Company Registration No. SCO05175

ROBERT GIBSON & SONS, GLASGOW, LIMITED

Report and Financial Statements

Year ended 31 August 2003

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REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

COMPANY INFORMATION

DIRECTORS

T M Hely Hutchinson
C Fairbairn
P Walters

SECRETARY

C Fairbairn

REGISTERED OFFICE

2A Christie Street
Paisley
Glasgow
PA1 1NB

COMPANY NUMBER

SCO05175

ACCOUNTANTS

Deloitte & Touche LLP
Chartered Accountants
London

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 2003.

PRINCIPAL ACTIVITIES

The company has not traded during the year.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the period are set out in detail in the profit and loss account on page 5. The retained profit for the year ended 31 August 2003 of £Nil (5 months to 31 August 2002 – loss of £250,000) has been transferred to reserves. The directors do not recommend the payment of a dividend.

Effective from 1 September 2002, the trade of the company has largely been carried out by Hodder & Stoughton Limited, its sister company within the Hodder Headline Group.

DIRECTORS

The names of the present directors of the company are shown on page 1. All of the present directors served throughout the financial year ended 31 August 2003.

DIRECTORS' SHARE INTERESTS

All the current directors are also directors of Hodder Headline Limited and Mr T M Hely Hutchinson is also a director of WH Smith PLC, the ultimate parent company. Their interests in the shares of WH Smith PLC are disclosed in the financial statements of Hodder Headline Limited and WH Smith PLC accordingly.

None of the present directors had any interests in the Company or any other Group companies during the year.

AUDITORS

Deloitte & Touche has informed the directors that they have transferred their business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. The Directors have used the Company's statutory power under the provisions of section 26 (5) of the Companies Act 1989 to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP.

A resolution to reappoint Deloitte & Touche LLP as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

T Hely Hutchinson
Director
9 June 2004



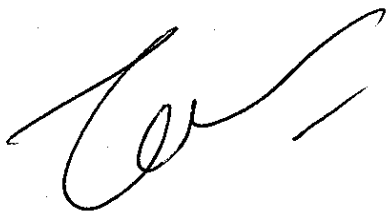
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by United Kingdom company law 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board.



T Hely Hutchinson
Director
9 June 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROBERT GIBSON & SONS, GLASGOW, LIMITED

We have audited the financial statements of Robert Gibson & Sons, Glasgow, Limited for the year ended 31 August 2003 which comprise the profit and loss account, the historical cost profit and losses, 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 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 2003 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
9 June 2004.

Year ended 31 August 2003

PROFIT AND LOSS ACCOUNT

DISCONTINUED OPERATIONS	Note	Year ended 31 August 2003 £'000	Five months ended 31 August 2002 £'000
TURNOVER	3	-	421
Cost of sales		-	(91)
Gross profit		-	330
Administrative expenses		-	(592)
OPERATING LOSS	3	-	(262)
Profit on sale of fixed assets	5	-	11
Interest receivable		-	1
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(250)
Tax on loss on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR		-	(250)

There are no recognised gains and losses other than the profit/(loss) for the current or prior financial periods. Accordingly, no statement of total recognised gains and losses is given.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Year ended 31 August 2003 £'000	Five months ended 31 August 2002 £'000
Loss on ordinary activities before taxation	-	(250)
Realisation of property valuation gains of prior years	-	106
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	-	(144)
HISTORICAL COST LOSS FOR THE YEAR/PERIOD RETAINED AFTER TAXATION	-	(144)

BALANCE SHEET
31 August 2003

	Note	31 August 2003 £'000	31 August 2002 £'000
CURRENT ASSETS			
Stock	7	-	140
Debtors	8	1,423	353
Cash at bank and in hand		-	1,141
		1,423	1,634
CREDITORS: amounts falling due within one year	9	-	(211)
NET CURRENT ASSETS		1,423	1,423
TOTAL NET ASSETS LESS CURRENT LIABILITIES		1,423	1,423
CAPITAL AND RESERVES			
Share Capital – equity	10	10	10
Share Capital – non equity	10	3	3
Profit and loss account	11	1,410	1,410
TOTAL SHAREHOLDERS' FUNDS		1,423	1,423
Equity		1,420	1,420
Non equity		3	3
TOTAL		1,423	1,423

These accounts were approved by the Board of Directors on 9 June 2004

Signed on behalf of the Board of Directors

T Hely Hutchinson
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention except that certain fixed assets are shown at their revalued amounts.

In accordance with FRS1 (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.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives.

The rates generally applicable are:

Freehold properties	2% per annum straight line
Motor vehicles	25% per annum reducing balance
Furniture and equipment	15% per annum reducing balance
Plates and copyrights	25% per annum reducing balance

Investments

Investments are initially included at cost, less amounts written off. Listed investments are revalued each year and shown at their market value, with the resulting surplus taken to the revaluation reserve. Profits or losses arising from the disposal of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided in full on timing differences that 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 tax assets and liabilities are not discounted.

