

SMITHS NEWS HOLDINGS LIMITED
(formerly Greenbridge News Limited)
REPORT AND FINANCIAL STATEMENTS
31 AUGUST 2007

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SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

REPORT AND FINANCIAL STATEMENTS 2007

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SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

REPORT AND FINANCIAL STATEMENTS 2007

COMPANY INFORMATION

DIRECTORS

M R Cashmore
A J Humphrey
M H Charlton

SECRETARY

M H Charlton

REGISTERED OFFICE

Wakefield House
Pipers Way
Swindon
SN3 1RF

COMPANY NUMBER

4236079 (England and Wales)

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Reading

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

REPORT AND FINANCIAL STATEMENTS 2007

DIRECTORS' REPORT

The Directors present their annual report to shareholders together with the audited financial statements for the year ended 31 August 2007. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES

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

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty of the company is regarding interest rate fluctuations. The Company has floating rate intercompany debt. The Company does not undertake to manage the interest rate exposure on these loans.

Group risks are discussed in further detail in the Annual Report of Smith News PLC, which does not form part of this Report.

RESULTS

The results for the year ended 31 August 2007 are set out on page 6. Comparative figures are for the year ended 31 August 2006.

DIVIDENDS

A dividend of £nil was paid during the year (2006 £100,000,000).

CHANGE OF NAME

On 13 September 2006 the Company changed its name from Greenbridge News Limited to Smiths News Holdings Limited.

CHANGE OF REGISTERED ADDRESS

On 16 September 2006 the registered office of the Company changed to Wakefield House, Pipers Way, Swindon, Wiltshire, SN3 1RF.

DIRECTORS

The names of the present directors of the Company are shown on page 1. The following changes took place in the composition of the Board of Directors between 31 August 2006 and the date of this report:

K E Swann (resigned 6 September 2006)

A J H Stewart (resigned 6 September 2006)

I Houghton (resigned 6 September 2006)

M R Cashmore (appointed 6 September 2006)

M H Charlton (appointed 6 September 2006)

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.

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

REPORT AND FINANCIAL STATEMENTS 2007

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that

- i) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- ii) the director has taken all the steps that he ought to have taken as director to make himself 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 section 234ZA of the Companies Act 1985

AUDITORS

Deloitte & Touche LLP will continue in office as auditors to the Company

This report was approved by the Board on 7 April 2008

By Order of the Board



M H Charlton
Company Secretary
7 April 2008

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

REPORT AND FINANCIAL STATEMENTS 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis

The directors are responsible for keeping proper accounting records that 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 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 SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

We have audited the financial statements of Smiths News Holdings Limited for the year ended 31 August 2007 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

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

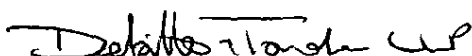
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 and of its loss 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
Chartered Accountants and Registered Auditors
Reading, United Kingdom

8 April 2008

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

PROFIT AND LOSS ACCOUNT

Year ended 31 August 2007

	Notes	2007 £m	2006 £m
Net finance charges	3	(22.7)	(13.9)
Loss on ordinary activities before taxation		(22.7)	(13.9)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(22.7)	(13.9)
Dividend paid	4	-	(100.0)
Loss for the financial year		(22.7)	(113.9)

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

There are no recognised gains and losses 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

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

BALANCE SHEET
As at 31 August 2007

	Notes	2007 £m	2006 £m
Fixed assets			
Investments	6	1,283.0	1,283.0
Debtors			
- due within one year	7	-	55.7
- due after one year	7	55.7	-
Creditors: amounts falling due in less than one year			
Amounts owed to group undertakings	8	-	(767.3)
Net current assets/(liabilities)		55.7	(711.6)
Total assets less current liabilities		1,338.7	571.4
Creditors: amounts falling due in less than one year			
Amounts owed to group undertakings	9	(790.0)	-
Total net assets		548.7	571.4
Capital and reserves			
Called up share capital	10	504.8	504.8
Profit and loss account	11	43.9	66.6
Shareholders' funds		548.7	571.4

These financial statements were approved by the Board of Directors on 7 April 2008

Signed on behalf of the Board of Directors

A Humphrey

A J Humphrey
Director

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

NOTES TO THE ACCOUNTS

Year ended 31 August 2007

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 Smiths News PLC, a company incorporated in Great Britain.

