

HOLBEIN TRUSTEES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR TO 31 AUGUST 2000



HOLBEIN TRUSTEES LIMITED

31 AUGUST 2000

COMPANY INFORMATION

DIRECTORS

I Houghton
J M Taylor

SECRETARY

I Houghton

REGISTERED OFFICE

Greenbridge Road
Swindon
Wiltshire
SN3 3RX

COMPANY NUMBER

2654521 (England and Wales)

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London
EC4A 3TR

HOLBEIN TRUSTEES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2000

The Directors present their report to shareholders together with the audited financial statements for the year ended 31 August 2000.

PARENT COMPANY

On 20 March 2000, as part of an internal reorganisation of the Group, WH Smith Trading Limited (formerly WH Smith Limited) sold the Company to Hambleden Estates Limited (now WH Smith (Holdings) Limited). Its ultimate parent company is WH Smith PLC.

ACTIVITIES

The Company acts solely as trustee for a share award scheme and deferred share bonus scheme operated by WH Smith PLC.

RESULTS FOR THE YEAR

The results for the year are set out on page 6. In the opinion of the Directors there will be no change to activities of the Company for the foreseeable future.

DIVIDENDS

The Directors do not recommend the payment of a dividend (1999: £ nil).

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 1 September 1999 and the date of this report:

	Appointed	Resigned
J M Taylor	1 November 1999	
C J M Hardie		1 November 1999

DIRECTORS' SHARE INTERESTS

As Mr J M Taylor 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.

Mr I Houghton had the following beneficial interest in the Ordinary Shares of WH Smith PLC at 31 August 2000 and 31 August 1999:

HOLBEIN TRUSTEES LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' SHARE INTERESTS (continued)

Share Options

Number of Shares			
31 August 2000	Granted in the year	Exercised/Lapsed in the year	31 August 1999
36,609	24,619	2,306	14,296

EUROPEAN MONETARY UNION

The Company has reviewed the implications of European Monetary Union and the issues arising from the introduction of the Euro are being addressed.

ELECTIVE RESOLUTIONS

At the Annual General Meeting of the Company held on 3 August 1993 Elective Resolutions were passed dispensing with:

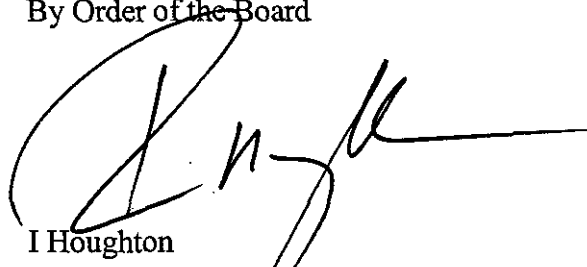
- i) the laying of accounts and reports before the Company in general meeting;
- ii) the holding of annual general meetings; and
- iii) the obligation to appoint auditors annually.

AUDITORS

Deloitte & Touche will continue in office as Auditors.

This report was approved by the Board of Directors on 15 August 2001

By Order of the Board


I Houghton
Company Secretary
Date: 15 August 2001.

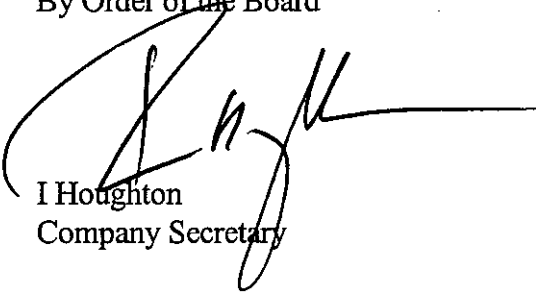
HOLBEIN TRUSTEES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required to prepare financial statements for each financial period 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 profit or loss for that period. In preparing the financial statements, which are required to be prepared on the 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 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 safeguarding the assets of the Company, for maintaining adequate accounting records and for taking reasonable steps for the prevention and detection of irregularities including fraud.

By Order of the Board



I Houghton
Company Secretary

HOLBEIN TRUSTEES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF HOLBEIN TRUSTEES 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 in the Directors' responsibility statement on page 4, the Company's Directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

Date: 15 August 2001

HOLBEIN TRUSTEES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2000

	Note	Year to 31 August 2000 £	Year to 31 August 1999 £
Operating Profit		-	-
Commission and stamp duties		-	(62)
Investment income		276	438
Profit on ordinary activities before taxation		276	376
Tax on profit on ordinary activities	2	-	-
Profit on ordinary activities after taxation, transferred to reserves		276	376

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

There have been no movements in shareholders' funds in the current or preceding financial year other than the recognised profit in the current and prior year.

HOLBEIN TRUSTEES LIMITED

BALANCE SHEET AS AT 31 AUGUST 2000

	Note	31 August 2000 £	31 August 1999 £
CURRENT ASSETS			
Investments	3	-	9,252
Debtors	4	665	128
Cash		276	288
		<u>941</u>	<u>9,668</u>
CREDITORS			
Amount falling due within one year	5	-	(9,003)
NET CURRENT ASSETS		<u>941</u>	<u>665</u>
 Called up share capital	6	2	2
Profit and loss account	7	939	663
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>941</u>	<u>665</u>

These financial statements were approved by the Board of Directors on 15 August 2001


I Houghton
Director

HOLBEIN TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2000

1 ACCOUNTING POLICIES

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

Investments

Investments in shares of the ultimate parent undertaking are stated at cost less any provision for impairment.

2 TAX ON PROFIT ON ORDINARY ACTIVITIES

All current year's liabilities in respect of taxation are to be met by the parent company.

3 INVESTMENTS HELD AS CURRENT ASSETS

	Number	Value
Ordinary Shares of WH Smith PLC		£
Balance as at 31 August 1999	2,218	9,252
Transferred to beneficiary 10 March 2000	(2,218)	(9,252)
Balance as at 31 August 2000		

HOLBEIN TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2000

4 DEBTORS

	31 August 2000 £	31 August 1999 £
Amount owed by parent company	665	-
Other debtors	-	128
	<u>665</u>	<u>128</u>

The amount owed by the parent company represents a loan which is interest free and has no fixed date of repayment.

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2000 £	31 August 1999 £
Amount owed to parent company	-	9,003

The amount owed to the parent company in the prior year represented a loan which was interest free and had no fixed date of repayment. This was repaid during the year.

6 CALLED UP SHARE CAPITAL

	31 August 2000 £	31 August 1999 £
Authorised share capital: 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid: 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

HOLBEIN TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2000

7 PROFIT AND LOSS ACCOUNT

	31 August 2000 £	31 August 1999 £
As at 1 September 1999	663	287
Retained profit for the year	276	376
As at 31 August 2000	939	663

8 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS8, Related Party Disclosures, not to disclose transactions with WH Smith Group companies and interests of the Group which are related parties.

9 RESULTS FOR THE FINANCIAL YEAR

There were no Directors' emoluments, and there were no employees during the current or preceding year. Auditors' remuneration is paid by another Group Company.

10 ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is WH Smith PLC a company registered in England and Wales.

Copies of the Group financial statements are available from:

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