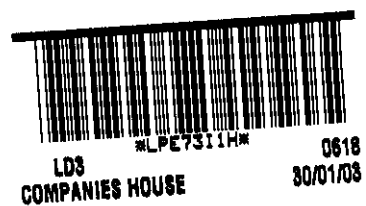


IPC Media Limited

Report and Financial Statements for the 15 months ended

31 December 2001



Directors' Report

The directors present their report and the audited financial statements for the 15 months ended 31 December 2001.

On 17 October 2001 Time UK Publishing Holdings Limited, a wholly owned subsidiary of AOL Time Warner Inc., acquired all of the share capital of the company's ultimate parent undertaking IPC Group Limited.

The company's accounting reference date was changed to 31 December to align with its new ultimate parent undertaking. The comparative figures represent the year ended 30 September 2000.

Review of the business, activities and future developments

The principal activity of the company is the publication of magazines. During the coming year it is anticipated that this will continue to be the company's principal activity.

Results for the period

Operating profit for the period was £77.6 million (2000 - £67.3 million).

Dividends

Total dividends paid were £128.5 million (2000 - £nil).

Directors and their interests

W R Aley	
T D G Arculus	(resigned 15 October 2001)
R G Atkinson	(appointed 17 October 2001)
S J Auton	
S Bailey	
T S Brooks	
G Crace	
C J J Drinkall	(appointed 24 May 2001)
R J Evans	(appointed 17 October 2001)
L M Genower	
C M Reeves-Smith	(resigned 31 October 2000)
M J Soutar	
D B Stam	
C S Ward	
A R Williams	(resigned 27 July 2001)

Company Secretaries

R McCarthy	(appointed 17 October 2001, resigned 25 July 2002)
J F Gore	(resigned 31 July 2002)
S J Williams	(appointed 31 July 2002)

At the period end none of the directors held any beneficial interests in the shares of the company.

The directors beneficial interests in the shares of other group companies as recorded in the register of directors' interests at the period end are shown on the next page.

Directors' report (continued)

	IPC Group Limited		IPC Group Limited		IPC Holdings (UK) Limited	
	'A' ordinary shares of 1p each		'A' preference shares of 1p each		Preference shares of £1 each	
	31 December	30 September	31 December	30 September	31 December	30 September
	2001	2000	2001	2000	2001	2000
W R Aley	-	10,172	-	91,819	200	200
S J Auton	-	10,370	-	93,611	200	200
S Bailey	-	15,357	-	138,624	200	200
G Crace	-	1,341	-	12,107	-	-
L M Genower	-	10,370	-	93,611	200	200
M J Soutar	-	9,973	-	90,027	-	-
D B Stam	-	10,172	-	91,828	200	200
C S Ward	-	1,296	-	11,701	-	-

At the period end S Bailey held no options to purchase shares of IPC Group Limited. At 30 September 2000 S Bailey held options in shares of IPC Group Limited, expiring March 2005, to purchase 4,986 'A' ordinary shares and 45,014 'A' preference shares for a price of £1 per share.

R G Atkinson, T S Brooks, C J J Drinkall and R J Evans had no beneficial interests in the shares of other group companies recorded in the register of directors' interests at the period end.

Employee participation

Employees are informed of the performance and prospects of the company and encouraged to become aware of the financial and economic factors which affect the company and its ability to compete in the marketplace. The individual contributions of staff are recognised as being essential to the future success of the business.

The company has an established staff council which met regularly during the period.

Disabled persons

It is the policy of the group to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

Auditors

Deloitte & Touche resigned as auditors during the period. Ernst & Young LLP were appointed to succeed them and to hold office until the conclusion of the next annual general meeting.

A resolution for the appointment of Ernst & Young LLP as auditors will be put to shareholders at the forthcoming annual general meeting.

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



S J Williams
Company Secretary
King's Reach Tower
Stamford Street
London
SE1 9LS
6 November 2002

Statement of 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 as at the end of the financial period and of the profit or loss of the company for that period . In preparing those financial statements, the directors are require 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;
- . prepare the financial statements on a 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' Report to the Members of IPC Media Limited

We have audited the company's financial statements for the 15 month period ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

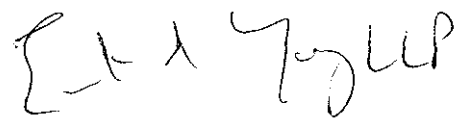
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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 2001 and of its profit for the 15 months then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