Contributions to pension funds

The company operates a defined contribution pension scheme. Pension costs charged against profit represent the amount of the contributions payable in respect of the accounting period.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

2. DISPOSAL OF TRADE AND ASSETS

The disposal of the company's trade and assets was completed on 1 September 2002 when they were sold to Hodder & Stoughton Limited, a fellow subsidiary company of Robert Gibson & Sons, Glasgow, Limited within the WH Smith PLC Group. The profit on disposal was £Nil.

	Year ended 31 August 2003 £'000
Stock	140
Debtors	329
Cash at bank	1,141
Creditors	(211)
	1,399
Profit on disposal	-
Satisfied by movement on amounts owed by parent company and fellow subsidiary undertakings	1,399

3. TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

An analysis of turnover by geographical market is given below:

	Year ended 31 August 2003 £'000	Five Months ended 31 August 2002 £'000
United Kingdom	-	90
Rest of World	-	331
	-	421

All turnover arises from one class of business.

The loss on ordinary activities is stated after charging / (crediting):

	Year ended 31 August 2003 £'000	Five Months ended 31 August 2002 £'000
Pension contributions	-	243

Audit fees in the current year have been borne by the immediate parent company, Hodder Headline Limited.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

4. DIRECTORS' REMUNERATION

	Year ended 31 August 2003 £'000	Five Months ended 31 August 2002 £'000
Emoluments	-	92
Compensation for loss of office	-	30
Pension contributions to money purchase pension scheme	-	243

Retirement benefits were accruing to directors under schemes as follows:

	Number	Number
Defined contribution pension schemes	-	4

All the Directors were executive Directors of the intermediate parent company Hodder Headline Limited and T M Hely Hutchinson was also a Director of the ultimate parent company WH Smith PLC. It is not practicable to allocate their remuneration between their services as Directors of the various group undertakings. The remuneration of these Directors is included and disclosed in the accounts of Hodder Headline Limited or WH Smith PLC as appropriate.

5. EXCEPTIONAL ITEMS

	Year ended 31 August 2003 £'000	Five Months ended 31 August 2002 £'000
Profit on sale of freehold property and fixed asset investments	-	11

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

6. TAXATION

	Year ended 31 August 2003 £'000	Five Months ended 31 August 2002 £'000
UK corporation tax – 30% (31 August 2002: 30%)	-	-
	-	-
Reconciliation of current tax charge:		
Tax credit on losses at UK standard rate of corporation tax – 30% (31 August 2002: 30%)	-	(75)
Deferred tax not equalised in revaluation reserve	-	32
Tax losses carried forward	-	43
	-	-

Factors that may affect the future tax charge:

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses of £Nil (31 August 2002: £155,000). There are no other material provided or unprovided deferred tax balances.

7. STOCK

	31 August 2003 £'000	31 August 2002 £'000
Raw Materials	-	6
Finished goods	-	134
	-	140

8. DEBTORS

	31 August 2003 £'000	31 August 2002 £'000
Trade debtors	-	314
Amounts owed by parent company and fellow subsidiary undertakings	1,423	-
Other debtors	-	15
Corporation tax	-	24
	1,423	353

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2003 £'000	31 August 2002 £'000
Trade creditors	-	21
Other taxes and social security	-	17
Accruals	-	173
	-	211

10. SHARE CAPITAL

	31 August 2003 £'000	31 August 2002 £'000
Authorised:		
10,000 Ordinary shares of £1 each	10	10
10,000 5% Cumulative preference shares of £1 each	10	10
	20	20
Allotted		
10,000 called up and fully paid Ordinary shares of £1 each	10	10
2720 5% called up and fully paid Cumulative preference shares of £1 each	3	3
	13	13

The 5% Cumulative preference shares of £1 each entitle the holder to receive a cumulative preferential dividend at the rate of 5% on the paid up capital and a right to the return of capital for each £1 of paid up capital at either a winding up or a repayment of capital. The preference shares do not entitle the holders to any further rights or other participation in the profits or assets of Robert Gibson & Sons, Glasgow, Limited nor do they carry any voting rights.

11. RESERVES

	Profit and loss account £'000
At 31 August 2003 and 31 August 2002	1,410

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2003

12. PENSION SCHEME

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contribution paid in the year amounts to £Nil (five months to 31 August 2003 : £243,435).

13. RELATED PARTIES

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 " Related Party Disclosures" not to disclose transactions with group companies which are related parties.

14. ULTIMATE AND IMMDEDIATE PARENT COMPANIES

Hodder Headline Limited, registered in England and Wales and incorporated in Great Britain is the Company's immediate parent company.

WH Smith PLC, incorporated in Great Britain, is the company's ultimate parent company and controlling entity. Copies of the Group Financial Statements of WH Smith PLC are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. These are the only group financial statements into which the company's accounts are consolidated.