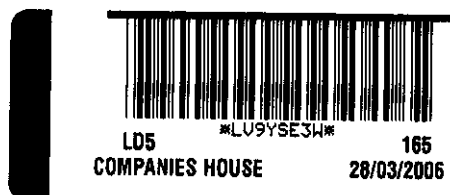


Greenbridge News Limited

Report and Financial Statements

Year ended 31 August 2005

Registered Number: 4236079



GREENBRIDGE NEWS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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GREENBRIDGE NEWS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

COMPANY INFORMATION

DIRECTORS

K E Swann
A J H Stewart
I Houghton

SECRETARY

I Houghton

REGISTERED OFFICE

Greenbridge Road
Swindon
Wiltshire
SN3 3RX

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

GREENBRIDGE NEWS LIMITED

DIRECTORS' REPORT

The Directors present their annual report to shareholders together with the audited financial statements for the year ended 31 August 2005.

Parent Company

The Company is a wholly owned subsidiary of WH Smith PLC ("the Group"), which is its ultimate parent company.

Principal Activities

The Company is a holding company for a group of trading companies. It did not trade during the year and will not trade in the foreseeable future but will continue to hold certain investments in subsidiary undertakings.

Results

The results for the year ended 31 August 2005 are set out on page 6. Comparative figures are for the year ended 31 August 2004.

Dividends

A dividend of £171,000,000 was paid during the year (2004: £250,000,000).

Directors and Directors' 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 therefore 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 but are disclosed in the statutory accounts of WH Smith PLC.

I Houghton had the following beneficial interests in the Ordinary Shares of WH Smith PLC at 31 August 2005 and 31 August 2004 as disclosed below.

Shareholdings	31 August 2005	31 August 2004
	26,269	3,301

Deferred Bonus Plan shares	31 August 2005	31 August 2004
	768	768

GREENBRIDGE NEWS LIMITED

DIRECTORS' REPORT (continued)

Directors and Directors' interests (continued)

Share Options

	Scheme	31 August 2005	Granted in the year	Lapsed in the year	Exercised in the year	31 August 2004
I Houghton	Executive Share Option Scheme	151,617	21,021	-	-	130,596
	Management Investment Plan	63,529	63,529	-	-	-
	2004 LTIP	21,176	21,176	-	-	-
	Sharesave Scheme	3,682	-	-	-	3,682
	Total	240,004	105,726	-	-	134,278

Further details of the share schemes can be found in the accounts of WH Smith PLC.

Elective Resolutions

At an Extraordinary General Meeting of the Company held on 26 July 2001, 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

The company appointed Deloitte & Touche LLP as its auditors on 25 May 2004.

This report was approved by the Board of Directors on 23 March 2006.

By Order of the Board

I Houghton
Company Secretary

GREENBRIDGE NEWS LIMITED

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 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 GREENBRIDGE NEWS LIMITED

We have audited the financial statements of Greenbridge News Limited for the year ended 31 August 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 result 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

GREENBRIDGE NEWS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 August 2005

	Notes	2005 £	2004 £
Net finance charges	3	(12,210,210)	(1,256,215)
Dividends receivable	4	15,000,000	-
Profit /(Loss) on ordinary activities before taxation		2,789,790	(1,256,215)
Tax credit on profit /(loss) on ordinary activities	5	-	-
Profit /(loss) on ordinary activities after taxation		2,789,790	(1,256,215)
Dividend paid	4	(171,000,000)	(250,000,000)
Loss for the financial year		(168,210,210)	(251,256,215)

All activities in the profit and loss account relate to continuing operations.

There are no recognised gains and losses other than as shown in the current or prior year other than as stated in the profit and loss account, and accordingly a Statement of Total Recognised Gains and Losses has not been presented.

