

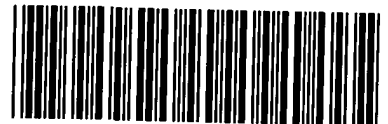
**Company Registration No. 6560378**

**WH Smith Travel Limited**

**Annual Report and Financial Statements**

**31 August 2023**

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COMPANIES HOUSE

# **WH Smith Travel Limited**

## **Annual report and financial statements 31 August 2023**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Strategic report</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>8</b>
<b>Statement of profit and loss and other comprehensive income</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of changes in equity</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15</b>

# **WH Smith Travel Limited**

## **Annual report and financial statements 31 August 2023**

### **Officers and professional advisers**

#### **Directors**

C Cowling  
R J Moorhead  
I Houghton

#### **Company Secretary**

I Houghton

#### **Registered Office**

Greenbridge Road  
Swindon  
Wiltshire  
SN3 3RX

#### **Independent auditors**

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

# WH Smith Travel Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2023.

### Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements 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 2023 are set out on pages 12 to 32.

As shown in the Statement of profit or loss and other comprehensive income on page 12, the Company's profit for the financial year ended 31 August 2023 was £73,457,000 (2022: £38,315,000).

During the year the Company paid no dividends to its parent company (2022: £nil). 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.

The directors do not recommend the payment of a final dividend (2022: £nil).

### Future developments

Details on future developments of the Company are given in the Strategic report on pages 4 to 7.

### Going concern and financial risk management

Disclosures in respect of financial risk management are given in the Strategic report on page 6. Disclosures in respect of going concern are given in the Strategic report on page 7.

### Equal Opportunities

The Directors believe in creating throughout the Company a culture that is free from discrimination and harassment and will not permit or tolerate discrimination in any form. The Company gives full and fair consideration to applications for employment when these are received from disabled people. Should an employee become disabled when working for the Company, we will endeavour to adapt the work environment and provide retraining if appropriate so that they may continue their employment and maximise their potential. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability.

### Employee involvement

Employee engagement is supported through clear communication of the Group's performance and objectives. This information is cascaded through team briefings, large employee events, intranet sites and regular e-newsletters. This approach and the Group's open management style encourages employees to contribute to business development. The Company, when appropriate, consults directly with employees and/or employee representatives so that their views can be taken into account when decisions are made which are likely to affect them.

# WH Smith Travel Limited

## Directors' report (continued)

### Statement on business relationships

The directors acknowledge the need for the Company to foster business relationships with suppliers, customers and other stakeholders. All policies, practices and procedures adopted by the Group with regard to stakeholder relationships and engagement are applied by the Company. Refer to pages 29 to 35 of the Group's Annual Report and Accounts 2023, which does not form part of this report, for more details. The Company identifies its key business relationships as being the same as the Group as described on pages 29 to 35 of the Group's Annual Report and Accounts 2023, other than having a more limited number of relationships than the Group.

### 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, 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 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 also 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.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

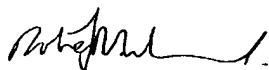
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's 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 on 25 January 2024.

On behalf of the Board



Robert J Moorhead  
Director

# WH Smith Travel 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 principal activities of the Company are the retailing of books, stationery, newspapers, magazines and entertainment products in travel locations within the United Kingdom as part of the WH Smith PLC Group of companies (the “Group”).

As shown in the Company’s Statement of profit or loss and other comprehensive income on page 12, the Company’s revenue for the year to 31 August 2023 has increased by 36% to £620,933,000 (2022: £455,648,000) compared to the prior year.

The balance sheet on page 13 of the financial statements shows that the Company’s net asset position is £432,619,000 (2022: 358,909,000) an increase of £73,710,000 from 31 August 2022, reflecting the profit of £73,457,000 and other comprehensive income of £253,000 generated during the year. Details of the amounts owed by and to other group undertakings are shown in Notes 16 and 17 on page 31.

	2023	2022
Revenue	£620,933,000	£455,648,000
Gross profit margin	61.2%	59.9%
Stock turn	11.4 weeks	15.9 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.

It has been a year of substantial progress supported by the Group’s key pillars of strategy and our ongoing forensic approach to retailing across each of our businesses. These include:

- Driving average transaction value. Extending categories and ranges to reflect the specific needs of customers in each location where the Group operates.
- Working with landlords and building on the Group’s strong relationships to create opportunities for winning new business, extending key contracts and improving the quality and location of the space where we operate.
- Forensic focus on costs and cash management including building flexibility into our leasing arrangements, and investing for growth through disciplined capital allocation.

### Section 172 statement

The directors are aware of their statutory duty to promote the success of the Company for the benefit of the members as a whole, and in doing so having regard to those factors set out in section 172(1) (a)-(f) of the Companies Act 2006.

As a result of the Group’s governance structure, the matters that the directors are responsible for considering under section 172(1) of the Companies Act 2006 have been considered to an appropriate extent by the WH Smith PLC Group board in relation to both the WH Smith PLC Group and its subsidiaries (the ‘Group’) and also to the Company. The directors have also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Group board has considered the matters set out in s172 (for the Group and for the Company) is set out on pages 29 to 35 of the Group’s Annual Report and Accounts, which does not form part of this report.

### Principal risks and uncertainties

The Group manages its operations, including WH Smith Travel Limited on a divisional basis and has identified the following factors as the principal risks to the successful performance of the business of WH Smith Travel Limited.

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

# WH Smith Travel Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

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 2023 which does not form part of this report, a copy of which is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

All principal business functions compile risk registers 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 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 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 has no direct operations in countries impacted by current ongoing global conflicts. The Group's business could however be significantly impacted by any further potential escalation of these conflicts or wider geopolitical threats. In addition, while the Group is well prepared for the re-introduction of any possible trading and travel restrictions, there remains a risk that the Group and Company could be negatively impacted by the emergence of new variants of Covid-19 or of other future pandemics. We continue to reflect this potential impact within our various Principal Risk headings, to the extent that these may generate further risks of business interruption, disruption to our supply chain, or result in wider economic and market uncertainty.

