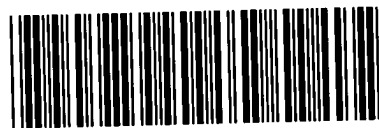


REGISTERED NUMBER: 04250527

MATALAN INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

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MATALAN INVESTMENTS LIMITED

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MATALAN INVESTMENTS LIMITED

DIRECTORS AND ADVISERS

Directors

J N Mills

J J Hargreaves

S Hill

G Pateras (Appointed 7 August 2017)

Company Secretary

W G Lodder

Registered Office

Perimeter Road

Knowsley Industrial Park

Liverpool

L33 7SZ

Independent Auditor

KPMG LLP

Statutory Auditor

1 St Peters' Square

Manchester

M23AE

Solicitor

DLA Piper LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M23DL

Banker

Lloyds Bank plc

King Street

Manchester

M24LQ

MATALAN INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 24 February 2018.

Directors

The directors of the Company who served during the period and up to the date of signing the financial statements are listed on page I.

Principal activities

The principal activity of the Company is a holding company. The Company expects to continue as such going forward.

Results

The profit for the period was £21k(2017: £8k) being the preference dividend and interest receivable and related unwinding of discount from Matalan Holding Company Limited. The Company has net assets of £275k (2017: £254k).

Principal risks and uncertainties

The responsibility of monitoring financial risk management and treasury responsibilities and procedures lie with the board of directors. The policies set by the board of directors are implemented by the Company's finance department.

As a non-trading company of the Group, the Company is not exposed to significant risks. The Company is impacted to a lesser extent by credit and liquidity risks. These risks have been addressed in section 3 of the Notes to the Financial Statements.

Directors' indemnities

During the period and up to the date of signing the financial statements, the Company maintained third party indemnity insurance for its directors and officers as defined by Section 234 of the Companies Act 2006.

Going concern

The directors are satisfied that, at the time of approving the financial statements, the Company has positive net assets and is generating profits and will be so for the foreseeable future. It is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Political donations

The Company did not make any political donations in the current or prior period.

Dividends

The Company did not issue a dividend in the current or prior period.

MATALAN INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditor

For all persons who are directors at the time of the approval of the directors' report and financial statements:

- a) so far as each director is aware, there is no relevant audit information of which the Company's Auditor is unaware, and
- b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board,



S Hill
Director
25 May 2018

MATALAN INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATALAN INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Matalan Investments Limited for the period ended 24 February 2018 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Shareholders' Equity, and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATALAN INVESTMENTS LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Reddington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M23AE

29th May 2018

MATALAN INVESTMENTS LIMITED

INCOME STATEMENT

	Note	52 weeks ended 24 February 2018 £'000s	52 weeks ended 25 February 2017 £'000s
Administrative expenses			
Operating result			
Finance income	6	21	8
Profit before income tax		21	8
Income tax	8		
Profit for the period		21	8

The Company has no other comprehensive income / (expenditure) other than the profit for the period.

MATALAN INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 24 FEBRUARY 2018

	Note	52 weeks ended 24 February 2018 £'000s	52 weeks ended 25 February 2017 £'000s
Non current assets			
Investments	9	50	50
Total non current assets		50	50
Current assets			
Receivables	10	375	354
Total current assets		375	354
Total assets		425	404
Current liabilities			
Payables	11	(150)	(150)
Total liabilities		(150)	(150)
Net assets		275	254
Capital and reserves			
Share capital	12		
Retained earnings		275	254
Total shareholders' equity		275	254

The financial statements on pages 7 to 16 were approved by the board of directors on 25 May 2018 and signed on its behalf by:



S Hill
Director

Matalan Investments Limited
Registered number: 04250527

MATALAN INVESTMENTS LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000s	Retained earnings £'000s	Total equity £'000s
As at 28 February 2016		246	246
Comprehensive income			
Profit for the period		8	8
As at 25 February 2017		254	254
As at 26 February 2017		254	254
Comprehensive income			
Profit for the period		21	21
As at 24 February 2018		275	275

STATEMENT OF CASH FLOWS

The Company had no cash flows in the current or prior period.

MATALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.

2. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRJC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis under the historical cost convention.

There have been no cash flows in the Company in the current or the prior year and hence no cash flow statements have been prepared.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

2.2 New standards, amendments to standards or interpretations

The Company has not early adopted the following standards and statements which are not yet effective. The adoption of these standards is not expected to have a material impact on the Company's accounts when adopted, except where stated:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2 Share-based payments
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- IFRS 16 Leases

The company intends to adopt the new standards and amendments no later than their applicable date, subject to endorsement by the EU.

MAT ALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements applied will affect the reported values of assets, liabilities, revenues and expenses in the financial statements. Accounting estimates will, by definition, seldom equal the related actual results.

As at the 24 February 2018, the Company has not applied any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.4 Income from investments

Amounts receivable from non-current investments are recognised as finance income over the period the income arises.

2.5 Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted at the balance sheet date in the UK. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected.

