

2054109

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WHSTV SPORTS LIMITED
REPORT AND FINANCIAL STATEMENTS
3 JUNE 1995



WHSTV SPORTS LIMITED

3 JUNE 1995

COMPANY INFORMATION

DIRECTORS

C J M Hardie (Chairman)

Sir Malcolm Field

J A Napier

SECRETARY

C S Rule

REGISTERED OFFICE

Strand House

7 Holbein Place

London

SW1W 8NR

COMPANY NUMBER

2054109 (England)

AUDITORS

Touche Ross & Co.

Chartered Accountants

Hill House

1 Little New Street

LONDON

EC4A 3TR

WHSTV SPORTS LIMITED

REPORT OF THE DIRECTORS

FOR THE 53 WEEKS ENDED 3 JUNE 1995

The Directors present their report to shareholders together with the audited financial statements for the 53 weeks ended 3 June 1995.

PARENT COMPANY

The Company is a wholly-owned subsidiary of W H Smith Limited, its ultimate parent company being W H Smith Group plc.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The Company operates as an investment company and has invested principally in UK Government Stock and interest bearing loans to other companies within the W H Smith group. The Board of Directors will continue to manage these investments.

RESULTS FOR THE PERIOD

The results for the period are set out on page 6.

DIVIDENDS

The Directors do not recommend the payment of a dividend (1994: £Nil).

DIRECTORS

The names of the present Directors are shown on page 1. All Directors served throughout the period to the date of this report.

DIRECTORS' SHARE INTERESTS

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

INSURANCE OF DIRECTORS AND OFFICERS

The W H Smith Group has maintained insurance to cover Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985.

WHSTV SPORTS 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.

AUDITORS

Touche Ross & Co. will continue in office as Auditors.

This report was approved by the Board of Directors on 19 September 1995.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'C S Rule', with a long horizontal line extending from the top of the signature.

C S Rule
Company Secretary

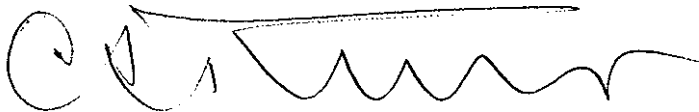
WHSTV SPORTS LIMITED

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, which are required to be prepared on a going concern basis, 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 dark ink, appearing to be 'C S Rule', with a long horizontal line extending to the right.

C S Rule
Company Secretary

19 September 1995

WHSTV SPORTS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF WHSTV SPORTS 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 3 June 1995 and of its loss for the 53 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

19 September 1995

WHSTV SPORTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 53 WEEKS ENDED 3 JUNE 1995

| | Note | <u>1995</u> £ | <u>1994</u> £ |
|---|------|------------------|------------------|
| Foreign exchange losses | | - | (18,052) |
| Administrative expenses | 2 | <u>(470,713)</u> | <u>(98)</u> |
| Operating loss - continuing operations | | (470,713) | (18,150) |
| Net interest receivable | 3 | <u>618,107</u> | <u>267,499</u> |
| Profit on ordinary activities before taxation | | 147,394 | 249,349 |
| Tax on profit on ordinary activities | 4 | <u>(203,584)</u> | <u>(82,411)</u> |
| Loss/profit on ordinary activities after taxation, transferred (from)/to reserves | 10 | <u>(56,190)</u> | <u>166,938</u> |

There are no recognised gains or losses for the current financial period or preceding financial period other than as stated in the profit and loss account.

There are no movements in equity shareholders' funds other than the recognised gains and losses for both the current and preceding financial period.

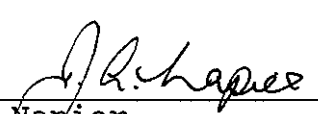
WHSTV SPORTS LIMITED

BALANCE SHEET AS AT 3 JUNE 1995

| | Note | 3 June 1995 £ | 28 May 1994 £ |
|--|------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Investments in subsidiaries | 5 | <u>102</u> | <u>102</u> |
| CURRENT ASSETS | | | |
| Investments | 6 | 8,959 | 9,671 |
| Debtors | 7 | 8,171,131 | 8,161,555 |
| Cash at bank and in hand | | <u>792</u> | <u>525</u> |
| | | <u>8,180,882</u> | <u>8,171,751</u> |
| Creditors: amounts falling due within one year | 8 | <u>(203,898)</u> | <u>(138,577)</u> |
| NET CURRENT ASSETS | | <u>7,976,984</u> | <u>8,033,174</u> |
| TOTAL NET ASSETS | | <u>7,977,086</u> | <u>8,033,276</u> |
| Called up share capital | 9 | 20,000,000 | 20,000,000 |
| Profit and loss account - deficit | 10 | <u>(12,022,914)</u> | <u>(11,966,724)</u> |
| EQUITY SHAREHOLDERS' FUNDS | | <u>7,977,086</u> | <u>8,033,276</u> |

These financial statements were approved by the Board of Directors on 19 September 1995.

