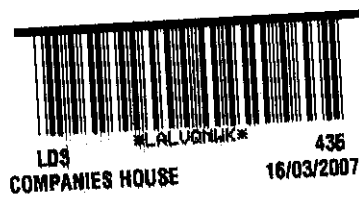


WHSTV SPORTS LIMITED

Report and Financial Statements

31 August 2006



WHSTV SPORTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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WHSTV SPORTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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 2006. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of WH Smith (Holdings) Limited. Its ultimate parent company being WH Smith PLC.

As part of the group reorganization relating to the demerger of the retail business of WH Smith, Smiths News PLC (formerly Brightway Services Limited) was inserted as a new holding company over the listed parent company, WH Smith Retail Holdings Limited (formerly WH Smith PLC) by way of a Scheme of Arrangement and WH Smith PLC (formerly New WH Smith PLC; formerly Pollquote Limited) was then demerged from Smiths News PLC, effected by a dividend in specie.

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 6.

DIVIDENDS

The directors do not recommend the payment of a dividend (2005 – £nil).

DIRECTORS AND THEIR INTERESTS

The names of the present directors are shown on page 1. No changes took place in the composition of the Board of Directors between 31 August 2005 and the date of this report.

K E Swann and A J H Stewart are also directors of WH Smith PLC (formerly New WH Smith PLC), their interests in the shares and loan stocks of that company at 31 August 2006 and WH Smith Retail Holdings (formerly WH Smith PLC) at 31 August 2005 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.

WHSTV SPORTS LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

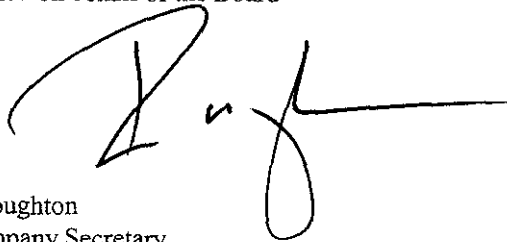
Each of the persons who is a director at the date of approval of this report confirms that:

- so far the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP will continue in office as auditors.

Approved by the Board of Directors on 14 March 2007.
Signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'I Houghton', with a long horizontal stroke extending to the right.

I Houghton
Company Secretary
14 March 2007

WHSTV SPORTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

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 to 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 2006, 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
14 March 2007

WHSTV SPORTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 August 2006

	Notes	2006 £'000	2005 £'000
OPERATING PROFIT	2	-	-
Interest receivable	3	<u>293</u>	<u>304</u>
RETAINED PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	4, 7	<u>293</u>	<u>304</u>

The results are derived from continuing operations.

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.

WHSTV SPORTS LIMITED

BALANCE SHEET

31 August 2006

	Notes	2006 £'000	2005 £'000
CURRENT ASSETS			
Debtors	5	16,785	16,492
NET CURRENT ASSETS		<u>16,785</u>	<u>16,492</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,785</u>	<u>16,492</u>
CAPITAL AND RESERVES			
Called up share capital	6	20,000	20,000
Profit and loss account	7	(3,215)	(3,508)
EQUITY SHAREHOLDERS' FUNDS		<u>16,785</u>	<u>16,492</u>

These financial statements were approved by the Board of Directors on 14 March 2007.

Signed on behalf of the Board of Directors



A J H Stewart
Director

WHSTV SPORTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2006

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

	2006 £'000	2005 £'000
From group undertakings	293	304

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
United Kingdom corporation tax at 30% (2005: 30%)	-	-
	-	-

Reconciliation of current tax charge

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	293	304
Tax on profits at UK standard rate of corporation tax – 30% (2005: 30%)	88	91
Permanent differences	(3)	-
Group relief claimed for nil consideration	(85)	(91)
	-	-

WHSTV SPORTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2006

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	16,785	16,492
	<u>16,785</u>	<u>16,492</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

	2006 £'000	2005 £'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

	2006 £'000	2005 £'000
At 1 September	(3,508)	(3,812)
Retained profit for the year	293	304
	<u>293</u>	<u>304</u>
At 31 August	(3,215)	(3,508)
	<u>(3,215)</u>	<u>(3,508)</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