

Company Registration No. 6560378

WH Smith Travel Limited

Report and Financial Statements

31 August 2013

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WH Smith Travel Limited

Report and financial statements 2013

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WH Smith Travel Limited

Report and financial statements 2013

Officers and professional advisers

Directors

S Clarke
R J Moorhead
I Houghton

Secretary

I Houghton

Registered Office

Greenbridge Road
Swindon
Wiltshire
SN3 3RX

Auditor

Deloitte LLP
Chartered Accountants
London

WH Smith Travel Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2013

Parent company

The Company is a wholly owned subsidiary of WH Smith Travel 2008 Limited, its ultimate parent company being WH Smith PLC

Change in share capital

On 1 September 2008, a reorganisation of the WH Smith Group occurred. As part of this reorganisation the authorised share capital was increased to £289,000,100 divided into 96,000,100 ordinary shares of £1 each and 193,000,000 preference shares of £1 each. WH Smith Travel 2008 Limited subscribed for 96,000,000 ordinary shares with the consideration paid in cash.

In addition, WH Smith Travel 2008 Limited loaned the Company £193,000,000 in cash through a convertible note. On 31 August 2009, the liability accrued under the note was settled through the issue of 193,000,000 preference shares.

Business review and principal activities

As part of a Group reorganisation, which occurred on 1 September 2008, the Company acquired the trade and assets of the travel business of WH Smith Travel Holdings Limited (formerly WH Smith Retail Limited).

The principal activities of the Company since 1 September 2008 are the retailing of books, stationery, newspapers, magazines and entertainment products. Prior to this the Company was dormant within the meaning of Section 1169 of the Companies Act 2006.

The Company produced a satisfactory trading performance resulting in a profit after tax for the year to 31 August 2013 of £41,591,000 (2012 £40,367,000). The Company is expected to trade profitably in the foreseeable future.

As shown in the Company's profit and loss account on page 7, the Company's sales for the year to 31 August 2013 were £375,790,000 (2012 £387,929,000).

The balance sheet on page 8 of the financial statements shows that the Company's net asset position is £366,106,000, a decrease of £38,971,000 from 31 August 2012. This reflects the profit generation of the Company during the year offset by the dividend paid to the parent company. Details of the amounts owed by and to other group undertakings are shown in notes 12 and 13 on pages 17 and 18.

Key performance indicators

	2013	2012
Sales	375,790,000	387,929,000
Gross profit margin	56.2%	54.1%
Stock turn	8.3 weeks	8.5 weeks

Gross profit and sales are as presented in the financial statements. Stock turn reflects the number of weeks taken to turn the stock based on closing stock and cost of sales.

WH Smith Travel Limited

Directors' report (continued)

Principal risks and uncertainties

The WH Smith PLC group manages its operations, including WH Smith Travel 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 Travel Limited.

- Reliance on the WH Smith brand
- Economic, political, competitive and market risks
- Key suppliers and supply chain management
- Store portfolio
- Business interruption
- Reliance on key personnel
- Treasury, financial and credit risk management
- Pensions and investment risk management

Group risks including risk management are discussed in further detail within the Risks and Uncertainties sections of Business Review in the Group's Annual Report and Accounts 2013, a copy of which is available on the Group's website at www.whsmithplc.co.uk

Health, safety and environment

In the field of health and safety the Board is committed to maintaining high standards for its employees, customers, contractors and anyone affected by its business activities. Within the Group, a Health and Safety Committee represents the interests of employees. The Group, which benchmarks its performance against other companies, is represented on several national bodies concerned with health and safety.

The Group Risk Management Department operates within a broad framework covering issues such as health and safety, environmental impacts, insurance, disability issues and other risk areas. The department provides advice, guidance and support to managers within the Group ensuring that high standards are maintained.

The Group continues to engage with suppliers to promote and improve labour standards and better environmental management. As a member of the Ethical Trading Initiative (ETI), we continue to work with other members to share best practice and develop solutions to challenges we all face.

Further information on the Health, Safety and Environment is contained within the Directors' Report and Business Review of the Group's Annual Report and Accounts 2013.