GREENBRIDGE NEWS LIMITED

BALANCE SHEET As at 31 August 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments	6	<u>1,283,000,000</u>	<u>1,283,000,000</u>
Debtors			
Amounts owed from group undertakings	7	335,697,559	499,200,002
Creditors			
Amounts owed to group undertakings	8	(755,163,982)	(750,456,215)
Net current liabilities		<u>(419,466,423)</u>	<u>(251,256,213)</u>
Total net assets		<u>863,533,577</u>	<u>1,031,743,787</u>
Capital and reserves			
Called up equity share capital	9	683,000,002	683,000,002
Profit and loss account	10	180,533,575	348,743,785
Equity shareholders' funds		<u>863,533,577</u>	<u>1,031,743,787</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

23 Nov 2006.



A J H Stewart

Director

GREENBRIDGE NEWS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

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, which have been applied consistently throughout the current and prior periods. The financial statements are prepared under the historical cost convention.

b) Basis of preparation

These financial statements present information for the company as an individual undertaking and not as a group. Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of WH Smith PLC, a company incorporated in Great Britain.

c) Investment in subsidiary undertakings

Investments in equity and long terms loans in subsidiary undertakings are individually valued at historical cost less provision for impairments in value.

2. DIRECTORS' EMOLUMENTS AND AUDIT FEES

The Company has no employees in current or prior year and no directors' emoluments in respect of their services to the company were incurred in the current and previous year. The remuneration of the auditors has been borne by the parent company during the current and prior year.

3. NET FINANCE CHARGES

	2005 £	2004 £
Interest receivable from parent undertaking	7,497,557	932,000
Interest payable to group undertaking	(19,707,767)	(2,188,215)
	<u>(12,210,210)</u>	<u>(1,256,215)</u>

4. DIVIDENDS

	2005 £	2004 £
Final dividends payable of 25 pence per share (2004: 37pence)	171,000,000	250,000,000
	<u>15,000,000</u>	<u>-</u>

GREENBRIDGE NEWS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2005 £	2004 £
UK Corporation Tax – 30% (2004: 30%)		
Total tax credit	-	-
Reconciliation of tax credit		
Tax (charge) / credit on profit / (loss) at UK standard rate of corporation tax – 30% (2004: 30%)	(836,937)	376,865
Group relief surrendered for nil consideration	(3,663,063)	(376,865)
Non-taxable income	4,500,000	-
	-	-

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2005 £	2004 £
At cost		
At 1 September	1,283,000,000	-
Shares acquired during the period	-	1,283,000,000
At 31 August	1,283,000,000	1,283,000,000

The Company owns the whole of the issued share capital of the following companies, both of which are incorporated in Great Britain.

Subsidiaries	Nature of business	Class of Share
WH Smith Retail Limited	Retailing	Ordinary
WH Smith Trading Limited	Distribution	Ordinary
WH Smith Trading Limited	Distribution	Deferred

In the opinion of the Directors, the value of the company's investments in the subsidiaries is not less than the amount at which they are stated in the balance sheet.

GREENBRIDGE NEWS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

7. DEBTORS

	2005 £	2004 £
Amounts owed by group companies	<u>335,697,559</u>	<u>499,200,002</u>

8. CREDITORS

	2005 £	2004 £
Amounts owed to group companies	<u>755,163,982</u>	<u>750,456,215</u>

9. CALLED UP SHARE CAPITAL

	2005 Number of shares	2005 Nominal value £	2004 Number of shares	2004 Nominal value £
Authorised:				
Ordinary shares of £1 each	<u>900,000,000</u>	<u>900,000,000</u>	<u>900,000,000</u>	<u>900,000,000</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>683,000,002</u>	<u>683,000,002</u>	<u>683,000,002</u>	<u>683,000,002</u>

10. STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
Balance at 1 September 2004	683,000,002	348,743,785	1,031,743,787
Loss for the financial period	-	(168,210,210)	(168,210,210)
Balance at 31 August 2005	<u>683,000,002</u>	<u>180,533,575</u>	<u>863,533,577</u>

GREENBRIDGE NEWS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 August 2005

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3 of FRS 8, Related Party Disclosures, not to disclose transactions with WH Smith Group companies and interest of the Group who are related parties.

12. CONTINGENT LIABILITIES

Under a joint and several contractual arrangement, on 26 July 2004, Greenbridge News Limited, WH Smith Retail Limited, and WH Smith Trading Limited entered into new committed 3 year borrowing facilities comprising a £120 million unsecured term loan facility (of which £30 million was cancelled on 20 September 2004) and a renegotiated £150 million working capital facility. £25 million of the term loan was repaid during the year ended 31 August 2005 by WH Smith Retail Limited.

13. ULTIMATE PARENT COMPANY

The immediate and ultimate parent and controlling company is WH Smith PLC, a company incorporated in Great Britain. This is the smallest and largest group including the company for which consolidated financial statements are prepared. Copies of the Group financial statements are available from:

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