The Group's risks will continue to evolve in response to future events and new challenges, where further emerging risks may develop that could materially impact the business in the future. Our Risk Forums and Monitoring Framework seek to identify such potential changes in our risk landscape.

### 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 was 90 days (2022: 128 days) based on closing trade payables and cost of sales for the year.

### 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 Health, Safety and Environment is contained within the Strategic report of the Group's Annual Report and Accounts 2023.

# **WH Smith Travel Limited**

## **Strategic report (continued)**

### **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 PLC 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 2023, which does not form part of this report.

#### ***Liquidity risk***

The Group 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 committed multi-currency revolving credit facility with a number of financial institutions which is available to be drawn for general corporate purposes including working capital. The facility is due to mature on 13 June 2028.

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, hedging, settlement and other financial activities. The Company's principal financial assets are trade and other receivables and bank balances and cash which are considered to have low credit risk on initial recognition.

The Company has credit risk attributable to its trade and other receivables, including a number of sale or return contracts with suppliers. The amounts included in the balance sheet are net of allowances for expected credit losses. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The Company has low retail credit risk due to the transactions being principally of a high volume, low value and short maturity. The Company has no significant concentration of credit risk, with the exposure spread over a large number of counterparties and customers.

The credit risk on liquid funds and derivative financial instruments is considered to be low, as the Board approved Group treasury policy limits the value that can be placed with each approved counterparty to minimise the risk of loss. These limits are based on a combination of short-term credit ratings of P-1.

The carrying amount of financial assets recorded in the financial statements represents the Company'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 and overdrafts.

#### ***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 Australian dollar and the euro.

The Group uses forward foreign exchange contracts to hedge significant future transactions and cash flows denominated in currencies other than pounds sterling.



# WH Smith Travel Limited

## Strategic report (continued)

### Going concern

The directors are required to assess whether the Company can continue to operate for the 12 months from the date of approval of these financial statements, and to prepare the financial statements on a going concern basis.

The directors report that they have undertaken a rigorous assessment of current performance and forecasts, including expenditure commitments, capital expenditure and borrowing facilities. The Company is profitable and in a net current asset position. The Directors are comfortable that the entity is a going concern, however the Company is also in receipt of a letter of support from its ultimate parent company, WH Smith PLC, to provide financial support for a period of no less than 12 months from the signing date of these 2023 financial statements should such support be required.

The Strategic report describes the Company's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Company. The Strategic report of the WH Smith PLC Annual Report and Accounts 2023, which does not form part of this report, also sets out the Group's business activities together with the factors that are likely to affect its future developments, performance and position.

The WH Smith PLC Annual Report and Accounts 2023 also outlines the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures. A copy of the WH Smith PLC Annual Report is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

In making the Group's going concern assessment, the directors have undertaken a rigorous assessment of current performance and forecasts for the period to February 2025, including expenditure commitments, capital expenditure and available borrowing facilities. The covenants on these facilities are tested half-yearly and are based on fixed charges cover and net borrowings. The directors have also considered the existence of factors beyond the going concern period that could indicate that the going concern basis is not appropriate.


The directors have modelled a base case scenario consistent with the Group's latest Board approved forecasts, which include management's best estimates of market conditions and include a number of assumptions including passenger numbers, sales growth and cost inflation. Under this scenario the Group has significant liquidity and complies with all covenant tests throughout the assessment period.

As a result of uncertainty and challenges in the macroeconomic environment, this base case scenario has been stress-tested by applying severe, but plausible, downside assumptions of a magnitude and profile in line with previous experience of economic downturns. These assumptions include reductions to revenue assumptions of between 5% and 10% versus the base case as appropriate by division; additional inflation in labour costs beyond that included in the base case; and margin pressures. Apart from an equal reduction in turnover-based rents in our Travel businesses, this scenario does not assume a decrease in other variable costs, and is therefore considered severe. Under this downside scenario the Group would continue to have significant liquidity headroom on its existing facilities and complies with all covenant tests throughout the assessment period.

As a result of the above analysis, the directors believe that the Company has sufficient financial resources to continue in operation and meet its obligations as they fall due for the 12 months from the date of approval of these financial statements. No changes in the Company's principal activities are foreseen.

This report was approved by the Board on 25 January 2024.

On behalf of the Board



Robert J Moorhead

Director

# Independent auditors' report to the members of WH Smith Travel Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, WH Smith Travel Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 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, including 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 2023; the Statement of profit and loss and other comprehensive income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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 or, 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of revenue or costs and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Reviewing legal confirmations from external lawyers;
- Reviewing the financial statement disclosures and agreement to underlying supporting documentation;
- Enquiring of management, those charged with governance, internal audit, and internal legal counsel regarding instances of non-compliance with laws and regulations and fraud;
- Scanning external sources for evidence of instances of non-compliance with laws and regulations in the public domain;
- Reviewing internal audit reports and minutes of meetings of those charged with governance;
- Identifying and testing unusual journals posted to revenue; and
- Challenging assumptions made by management in determining their significant judgements and accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://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 obtained 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.



Jonathan Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 January 2024

## WH Smith Travel Limited

### Statement of profit and loss and other comprehensive income For the year ended 31 August 2023

	Notes	2023 £'000	2022 £'000
<b>Revenue</b>	3	620,933	455,648
Cost of sales		(240,802)	(182,687)
<b>Gross profit</b>		<b>380,131</b>	<b>272,961</b>
Distribution costs		(246,890)	(186,747)
Administrative expenses		(51,041)	(34,529)
Expected credit gains/(losses) on financial assets	2,5	7,466	(2,693)
Other operating income	4	2,512	810
<b>Operating profit</b>	5	<b>92,178</b>	<b>49,802</b>
Interest receivable/(payable)	7	436	(34)
<b>Profit before taxation</b>		<b>92,614</b>	<b>49,768</b>
Tax on profit	10	(19,157)	(11,453)
<b>Profit for the financial year</b>		<b>73,457</b>	<b>38,315</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to the Statement of profit and loss:			
Cash flow hedges		253	-
<b>Total comprehensive income for the financial year</b>		<b>73,710</b>	<b>38,315</b>

All results are derived from continuing operations.

