

Company Registration No. 6560371

WH Smith High Street Holdings Limited

Annual Report and Financial Statements

31 August 2019

TUESDAY



A9B6SA2H

A10

11/08/2020

#136

COMPANIES HOUSE

WH Smith High Street Holdings Limited

Annual report and financial statements 31 August 2019

Contents	Page
Officers and professional advisers	1
Directors' report	2
Strategic report	4
Independent auditors' report	7
Statement of profit or loss and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

WH Smith High Street Holdings Limited

Annual report and financial statements 31 August 2019

Officers and professional advisers

Directors

S Clarke (resigned on 31 October 2019)
R J Moorhead
I Houghton
C Cowling (appointed on 19 September 2019)

Company Secretary

I Houghton

Registered Office

Greenbridge Road
Swindon
Wiltshire
England
SN3 3RX

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place,
London
WC2N 6RH
United Kingdom

WH Smith High Street Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2019.

Directors

The names of the present directors of the Company and who served throughout the year and up to the date of signing are shown on page 1.

Directors' indemnities

The Company has qualifying third party indemnity provisions for the benefit of its directors which remained in force throughout the year and at the date of this report.

Results and dividends

The audited financial statements for the year ended 31 August 2019 are set out on pages 9 to 17. The financial statements have been prepared under Financial Reporting Standard 101 ("FRS 101").

As shown in the Statement of profit or loss and other comprehensive income on page 9, the Company's profit for the financial year ended 31 August 2019 was £39,750,000 (2018: £42,719,000).

The Company paid dividends in the year of £43,000,000 (2018: £40,000,000). During the year, the Company received dividends of £43,000,000 from subsidiary undertakings (2018: £45,000,000).

Future developments

Details on the future developments of the Company are given in the Strategic report on page 6.

Going concern and financial risk management

Disclosures in respect of going concern and financial risk management are given in the Strategic report on pages 4 to 6.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006.

WH Smith High Street Holdings Limited

Directors' report (continued)

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

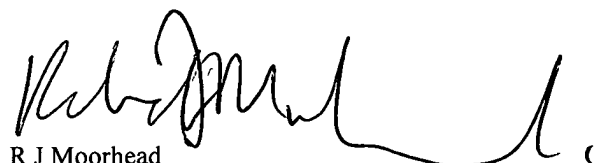
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The independent auditors, PricewaterhouseCoopers LLP, will continue in office as auditors to the Company.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report was approved by the Board of Directors on 6 March 2020.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'R J Moorhead', followed by a long horizontal flourish.

R J Moorhead
Director

WH Smith High Street Holdings Limited

Strategic Report

The Strategic report is prepared in accordance with s414(c) of the Companies Act 2006.

Business review, principal activities and key performance indicators

The Company principally acts as a holding company for a group of trading and non-trading companies.

As shown in the Company's Statement of profit or loss and other comprehensive income on page 9, the Company's profit for the financial year ended 31 August 2019 was £39,750,000 (2018: £42,719,000).

The balance sheet on page 10 of the financial statements shows that the Company's net asset position is £106,181,000 (2018: £109,431,000), a decrease of £3,250,000, reflecting the profit for the year offset by dividends paid. Details of the amounts owed by and to other group undertakings are shown in Notes 7 and 8 on page 16.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, of which this Company is a part, is discussed in the WH Smith PLC Annual Report and Accounts 2019, which does not form part of this Report.

Principal risks and uncertainties

The WH Smith PLC group manages its operations, including WH Smith High Street Holdings Limited on a divisional basis and has identified the following factors as major potential risks to the successful performance of the business of the Group. Many of these factors are applicable to WH Smith High Street Holdings Limited.

- Economic, political, competitive and market risks
- Brand and reputation
- Key suppliers and supply chain management
- Store portfolio
- Business interruption
- Reliance on key personnel
- International expansion
- Treasury, financial and credit risk management
- Cyber risk and data security

Group risks including risk management are discussed in further detail within the Principal risks and uncertainties section of the Strategic report in the Group's Annual Report and Accounts 2019, a copy of which is available on the Group's website at www.whsmithplc.co.uk which does not form part of this report.

All principal business functions compile risk registers and summary risk maps to identify key risks, assess them in terms of their likelihood and potential impact, and determine appropriate control strategies to mitigate the impact of these risks taking account of risk appetite. The ongoing monitoring of this framework is overseen by the respective Business Risk Committees and the Group Audit Committee. During the year, the Group Board reviewed the effectiveness of the Group's risk management and internal controls systems. This review included the discussion and review of the risk registers and the internal controls across all business functions, as part of an annual exercise facilitated by the Internal Audit team. During the year, the Group Board also received presentations from management on specific risk areas such as cyber risk, international expansion, and the ongoing risk monitoring processes and appropriate mitigating controls.

