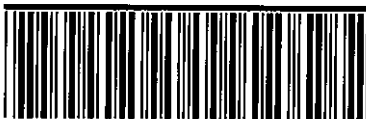


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CHIC MAGAZINES LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 1995



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COMPANIES HOUSE 30/04/96

CHIC MAGAZINES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1995

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CHIC MAGAZINES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. R.C. Desmond
Mr. M.S. Ellice
Mr. R. Barber
Mrs. J.M. Foley

Secretary

Mr. S. Smith

Company Number

03009449 (England)

Auditors

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

Bankers

National Westminster Bank Plc
19 Shaftesbury Avenue
London W1A 4QQ

Registered Office

The Northern & Shell Tower
City Harbour
London E14 9GL

CHIC MAGAZINES LIMITED

Directors' Report

The directors submit their report and financial statements for the period ended 30 June 1995.

Incorporation

The company was incorporated on 15 January 1995 as Adorephoto Limited. The company changed its name to Chic Magazines Limited on 27 February 1995.

Activities

The company's principal activity during the period was that of publishing. It is the intention of the company to continue trading in this area for the foreseeable future.

Results and Dividends

The company made a loss during the period of £76,468.
The directors do not recommend the payment of a dividend.

Directors

The sole director on incorporation was Instant Companies Limited who resigned on 1 February 1995. Mr.R.C.Desmond and Mr.M.S.Ellice were appointed on 1 February 1995, Ms.J.M.Foley and Mr.R.Barber were appointed on 13 February 1995.

The directors who held office during the period and their interest in the share capital of the company were as follows :

	<u>At 30 June 1995</u>	<u>On Incorporation</u>
Mr. R.C. Desmond	Nil	Nil
Mr. M.S. Ellice	Nil	Nil
Ms. J.M.Foley	20,000	Nil
Mr. R.Barber	20,000	Nil
Instant Companies Limited	Nil	1

At 30 June 1995 Mr. R.C.Desmond was beneficially interested in 355,000 shares held by the parent company, Northern & Shell Plc.

Close Company

In the opinion of the directors the company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

CHIC MAGAZINES LIMITED

Directors' Report (continued)

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;
- 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: 24/04/96

REPORT OF THE AUDITORS
TO THE MEMBERS OF
CHIC MAGAZINES LIMITED

We have audited the financial statements on pages 6 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 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 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 affairs of the company as at 30 June 1995 and its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

Dated : 24 April 1996

CHIC MAGAZINES LIMITED

PROFIT & LOSS ACCOUNT

Period ended 30 June 1995

	<u>Note</u>	<u>6 mths to</u> <u>30 June</u> <u>1995</u> <u>£</u>
TURNOVER	2	48,181
Cost of Sales		73,762
		<hr/>
GROSS LOSS		(25,581)
Distribution costs		16,770
Administration expenses		34,117
		<hr/>
		(50,887)
		<hr/>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(76,468)
Tax on loss on ordinary activities	5	-
		<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES		<u>(76,468)</u>

The whole of the turnover and the operating loss is attributable to continuing operations .

The company has no recognised gains and losses for the period other than its retained loss of £76,468.

There were no differences between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 8 to 10 form part of these accounts.

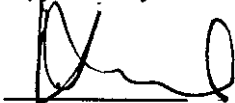
CHIC MAGAZINES LIMITED

BALANCE SHEET

As at 30 June 1995

	<u>Note</u>	<u>1995</u> <u>£</u>
FIXED ASSETS		
Intangible assets	6	385
CURRENT ASSETS		
Debtors	7	90,730
Cash at bank and in hand		<u>392,763</u>
		<u>483,493</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>160,346</u>
NET CURRENT ASSETS		<u>323,147</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>323,532</u></u>
CAPITAL AND RESERVES		
Called up share capital	9	400,000
Profit & loss account		<u>(76,468)</u>
		<u><u>323,532</u></u>

Approved by the Board of Directors :



Mr. R.C. Desmond

24/4/96

Dated

The notes on pages 8 to 10 form part of these accounts.

CHIC MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

Period ended 30 June 1995

1. ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Any differences are dealt with through the profit and loss account.

(c) Intangible fixed assets

No depreciation has been provided on intangible fixed assets, which are wholly composed of trademarks as it is considered that their useful economic lives are not limited.

(d) Deferred taxation

Deferred tax is provided where in the opinion of the directors it is probable that an asset or liability will crystallise in the future.

(e) Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

2. TURNOVER

The company's turnover and loss before taxation arises solely from its publishing activities and relates to continuing operations.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation
is stated after charging :

Auditors' remuneration

1995

£

CHIC MAGAZINES LIMITED

NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1995

4. INFORMATION REGARDING DIRECTORS & EMPLOYEES

	<u>1995</u>
	<u>£</u>
(a) DIRECTORS :	
Directors' emoluments	-
	<u> </u>
(b) STAFF COSTS :	
Wages and salaries	28,038
Social security costs	2,883
	<u> </u>
	<u>30,921</u>
	<u> </u>
	<u>No.</u>
Average number of people employed :	
Office and management (excluding directors)	1
	<u> </u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>1995</u>
	<u>£</u>
UK corporation tax at 33% based on the loss for the year	-
	<u> </u>

6. INTANGIBLE FIXED ASSETS

	<u>Trademarks</u>
	<u>£</u>
COST AND BOOK VALUE	
Additions during period	385
	<u> </u>
As at 30 June 1995	385
	<u> </u>

7. DEBTORS

	<u>1995</u>
	<u>£</u>
Trade debtors	15,555
Amounts owed by group company	39,156
Other debtors and prepayments	36,019
	<u> </u>
	<u>90,730</u>
	<u> </u>

CHIC MAGAZINES LIMITED

NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1995

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>
	<u>£</u>
Trade creditors	35,750
Amounts owed to group company	103,299
Other creditors	490
Accruals	<u>20,807</u>
	<u>160,346</u>

9. SHARE CAPITAL

	<u>1995</u>
	<u>£</u>
Ordinary Share capital	<u>400,000</u>
Allotted, called up and fully paid	<u>400,000</u>

The company was incorporated with an authorised share capital of 1,000 ordinary shares of which two had been issued. By special resolution dated 9 February 1995 the company increased its authorised share capital to 400,000 £1 shares. On 4 May 1995, 399,998 shares were allotted fully paid.

11. IMMEDIATE HOLDING COMPANY

Three hundred and fifty five thousand (88.75%) of the company's shares are owned by Northern & Shell Plc, a company incorporated in England. Copies of the Northern & Shell Plc financial statements can be obtained from : The Northern & Shell Tower, City Harbour, London E14 9GL

12. 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.

13. CASHFLOW STATEMENT

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