6 November 2002

Profit and loss account

for the 15 months ended 31 December 2001

	Notes	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 (restated) £'000
Turnover	2	461,652	359,624
Cost of sales		<u>(234,242)</u>	<u>(178,622)</u>
Gross profit		227,410	181,002
Sales and distribution costs		(102,879)	(76,558)
Administrative expenses		(46,982)	(37,127)
Other operating income		39	53
Operating profit	3	77,588	67,370
Income from joint ventures		500	1,250
		78,088	68,620
Bank interest receivable		1,842	1,292
Other interest payable		(28)	(69)
Profit on ordinary activities before taxation		79,902	69,843
Taxation on profit on ordinary activities	7	-	85
Profit on ordinary activities after taxation		79,902	69,928
Dividends paid		(128,500)	-
(Loss)/profit transferred to reserves		(48,598)	69,928

Turnover and operating income arose from continuing operations.

IPC Media Limited

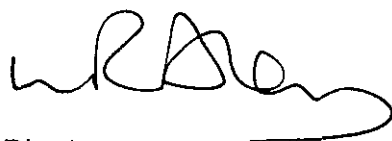
Balance sheet

as at 31 December 2001

	Note	31 December 2001 £'000	30 September 2000 (restated) £'000
Fixed assets			
Tangible assets	8	16,555	20,021
Intangible assets	9	33,340	37,008
Investments	10	75,955	75,955
		<u>125,850</u>	<u>132,984</u>
Current assets			
Stocks	11	4,743	5,762
Debtors: amounts falling due within one year	12	186,968	195,787
Debtors: amounts falling due after more than one year	12	4,856	4,695
Cash at bank and in hand		23,641	51,430
		<u>220,208</u>	<u>257,674</u>
Creditors: amounts falling due within one year	13	<u>(88,579)</u>	<u>(88,340)</u>
Net current assets		<u>131,629</u>	<u>169,334</u>
Total assets less current liabilities		<u>257,479</u>	<u>302,318</u>
Creditors: amounts falling due after more than one year	13	<u>(10,429)</u>	<u>(6,670)</u>
Total net assets		<u>247,050</u>	<u>295,648</u>
Capital and reserves			
Called up share capital	14	2,580	2,580
Share premium account	15	112,887	112,887
Share redemption account	15	2,318	2,318
Profit and loss account	15	129,265	177,863
Equity shareholders' funds		<u>247,050</u>	<u>295,648</u>

These financial statements were approved by the Board of Directors on 6 November 2002

Signed on behalf of the Board of Directors



Director

Statement of total recognised gains and losses
for the 15 months ended 31 December 2001

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 (restated) £'000
(Loss)/profit for the financial period	<u>(48,598)</u>	<u>69,928</u>
Total recognised gains and losses relating to the period	(48,598)	<u>69,928</u>
Prior year adjustment (as explained in note 1)	<u>(12,280)</u>	
Total gains and losses recognised since last annual report	<u>(60,878)</u>	

Notes to the accounts

for the 15 months ended 31 December 2001

1 Accounting policies

Basis of accounting

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under Section 228 of the Companies Act 1985 because its parent undertaking is established under the law of a member State of the European Union.

Under the provisions of Financial Reporting Standard 1 - "Cash Flow Statements", the company has not prepared a cash flow statement because it is a wholly owned subsidiary of Time Warner Limited, which is incorporated in Great Britain, and has prepared consolidated accounts which include the accounts of the company and which contain a cash flow statement.

As a result of the change of accounting reference date, the financial statements cover the 15 month period ended 31 December 2001. Comparative figures represent the year ended 30 September 2000.

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

Prior year adjustment

During the period the company's ultimate parent undertaking, IPC Group Limited, was acquired by Time UK Publishing Holdings Limited. Certain accounting policies of the company in respect of revenue and cost recognition have been changed to make them consistent with the new ultimate parent undertaking.

Adoption of these policies has given rise to a cumulative debit adjustment to prior period reserves of £12,280,000 of which a credit of £438,000 relates to the year ended 30 September 2000 and a debit of £12,718,000 relates to earlier periods. The prior year comparatives have been restated accordingly throughout these accounts.

Investments

Investments are stated at cost less provision, if appropriate, for any impairment in value.

Intangible assets

Following the introduction of FRS 10, 'Goodwill and intangible assets', publishing rights are stated at fair value on acquisition and are amortised on a straight line basis over the useful economic life up to a maximum of 20 years. Goodwill arising on the acquisition of the trade or assets of a business, being the difference between the fair value of the assets acquired and the consideration paid, is also amortised on a straight line basis over its useful economic life up to a maximum of 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided on a basis that will write off the book value of fixed assets on a straight line basis over their expected lives. The depreciation rates range from $6\frac{2}{3}\%$ to $33\frac{1}{3}\%$ for plant and equipment, and $6\frac{2}{3}\%$ to $12\frac{1}{2}\%$ for fixtures and fittings.