# WH Smith Travel Limited

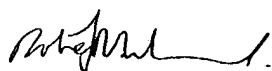
## Balance sheet As at 31 August 2023

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Intangible assets	11	12,480	11,420
Goodwill	12	250,179	250,179
Property, plant and equipment	13	65,195	57,764
Right of use assets	14	34,021	28,339
Investments in subsidiaries	15	709	6,178
Trade and other receivables: amounts falling due after more than one year	16	2,715	3,469
Deferred tax assets	10	-	3,345
		<b>365,299</b>	<b>360,694</b>
<b>Current assets</b>			
Inventories		50,098	55,865
Trade and other receivables: amounts falling due within one year	16	533,362	746,686
Derivative financial asset		253	-
Cash and cash equivalents		10,544	47,801
		<b>594,257</b>	<b>850,352</b>
<b>Current liabilities</b>			
Trade and other payables: amounts falling due within one year	17	(473,323)	(805,909)
Lease liabilities	14	(14,937)	(17,804)
		<b>105,997</b>	<b>26,639</b>
<b>Net current assets</b>		<b>471,296</b>	<b>387,333</b>
<b>Total assets less current liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	14	(34,747)	(28,424)
Deferred tax liabilities	10	(3,930)	-
		<b>432,619</b>	<b>358,909</b>
<b>Net assets</b>			
<b>Equity</b>			
Called up share capital	18	289,000	289,000
Share premium		38,460	38,460
Hedging reserve		253	-
Retained earnings		104,906	31,449
		<b>432,619</b>	<b>358,909</b>
<b>Total shareholders' funds</b>			

The notes on pages 15 to 32 are an integral part of these financial statements.

These financial statements of WH Smith Travel Limited, registered number 6560378, on pages 12 to 32, were approved by the Board of Directors and authorised for issue on 25 January 2024.

Signed on behalf of the Board of Directors



Robert J Moorhead  
Director

# WH Smith Travel Limited

## Statement of changes in equity For the year ended 31 August 2023

	Called up share capital £'000	Share premium £'000	Hedging reserve £'000	(Accumulated losses)/ Retained earnings £'000	Total shareholders' funds £'000
<b>Balance as at 1 September 2021</b>	<b>289,000</b>	<b>38,460</b>	-	(6,866)	<b>320,594</b>
Profit for the financial year	-	-	-	38,315	38,315
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,315</b>	<b>38,315</b>
<b>Balance as at 31 August 2022</b>	<b>289,000</b>	<b>38,460</b>	-	<b>31,449</b>	<b>358,909</b>
<b>Balance as at 1 September 2022</b>	<b>289,000</b>	<b>38,460</b>	-	<b>31,449</b>	<b>358,909</b>
Cash flow hedges	-	-	253	-	253
Profit for the financial year	-	-	-	73,457	73,457
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>253</b>	<b>73,457</b>	<b>73,710</b>
<b>Balance as at 31 August 2023</b>	<b>289,000</b>	<b>38,460</b>	<b>253</b>	<b>104,906</b>	<b>432,619</b>



# WH Smith Travel Limited

## Notes to the financial statements Year ended 31 August 2023

### 1. Accounting policies

A summary of principal accounting policies is set out below.

#### General information

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

#### Accounting convention

The financial statements of WH Smith Travel 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 except for the departure from the Companies Act explained on page 18 (see Goodwill section)..

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 2023. The prior year financial statements were for the year ended 31 August 2022.

The Company is a wholly owned subsidiary of WH Smith Travel 2008 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 below.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 August 2023.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, contract balances, capital management, maturity analysis of lease liabilities, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, presentation of a third balance sheet as a result of a prior year restatement, standards not yet effective and certain related party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of WH Smith PLC. The consolidated financial statements of WH Smith PLC are available to the public and can be obtained as set out in Note 22.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The functional currency of WH Smith Travel Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### Going concern

The directors are required to assess whether the Company can continue to operate for the 12 months from the date of approval of these financial statements, and to prepare the financial statements on a going concern basis.

The directors report that they have undertaken a rigorous assessment of current performance and forecasts, including expenditure commitments, capital expenditure and borrowing facilities. The Company is profitable and in a net current asset position. The Directors are comfortable that the entity is a going concern, however the Company is also in receipt of a letter of support from its ultimate parent company, WH Smith PLC, to provide financial support for a period of no less than 12 months from the signing date of these 2023 financial statements should such support be required.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (continued)

#### Going concern (continued)

The Strategic report describes the Company's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Company. The Strategic report of the WH Smith PLC Annual Report and Accounts 2023, which does not form part of this report, also sets out the Group's business activities together with the factors that are likely to affect its future developments, performance and position.

The WH Smith PLC Annual Report and Accounts 2023 also outlines the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures. A copy of the WH Smith PLC Annual Report is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

In making the Group's going concern assessment, the directors have undertaken a rigorous assessment of current performance and forecasts for the period to February 2025, including expenditure commitments, capital expenditure and available borrowing facilities. The covenants on these facilities are tested half-yearly and are based on fixed charges cover and net borrowings. The directors have also considered the existence of factors beyond the going concern period that could indicate that the going concern basis is not appropriate.

The directors have modelled a base case scenario consistent with the Group's latest Board approved forecasts, which include management's best estimates of market conditions and include a number of assumptions including passenger numbers, sales growth and cost inflation. Under this scenario the Group has significant liquidity and complies with all covenant tests throughout the assessment period.

As a result of uncertainty and challenges in the macroeconomic environment, this base case scenario has been stress-tested by applying severe, but plausible, downside assumptions of a magnitude and profile in line with previous experience of economic downturns. These assumptions include reductions to revenue assumptions of between 5% and 10% versus the base case as appropriate by division; additional inflation in labour costs beyond that included in the base case; and margin pressures. Apart from an equal reduction in turnover-based rents in our Travel businesses, this scenario does not assume a decrease in other variable costs, and is therefore considered severe. Under this downside scenario the Group would continue to have significant liquidity headroom on its existing facilities and complies with all covenant tests throughout the assessment period.

As a result of the above analysis, the directors believe that the Company has sufficient financial resources to continue in operation and meet its obligations as they fall due for the 12 months from the date of approval of these financial statements. No changes in the Company's principal activities are foreseen.

