing up to December 31, 2006, made on the basis of the official cost-of-living index, and severance indemnities accruing in companies with less than 50 employees, remain recorded in the provision for employee severance indemnities.

Notes to the financial statements

at 31 December 2010

21. Pension fund (continued)

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 December 2010 performed by Studio Attuariale Visintin & Associati

The actuarial valuation at 31 December 2010 showed a deficit of £6,205,983 (2009 £7,249,238). As the post employment benefit represents only an obligation of the company to employees when they leave, there are no assets associated to the TFR.

The major assumptions used by the actuaries were

	<i>2010</i>	<i>2009</i>
Discount rate	4.70%	4.62%
Inflation assumption	2.00%	2.00%
Rate of increase	-	-
Mortality	ISTAT 2007 tables reduced by 85%	ISTAT 2005 tables reduced by 85%
Disability	INPS tables reduced by 70%	INPS tables reduced by 70%

An analysis of the defined benefit cost is as follows

	<i>2010</i>	<i>2009</i>
	£000	£000
Current service cost	-	-
Interest cost	197	213

An analysis of the movements in deficit during the year

	<i>£000</i>
At 31 December 2009	7,250
Total operating charge	-
Total finance expense	197
Actuarial gain	(44)
Benefits paid during the year	(848)
Exchange gain	(349)
	<hr/>
At 31 December 2010	6,206

Notes to the financial statements

at 31 December 2010

22. Other statutory information

All directors received advances on corporate expenses during the year to enable them to perform their duties for the company

23. Related party transactions

The company has taken advantage of the exemption under FRS 8 from disclosing transactions with other group undertakings

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 £26,442,556 (2009 – £25,675,786) At the year end COMAG owed the group £2,790,533 (2009 – 2,618,877) in respect of these transactions

There were no transactions with other related parties (2009 – none)

24. Parent undertaking

The immediate parent undertaking of the company is Condé Nast International Inc , which is incorporated in the United States of America

The ultimate parent undertaking is Advance Publications Inc , 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