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W H SMITH INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS

28 MAY 1994



W H SMITH INTERNATIONAL LIMITED

28 MAY 1994

COMPANY INFORMATION

DIRECTORS

Sir Malcolm Field (Chairman)

J A Napier

P J C Troughton

SECRETARY

C S Rule

REGISTERED OFFICE

Strand House

7 Holbein Place

London

SW1W 8NR

COMPANY NUMBER

401665 (England)

AUDITORS

Touche Ross & Co.

Chartered Accountants

Hill House

1 Little New Street

LONDON

EC4A 3TR

W H SMITH INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

FOR THE 52 WEEKS ENDED 28 MAY 1994

The Directors present their report to shareholders together with the audited financial statements for the 52 weeks ended 28 May 1994.

ACTIVITIES

The Company acts as a holding company for interests in Europe. It is a subsidiary of W H Smith Limited, its ultimate parent company being W H Smith Group plc.

RESULTS

The Company made a profit for the financial period ended 28 May 1994 of £4,020 (1993 - profit £2,250,831).

DIVIDENDS AND TRANSFERS TO RESERVES

The Directors do not recommend the payment of a dividend. Last year a dividend was declared of £2,194,831. Retained profits of £4,020 have been transferred to reserves.

DIRECTORS

The names of the present Directors are shown on page 1.

Mr C S Rule and Mr R C Thorpe ceased to be Directors on 1 August 1994 and Mr J A Napier and Mr P J C Troughton were appointed as Directors on that date.

DIRECTORS' SHARE INTERESTS

As the Directors are also Directors of W H Smith Group plc, their interests in the shares and debentures of that company are not required to be recorded in the Register of Directors' Share Interests of this Company.

W H SMITH INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS (continued)

ELECTIVE RESOLUTIONS

At an Extraordinary General Meeting of the Company held on 27 May 1994, Elective Resolutions were passed dispensing with:

- i) the laying of accounts and reports before the Company in general meeting;
- ii) the holding of annual general meetings; and
- iii) the obligation to appoint auditors annually.

The report was approved by the Board of Directors on 20 December 1994.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'C S Rule', written over a horizontal line.

C S Rule
Secretary

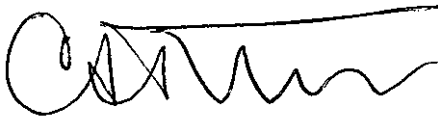
W H SMITH INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required to prepare financial statements 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 results for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements are prepared in accordance with applicable accounting standards.

The Directors are responsible for safeguarding the assets of the Company, for maintaining adequate accounting records and for preventing and detecting irregularities including fraud.

By Order of the Board

A handwritten signature in black ink, appearing to be 'C S Rule', with a horizontal line drawn above the signature.

C S Rule
Company Secretary

20 December 1994

W H SMITH INTERNATIONAL LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF W H SMITH
INTERNATIONAL LIMITED**

We have audited the financial statements on pages 6 to 10 which have been prepared under 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 28 May 1994 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co.
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
LONDON EC4A 3TR

20 December 1994

W H SMITH INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS TO 28 MAY 1994

	Note	<u>1994</u> £	<u>1993</u> £
Income from shares in subsidiaries		-	2,393,835
Administrative income/(expenses)		4,020	(2,000)
Interest receivable		<u>1,203</u>	<u>-</u>
Profit on ordinary activities before taxation		5,223	2,391,835
Tax on profit on ordinary activities	3	<u>16</u>	<u>(141,004)</u>
Profit for the financial period		5,239	2,250,831
Dividends	4	<u>-</u>	<u>(2,194,831)</u>
Transfer to reserves	8	<u>5,239</u>	<u>56,000</u>

There are no recognised gains and losses for the current financial period and preceding financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