#### New standard adopted in the year

The Company has adopted the following standard and interpretation which became mandatory during the current financial year. This change has had no material impact on the Company's financial statements:

Amendments to IFRS 3	Business combinations
Amendment to IAS 16	Property, plant and equipment
Amendment to IAS 37	Provisions, contingent liabilities and contingent assets
Annual Improvements 2018-2020	Amendments to IFRS 1, IFRS 9 and IFRS 16

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods and services to customers (which is the most significant revenue stream), sale of wholesale goods to franchisees, and commission and fee income on concession and franchise arrangements. Revenue excludes discounts, estimated returns, VAT and other sales-related taxes.

Revenue is recognised when performance obligations have been met and control of the goods has transferred to the customer. The majority of the Company's sales are for standalone products made direct to customers at standard prices either in-store, online or through franchisees, where there is a single performance obligation.

For in-store transactions, control of the goods is deemed to have transferred to the customer at the point of sale. For online transactions and wholesale sale of goods to franchisees, control is deemed to have transferred to the customer at the point of delivery of the goods.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (continued)

#### Supplier income

The Group receives income from its suppliers in the form of supplier incentives and discounts (collectively “supplier incomes”). These incomes are recognised as a deduction from cost of sales on an accruals basis as they are earned for each supplier contract. The level of complexity and judgement is low in relation to establishing the accounting entries and estimates, and the timing of recognition.

Supplier incomes that have been invoiced but not received at the period end are recognised in Trade receivables or in Trade payables where we have the right of offset. Incomes that have been earned but not yet invoiced are accrued and are recorded in Prepayments and accrued income.

#### 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.

#### Inventories

Inventory comprises goods for resale and are stated at the lower of cost and net realisable value. Consignment stocks are not included within stocks held by the Company.

Cost is calculated to include, where applicable, duties, handling, transport and directly attributable costs (including a deduction for applicable supplier income) in bringing the inventories to their present location and condition. Net realisable value is based on estimated normal selling prices less further costs expected to be incurred in selling and distribution. Cost of inventories includes the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases. Provisions are made for obsolescence, markdown and shrinkage.

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### a) Current tax

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 and loss 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.

##### b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of profit and loss and other comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (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.

There were no dividends declared for the year ended 31 August 2023 (2022: £nil). The non-redeemable preference shares take priority over ordinary shares, and the dividend payable is calculated at the rate of 1 month compound SONIA rate plus 7.875% (2022: 12 month LIBOR plus 7.875%) 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.

Dividends receivable from subsidiary undertakings are recorded in profit or loss in the period in which they are received.

#### Investments in subsidiaries, associates and joint ventures

Investments in subsidiary undertakings, associates and joint ventures 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.

#### Intangible assets

##### a) Goodwill

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired.

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment. For the purposes of impairment testing, goodwill is allocated to those cash-generating units that have benefited from the acquisition. The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis. Any impairment is recognised immediately in the statement of profit and loss and other comprehensive income and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The directors have concluded that goodwill arising on acquisitions 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 company does not amortise goodwill in accordance with the requirements of IFRS as applied under FRS 101. Instead, an annual impairment test is performed and any impairment that is identified is recognised in the statement of profit and loss. The non-amortisation of goodwill conflicts with paragraph 22 of Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' (SI 2008/410), which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

It is not possible to quantify the effect of the departure from the Companies Act, because a finite life for the goodwill has not been identified. However, the effect of amortising over a useful life of 20 years would be a charge of £12,509,000 (2022: £12,509,000) against operating profit in respect of amortisation, and a reduction of £187,634,000 (2022: £175,125,000) in the carrying value of goodwill in the balance sheet

##### b) Other intangible assets

Other intangible assets includes software and tenancy rights. The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. These intangibles are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged so as to write off the costs of assets over their estimated useful lives, using the straight-line method, and is recorded in Distribution costs or Administrative expenses depending on the nature of the underlying asset. The estimated lives are usually a period of up to five years. Tenancy rights are valued at cost and amortised over their useful life, and the amortisation is recorded in Administrative expenses, unless the asset can be demonstrated to have an indefinite life.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (continued)

#### Property, plant and equipment

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. Depreciation is charged so as to write off the costs of assets, other than land, over their estimated useful lives, using the straight-line method, with the useful lives applicable to the principal categories being:

- Short-term leasehold – over the period of the leases or their estimated remaining lives if less;
- Fixtures and fittings – up to ten years;
- Equipment and vehicles – five to ten years.

The residual values of property, plant and equipment are reassessed on an annual basis. Depreciation is recorded in the statement of profit and loss in Distribution costs or Administrative expenses depending on the nature of the underlying asset.

At each balance sheet date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows of the relevant cash-generating unit or fair value, less costs to sell, if higher. Any impairment in value is charged to the statement of profit and loss in the period in which it occurs.

#### Leases

##### *The Company as a lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where lease contracts are signed by another Group entity (generally the parent entity) but the Company is utilising the underlying asset, an implied intercompany lease arrangement is recorded where the Company is regarded as a lessee and another Group company is regarded as a lessor, at mirror terms to the head lease.

Where the Company enters into a lessee contract on behalf of other Group entities where the other Group entity is utilising the underlying asset, the lease is considered to be sub-leased to the other Group entity at mirror terms to the head lease. For such leases, the right of use asset recorded for the head lease is immediately derecognised, and the Company recognises an intercompany lease receivable for the sub-lease arrangement which is generally equal to the lease liability of the head lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the company's balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (continued)

#### Leases (continued)

- The lease payments change due to changes in an index, rent review or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the lease term. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

The lease contracts that include variable rents based on sales, which is the case with many of our retail concession contracts, are not included in the measurement of the lease liability and the right-of-use asset. The related rents payable are recognised as an expense in the period in which the event or condition that triggers those payables occurs and are included in profit or loss (see Note 14).

