

**Company Registration No. 4235899**

**WHS CARD SERVICES LIMITED**

**(formerly Greenbridge Distribution Limited)**

**(formerly Precis (2050) Limited)**

**REPORT AND FINANCIAL STATEMENTS**

**63 WEEKS TO 31 AUGUST 2002**



**WHS CARD SERVICES LIMITED**

**(formerly Greenbridge Distribution Limited)**

**(formerly Precis (2050) Limited)**

**31 AUGUST 2002**

**COMPANY INFORMATION**

**DIRECTORS**

I Houghton  
J W Mortimore  
R A Street  
J A Warren

**SECRETARY**

I Houghton

**REGISTERED OFFICE**

Greenbridge Road  
Swindon  
Wiltshire  
SN3 3RX

**COMPANY NUMBER**

4235899 (England and Wales)

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
London

**SOLICITORS**

Linklaters & Alliance  
One Silk Street  
London  
EC2Y 8HQ

## **WHS CARD SERVICES LIMITED**

**(formerly Greenbridge Distribution Limited)**

**(formerly Precis (2050) Limited)**

## **REPORT OF THE DIRECTORS**

### **FOR THE 63 WEEKS TO 31 AUGUST 2002**

The Directors present their report to shareholders together with the audited financial statements for the 63 weeks ended 31 August 2002.

## **INCORPORATION**

The Company was incorporated on 15 June 2001 as Precis (2050) Limited.

## **CHANGE OF NAME**

The name of the Company was changed from Precis (2050) Limited to Greenbridge Distribution Limited on 27 July 2001 and from Greenbridge Distribution Limited to WHS Card Services Limited on 11 June 2002.

## **SHARE CAPITAL**

Two subscribers' shares were issued on 15 June 2001, the beneficial ownership of which was transferred to WH Smith PLC on 26 July 2001.

## **PARENT COMPANY**

The Company is a wholly-owned subsidiary of WH Smith PLC.

## **PRINCIPAL ACTIVITY**

The Company did not trade until 23 July 2002. On 23 July 2002 the Company entered into an agreement with WH Smith Retail Limited under which it agreed to provide credit and debit card handling services to WH Smith Retail Limited with effect from 23 July 2002.

## **RESULTS**

The results for the period are set out on page 7.

## **REVIEW OF DEVELOPMENT AND FUTURE PROSPECTS**

The Company produced a satisfactory trading performance resulting in a profit after tax for the 63 weeks to 31 August 2002 of £444,528. The Company is expected to trade profitably for the foreseeable future.

## **DIVIDENDS**

The Directors do not recommend the payment of a dividend.

## **DIRECTORS**

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 15 June 2001 and the date of this report:

## WHS CARD SERVICES LIMITED

(formerly Greenbridge Distribution Limited)

(formerly Precis (2050) Limited)

## REPORT OF THE DIRECTORS

### DIRECTORS (continued)

	Appointed	Resigned
Peregrine Secretarial Services Limited	15 June 2001	26 July 2001
R G Handover	26 July 2001	16 April 2002
I Houghton	16 April 2002	
J W Mortimore	1 June 2002	
R A Street	1 June 2002	
J A Warren	26 July 2001	16 April 2002
J A Warren	1 June 2002	
C A White	16 April 2002	1 June 2002

### DIRECTORS' SHARE INTERESTS

As Mr J A Warren is a director of WH Smith PLC, his 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.

The other Directors had the following beneficial interests in the ordinary shares of WH Smith PLC at 31 August 2002 and 15 June 2001 (or date of appointment):

#### Shareholdings

	31 August 2002	15 June 2001 (or date of appointment)
J W Mortimore	270	270

#### Share Options

	31 August 2002	Granted in the period	Exercised/Lapsed in the period	15 June 2001 (or date of appointment)
I Houghton	97,382	-	-	97,382
J W Mortimore	119,208	-	-	119,208
R A Street	131,015	-	-	131,015

The directors have no other beneficial interests in group companies.