WH Smith High Street Holdings Limited

Strategic Report (continued)

Brexit

Following the UK referendum to leave the EU, there will be a period of uncertainty until an agreement on exit has been agreed between the UK and the EU. The extent to which our operations and financial performance are likely to be affected in the longer term should therefore become clearer as details of this agreement emerge.

Where the consequences of Brexit may impact the business, we have incorporated these considerations into our assessment in relation to each of the principal risk headings listed above.

Our Brexit Working Party continues to review and monitor these issues, as part of our ongoing Risk Management framework. This includes consideration of those risks that could arise in the event of a possible 'no deal' outcome, where we continue to work closely with our suppliers to manage the impact of any amendments in tariff and duty rates, changes to import procedures for EU imports, and availability.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange rate risk and interest rate risk. The Company is subject to the WH Smith Group policies to ensure proper monitoring and control of financial risk. The policies are set by the Group and are implemented by the Company's finance department.

The Group's treasury function seeks to reduce exposures to interest rate, foreign exchange and other financial risks, and to ensure liquidity is available to meet the foreseeable needs of the Group and to invest cash assets safely and profitably. The Group does not engage in speculative trading in financial instruments and transacts only in relation to underlying business requirements. The Group's treasury policies and procedures are periodically reviewed and approved by the Group's Audit Committee and are subject to regular Group Internal Audit review. Further information on the Group's financial risk management policies and procedures are given in the WH Smith PLC Annual Report and Accounts 2019, which does not form part of this report.

Liquidity risk

The Company manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts.

The Group has a policy of pooling cash flows in order to optimise the return on surplus cash and also to utilise cash within the Group to reduce the costs of external short-term funding.

Credit risk

Credit risk is the risk that a counterparty may default on their obligation to the Company in relation to lending, settlement and other financial activities. The Company's principal financial assets are trade and other receivables and bank balances and cash.

The Company has credit risk attributable to its trade and other receivables. The amounts included in the balance sheet are net of allowances for doubtful receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. The Company does not hold collateral over any of these financial assets.

Interest rate risk

The Company is exposed to cash flow interest rate risk on floating rate intercompany loans.

Foreign currency risk

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. As an intermediate holding company in a group of companies which engage in retailing with overseas operations the Company is indirectly exposed to foreign currency risk. The Company's foreign currency exposures are principally to the US dollar.

The Group uses forward foreign exchange contracts to hedge significant future transactions and cash flows denominated in currencies other than pounds sterling. The hedging instruments have been used to hedge purchases in US dollars and to minimise foreign exchange risk in movements of the USD/GBP exchange rates. These are designated as cash flow hedges. At 31 August 2019, the Group had no material un-hedged currency exposures.

WH Smith High Street Holdings Limited

Strategic Report (continued)

Going concern and future developments

The Company's business activities, together with factors that are likely to affect its future developments, performance and position are detailed within this Strategic report. The financial position of the Company and its liquidity position are described in the financial statements and notes. The WH Smith PLC Annual Report and Accounts 2019 includes further information regarding the Group's financial position, cash flows and borrowing facilities, as well as its policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Strategic report of the WH Smith PLC Annual Report and Accounts 2019 also highlights the main risks and uncertainties facing the Group, a copy of which is available on the Group's website at www.whsmithplc.co.uk.

The directors report that they have reviewed current performance and forecasts, combined with expenditure commitments, including capital expenditure and borrowing facilities. In addition the directors are in receipt of a letter of subordination from its parent company, WH Smith Retail Holdings Limited, releasing the Company from the commitment to pay the liabilities due to them for at least a twelve month period from the date of signing of these financial statements. After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue its current operations, including contractual and commercial commitments for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements. No changes in its principle activities is foreseen.

This report was approved by the Board on 6 March 2020.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'R J Moorhead', is written over a horizontal line.

R J Moorhead
Director

WH Smith High Street Holdings Limited

Independent auditors' report to the members of WH Smith High Street Holdings Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion, WH Smith High Street Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019; the statement of profit or loss and other comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

WH Smith High Street Holdings Limited

Independent auditors' report to the members of WH Smith High Street Holdings Limited (continued)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 March 2020

WH Smith High Street Holdings Limited

Statement of profit or loss and other comprehensive income Year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Operating result	3	-	-
Income from shares in group undertakings		43,000	45,000
Interest payable and similar expenses	4	(4,012)	(3,520)
Profit before taxation		38,988	41,480
Tax on profit	5	762	1,239
Profit for the financial year		39,750	42,719
Other comprehensive result for the year		-	-
Total comprehensive income for the year		39,750	42,719

The results are derived from continuing operations.