Notes to the accounts

for the 15 months ended 31 December 2001

1 Accounting policies (continued)

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the periods of the leases.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value.

Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Pensions

The company operates both defined benefit and defined contribution pension schemes.

For defined benefit schemes, the expected costs of pensions in respect of the scheme are charged to the profit and loss account so as to spread the costs over the service lives of the employees in the scheme. Actuarial surpluses or deficits are allocated over the average expected remaining service lives of the employees.

For defined contribution schemes, the pension cost charged to the profit and loss account represents contributions payable by the company to the relevant funds.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling on that date. The translation differences are dealt with in the profit and loss account.

Reclassifications

Certain prior year amounts have been reclassified to conform to 2001 presentation.

Notes to the accounts

for the 15 months ended 31 December 2001

2 Segmental information

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
The analysis of the group's turnover by destination of geographical market is as follows:		
United Kingdom	418,545	337,289
Europe	22,486	11,724
Rest of the world	20,621	10,611
Total	461,652	359,624

Turnover is derived principally from the group's main activity, magazine publishing, in the United Kingdom.

It is not appropriate to analyse operating profit or net assets attributable to geographical market as the group operates principally from one geographical location.

3 Group operating profit

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Operating profit is stated after charging:		
Depreciation of owned tangible assets	9,920	8,638
Amortisation of intangible assets	3,668	2,934
Auditors' remuneration		
Audit fees	39	39
Non audit fees	-	87
Operating lease rentals - land and buildings	6,724	5,267
Profit on disposal of fixed assets and titles	(247)	(799)

Notes to the accounts

for the 15 months ended 31 December 2001

4 Information regarding directors and employees

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Staff costs (including directors)		
Wages and salaries	79,547	59,469
Social security costs	7,967	6,054
Pensions	3,759	2,060
	<u>91,273</u>	<u>67,583</u>
	No.	No.
Average number of persons employed		
Editorial	907	857
Sales and distribution	813	769
Administration and finance	385	364
	<u>2,105</u>	<u>1,990</u>

5 Directors' emoluments

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Remuneration:		
Salary and fees	1,977	1,128
Compensation for loss of office	93	-
Benefits	159	99
Bonus	728	114
Pension	19	17
Total emoluments	<u>2,976</u>	<u>1,358</u>

The number of directors accruing benefits at the year end in respect of defined benefit pension schemes is 10 (2000 - 11). There were no directors accruing benefits at the year end in respect of defined contribution pension schemes (2000 - one).

Analysis of emoluments (excluding pension contributions) of the highest paid director:

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Emoluments	<u>525</u>	<u>236</u>
Accrued pension at year end	<u>53</u>	<u>34</u>

Notes to the accounts

for the 15 months ended 31 December 2001

6 Pension

The company operates a number of pension schemes. The principal scheme, the IPC Media Pension Scheme is of the defined benefit type. SSAP 24 has been used as the basis for preparing the accounts. A new pension cost accounting standard, FRS 17, must be used for the figures that will be shown in the accounts as at 31 December 2003 and subsequent years. Under transitional arrangements the Company is required to disclose information about the defined benefit schemes that it operates and the figures that would have been shown under FRS 17 in the current balance sheet.

SSAP 24

The pension cost of the IPC Media Pension Scheme charged to the profit and loss account has been assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest actuarial assessment was as at 5 April 2000 and the next actuarial valuation will be as at 5 April 2003. The assumptions which have the most significant effect on the results of the valuation are those relating to rate of return on investments and the rates of increase of salaries and pensions. At the latest actuarial assessment it was assumed that the return on investments would be 7% per annum, that salary increases would average 4.5% per annum and that present and future pensions would increase at 3% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the IPC Media Pension Scheme was £146.6m and the actuarial value of the assets was sufficient to cover 130% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assets are held in separate trustee-administered funds.

The total pension cost for the company for the period was £3,758,668 (year ended 30 September 2000 £2,060,000).