The Company applied the Amendment to IFRS 16 issued in June 2020 and further extension granted in March 2021. This practical expedient allows the impact on the lease liability of temporary rent reductions/waivers affecting rent payments due on or before June 2022, to be recognised in the statement of profit and loss and other comprehensive income in the period they are received, rather than as lease modifications, which would require the remeasurement of the lease liability using a revised discount rate with a corresponding adjustment to the right-of-use asset.

For leases acquired as part of a business combination, the lease liability is measured at the present value of the remaining lease payments. The right-of-use asset is measured at the same amount as the lease liability adjusted to reflect favourable or unfavourable terms of the lease when compared to market terms.

#### *The Company as a lessor*

The Company enters into lease agreements as an intermediate lessor with respect to some of its property leases. It accounts for the head lease and the sublease as two separate contracts. The sublease is classified as finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rents receivable from operating leases are recognised on a straight-line basis over the term of the relevant lease.

#### Financial instruments

##### a) Trade receivables

Trade receivables are measured at fair value at initial recognition, do not carry any interest and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit and loss and other comprehensive income.

Allowances for doubtful debts are recognised based on management's expectation of losses, without regard to whether an impairment trigger has occurred or not (an 'expected credit loss' model under IFRS 9).

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 1. Accounting policies (continued)

#### Financial instruments (continued)

##### b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

##### 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 Company after deducting all of its liabilities.

##### d) Trade payables

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

##### e) Equity instruments

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

##### f) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Government grants and government assistance

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Group will comply with any conditions attached to them.

Government grants are recognised in profit or loss over the same period as the costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling (GBP), which is WH Smith Travel Limited's functional and presentation currency.

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of profit and loss and other comprehensive income for the period.

### 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 estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Significant items subject to such assumption and estimate include the useful economic life of assets; the measurement and recognition of provisions; the recognition of deferred tax assets; and the liabilities for potential corporation tax. 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.

The most critical accounting judgements are set out below:

#### a) Substantive substitution rights

Judgement is required in determining whether a contract meets the definition of a lease under IFRS 16. Management has determined that certain retail concession contracts give the landlord substantive substitution rights because the contract gives the landlord rights to relocate the retail space occupied by the Group. In such cases, management has concluded that there is not an identified asset and therefore such contracts are outside the scope of IFRS 16. For these

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 2. Critical accounting judgements and sources of estimation uncertainty (continued)

#### b) Substantive substitution rights (continued)

contracts, the Group recognises the payments as an operating expense on a straight-line basis over the term of the contract unless another systematic basis is more representative of the time pattern in which economic benefits from the underlying contract are consumed.

#### c) Determination of lease term

In determining the lease term for contracts that have options for management to extend or terminate early, management has applied judgement in determining the likelihood of whether such options will be exercised. This is based on the length of time remaining before the option is exercisable, performance of the individual store and the trading forecasts.

The most significant sources of estimation uncertainty are as follows:

#### d) Inventory valuation

Inventory is carried at the lower of cost and net realisable value which requires the estimation of the eventual sales price of goods to customers in the future. Any difference between the expected and the actual sales price achieved will be accounted for through a stock provision in the period in which the sale is made.

#### e) Impairment of investments in subsidiary undertakings

Investments in subsidiary undertakings are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted, the recoverable amounts of the cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. The key assumptions in the value-in-use calculations include growth rate of revenue and expenses, discount rates and likelihood of lease renewal.

The Company impaired its investment in its Spain and Italy subsidiaries to a carrying value of £nil in the year.

#### f) Carrying value of financial assets

The Company reviews its financial assets from group undertakings in accordance with IFRS 9 'Financial Instruments' to assess if a provision for expected credit loss is required. This assessment involves judgement in assessing the capability of the counterparty to repay amounts owed to the Company and estimates in determining the future cash flows of the counterparty.

The Company has included a credit of £7,466,000 (2022: a charge of £2,693,000) in its statement of profit and loss and other comprehensive income in respect of expected credit losses, principally in relation to amounts receivable from its German and Australian subsidiaries.

These loans are repayable on demand, however it was determined that the counterparties would not be in a position to repay the loans in full if demanded at the balance sheet date. At the balance sheet date, a total provision for expected credit losses of £9,944,000 (2022: £17,410,000) exists on the balance sheet. Of this total, £2,362,000 (2022: £6,568,000) relates to loans that have been assessed to be credit impaired, and are therefore the carrying value of these loans has been reduced to £nil.

The calculation of expected credit losses involves the use of estimates when assessing the ability of the counterparty to repay the loans. The most significant estimates include the timing and extent of future cash flow generation by the counterparty entity. The estimated cash flow is mainly derived from the latest Board approved three year plan, as adjusted for more recent information where applicable.

If the estimated future cash flow was 10% lower than expected during the recovery scenario, the expected credit loss charge to the Company's statement of profit and loss and other comprehensive income would be £656,000 higher (2022: £1,546,000 higher).

### 3. Revenue

Substantially all revenue is from sales of goods and arises in the United Kingdom from retailing. There is no material difference between the geographical origin and destination of revenue.



# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 4. Other operating income

Other operating income of £2,512,000 (2022: £810,000) mainly relates to property income of £1,538,000 (2022: £nil), dividends received from joint ventures of £547,000 (2022: £nil) and gains on remeasurement of IFRS 16 lease liabilities.

### 5. Operating profit

Operating profit is stated after charging / (crediting):

	2023 £'000	2022 £'000
Depreciation of property, plant and equipment	11,806	11,785
Impairment of property, plant and equipment	427	447
Depreciation of ROU assets	9,518	8,594
Impairment of ROU assets	-	757
Amortisation of intangible assets	3,284	2,859
Impairment of intangible assets	-	19
Cost of inventories recognised as an expense	240,802	182,687
Write-downs of inventory in the year	1,046	767
Impairment of investments in subsidiaries	6,141	-
Expected credit gains/(losses) on financial assets (Note 2)	(7,466)	2,693
Foreign exchange losses	3,456	2,633
Net operating lease charges:		
- land and buildings	114,676	86,518
Auditors' fees		
- fees payable to Company's auditors for the audit of the Company's annual financial statements	41	17

There are no non-audit fees (2022: £nil). Statutory disclosures in respect of non-audit fees are given in the consolidated financial statements of WH Smith PLC.