WH Smith High Street Holdings Limited

Balance sheet As at 31 August 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Investments	6	308,000	308,000
Current assets			
Trade and other receivables: amounts falling due within one year	7	91,689	90,927
Current liabilities			
Trade and other payables: amounts falling due within one year	8	(293,508)	(289,496)
Net current liabilities		<u>(201,819)</u>	<u>(198,569)</u>
Totals assets less current liabilities		<u>106,181</u>	<u>109,431</u>
Net assets		<u>106,181</u>	<u>109,431</u>
Equity			
Called up share capital	10	100,000	100,000
Retained earnings		6,181	9,431
Total shareholders' funds		<u>106,181</u>	<u>109,431</u>

The notes on pages 12 to 17 are an integral part of these financial statements.

These financial statements of WH Smith High Street Holdings Limited, registered number 6560371, on pages 9 to 17 were approved by the Board of Directors and authorised for issue on 6 March 2020.

Signed on behalf of the Board of Directors


R J Moorhead
Director

WH Smith High Street Holdings Limited

Statement of changes in equity For the year ended 31 August 2019

	Called up equity share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance as at 1 September 2017	100,000	6,712	106,712
Profit for the financial year	-	42,719	42,719
Other comprehensive expense for the year	-	-	-
Total comprehensive income for the year	-	42,719	42,719
Dividends (Note 9)	-	(40,000)	(40,000)
Balance as at 31 August 2018	100,000	9,431	109,431
Balance as at 1 September 2018	100,000	9,431	109,431
Profit for the financial year	-	39,750	39,750
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	39,750	39,750
Dividends (Note 9)	-	(43,000)	(43,000)
Balance as at 31 August 2019	100,000	6,181	106,181

WH Smith High Street Holdings Limited

Notes to the financial statements Year ended 31 August 2019

1. Accounting policies

A summary of the principal accounting policies is set out below.

General information

WH Smith High Street Holdings Limited is a private company limited by shares, incorporated in the United Kingdom and domiciled in England and Wales.

Accounting convention

The financial statements of WH Smith High Street Holdings Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The financial statements are prepared under the historical cost basis and are in compliance with the Companies Act 2006 as applicable to companies applying FRS 101 and applicable United Kingdom law and accounting standards.

All accounting policies have been applied consistently in the current year and the prior year, except as noted below and under "new standards adopted in the year."

Basis of preparation

The financial statements are for the year ended 31 August 2019. The prior year financial statements were for the year ended 31 August 2018.

The Company is a wholly owned subsidiary of WH Smith Retail Holdings Limited and of its ultimate parent, WH Smith PLC. It is included in the consolidated financial statements of WH Smith PLC which are publicly available. Therefore the Company is exempt from producing consolidated financial statements under section 400 of the Companies Act 2006. The financial statements have been prepared on the going concern basis as explained in the Strategic report on page 6.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and certain related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of WH Smith PLC. The group financial statements of WH Smith PLC are available to the public and can be obtained as set out in Note 12.

New standards adopted in the year

The Company has adopted the following standards and interpretations which became mandatory during the current financial year. These changes have had no material impact on the Company's financial statements:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate provisions for impairment. The carrying value of investments in group undertakings is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

WH Smith High Street Holdings Limited

Notes to the financial statements (continued) Year ended 31 August 2019

1. Accounting policies (continued)

Basis of preparation (continued)

Dividends payable and receivable

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Dividends receivable from subsidiaries are recorded in the statement of profit or loss and other comprehensive income in the period in which they are received.

Interest payable

Interest payable and similar charges are recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

Financial instruments

a) Trade receivables

Trade receivables are measured at initial recognition, do not carry any interest and are stated at their fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is evidence that the asset is impaired.

b) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

c) Equity instruments

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

2. Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

In preparing these financial statements, no areas of critical accounting judgement or key sources of estimation uncertainty have been identified. Management have concluded that the critical accounting judgement and key sources of estimation uncertainty that were reported in the financial statements for the year ended 31 August 2018 would no longer result in a material adjustment in the next 12 months.

WH Smith High Street Holdings Limited

Notes to the financial statements (continued) Year ended 31 August 2019

3. Operating result

The Company had no employees (2018: none). The remuneration of S Clarke and R J Moorhead is disclosed in the consolidated financial statements of WH Smith PLC for the year ended 31 August 2019 and no allocation of their services, as directors of WH Smith High Street Holdings Limited and other Group companies, is made. None (2018: none) of the other directors received any remuneration in either the current or the previous year in respect of their services to the Company.