Dividends

During the year the Company paid dividends of £80,000,000 to its parent company (2012: £nil), being £61,295,000 preference dividend and £18,705,000 ordinary dividend (see Note 15).

Non-redeemable preference share dividends are paid at the discretion of the directors and are therefore presented as an equity distribution. The non-redeemable preference shares take priority over ordinary shares when dividends are declared.

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 2012 and the date of this report:

KE Swann (resigned 30 June 2013)

S Clarke (appointed 6 September 2013)

Political and charitable donations

Charitable donations during the period from incorporation to 31 August 2013 totalled £nil (2012: £nil). It is the Company's policy not to make political donations and no political donations were made in the current period.

WH Smith Travel Limited

Directors' report (continued)

Payment policy for suppliers

The Company's policy for the payment of suppliers, which complies with the CBI Code of Practice for Buyers, is to agree the terms of payment in advance in line with normal trade practice and, provided a supplier performs in accordance with the agreement, to abide by such terms. The Company's creditor days figure for the year to 31 August 2013 was 68 days (2012: 71 days)

Going concern

The Company's business activities, together with factors that are likely to affect its future developments, performance and position are detailed within this Directors' 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 2013 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 Directors' Report and Business Review of the WH Smith PLC Annual Report and Accounts 2013 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. 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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

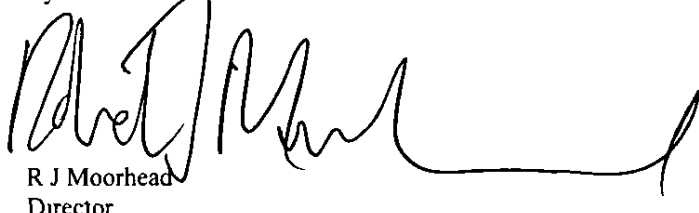
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

Deloitte LLP will continue in office as auditor

This report was approved by the Board on 23 April 2014

By Order of the Board



R J Moorhead
Director

WH Smith Travel Limited

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). 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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of WH Smith Travel Limited

We have audited the financial statements of WH Smith Travel Limited for the year ended 31 August 2013 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 August 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Stephen Griggs (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
23 April 2014

WH Smith Travel Limited

Profit and loss account Year ended 31 August 2013

	Notes	2013 £'000	2012 £'000
Turnover	1, 2	375,790	387,929
Cost of Sales		(164,654)	(177,924)
Gross profit		211,136	210,005
Distribution costs		(129,453)	(132,165)
Administrative expenses		(25,806)	(23,766)
Operating profit		55,877	54,074
Net finance income	3	133	15
Profit on ordinary activities before taxation	4	56,010	54,089
Tax on profit on ordinary activities	7	(14,419)	(13,722)
Profit for the financial period		41,591	40,367

All results are derived from continuing operations

There were no recognised gains or losses in the current financial year or preceding financial year other than as stated in the profit and loss account. Consequently no statement of total recognised gains and losses is presented.

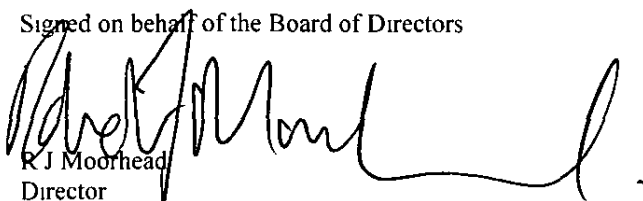
WH Smith Travel Limited

Balance sheet 31 August 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	8	3,894	4,116
Goodwill	9	250,179	250,179
Tangible fixed assets	10	36,235	33,304
Investments in subsidiary undertakings	11	1	-
		290,309	287,599
Current assets			
Stock		26,172	29,008
Debtors due within one year	12	170,741	162,525
Debtors due after more than one year	12	1,389	2,198
Cash at bank and in hand		38,369	23,256
		236,671	216,987
Creditors: amounts falling due within one year	13	(160,662)	(99,120)
Net current assets		76,009	117,867
Total assets less net current assets		366,318	405,466
Provisions for liabilities and charges	14	(212)	(389)
Total net assets		366,106	405,077
Capital and reserves			
Called up share capital	16	289,000	289,000
Share premium account		38,460	38,460
Translation reserve		(562)	-
Profit and loss account		39,208	77,617
Shareholders' funds		366,106	405,077