### 6. Income from shares in group undertakings

During the year the Company received no dividends (2022: £nil) from other Group companies.

### 7. Interest receivable/(payable)

	2023 £'000	2022 £'000
Investment income:		
Interest receivable from other Group companies	1,460	602
	<u>1,460</u>	<u>602</u>
Net interest payable:		
Other interest payable	42	83
Interest on lease liabilities	(1,066)	(719)
	<u>436</u>	<u>(34)</u>

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 8. Employees and staff costs

The Company has no employees (2022: nil) under contracts of service but does utilise the services of employees employed by another Group company, WH Smith Retail Holdings Limited, the costs and number of employees of which are recharged to the Company as follows.

	2023 £'000	2022 £'000
<b>Staff costs</b>		
Wages and salaries	84,244	66,084
Social security costs	5,946	4,460
Employee share schemes	1,529	3,268
Other pension costs	1,430	1,080
	<u>93,149</u>	<u>74,892</u>
	2023 No.	2022 No.
Monthly average number of employees (Retailing)	<u>3,668</u>	<u>2,885</u>

The amounts recognised as an expense for defined contribution pension schemes was £1,430,000 (2022: £1,080,000).

### 9. Directors' remuneration

The remuneration of R J Moorhead, C Cowling and I Houghton is paid by a fellow Group company and no allocation of their services (2022: £nil), as directors of WH Smith Travel Limited and other Group companies, is made. All of the directors serve as directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, no disclosure in respect of the remuneration of the directors is made. The remuneration of R J Moorhead, C Cowling and I Houghton is disclosed in the financial statements of WH Smith Retail Holdings Limited. The remuneration of R J Moorhead and C Cowling is also included in the directors' emoluments disclosed in the consolidated financial statements of WH Smith PLC.

### 10. Tax on profit

#### a) Tax charge included in statement of profit and loss

	2023 £'000	2022 £'000
<b>Current tax:</b>		
Current tax charge on profit for the year	11,868	4,541
Adjustments in respect of prior years	15	1,152
	<u>11,883</u>	<u>5,693</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	7,406	5,411
Adjustments in respect of prior years	(213)	(692)
Changes in tax rates	81	1,041
	<u>19,157</u>	<u>11,453</u>
<b>Tax charge on profit</b>		

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 10. Tax on profit (continued)

#### Reconciliation of the tax charge

	2023 £'000	2022 £'000
Profit before taxation	92,614	49,768
Tax charge on profit before taxation at the blended UK rate of corporation tax of 21.5% (2022: 19.0%)	19,912	9,456
Non-taxable income	(2,130)	(249)
Expenses not deductible for tax purposes	1,492	664
Adjustments in respect of prior years	(198)	460
Changes in tax rates	81	1,041
Overseas taxes	-	81
<b>Total tax charge on profit</b>	<b>19,157</b>	<b>11,453</b>

#### b) Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Company and movements thereon during the current and prior reporting years:

	Accelerated capital allowances £'000	Leases £'000	Losses £'000	Short-term timing differences £'000	Total £'000
At 1 September 2021	2,358	145	6,507	95	9,105
Amounts charged to the statement of profit and loss and other comprehensive income	(263)	(13)	(5,108)	(27)	(5,411)
Changes in tax rates	(83)	-	(958)	-	(1,041)
Adjustments in respect of prior years	(1,061)	-	1,753	-	692
<b>At 31 August 2022</b>	<b>951</b>	<b>132</b>	<b>2,194</b>	<b>68</b>	<b>3,345</b>
At 1 September 2022	951	132	2,194	68	3,345
Amounts charged to the statement of profit and loss and other comprehensive income	(2,003)	(15)	(5,353)	(35)	(7,406)
Changes in tax rates	(326)	-	242	3	(81)
Adjustments in respect of prior years	(2,704)	-	2,917	-	213
<b>At 31 August 2023</b>	<b>(4,082)</b>	<b>117</b>	<b>-</b>	<b>35</b>	<b>(3,930)</b>

	2023 £'000	2022 £'000
Deferred tax (liability)/asset	(3,930)	3,345

These deferred tax liabilities, which principally arise on accelerated capital allowances, will unwind as the underlying assets are depreciated.

The UK corporation tax rate is 25%. Up to the 1 April 2023 the corporation tax rate was 19%.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 10. Tax on profit (continued)

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting years starting on or after 31 December 2023. This will be applicable to the Company for the year ending 31 August 2025. The Company has applied the exemption under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

### 11. Intangible assets

	<b>Tenancy rights £'000</b>	<b>Software £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 September 2022	6,992	27,136	34,128
Additions	-	4,469	4,469
Disposals	-	(125)	(125)
<b>At 31 August 2023</b>	<b>6,992</b>	<b>31,480</b>	<b>38,472</b>
<b>Accumulated amortisation and impairment</b>			
At 1 September 2022	3,599	19,109	22,708
Amortisation charge	165	3,119	3,284
<b>At 31 August 2023</b>	<b>3,764</b>	<b>22,228</b>	<b>25,992</b>
<b>Net book value</b>			
<b>At 31 August 2023</b>	<b>3,228</b>	<b>9,252</b>	<b>12,480</b>
At 31 August 2022	3,393	8,027	11,420

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 (see Note 13). Other intangible assets relate to software and are being amortised over five to ten years. Amortisation is included in the statement of profit and loss and other comprehensive income in Distribution costs or Administrative expenses depending on the nature of the asset.

### 12. Goodwill

	<b>£'000</b>
<b>Cost</b>	
At 1 September 2022 and 31 August 2023	<b>250,179</b>
<b>Accumulated impairment</b>	
At 1 September 2022 and 31 August 2023	-
<b>Net book value</b>	
<b>At 31 August 2022 and 31 August 2023</b>	<b>250,179</b>

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.