FRS 17

Actuarial assumptions

	31 December 2001
	%
Rate of price inflation	2.5
Rate of increase in salaries	4.0
Rate of increase in pensions	2.5
Discount rate	5.75
Contributions	
employees	3.0 or 5.0
employers	0.0

Fair value of assets and expected rate of return

	Expected rate of return 31 December 2001	Fair value 31 December 2001
	%	£m
Equities	7.75	120.3
Bonds	5.0	-
Cash	4.5	0.4
Total fair value of assets		<u>120.7</u>

Notes to the accounts

for the 15 months ended 31 December 2001

6 Pension (continued)

Impact on net assets if FRS 17 pension liability were recognised

	31 December 2001 £m
Fair value of scheme assets	120.7
Present value of scheme liabilities	<u>(130.0)</u>
Deficit in scheme	(9.3)
Related deferred tax	<u>2.8</u>
Net FRS 17 pension liability	(6.5)
Add back SSAP 24 pension liability	<u>10.4</u>
Impact on net assets if FRS 17 pension liability recognised	3.9
Net assets as currently stated	<u>247.1</u>
Net assets including pension liability	<u><u>251.0</u></u>

Profit and loss reserves if FRS 17 pension liability were recognised

	31 December 2001 £m
Profit and loss reserve as currently stated	129.3
Net FRS 17 pension liability	(6.5)
Add back SSAP 24 pension liability	<u>10.4</u>
Profit and loss reserve if FRS 17 pension liability recognised	<u><u>133.2</u></u>

7 Taxation on profit on ordinary activities

	15 months ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Adjustment in respect of prior year	<u>-</u>	<u>(85)</u>

There is no taxation charge for the current period due to group relief being claimed from other group companies for nil consideration.

Notes to the accounts

for the 15 months ended 31 December 2001

8 Tangible fixed assets

	Plant & equipment £'000	Fixtures & fittings £'000	Total £'000
Cost			
At 1 October 2000	55,631	23,461	79,092
Transfers	(4,068)	4,068	-
Additions	5,652	862	6,514
Disposals	(3,300)	-	(3,300)
At 31 December 2001	53,915	28,391	82,306
Accumulated depreciation			
At 1 October 2000	(43,363)	(15,708)	(59,071)
Transfers	3,917	(3,917)	0
Charge for the period	(7,595)	(2,325)	(9,920)
Disposals	3,240	-	3,240
At 31 December 2001	(43,801)	(21,950)	(65,751)
Net book value			
At 31 December 2001	10,114	6,441	16,555
At 30 September 2000	12,268	7,753	20,021

9 Intangible fixed assets

	Publishing rights £'000	Goodwill £'000	Total £'000
Cost			
At 1 October 2000	37,036	21,477	58,513
Title disposals	-	-	-
At 31 December 2001	37,036	21,477	58,513
Amortisation			
At 1 October 2000	(19,622)	(1,883)	(21,505)
Provided during the period	(2,315)	(1,353)	(3,668)
At 31 December 2001	(21,937)	(3,236)	(25,173)
Net book value			
At 31 December 2001	15,099	18,241	33,340
At 30 September 2000	17,414	19,594	37,008

Notes to the accounts

for the 15 months ended 31 December 2001

10 Fixed asset investments

	31 December 2001 £'000	30 September 2000 £'000
Shares in subsidiary undertakings		
Cost	117,373	117,373
Provisions	(41,418)	(41,418)
Net Book Value	<u>75,955</u>	<u>75,955</u>

Interests in the share capital of subsidiary undertakings relate to IPC Magazines (Overseas) Limited and dormant companies all of which are wholly owned. The dormant companies hold certain publishing rights to magazines published by the company.

The principal function of IPC Magazines (Overseas) Limited is to hold shares in overseas publishing undertakings.

IPC Magazines (Overseas) Limited has a 50% economic interest in Avantages SAS, whose principal activity is magazine publishing and is incorporated in France. IPC Magazine (Overseas) Limited also holds a 100% share of the capital of IPC Media Australia Holdings Pty Limited (formerly IPC Magazines Australia Holdings Pty Limited). IPC Media Australia Holdings Pty Limited is a holding company for magazine publishing interests in New Zealand and Australia and is incorporated in Australia.

IPC Media Limited has a joint venture interest in European Magazines Limited by virtue of its 50% ownership of the company's £100 issued share capital. This interest is included within fixed asset investments at its original cost of £50. European Magazines Limited's principal activity is magazine publishing. European Magazines Limited made a profit before tax of £1,718,000 for the year ended 31 December 2001 (year ended 31 December 2000 - £1,546,000) and had total shareholders' funds of £3,130,000 (31 December 2000 - £2,954,000). The year end for European Magazines Limited is 31 December. European Magazines Limited is incorporated in England and Wales.

In the opinion of the directors, the aggregate value of the company's investments is not worth less than the aggregate amount shown above.