These financial statements of WH Smith Travel Limited, registered number 6560378, were approved by the Board of Directors on 23 April 2014

Signed on behalf of the Board of Directors


R J Moorhead
Director

WH Smith Travel Limited

Reconciliation of movements in shareholders' funds Year ended 31 August 2013

	Called up equity share capital £'000	Share premium account £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
At 31 August 2012	289,000	38,460	-	77,617	405,077
Profit for the year	-	-	-	41,591	41,591
Foreign exchange gains / (losses)	-	-	(562)	-	(562)
Dividends paid	-	-	-	(80,000)	(80,000)
At 31 August 2013	<u>289,000</u>	<u>38,460</u>	<u>(562)</u>	<u>39,208</u>	<u>366,106</u>

WH Smith Travel Limited

Notes to the financial statements Year ended 31 August 2013

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and are in compliance with the Companies Act 2006 and applicable United Kingdom law and accounting standards

Basis of preparation

The financial statements are for the year ended 31 August 2013. The prior period financial statements were for the year ended 31 August 2012.

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 Directors' Report on page 4.

In accordance with FRS 1 'Cash Flow Statements' (Revised), a statement of cash flows has not been prepared as the Company is included in the publicly available financial statements of the ultimate parent company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services to customers, together with commission and fee income on concession and franchise arrangements. Turnover excludes discounts, estimated returns, VAT and other sales related taxes.

Stocks

Stocks comprise goods for resale and are stated at the lower of cost and net realisable value.

Leases

Rental costs under operating leases are charged to the profit and loss account over the length of the lease. The cost of assets held under finance leases is included under tangible fixed assets and depreciation is provided in accordance with the Company's accounting policy for that class of asset. The capital element of future lease payments is included in creditors. The interest cost is allocated to accounting periods based on the outstanding capital element of the lease.

Incentives received by the Company to enter into leases as a lessee are credited to the profit and loss account on a straight-line basis over the lease term or, if shorter, the period to the first review date on which rent is adjusted to the prevailing market rate.

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.

Deferred taxation

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.

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

1. Accounting policies (continued)

Tangible fixed assets

As permitted by FRS 15 "Tangible Fixed Assets", the Company has adopted a policy of not revaluing fixed assets. The carrying values of tangible fixed assets previously revalued have been retained at their book amount in accordance with the transitional provisions of FRS 15, which are reviewed on a periodic basis to ensure there is no impairment in their value.

Depreciation

Short leasehold properties are amortised by equal amounts over the period of the leases or their estimated remaining lives if less. Other tangible fixed assets are depreciated on a straight-line basis over their estimated remaining lives within the following ranges:

- Fixtures and fittings - ten years,
- Equipment and vehicles - eight to ten years, and
- Computer equipment - up to five years

Intangible assets

a) Goodwill

Goodwill is classified as an asset on the balance sheet. Where goodwill has been impaired the amount impaired is charged through the profit and loss account. The directors have concluded that goodwill arising on acquisitions should not be amortised as it has an indefinite useful economic life. The goodwill is considered to have an indefinite durability that can be demonstrated and its value can be readily measured. The acquired business operates in a long-standing and profitable market sector.

The non-amortisation of Goodwill constitutes a departure from Companies Act 2006 Schedule 4 paragraph 21, for the overriding purpose of giving a true and fair view of the Company's results under s393. If the goodwill arising on acquisition had been written off over 20 years, the operating profit would have decreased by £12,509,000 in the year to 31 August 2013 (2012: £12,509,000) and Goodwill would have decreased by £62,545,000 (2012: £50,036,000).

b) Other intangible assets

Other intangible assets are valued at cost and amortised over their useful life unless the asset can be demonstrated to have an indefinite life. All intangible assets are reviewed for impairment when there are indications that the carrying value may not be recoverable.