Goodwill has been tested for impairment by comparing the carrying amount of each group of CGUs, including goodwill, with the recoverable amount determined from value-in-use calculations. The value-in-use of the group of CGUs has been calculated using cash flows derived from the Company's latest Board-approved budget and three year plan. The forecasts reflect knowledge of the current market, together with the Company's expectations on the future achievable growth and committed store openings.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 12. Goodwill (continued)

Cash flows beyond the initial forecast period extended to the end of the lease term for each CGU before extrapolating a terminal value using estimated long-term growth rates. This extended period of time is required to establish a normalised cash flow base on which a terminal value calculation can be appropriately calculated. The main reasons for cash flow adjustments include the need to forecast lease renewals under IFRS 16. The key assumptions on which the forecast three-year cash flows of the CGUs are based include sales and the pre-tax discount rate. Other assumptions in the model relate to gross margin, cost inflation and longer-term growth rates.

The forecasts reflect knowledge of the current market, together with the Group's expectations on the future achievable growth and committed store openings. Cash flows beyond the initial forecast period are extrapolated using estimated long-term growth rates.

The pre-tax discount rates are derived from the WH Smith PLC Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include the risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta). The pre-tax discount rate used in the calculation was 13.2% (2022: 11.9%).

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 2% and a decrease in the long term growth rate to 0%. The sensitivity analysis shows that no impairment would arise under each scenario.

### 13. Property, plant and equipment

	Short-term leasehold £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 September 2022	70,715	42,023	46,739	159,477
Additions	6,744	8,383	4,537	19,664
<b>At 31 August 2023</b>	<b>77,459</b>	<b>50,406</b>	<b>51,276</b>	<b>179,141</b>
<b>Accumulated depreciation and impairment</b>				
At 1 September 2022	48,175	26,696	26,842	101,713
Charge for the year	5,701	3,232	2,873	11,806
Impairment	212	151	64	427
<b>At 31 August 2023</b>	<b>54,088</b>	<b>30,079</b>	<b>29,779</b>	<b>113,946</b>
<b>Net book value</b>				
<b>At 31 August 2023</b>	<b>23,371</b>	<b>20,327</b>	<b>21,497</b>	<b>65,195</b>
At 31 August 2022	22,540	15,327	19,897	57,764

Property, plant and equipment (along with Intangible assets) has been tested for impairment, where indicators of impairment have been identified, by comparing the carrying amount of stores with the recoverable amount determined from value-in-use calculations. The main assumptions used in the impairment assessment are detailed in Note 12, including the discount rate used. The result of the assessment resulted in an impairment of £427,000 (2022: £447,000) to property, plant and equipment and no impairment (2022: £19,000) to intangible assets.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 14. Leases

	2023 £'000	2022 £'000
Right-of-use assets		
- Property	34,021	28,339
<b>At 31 August</b>	<b>34,021</b>	<b>28,339</b>

During the year, additions to right-of-use assets were £12,185,000 (2022: £2,816,000) which include new leases, extensions to existing leases, lease modifications and remeasurements.

	2023 £'000	2022 £'000
Lease liability		
- Current	14,937	17,804
- Non-current	34,747	28,424
<b>At 31 August</b>	<b>49,684</b>	<b>46,228</b>

	2023 £'000	2022 £'000
<b>Amounts recognised in statement of profit and loss and other comprehensive income</b>		
Depreciation on right-of-use assets		
- Property	9,518	8,594
Impairment of right-of-use assets		
- Property	-	757
Interest on lease liability	1,066	719
Income relating to Covid-19 rent reductions	-	(1,734)
Expense relating to short term lease	5,131	2,236
Expense relating to variable leases	6,452	6,018
Income from sub-leases	191	-

The total cash outflow for leases in the financial year was £19,334,000 (2022: £16,686,000).

Included within lease liabilities are amounts repayable by instalment where the undiscounted value due for payment after 5 years is £10,773,205 (2022: £12,386,158). The repayment terms for these debts are based on the lease contracts. The rates of interest applied to these leases is based on the incremental borrowing rate applicable at the inception of the lease.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 15. Investments in subsidiaries

	2023			2022		
	Investments in subsidiaries £'000	Investments in associates and joint ventures £'000	Total £'000	Investments in subsidiary undertakings £'000	Investments in associates and joint ventures £'000	Total £'000
<b>Cost</b>						
At 1 September	32,077	2,343	34,420	29,083	2,343	31,426
Additions	672	-	672	2,994	-	2,994
<b>At 31 August</b>	<b>32,749</b>	<b>2,343</b>	<b>35,092</b>	<b>32,077</b>	<b>2,343</b>	<b>34,420</b>
<b>Provision for Impairment</b>						
At 1 September	(25,899)	(2,343)	(28,242)	(25,899)	(2,343)	(28,242)
Impairment	(6,141)	-	(6,141)	-	-	-
<b>At 31 August</b>	<b>(32,040)</b>	<b>(2,343)</b>	<b>(34,383)</b>	<b>(25,899)</b>	<b>(2,343)</b>	<b>(28,242)</b>
<b>Net book value At 31 August</b>	<b>709</b>	<b>-</b>	<b>709</b>	<b>6,178</b>	<b>-</b>	<b>6,178</b>

Additions in the current year resulted from a capital injection into WH Smith Norway to fund expansion in that geography. Impairment of investments in subsidiaries mainly relates to the Company's subsidiaries in WH Smith Spain SL (£2,990,000) and WH Smith Italia SRL (£3,151,000). A value in use calculation of the subsidiaries noted that forecast cash flow is not sufficient to support the carrying value of the investments. Consequently, an impairment of £6,141,000 is recognised, reducing both investments to a carrying value of £nil.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 15. Investments in subsidiaries (continued)

A listing of directly held subsidiaries and joint ventures is provided below. In addition, at 31 August 2023 the Company indirectly owned the entire issued share capital of Wild Retail Group Pty Limited, a retailing company incorporated in Australia (registered address: Suite 401, Level 4, 72-80 William Street, Woolloomooloo, NSW 2011 Australia).