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.

c) Investment in subsidiary undertakings

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

d) Taxation

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

In accordance with FRS 19 'Deferred taxation' the Company provides deferred tax in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief. Deferred taxation is measured on a non-discounted basis.

2. DIRECTORS' EMOLUMENTS AND AUDIT FEES

No director received remuneration as director of Smiths News Holdings Limited in either the current or prior years. Smiths News Trading Limited pays directors' remuneration, none is attributable to their work for Smiths News Holdings Limited.

The Company has no employees in the current or prior year. The remuneration of the auditors of £2,500 (2006: £2,500) has been borne by the parent company during the current and prior year.

3. NET FINANCE CHARGES

	2007 £m	2006 £m
Interest receivable from previous parent undertaking	-	4.5
Interest payable to group undertaking	(22.7)	(18.4)
	(22.7)	(13.9)

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)**NOTES TO THE ACCOUNTS****Year ended 31 August 2007****4. DIVIDENDS**

	2007 £m	2006 £m
Final dividend payable of nil pence per share (2006 11 pence)	-	100.0

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2007 £m	2006 £m
UK Corporation Tax		
Total tax	-	-
Reconciliation of current tax		
Tax credit at UK standard rate of corporation tax – 30%	6.8	4.2
Imputed interest on loans to group undertakings	3.9	-
Group relief surrendered for nil consideration	(10.7)	(4.2)
	-	-

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2007 £m	2006 £m
At cost		
At 1 September 2006 and 31 August 2007	1,283.0	1,283.0

The Company owns the whole of the issued share capital of the following companies, both of which are incorporated in Great Britain and registered in England and Wales

Subsidiaries	Nature of business	Class of Share
Smiths News 2006 Limited	Dormant (2006 Retailing)	Ordinary
Smiths News Trading Limited	Distribution	Ordinary
Smiths News 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

7. DEBTORS

	2007 £m	2006 £m
Amounts falling due within one year		
Amounts owed by group companies	-	55.7

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

NOTES TO THE ACCOUNTS

Year ended 31 August 2007

7. DEBTORS (CONTINUED)

	2007	2006
	£m	£m
Amounts falling due after more than one year		
Amounts owed by group companies	55.7	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£m	£m
Amounts owed to group companies	-	767.3

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£m	£m
Amounts owed to group companies	790.0	-

10. CALLED UP SHARE CAPITAL

	2007	2007	2006	2006
	Number of	Nominal	Number of	Nominal
	shares	value	shares	value
		£		£
Authorised:				
Ordinary shares of £1 each	721,773,517	721,773,517	721,773,517	721,773,517
Allotted, called up and fully paid:				
Ordinary shares of £1 each	504,773,520	504,773,520	504,773,520	504,773,520

11. STATEMENT OF MOVEMENTS ON RESERVES

	Share capital	Profit and loss	Total
	£m	account	£m
		£m	
Balance at 1 September 2006	504.8	66.6	571.4
Loss for the financial period	-	(22.7)	(22.7)
Balance at 31 August 2007	504.8	43.9	548.7

SMITHS NEWS HOLDINGS LIMITED (formerly Greenbridge News Limited)

NOTES TO THE ACCOUNTS

Year ended 31 August 2007

12. 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 Smiths News Group companies, who are related parties

13. ULTIMATE PARENT COMPANY

The immediate and ultimate parent and controlling company is Smiths News 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
Smiths News PLC
Wakefield House
Pipers Way
Swindon
SN3 1RF