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

1. Accounting policies (continued)

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 costs 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) Cash

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits.

c) 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 Group after deducting all of its liabilities.

d) Bank borrowings

Interest bearing bank loans and overdrafts are initially measured at fair value (being proceeds received, net of direct issue costs), and are subsequently measured at amortised cost, using the effective interest rate method recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemptions and direct issue costs are accounted for on an accruals basis and taken to the income statement using the effective interest rate method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

e) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at rates prevailing at the balance sheet date or, where applicable, at forward contracted rates. Profit and loss account items denominated in foreign currencies are translated at the average exchange rates for the year.

2. Turnover

Substantially all turnover arises in the United Kingdom from retailing.

3. Net finance (cost) / income

	2013 £'000	2012 £'000
Investment income		
Other interest receivable and similar income	1	-
Interest receivable from other Group companies	292	121
	<u>293</u>	<u>121</u>
Finance costs		
Other interest payable and similar charges	(160)	(106)
Net finance income	<u>133</u>	<u>15</u>

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

4 Profit on ordinary activities before taxation is stated after charging:

	2013	2012
	£'000	£'000
Depreciation and impairment of owned fixed assets	8,186	8,876
Depreciation of leased assets	-	-
Amortisation and impairment of intangible assets	222	343
Net operating lease charges		
- land and buildings	77,794	79,858
Auditor's fees		
- fees payable to Company's auditors for the audit of the Company's annual accounts	9	9
- non-audit fees including taxation and other services	26	23

5. Employees and staff costs

The Company has no employees under contracts of service but does utilise the services of employees employed by another Group company, WH Smith Retail Holdings Limited, the costs of which are recharged to the Company

6 Directors' remuneration

The remuneration of S Clarke and R J Moorhead is disclosed in the consolidated financial statements for WH Smith PLC for the year ended 31 August 2013 (2012 £nil) and no allocation of their services, as directors of WH Smith Travel Limited and other group companies, is made

I Houghton received no remuneration in respect of his services as a director of the Company during the year (2012 £nil)

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

7. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
Current year charge	15,030	14,963
Prior year tax charge	(550)	(268)
	<u>14,480</u>	<u>14,695</u>
Deferred tax		
Origination and reversal of timing differences	18	(444)
Prior year adjustment	(79)	(529)
	<u>14,419</u>	<u>13,722</u>
Tax on profit on ordinary activities		
	<u>14,419</u>	<u>13,722</u>
	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	<u>56,010</u>	<u>54,089</u>
Tax on profit on ordinary activities before taxation at the UK rate of corporation tax – 23.58 % (2012: 25.16%)	13,207	13,609
Expenses not deductible for tax purposes	1,672	844
Depreciation in excess of capital allowances	151	510
Timing differences	-	-
Prior year adjustment	(550)	(268)
	<u>14,480</u>	<u>14,695</u>
Total current tax charge		
	<u>14,480</u>	<u>14,695</u>

The UK corporation tax rate fell to 23 per cent with effect from 1 April 2013 (previously 24 per cent). The rate of corporation tax will change from 23 per cent to 21 per cent from 1 April 2014 and a further change of one per cent to 20 per cent with effect from 1 April 2015.

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

8 Intangible fixed assets

	£'000
Cost	
At 1 September 2012	6,467
Additions	-
At 31 August 2013	<u>6,467</u>
Accumulated amortisation	
At 1 September 2012	2,351
Amortisation charge	222
At 31 August 2013	<u>2,573</u>
Net book value	
At 31 August 2013	<u>3,894</u>
At 31 August 2012	<u>4,116</u>

Intangible assets relate to certain tenancy rights and are being amortised over the life of the lease to which they relate, or are considered to have an indefinite useful economic life, and are therefore not amortised. These assets are reviewed annually for impairment.

