

WHSTV SPORTS LIMITED

Report and Financial Statements

31 August 2005



WHSTV SPORTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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WHSTV SPORTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

COMPANY INFORMATION

DIRECTORS

K E Swann
A J H Stewart

SECRETARY

I Houghton

REGISTERED OFFICE

Greenbridge Road
Swindon
Wiltshire
SN3 3RX

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

WHSTV SPORTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company did not trade in the current or prior year and will not trade in the foreseeable future but will continue to hold interest bearing loans with other group companies.

RESULTS FOR THE YEAR

The results for the year are set out on page 5.

DIVIDENDS

The directors do not recommend the payment of a dividend (2004 – £nil).

DIRECTORS AND THEIR INTERESTS

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

The following changes took place in the composition of the Board of Directors between 31 August 2004 and the date of this report:

A J H Stewart (appointed 3 March 2005)

J A Warren (resigned 3 March 2005)

K E Swann and A J H Stewart are directors of WH Smith PLC, and their interests in the shares and loan stocks of that company are disclosed in the consolidated financial statements of WH Smith PLC and are not required to be recorded in the Register of Directors' Share Interests of this Company.

The directors have no interests in other Group companies.

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.

AUDITORS

Deloitte & Touche LLP will continue in office as auditors.

Approved by the Board of Directors on 27 March 2006.
and signed on behalf of the Board

I Houghton
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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; 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHSTV SPORTS LIMITED

We have audited the financial statements of WHSTV Sports Limited for the year ended 31 August 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 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 as at 31 August 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23 March 2006

WHSTV SPORTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 August 2005

	Note	2005 £'000	2004 £'000
OPERATING PROFIT	2	-	-
Interest receivable	3	304	267
RETAINED PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	4,7	304	267

There were no recognised gains or losses in the current financial year or preceding financial year other than as stated in the profit and loss account. Consequently no Statement of Total Recognised Gains and Losses is presented.

There were no movements in shareholders' funds in the current financial year or preceding financial year other than the recognised profit in the current year and prior year. Consequently no Reconciliation of Movement in Shareholders Funds is presented.

The results are derived from continuing operations.

WHSTV SPORTS LIMITED

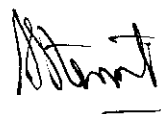
BALANCE SHEET

31 August 2005

	Note	2005 £'000	2004 £'000
CURRENT ASSETS			
Debtors	5	16,492	16,188
NET CURRENT ASSETS		<u>16,492</u>	<u>16,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,492</u>	<u>16,188</u>
CAPITAL AND RESERVES			
Called up share capital	6	20,000	20,000
Profit and loss account	7	(3,508)	(3,812)
EQUITY SHAREHOLDERS' FUNDS		<u>16,492</u>	<u>16,188</u>

These financial statements were approved by the Board of Directors on **23** March 2006.

Signed on behalf of the Board of Directors



A J H Stewart
Director

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and previous financial years.

In accordance with FRS 1 (Revised), a statement of cash flows has not been prepared, as cash flow information has been shown in the financial statements of the ultimate parent company.

Basis of the financial statements

The financial statements have been prepared under the historical cost convention.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

There were no directors' emoluments, and there were no employees during the year, or the previous year. Auditors' remuneration is paid by another group company in the current and previous year.

3. INTEREST RECEIVABLE

	2005 £'000	2004 £'000
From group undertakings	304	267

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30% (year ended 31 August 2004: 30%)	-	-
	-	-

Reconciliation of current tax charge

	2005 £'000	2004 £'000
Profit on ordinary activities before taxation	304	267
Tax on profits at UK standard rate of corporation tax – 30% (2004: 30%)	91	80
Group relief claimed for nil consideration	(91)	(80)
	-	-

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Owed by group undertakings	16,492	16,188
	<u>16,492</u>	<u>16,188</u>

The amount owed by the parent undertaking bears interest at a base rate plus 1%. There is no fixed repayment date.

6. CALLED UP SHARE CAPITAL

	2005	2004
	£'000	£'000
Authorised, called up, allotted and fully paid:		
20,000,000 ordinary shares of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

7. PROFIT AND LOSS ACCOUNT

	2005	2004
	£'000	£'000
At 1 September	(3,812)	(4,079)
Retained profit for the year	304	267
	<u>304</u>	<u>267</u>
At 31 August	<u>(3,508)</u>	<u>(3,812)</u>

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with WH Smith Group companies and interests of the group which are related parties.

9. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is WH Smith PLC, a company incorporated in Great Britain and registered in England and Wales. This is the smallest and largest group including the company for which consolidated financial statements are prepared. The immediate parent company is WH Smith (Holdings) Limited which is incorporated in Great Britain.

Copies of both sets of financial statements are available from:

The Company Secretary
WH Smith PLC
Greenbridge Road
Swindon
Wiltshire
SN3 3RX