### INSURANCE OF DIRECTORS AND OFFICERS

WH Smith PLC has maintained insurance to cover Directors' and Officers' liability arising from the performance of their duties, as permitted by Section 310(3) of the Companies Act 1985.

### CHARITABLE AND POLITICAL DONATIONS

There were no charitable or political donations during the period.

**WHS CARD SERVICES LIMITED**

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**REPORT OF THE DIRECTORS**

**WRITTEN RESOLUTIONS**

On 26 July 2001, Written 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 were appointed as Auditors on 26 July 2001 and will continue in office.

This report was approved by the Board of Directors on **30 May 2003**

By Order of the Board

  
Ian Houghton  
Director

Date:

## **WHS CARD SERVICES LIMITED**

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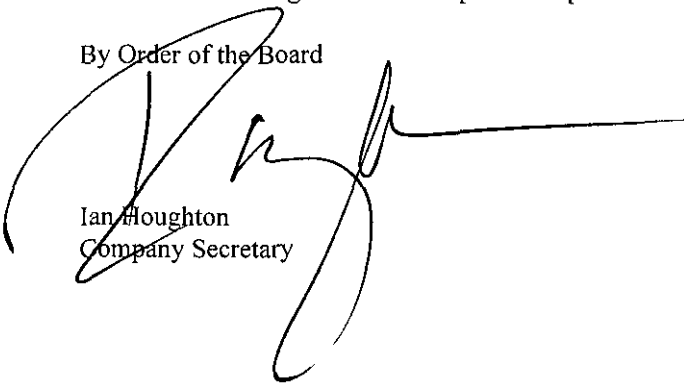
### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepared financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group 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; and
- state whether applicable accounting standards have been followed subject to any material disclosed and explained in the financial statements.

The directors are responsible for keeping proper 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.

By Order of the Board



Ian Houghton  
Company Secretary

## **WHS CARD SERVICES LIMITED**

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**(formerly Precis (2050) Limited)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHS CARD SERVICES LIMITED**

We have audited the financial statements of WHS Card Services Limited for the 63 weeks ended 31 August 2002 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 14. 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 period 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 2002 and of its profit for the 63 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*  
Deloitte & Touche

Chartered Accountants and Registered Auditors  
LONDON

Date: 30.6.03

**WHS CARD SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT**

**FOR THE 63 WEEKS ENDED 31 AUGUST 2002**

	Note	63 weeks ended 31 August 2002 <u>£</u>
<b>Turnover - continuing operations</b>	1(b),2	672,161
Cost of sales		(211,055)
		<hr/>
Gross profit		461,106
Administrative expenses		(16,578)
		<hr/>
<b>Operating Profit and Profit on ordinary activities before taxation - continuing operations</b>	3	444,528
		<hr/>
Tax on profit on ordinary activities	4	-
		<hr/>
<b>Profit on ordinary activities after taxation and retained profit for the period</b>	8,9	<u>444,528</u>

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



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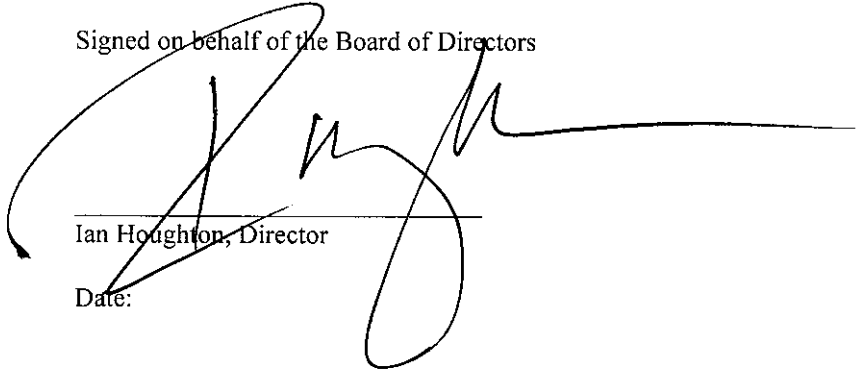
**(formerly Precis (2050) Limited)**

