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NORTHERN & SHELL TITLES LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997



NORTHERN & SHELL TITLES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

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NORTHERN & SHELL TITLES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. R.C. Desmond
Mr. P.M. Ashford
Mr. M.S. Ellice

Secretary

Mr. S. Smith

Company Number

2827197 (England)

Auditors

Price Waterhouse
Southwark Towers
32 London Bridge Street
London SE1 9SY

Registered Office

The Northern & Shell Tower
City Harbour
London E14 9GL

NORTHERN & SHELL TITLES LIMITED

Directors' Report

The directors submit their report and financial statements for the year ended 31 December 1997.

Activities

The company holds magazine trademarks.

Change of Accounting Reference Date

On 15 January 1997 the company changed its accounting reference date from 30 June to 31 December .
The company prepared financial statements for an 18 month period to 31 December 1996 .

Results and Dividends

The company did not trade during the period (1996 - profit £nil).
The directors do not recommend the payment of a dividend (1996 - £nil).

Directors

The present membership of the board is set out on page 2. All directors served throughout the year.
None of directors who held office during the year had an interest in the share capital of the company or the parent company as at 31 December 1996 and 31 December 1997 .

At the beginning and end of the period Mr. R.C.Desmond was beneficially interested in the whole of the issued share capital of the parent company.

Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;

NORTHERN & SHELL TITLES LIMITED

Directors' Report (continued)

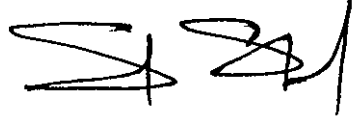
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business ;

The directors are responsible for keeping proper accounting records 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 are 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, Chartered Accountants and Registered Auditors have expressed their willingness to continue in office and offer themselves for re-election in accordance with Section 385 of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



Mr. S. Smith
Secretary

Dated : 27 February 1998

Price Waterhouse



REPORT OF THE AUDITORS
TO THE MEMBERS OF
NORTHERN & SHELL TITLES LIMITED

We have audited the financial statements of pages 6 to 8 which have been prepared under the historical cost convention and the accounting policies on page 7.

Respective Responsibilities of Directors and Auditors

As described on pages 3 to 4, the company's directors are responsible for the preparation of the 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 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 1997 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

27 February 1998

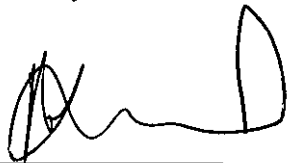
NORTHERN & SHELL TITLES LIMITED

BALANCE SHEET

As at 31 December 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
FIXED ASSETS			
Intangible assets	4	37,908	37,908
		<hr/>	<hr/>
		37,908	37,908
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(37,906)	(37,906)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(37,906)	(37,906)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2</u>	<u>2</u>
		<hr/>	<hr/>
EQUITY CAPITAL AND RESERVES			
Called up share capital	6	<u>2</u>	<u>2</u>
		<hr/>	<hr/>

Approved by the Board of Directors :



Mr. R.C. Desmond

27 February 1998
Dated

The company did not trade or make either a recognised gain or loss during the period.

The notes on pages 7 to 8 form part of these accounts.

NORTHERN & SHELL TITLES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1997

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards which have been applied consistently .

(b) Intangible fixed assets

No amortisation is provided on intangible fixed assets, which are wholly composed of the cost of registering trademarks, as it is considered that their useful economic lives are not limited.

2. AUDITORS' REMUNERATION

Auditors' fees are borne by other group companies.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments are borne by Northern & Shell Plc, a group company.

	<u>12 Months to</u> <u>31-Dec-97</u> <u>No.</u>	<u>18 Months to</u> <u>31-Dec-96</u> <u>No.</u>
Average number of people employed :		
Office and administration (including directors)	<u>3</u>	<u>3</u>

4. INTANGIBLE FIXED ASSETS

	<u>Trademarks</u> <u>£</u>
COST	
As at 31 December 1996	37,908
Additions during the year	<u>0</u>
As at 31 December 1997	<u>37,908</u>
NET BOOK VALUE	
As at 31 December 1997	<u>37,908</u>
As at 31 December 1996	<u>37,908</u>

5 . CREDITORS : AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Amounts owed to group company	<u>37,906</u>	<u>37,906</u>

NORTHERN & SHELL TITLES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 1997

6 . SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Ordinary shares £ 1 each :		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>2</u>	<u>2</u>

7. IMMEDIATE HOLDING COMPANY

The company is a wholly owned subsidiary of Northern & Shell Properties Limited, a company incorporated in England. Copies of Northern & Shell Properties Limited financial statements can be obtained from : The Northern & Shell Tower, City Harbour, London E14 9GL.

8. ULTIMATE HOLDING COMPANY

The company regards Northern & Shell Group Limited, a company incorporated in England, as its ultimate holding company. Copies of the group financial statements can be obtained from : The Northern & Shell Tower, City Harbour, London E14 9GL.

9. CASH FLOW STATEMENT

Northern & Shell Group Ltd prepares and files a consolidated cash flow statement which includes the cash flows of the company .The company has therefore relied on the exemption provided by FRS1 from preparing its own cashflow .

10. RELATED PARTY TRANSACTIONS

Northern & Shell Group Ltd discloses details of related party transactions. The company has therefore relied on the exemption provided by FRS8 from preparing the related party note.