2.6 Investments

Investments in subsidiaries are stated at cost, where cost is the aggregate nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings. Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.9 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

MATALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Financial risk management

The financial risk management of the Company is managed by the Group. The Company's activities expose it to credit and liquidity risk. The Company's risk management is managed by the Group programme that focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Group treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks.

3.1 Credit risk

All outstanding receivables balances held by the Company are inter-company balances. Therefore, the credit risk of the Company is significantly reduced as these balances are supported by the Group.

3.2 Liquidity risk

Liquidity risk is managed on a group basis.

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

The Company is party to a group cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables/ payables.

4. Directors' emoluments

The directors' remuneration for the services to the Company has been borne by a fellow group company.

5. Employee information

The Company had no employees during the period (2017: none).

6. Finance income

	2018 £'000s	2017 £'000s
Preference dividend receivable	12	6
Appropriated dividends and related unwinding of discount	2	(1)
Interest receivable	7	3
	21	8

7. Profit before income tax

The audit fee for the Company amounting to £2,000 (2017: £2,000) is borne by a fellow group company. The total fee for the Group is £0.1m (2017: £0.1m). A detailed breakdown of all audit and non-audit fees payable to the auditor can be found in the financial statements of Missouri Topco Limited.

MAT ALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Income tax

The income tax charge for the period is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.09% (2017: 20%). The rate of corporation tax is based on a weighted average rate.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

	2018 £'000s	2017 £'000s
Profit before income tax	21	8
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19.09% (2017: 20%)	4	2
Effects of:		
Non taxable income	(4)	(2)
Total tax expense in the period		

The Company has no recognised or unrecognised deferred income tax assets or liabilities at either end of the current or prior period.

9. Investments

	£
At 24 February 2018 and 25 February 2017	50,000

The Company holds 1.25% of the issued ordinary share capital of Matalan Holding Company Limited, a company incorporated in England and Wales.

The directors believe that the book value of its investment is supported by the discounted future cash flows of Matalan Holding Company Limited.

MATALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Receivables

	2018 £'000s	2017 £'000s
Financial asset	100	100
Amounts owed by group undertakings	275	254
	375	354

The Company holds 100,000 preference shares of £1 each in Matalan Holding Company Limited. The preference shares were redeemable by the Company on 17 July 2016 at £1.35 per share increased by changes in the Retail Price Index between the issue and the redemption date. These preference shares have not been redeemed in the period and the outstanding amounts carry interest at 2% above base rate until the date of payment.

The preference shares do not carry any voting rights, other than to vote on resolutions affecting any rights or privileges of preference shareholders.

Shareholders are entitled to receive dividends each year on 17 July at a gilt rate plus 2.49%, increased by changes in the Retail Price Index.

11. Payables

	2018 £'000s	2017 £'000s
Amounts owed to group undertakings	(150)	(150)

Amounts owed to group undertakings are repayable on demand and therefore presented as current.

12. Share capital

	2018 £	2017 £
Issued and fully paid		
2 (2017: 2) ordinary shares of £1 each	2	2

MAT ALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Cash flows from operating activities

There have been no cash flows in the Company in the current or prior period and hence no statement of cash flows has been prepared.

	2018 £'000s	2017 £'000s
Profit for the period	21	8
Movements in working capital:		
(Increase) in receivables	(21)	(8)
Net cash flows from operating activities		

14. Contingent liabilities

An unlimited guarantee under a composite accounting agreement operates for all company bank accounts. Group bank facilities are secured by fixed and floating charges on all the assets of the guarantor group.

15. Related party transactions

The Company has a related party relationship with other group undertakings, its parent company and with its directors and executive officers. During the period the Company entered into transactions in the ordinary course of business with other related parties as follows:

	2018 £'000s	2017 £'000s
Transactions with other group undertakings:		
Preference dividend received and associated discount unwind from Matalan Holding Company Limited	21	8
	21	8
Amounts owed to parent company	(150)	(150)
Amounts owed by other group undertakings	275	254
Balance outstanding in respect of dividends, associated redemption premium and interest receivable in relation to preference shares.	275	254

MATALAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Related party transactions (continued)

Of the balance outstanding £104k (2017: £102k) is in respect of the premium receivable on redemption of the preference shares held in Matalan Holding Company Limited. This premium was receivable on 17 July 2016. The shares are redeemable by Matalan Holding Company Limited.

The Company considers the Hargreaves family to be the ultimate controlling party. Key management is the directors of the Company. The directors' remuneration for the services to the Company has been borne by a fellow group company.

The Company has entered into cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables/ payables. No transactions were settled by another group company on behalf of the Company during the period.

17. Ultimate parent company

The directors regard Matalan Limited, a company registered in England and Wales, as the immediate parent company. According to the register kept by the Company, Matalan Limited has a 100% interest in the equity capital of Matalan Investments Limited at 24 February 2018. The company's registered address is Matalan Limited, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ. The directors regard Missouri Topco Limited, a company registered in Guernsey, as the ultimate parent company. The company's registered address is Missouri Topco Limited, 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB. The Company regards the Hargreaves family as the ultimate controlling party throughout the period.

Missouri Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 24 February 2018. The consolidated financial statements of Missouri Topco Limited are available from Matalan, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.