**BALANCE SHEET AS AT 31 AUGUST 2002**

	Note	31 August 2002 £
<b>Current assets</b>		
Debtors	5	2
Cash at bank and in hand		5,554,023
		<u>5,554,025</u>
Creditors: Amounts falling due within one year	6	(5,109,495)
		<u>444,530</u>
<b>Net current assets</b>		
		<u>444,530</u>
<b>Total assets less current liabilities</b>		<u><u>444,530</u></u>
<b>Capital and Reserves</b>		
Called up equity share capital	7	2
Profit and loss account	8	444,528
		<u>444,530</u>
<b>Total Equity Shareholder's Funds</b>	9	<u><u>444,530</u></u>

These financial statements were approved by the Board of Directors on **30 May 2003**

Signed on behalf of the Board of Directors

  
\_\_\_\_\_  
Ian Houghton, Director

Date:

**WHS CARD SERVICES LIMITED**

**(formerly Greenbridge Distribution Limited)**

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 63 WEEKS TO 31 AUGUST 2002**

**1. ACCOUNTING POLICIES**

**(a) Accounting Convention**

The financial statements are prepared in compliance with the Companies Act 1985 and in accordance with applicable United Kingdom law and accounting standards. They are prepared under the historical cost convention.

**(b) Turnover**

The turnover of the Company is the net amount from sales to third parties excluding value added taxes, and after deducting trade discounts.

**2. TURNOVER**

Substantially all turnover arises from sales to customers in the United Kingdom and from the principal activity of the Company.

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>63 weeks ended 31 August 2002</b>
	<b>£</b>
Auditors' fees - audit	-

Auditors' fees have been borne by a fellow subsidiary in the current period

**4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

The corporation tax liability for the period ended 31 August 2002 and future years will be borne by the ultimate parent company, WH Smith PLC.

	<b>63 weeks ended 31 August 2002</b>
	<b>£</b>
<b>Reconciliation of current tax charge</b>	
Tax on profits at UK standard rate of corporation tax – 30%	133,358
Tax liability met by the ultimate parent company	(133,358)
Current Tax Charge	-

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**NOTES TO THE FINANCIAL STATEMENTS**

**5. DEBTORS**

	<b>31 August 2002</b>
	<u>£</u>
Amounts falling due within one year	
Amount owned by parent company	2
	<u>2</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 August 2002</b>
	<u>£</u>
Taxation and social security	-
Trade Creditors	208,567
Amounts owed to fellow subsidiaries	4,898,635
Accruals and deferred income	2,293
	<u>5,109,495</u>

**7. CALLED UP EQUITY SHARE CAPITAL**

	<u>Authorised</u>	£	<u>Issued</u>	£
	Number		Number	
Ordinary Shares at £1 each				
31 August 2002 and 15 June 2001	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

**8. RESERVES**

	<b>Profit &amp; Loss Account</b>
	<u>£</u>
At 15 June 2001	-
Movement in the period:	
Retained profit	444,528
At 31 August 2002	<u>444,528</u>

## **WHS CARD SERVICES LIMITED**

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### **9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS**

	<b>31 August 2002</b>
	<b>£</b>
Profits for the financial period	444,528
Opening equity shareholder's funds	2
Closing equity shareholder's funds	<u>444,530</u>

### **10. DIRECTORS**

None of the Directors received any remuneration during the period.

### **11. EMPLOYEES AND STAFF COSTS**

There were no employees or staff costs in the period.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **12. CAPITAL COMMITMENTS**

There were no capital commitments at the balance sheet date.

### **13. RELATED PARTY TRANSACTIONS**

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

### **14. PARENT COMPANY AND CONTROLLING PARTY**

The immediate and ultimate parent undertaking is WH Smith PLC, a company registered in England and Wales.

The ultimate parent undertaking heads the largest and smallest group of undertakings of which the Company is a member and for which group accounts are prepared.

Copies of the group financial statements are available from:

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