9. Goodwill

	£'000
Cost	
At 1 September 2012 and 31 August 2013	<u>250,179</u>
Accumulated amortisation	
At 1 September 2012 and 31 August 2013	<u>-</u>
Net book value	
At 1 September 2012 and 31 August 2013	<u>250,179</u>

Goodwill has arisen on the acquisition of the trade and assets of the travel business from WH Smith Travel Holdings Limited (formerly WH Smith Retail Limited). Goodwill is considered to have an indefinite useful economic life and is therefore not amortised.

Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit ("CGU"), including goodwill, with the recoverable amount determined from value in use calculations. Management has determined that no impairment was necessary for the current financial year. CGUs are comprised of the group of retail stores purchased on acquisitions.

The key assumptions for the value-in-use calculations include those regarding operating profit, discount rates and growth rates. The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management, and extrapolates cash flows for following years based on long term growth rates. The long term growth rates used are between 2.25 per cent and 2.5 per cent, reflecting expected retail price index growth. The rate used to discount the forecast cash flows is 7 per cent post tax.

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

9. Goodwill (continued)

A sensitivity analysis has been performed in assessing recoverable amounts of goodwill. This has been based on changes in key assumptions considered to be possible by management. This included an increase in the discount rate of up to 1 per cent and a decrease in the long term growth rate of up to 1 per cent. The sensitivity analysis shows that no impairment would arise under each scenario.

10. Tangible fixed assets

	Properties short-term leasehold £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2012	22,862	19,698	20,012	62,572
Additions	2,959	5,431	2,727	11,117
Transfers	1,368	967	(2,335)	-
Disposals	(1,357)	(369)	(1,233)	(2,959)
At 31 August 2013	25,832	25,727	19,171	70,730
Accumulated depreciation				
At 1 September 2012	9,604	9,530	10,134	29,268
Charge for the year	2,902	2,999	1,371	7,272
Impairment	242	431	241	914
Disposals	(1,357)	(369)	(1,233)	(2,959)
At 31 August 2013	11,391	12,591	10,513	34,495
Net book value				
At 31 August 2013	14,441	13,136	8,658	36,235
At 31 August 2012	13,258	10,168	9,878	33,304

The net book value of assets held under finance leases within equipment and vehicles at 31 August 2013 was £nil (2012: £nil).

Tangible fixed assets include capitalised software costs as well as the related hardware.

11. Investments in subsidiary undertakings

At 31 August 2013 the Company owned the entire issued share capital of the following companies:

Subsidiaries	Nature of business	Class of share	Country of incorporation
WH Smith Ireland Limited	Retailing	Ordinary	Ireland
WH Smith Australia Pty Limited	Retailing	Ordinary	Australia
WH Smith New Zealand Limited	Retailing	Ordinary	New Zealand
WH Smith (Qatar) Limited	Holding Company	Ordinary	England and Wales

On 12 March 2012, the Company subscribed for 100% of the issued share capital of WH Smith (Qatar) Limited, which is incorporated in Great Britain and registered in England and Wales, for £1,000.

Neither WH Smith Ireland Limited, WH Smith Australia Pty Ltd, WH Smith New Zealand Limited nor WH Smith (Qatar) Limited were impaired in the year (2012: £nil).

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

12 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Trade debtors	10,697	10,779
Amounts owed by parent and group undertakings	154,172	144,530
Other debtors	1,951	1,834
Prepayments and accrued income	3,921	5,382
	<u>170,741</u>	<u>162,525</u>
Amounts falling due after one year:		
Prepayments and accrued income	1,389	2,198
	<u>172,130</u>	<u>164,723</u>

Other debtors falling due within one year includes a deferred tax asset of £1,381,000 (2012 £1,497,300). All amounts owed by parent and group undertakings are non-interest bearing and repayable on demand.

		Deferred taxation £'000
The movements on deferred tax asset is as follows:		
At 1 September 2012		1,497
Charge to profit and loss		79
Restatement of closing deferred tax balances to 20%		(195)
		<hr/>
At 31 August 2013		1,381
		<hr/>
	2013	2012
	£'000	£'000
Analysis of deferred taxation		
Short term timing differences	1,381	1,497
	<hr/>	<hr/>
At 31 August 2013	1,381	1,497

The rate of corporation tax will change from 23 per cent to 21 per cent from 1 April 2014 and a further change of one per cent to 20 per cent with effect from 1 April 2015. As deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods of reversal, we have restated all deferred tax closing balances using the appropriate rate. The change in rate decreased the net deferred tax asset by £195,300 (2012 £84,200).