Name	Country of incorporation/ registration	Registered address	Class of shares	Percentage owned	Percentage controlled	Principal activity
				%	%	
Held directly by WH Smith Travel Limited:						
WH Smith (Qatar) Limited	England & Wales	1	Ordinary	100	100	Dormant
WH Smith Australia Pty Limited	Australia	2	Ordinary	100	100	Retailing
WH Smith Calais SAS	France	3	Ordinary	100	100	Retailing
WH Smith - DFA Brasil Cafeteria, Livraria E Conveniencia Eireli	Brazil	4	Ordinary	50	50	Retailing
WH Smith Germany GmbH	Germany	5	Ordinary	100	100	Retailing
WH Smith Ireland Limited	Ireland	6	Ordinary	100	100	Retailing
WH Smith Italia S.R.L	Italy	7	Ordinary	100	100	Retailing
WH Smith LLC	Qatar	8	Ordinary	49	100	Retailing
WH Smith LLC	Oman	9	Ordinary	50	50	Retailing
WH Smith Malaysia SDN BHD	Malaysia	10	Ordinary	50	50	Retailing
WH Smith Nederland B.V.	Netherlands	11	Ordinary	100	100	Retailing
WH Smith Singapore Pte. Limited	Singapore	12	Ordinary	100	100	Retailing
WH Smith Spain S.L.	Spain	13	Ordinary	100	100	Retailing
WH Smith Norway	Norway	14	Ordinary	100	100	Retailing
WH Smith Belgium	Belgium	15	Ordinary	100	100	Retailing
WH Smith Hungary	Hungary	16	Ordinary	100	100	Retailing
WH Smith Sweden AB	Sweden	17	Ordinary	100	100	Retailing

#### Address references:

1	Greenbridge Road, Swindon, Wiltshire SN3 3RX
2	Suite 401, 80 William Street, Woolloomooloo NSW 2011, Australia
3	38 Rue des Mathurins, 75008 Paris 8, France
4	Avenida das Americas, No. 3434, Barra da Tijuca, CEP 22640-102, Rio de Janeiro, RJ, Brazil
5	Terminal Ring 1, Zentralgebaude Ost, Zi. 5. 035, 40474 Dusseldorf, Germany
6	6th Floor, Grand Canal Square, Dublin 2, Ireland
7	Via Borgogna, Cap 20122, Milano, Italy
8	27 Um Ghwalinah Road, 230 C-ring Road, Doha, Qatar
9	PO Box 3275, PC112, Ruwi, Oman
10	C2-6-1, Solaris Dutamas, 1, Jalan Dutamas 1, 50480, Kuala Lumpur, Malaysia
11	Weteringschans 94, 1017 XS, Amsterdam, Netherlands
12	11 Keng Cheow Street #3-10 The Riverside Piazza, Singapore 059608
13	Paseo de Recoletos, 27, 7º, 28004, Madrid, Spain
14	Bryggegate 6, 0250 Oslo, Norway
15	Posthofbrug 10 boite 4, 2600 Anvers, Belgium
16	1139 Budapest, Vaci ut 99-105, Hungary
17	Norrlandsgatan 16, 111 43 Stockholm, Sweden



# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 16. Trade and other receivables

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Trade receivables	29,678	21,615
Amounts owed by group undertakings	490,774	717,266
Lease receivables – amounts owed by group undertakings	419	-
Other receivables	280	401
Prepayments and accrued income	12,211	7,385
Corporation tax receivable	-	19
	<b>533,362</b>	<b>746,686</b>
<b>Amounts falling due after more than one year:</b>		
Lease receivables – amounts owed by group undertakings	90	1,743
Prepayments and accrued income	2,625	1,726
	<b>536,077</b>	<b>750,155</b>

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

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

	2023 £'000	2022 £'000
Trade payables	54,042	64,453
Amounts owed to group undertakings	345,470	670,939
Other taxation and social security	13,181	11,228
Other payables	40,207	35,653
Accruals and deferred income	20,423	23,636
	<b>473,323</b>	<b>805,909</b>

All amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

### 18. Called up share capital

	2023		2022	
	Number of shares '000	Nominal value £'000	Number of shares '000	Nominal value £'000
<b>Allotted and fully paid</b>				
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
	<b>289,000</b>	<b>289,000</b>	<b>289,000</b>	<b>289,000</b>

On 1 September 2008, 96,000,000 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.

### 19. Capital commitments

Contracts placed for future capital expenditure approved by the directors but not provided for in these financial statements amounts to £7,957,706 (2022: £3,839,851) in relation to property plant and equipment and £1,047,267 (2022: £466,920) in relation to other intangible assets.

# WH Smith Travel Limited

## Notes to the financial statements (continued) Year ended 31 August 2023

### 20. Contingent liabilities

	2023 £'000	2022 £'000
Bank guarantees	25,178	21,935
	<u>25,178</u>	<u>21,935</u>

Bank guarantees are principally in favour of landlords and could be drawn down on by landlords in the event that the Company does not settle its contractual obligations under lease or other agreements.

In the prior year the Company was a guarantor on the WH Smith PLC Group's £250,000,000 revolving credit facility which expires on 28 April 2025 alongside WH Smith Retail Holdings Limited, WH Smith High Street Limited, WH Smith Travel Limited, WH Smith Hospitals Limited, InMotion Entertainment Group LLC and The Marshall Retail Group LLC.

The Company was also a guarantor, alongside the other Group companies listed above, on a committed term loan of £133,000,000 due to mature on 28 April 2025.

On 14 June 2023, the Group entered into new financing arrangements consisting of a £400,000,000 revolving credit facility. As part of this arrangement, the existing RCF and term loan were repaid. Alongside other Group companies, the Company is a guarantor on this facility. The New RCF is for a five-year term due to mature on 13 June 2028, with two uncommitted extension options of one year each, which would, subject to lender approval, extend the tenor to six, seven or ten years if exercised.

The New RCF is provided by a syndicate of banks: Barclays Bank PLC, BNP Paribas, Citibank N.A. London Branch, Fifth Third Bank National Association, HSBC UK Bank PLC, JP Morgan Securities PLC, PNC Capital Markets LLC, Banco Santander SA London Branch and Skandinaviska Enskilda Banken AB (PUBL).

### 21. Related party transactions

The Company has taken advantage of the exemptions granted by paragraph 8(k) of FRS 101, not to disclose transactions with WH Smith PLC Group companies and interests of the Group who are related parties.

### 22. 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 Travel 2008 Limited, a company 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