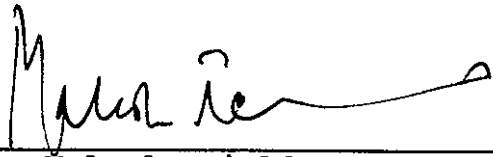
W H SMITH INTERNATIONAL LIMITED

BALANCE SHEET AS AT 28 MAY 1994

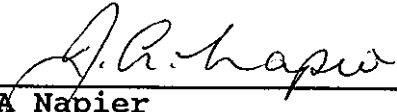
	Note	<u>1994</u> £	<u>1993</u> £
Fixed assets			
Investments	5	68,754	68,754
Current assets			
Debtors	6	88,687	24,665
Creditors: Amounts falling due within one year	7	(146,537)	(87,754)
TOTAL NET ASSETS		<u>10,904</u>	<u>5,665</u>
 Called up share capital:			
Authorised, issued and fully paid Ordinary Shares of £1 each		5,000	5,000
Profit and loss account	8	<u>5,904</u>	<u>665</u>
TOTAL CAPITAL AND RESERVES		<u>10,904</u>	<u>5,665</u>

These financial statements were approved by the Board of Directors on 20 December 1994.

Signed on behalf of the Board of Directors



 Sir Malcolm Field
 Director



 J A Napier
 Director

W H SMITH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Basis of financial statements

The financial statements are prepared in accordance with the Companies Act 1985 and under the historical cost convention.

(b) Shares in subsidiary companies

Investments in subsidiary companies are stated at cost less provision for permanent diminution in value.

(c) Basis of consolidation

Consolidated financial statements are not prepared as the Company is a wholly-owned subsidiary of a company incorporated in England.

2 RESULTS FOR THE FINANCIAL PERIOD

There were no Directors' emoluments and there were no employees during the period. Auditors' remuneration is paid by another Group company.

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
UK Corporation tax at 33% (1993 - 33%)		
Corporation tax on profit for period	1,327	1,213,000
Double taxation relief	<u>-</u>	<u>(1,213,000)</u>
	1,327	-
Adjustment for prior period	<u>(1,343)</u>	<u>141,004</u>
	<u>(16)</u>	<u>141,004</u>

W H SMITH INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4	DIVIDENDS	<u>1994</u> £	<u>1993</u> £
	Final	<u>-</u>	<u>2,194,831</u>
5	INVESTMENTS HELD AS FIXED ASSETS	<u>1994</u> £	<u>1993</u> £
	Shares at cost in Group companies		
	- subsidiaries	<u>68,754</u>	<u>68,754</u>
	The principal subsidiary companies are set out in Note 9.		
6	DEBTORS	<u>1994</u> £	<u>1993</u> £
	Amounts falling due within one year:		
	Corporation Tax	88,687	-
	Amounts owed by parent undertaking	<u>-</u>	<u>24,665</u>
		<u>88,687</u>	<u>24,665</u>
7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1994</u> £	<u>1993</u> £
	Amounts owed to parent undertaking	145,210	-
	Corporation Tax	<u>1,327</u>	<u>87,754</u>
		<u>146,537</u>	<u>87,754</u>
8	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1994</u> £	<u>1993</u> £
	Opening Shareholders' funds	5,665	(50,335)
	Profit retained for the period	<u>5,239</u>	<u>56,000</u>
	Closing Shareholders' funds	<u>10,904</u>	<u>5,665</u>

W H SMITH INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9 PRINCIPAL SUBSIDIARY COMPANIES

	<u>Class of Share</u>	<u>Interest</u> %	<u>Country of incorporation</u>
<u>Held directly</u>			
W H Smith Nederland BV	Ordinary	100	Holland
<u>Held indirectly</u>			
W H Smith Amsterdam BV	Ordinary	100	Holland
W H Smith (Belgium) SA	Ordinary	100	Belgium
W H Smith (France) SA	Ordinary	100	France
Lexicon Book Company Ltd	Ordinary	100	England

All the above companies and are engaged in the activity of retailing.

10 ULTIMATE PARENT COMPANY

The ultimate parent company is W H Smith Group plc, a company registered in England.

Copies of the Group financial statements are available from:

The Company Secretary
W H Smith Group plc
Strand House
7 Holbein Place
LONDON SW1W 8NR