Auditors' remuneration for the audit of the statutory financial statements for the year ended 31 August 2019 amounted to £1,500 (2018: £1,500), and was borne by another group company and not recharged in both the current and previous year. There were no non-audit fees. Statutory disclosures in respect of non-audit fees for the group are given in the consolidated financial statements of WH Smith PLC.

4. Interest payable and similar expenses

	2019 £'000	2018 £'000
To group undertakings	4,012	3,520

5. Tax on profit

Tax credit included in profit or loss

	2019 £'000	2018 £'000
Current year credit	(762)	(669)
Adjustments in respect of prior years	-	(570)
Tax on profit	(762)	(1,239)

Reconciliation of the tax credit

	2019 £'000	2018 £'000
Profit before taxation	38,988	41,480
Tax on profit before taxation at UK rate of corporation tax of 19.00% (2018: 19.00%)	7,408	7,881
Non-taxable income	(8,170)	(8,550)
Deductible expenses not charged to Profit and Loss	-	-
Adjustments in respect of prior years	-	(570)
Total tax credit	(762)	(1,239)

The UK corporation tax rate has been 19 per cent since 1 April 2017. The UK corporation tax rate will reduce to 17 per cent from 1 April 2020.

WH Smith High Street Holdings Limited

Notes to the financial statements (continued) Year ended 31 August 2019

6. Investments

	Total £'000
Cost	
At 1 September 2018 and 31 August 2019	308,000
Provision for Impairment	
At 1 September 2018 and 31 August 2019	-
Net book value	
At 31 August 2018 and 31 August 2019	308,000

The directors believe that the carrying value of the investments is supported by their underlying net assets.

At 31 August 2019 the Company directly owned the entire issued equity share capital of the following companies, which are registered in England and Wales. The registered address of all of the companies below is Greenbridge Road, Swindon, Wiltshire, SN3 3RX.

Subsidiaries	Nature of business	Class of share
WH Smith High Street Limited	Retailing	Ordinary shares; non-redeemable preference shares
Books & Stationers Limited	Retailing	Ordinary shares

At 31 August 2019 the Company indirectly owned the entire issued equity share capital of the following companies, which are registered in England and Wales. The registered address of all of the companies below is Greenbridge Road, Swindon, Wiltshire, SN3 3RX.

Subsidiaries	Nature of business	Class of share
funkypigeon.com Limited (formerly Spilt Ink Studio Limited)	Retailing	Ordinary
Card Market Limited	Retailing	Ordinary
The SQL Workshop Limited	Retailing	Ordinary
The Card Gallery (UK) Limited	Retailing	Ordinary
Modelzone Limited	Dormant	Ordinary
Sussex Stationers Limited	Dormant	Ordinary
Tree of Hearts Limited	Dormant	Ordinary
Dotty About Paper Limited	Dormant	Ordinary

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.

WH Smith High Street Holdings Limited

Notes to the financial statements (continued) Year ended 31 August 2019

7. Trade and other receivables: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed by group undertakings	91,308	90,593
Corporation tax receivable	381	334
	<u>91,689</u>	<u>90,927</u>

All amounts owed by parent and group undertakings are non-interest bearing and repayable on demand.

8. Trade and other payables: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	<u>293,508</u>	<u>289,496</u>

Included within amounts owed to group undertakings is an unsecured loan note of £208,000,000 which bears interest at GBP 6 month LIBOR plus 1 per cent. The loan note has no fixed date for repayment. All other amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

9. Dividends

	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders in the year	<u>43,000</u>	<u>40,000</u>

Interim dividend for the year ended 31 August 2019 of 43p (2018: 40p) per ordinary share. There are no other dividends proposed.

10. Called up share capital

	2019		2018	
	Number of shares '000	Nominal value £000	Number of shares '000	Nominal value £000
Allotted and fully paid				
Ordinary shares of £1 (2018: £1) each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

11. Related party transactions

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

WH Smith High Street Holdings Limited

Notes to the financial statements (continued) **Year ended 31 August 2019**

12. Ultimate parent company

The ultimate parent company and controlling party is WH Smith PLC, a company registered in England and Wales. WH Smith PLC heads the largest and smallest group of companies of which the Company is a member for which consolidated financial statements are prepared.

The immediate parent company is WH Smith Retail Holdings Limited, which is registered in England and Wales.

Copies of both sets of financial statements are available from:

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