11 Stocks

	31 December 2001 £'000	30 September 2000 (restated) £'000
Raw materials and consumables	<u>4,743</u>	<u>5,762</u>

Notes to the accounts

for the 15 months ended 31 December 2001

12 Debtors

	31 December 2001 £'000	30 September 2000 restated £'000
Amounts falling due within one year:		
Trade debtors	24,155	23,565
Amounts owed by joint ventures	790	1,874
Other debtors	1,381	2,495
Corporation Tax	29	640
Prepayments and accrued income	5,184	7,499
Amounts owed by group undertakings	155,429	159,714
	<u>186,968</u>	<u>195,787</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	4,856	4,695
	<u>4,856</u>	<u>4,695</u>

13 Creditors

	31 December 2001 £'000	30 September 2000 restated £'000
Amounts falling due within one year:		
Trade creditors	35,818	43,983
Amounts owed to group undertakings	32,610	31,027
Accruals and deferred income	12,700	10,551
Other creditors	4,782	920
Taxation and social security	2,669	1,859
	<u>88,579</u>	<u>88,340</u>
Amounts falling due after more than one year:		
Accrued pension costs	10,429	6,670
	<u>10,429</u>	<u>6,670</u>

14 Called up share capital

	31 December 2001 £'000	30 September 2000 £'000
Authorised (number '000):		
3,230 (2000 : 3,230) Ordinary shares of £1 each	<u>3,230</u>	<u>3,230</u>
Called up, allotted and fully paid (number '000):		
2,580 (2000 : 2,580) Ordinary shares of £1 each	<u>2,580</u>	<u>2,580</u>

Notes to the accounts

for the 15 months ended 31 December 2001

15 Reconciliations of movements in shareholders' funds and movement in reserves

	Share capital £'000	Share premium account £'000	Share redemption account £'000	Profit and loss account £'000	Total £'000
At 1 October 2000	2,580	112,887	2,318	190,143	307,928
Prior year adjustment	-	-	-	(12,280)	(12,280)
At 1 October 2000 (restated)	2,580	112,887	2,318	177,863	295,648
Loss for period	-	-	-	(48,598)	(48,598)
At 31 December 2001	<u>2,580</u>	<u>112,887</u>	<u>2,318</u>	<u>129,265</u>	<u>247,050</u>

16 Operating lease commitments

Annual commitments under non-cancellable land and buildings operating leases are as follows:

	31 December 2001 £'000	30 September 2000 £'000
Leases which expire:		
Within two to five years	964	915
After five years	<u>4,492</u>	<u>4,531</u>
	<u>5,456</u>	<u>5,446</u>

17 Parent undertakings

Time Warner Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group accounts are drawn up. Time Warner Limited is registered in England and Wales and copies of its accounts may be obtained from the Registrar of Companies in Cardiff.

AOL Time Warner Inc., a company incorporated in the United States of America, is the ultimate parent undertaking of the largest group of undertakings of which the company is a member and for which group accounts are drawn up. Copies of AOL Time Warner Inc.'s accounts can be obtained from 75 Rockefeller Plaza, New York, NY 10019 USA.

Notes to the accounts

for the 15 months ended 31 December 2001

18 Related party transactions

There were no material related party transactions during the period other than those set out below or disclosed elsewhere in the accounts.

JLR Sales and Marketing Co. Ltd.

The directors consider this company to be a related party by virtue of the fact that it is owned by P Bailey, husband of S Bailey a director of the company.

There were no transactions with JLR Sales and Marketing Co. Ltd. during the period (2000 - £0.6m) and no balance outstanding at 31 December 2001 (30 September 2000 - £0.1m).

Joint ventures

During the period the group sold goods and provided management and other services to European Magazines Limited. The total value of these transactions was £15.3m (2000 - £14.9m). As at 31 December 2001 the company was owed £0.2m by European Magazines Limited (30 September 2000 - £1.0m).

The company also charged royalties totalling £0.6m (2000 - £0.5m) to Avantages SAS and as at 31 December 2001 the company was owed £0.3m (30 September 2000 - £0.4m) by Avantages SAS

A number of expenses were paid by the company on behalf of its Australian joint venture IPC Media Australia Pty Limited (formerly IPC ACP Australia Pty Limited). Total transaction value was £0.2m (2000 - £0.1m) and as at 31 December 2001 the company was owed £0.3m (30 September 2000 - £0.2m) by IPC Media Australia Pty Limited.

The directors are satisfied that all related party transactions were carried out on an arm's length basis.