Signed on behalf of the Board of Directors


 J A Napier
 Director

WHSTV SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 3 JUNE 1995

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) Basis of the financial statements

The financial statements are prepared in compliance with the Companies Act 1985 under the historical cost convention. Consolidated financial statements have not been prepared since the Company is itself a wholly-owned subsidiary of a company registered in England. Comparative figures are for the 52 weeks to 28 May 1994.

b) Investments

Investments in subsidiaries are shown at cost less provision for permanent diminution in value. Current asset investments are shown at the lower of cost and net realisable value.

c) Deferred taxation

Deferred taxation is provided using the liability method, to the extent that it is probable that a liability or an asset will crystallise in the future. It is provided on items of income or expenditure included in the profit and loss account in different periods from which they are assessed for taxation purposes.

2 ADMINISTRATIVE EXPENSES

Included under administrative expenses is £470,000 in respect of legal fees incurred in connection with an earlier disposal of the Company's investment in The European Sports Network. These fees were initially borne by another Group company and have subsequently been recharged to the Company in this period.

None of the Directors received any remuneration from the Company during the current or previous period. The Company has no employees. The Auditors' remuneration has been borne by another group company.

WHSTV SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 NET INTEREST RECEIVABLE

| | <u>1995</u> | <u>1994</u> |
|-------------------------|----------------|------------------|
| | £ | £ |
| Interest receivable: | | |
| From group companies | 617,392 | 561,606 |
| Bank deposits | - | 127,641 |
| Other investment income | <u>715</u> | <u>260</u> |
| | <u>618,107</u> | <u>689,507</u> |
| Interest payable: | | |
| To group companies | <u>-</u> | <u>(422,008)</u> |
| Net interest receivable | <u>618,107</u> | <u>267,499</u> |

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

| | <u>1995</u> | <u>1994</u> |
|---|----------------|---------------|
| | £ | £ |
| UK Corporation tax at 33% (1994 - 33%): | | |
| Current | 203,796 | 138,475 |
| Deferred | - | (56,064) |
| Adjustment in respect of prior years | <u>(212)</u> | <u>-</u> |
| | <u>203,584</u> | <u>82,411</u> |

The tax charge for the year is high due to certain charges not being deductible for tax purposes in the period.

As at 3 June 1995, unprovided deferred tax on capital losses carried forward amounted to £2,638,433 (1994 - £2,247,516)

5 INVESTMENTS HELD AS FIXED ASSETS

| | <u>1995</u> | <u>1994</u> |
|--|-------------|-------------|
| | £ | £ |
| Investment in subsidiaries - at cost | <u>102</u> | <u>102</u> |
| Investments held as fixed assets comprise: | | |
| The Video Business | | |
| 2 Ordinary Shares of £1 each | | 2 |
| Surplus Records Limited | | |
| 2 Ordinary Shares of £1 each | | <u>100</u> |
| | | <u>102</u> |

Both subsidiaries are wholly-owned by the Company and are registered in England. Neither subsidiary is trading.

WHSTV SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 INVESTMENTS HELD AS CURRENT ASSETS

| | <u>1995</u> | <u>1994</u> |
|------------------------------------|--------------|--------------|
| | £ | £ |
| Investment in UK Government Stocks | <u>8,959</u> | <u>9,671</u> |

The market value of these investments at 3 June 1995 was £9,115.

7 DEBTORS

| | <u>1995</u> | <u>1994</u> |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Owed by parent undertaking | 8,170,740 | 8,161,342 |
| Other debtors | <u>391</u> | <u>213</u> |
| | <u>8,171,131</u> | <u>8,161,555</u> |

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>1995</u> | <u>1994</u> |
|------------------------------|----------------|----------------|
| | £ | £ |
| Corporation tax | 203,796 | 138,475 |
| Amounts owed to subsidiaries | <u>102</u> | <u>102</u> |
| | <u>203,898</u> | <u>138,577</u> |

9 SHARE CAPITAL

| | <u>1995</u> | <u>1994</u> |
|---------------------------------------|-------------------|-------------------|
| | £ | £ |
| Authorised, allotted and fully paid: | | |
| 20,000,000 Ordinary Shares of £1 each | <u>20,000,000</u> | <u>20,000,000</u> |

10 PROFIT AND LOSS ACCOUNT

| | <u>£</u> |
|---------------------|---------------------|
| At 28 May 1994 | (11,966,724) |
| Loss for the period | <u>(56,190)</u> |
| At 3 June 1995 | <u>(12,022,914)</u> |

11 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