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

13. Creditors' amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	30,815	34,454
Amounts owed to parent and group undertakings	98,461	32,199
Corporation Tax	8,335	10,723
VAT, social security and other taxation	6,131	5,687
Other creditors	12,962	12,151
Accruals and deferred income	3,958	3,906
	<u>160,662</u>	<u>99,120</u>

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

14. Provisions for liabilities and charges

	Deferred taxation £'000
The movements on total provisions is as follows	
At 1 September 2012	389
Utilised during the period	(126)
Restatement of closing deferred tax balances to 23%	(51)
At 31 August 2013	<u>212</u>
	2013 £'000
Analysis of deferred taxation	
Capital allowances in excess of depreciation	<u>212</u>
	2012 £'000
	<u>389</u>

The rate of corporation tax will change from 23 per cent to 21 per cent from 1 April 2014 and a further change of one per cent to 20 per cent with effect from 1 April 2015. As deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods of reversal we have restated all deferred tax closing balances using the appropriate rate. The change in rate decreased the net deferred tax liability by £50,728 (2012: £73,329).

WH Smith Travel Limited

Notes to the financial statements (continued) Year ended 31 August 2013

15. Dividends on equity shares

	2013 £'000	2012 £'000
Amounts recognised as distributions to preference shareholders in the period	61,295	-
Amounts recognised as distributions to ordinary shareholders in the period	18,705	-
	<u>80,000</u>	<u>-</u>

Interim preference dividends for the year ended 31 August 2013 of 31 8p per share (2012 nil). The non-redeemable preference shares take priority over ordinary shares, and the dividend payable is calculated at the rate of 12 month LIBOR (as determined at 1 September prior to the dividend payment date) plus 7.875 per cent, per annum on the capital paid up on that share. The dividend is calculated on a compound basis from day to day, and paid annually on 31 August. Interim ordinary dividend for the year ended 31 August 2013 of 19.5p (2012 nil) per ordinary share.

16. Called up equity share capital

	2013		2012	
	Number of shares '000	Nominal value £'000	Number of shares '000	Nominal value £'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	96,000	96,000	96,000	96,000
Non-redeemable preference shares of £1 each	193,000	193,000	193,000	193,000
	<u>289,000</u>	<u>289,000</u>	<u>289,000</u>	<u>289,000</u>

On 1 September 2008, 96 million ordinary shares of £1 each were issued to WH Smith Travel 2008 Limited as part of the Group reorganisation, for a consideration of £96,000,000. On 31 August 2009, 193,000,000 fully paid preference shares of £1 each were issued to WH Smith Travel 2008 Limited in exchange for repayment of the loan and accrued interest on the loan of £231,460,000 made to the Company by WH Smith Travel 2008 Limited, which gave rise to share premium of £38,460,000.

17. Capital commitments

Contracts placed for future capital expenditure approved by the directors but not incurred in these financial statements amounts to £1,628,000 (2012 £1,343,000).

18. Contingent liabilities

The Company is a guarantor on the Group's £70,000,000 revolving credit facility which expires on 24 January 2016 alongside WH Smith High Street Limited and WH Smith Retail Holdings Limited.

The Company is also a guarantor in respect of certain obligations of WH Smith Hospitals Limited (a fellow Group company) in relation to the UNS Group defined benefit pension scheme.

WH Smith Travel Limited

Notes to the financial statements (continued)

Year ended 31 August 2013

19. Related party transactions

The Company has taken advantage of the exemptions 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 who are related parties

20. Ultimate parent company

The ultimate parent company and controlling party is WH Smith PLC, a company incorporated in Great Britain and 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 Travel 2008 Limited, a company incorporated in Great Britain and 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