

Registration number: 04903061

# Marks and Spencer Investments

Annual Report and Unaudited Financial Statements

for the Year Ended 28 March 2020

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## **Marks and Spencer Investments**

### **Directors' Report for the Year Ended 28 March 2020**

The directors present their report and the unaudited financial statements for the year ended 28 March 2020.

#### **Directors' of the Company**

The directors, who held office during the year, and up to the date of signing the financial statements were as follows:

Joanna Hawkes (resigned 31 January 2020)

Patricia Howell

Nick Folland

Daniel Brook (appointed 31 January 2020)

#### **Principal activity**

The Company's principal activity is that of a financing vehicle on behalf of Marks and Spencer plc to enable Marks and Spencer plc to carry out its retailing activities. The directors consider that in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year were satisfactory. The directors do not expect any development in the Company's business in the coming year that is significantly different from its present activities.

Marks and Spencer Investments is a limited company incorporated and domiciled in England and Wales. The Company's registered office is Waterside House, 35 North Wharf Road, London W2 1NW.

The financial statements are made up to the nearest Saturday to 31 March each year. The current financial year is the 52 weeks ended 28 March 2020 (the 'year').

#### **Strategic report**

Exemption has been taken from preparing a strategic report in line with S414b of the Companies Act 2006.

#### **Dividends**

The directors recommend a final dividend payment of £Nil (last year £Nil) be made in respect of the financial year ended 28 March 2020.

#### **Going concern**

In adopting the going concern basis for preparing the financial statements, the directors have considered the principal activities and principal risks and uncertainties relating to the Company. Based on the Company's current activities, financial position and future plans the directors are satisfied that the Company will be able to operate as a going concern for at least the next 12 months from the approval of these financial statements. For this reason the directors consider it appropriate for the Company to adopt the going concern basis in preparing its financial statements. In forming this conclusion, the directors considered the Group's liquidity position with particular consideration to the ongoing Covid-19 pandemic.

#### **Directors' liabilities**

Marks and Spencer Group plc maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and those directors of its subsidiaries companies. Indemnities have been granted to the Company's directors by Marks and Spencer Group plc to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies act 2006) were in force during the year ended 28 March 2020 and remain in force, in relation to certain losses and liabilities which the directors may incur to third parties in the course of acting as directors of the Company.

## **Marks and Spencer Investments**

### **Directors' Report for the Year Ended 28 March 2020**

#### **Statement of directors' responsibilities**

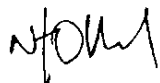
The directors are responsible for preparing the Annual Report and the unaudited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRS) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 22 October 2020 and signed on its behalf by:



.....

Nick Folland  
Director

## **Marks and Spencer Investments**

### **Income Statement for the Year Ended 28 March 2020**

	Note	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Revenue	3	<u>1,275</u>	<u>1,398</u>
Operating profit		<u>1,275</u>	<u>1,398</u>
Profit before tax		1,275	1,398
Income tax expense	6	<u>(242)</u>	<u>(266)</u>
Profit for the year		<u>1,033</u>	<u>1,132</u>

The above results were derived from continuing operations.

## Marks and Spencer Investments

(Registration number: 04903061)

### Statement of Financial Position as at 28 March 2020

	Note	28 March 2020 £ 000	30 March 2019 £ 000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	9	<u>162,616</u>	<u>161,480</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	(2)	(2)
Share premium		(69,466)	(69,466)
Retained earnings		<u>(92,529)</u>	<u>(91,496)</u>
Total equity		<u>(161,997)</u>	<u>(160,964)</u>
<b>Current liabilities</b>			
Trade and other payables	9	(377)	(250)
Income tax liability		<u>(242)</u>	<u>(266)</u>
		<u>(619)</u>	<u>(516)</u>
Total equity and liabilities		<u>(162,616)</u>	<u>(161,480)</u>

For the financial year ended 28 March 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of the Company were approved by the Board and authorised for issue on 22 October 2020. They were signed on its behalf by:



Daniel Brook  
Director

## Marks and Spencer Investments

### Statement of Changes in Equity for the Year Ended 28 March 2020

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2018	2	69,466	90,364	159,832
Profit for the year	-	-	1,132	1,132
At 30 March 2019	<u>2</u>	<u>69,466</u>	<u>91,496</u>	<u>160,964</u>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 31 March 2019	2	69,466	91,496	160,964
Profit for the year	-	-	1,033	1,033
At 28 March 2020	<u>2</u>	<u>69,466</u>	<u>92,529</u>	<u>161,997</u>

## **Marks and Spencer Investments**

### **Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations, as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the business activities as set out on page 1.

##### **New accounting standards adopted by the Company**

The Company has applied the following new standards and interpretations for the first time for the annual reporting period commencing 31 March 2019:

- IFRS 16 Leases.
- IFRIC 23 Uncertainty over Income Tax Treatments.
- Amendments to IFRS 9 Prepayment Features with Negative Compensation.
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures.
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement.
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23).
- Amendments to IAS 39 Financial instruments: Recognition and measurement

The adoption of the other standards and interpretations listed above has not led to any changes to the Company's accounting policies or had any other material impact on the financial position or performance of the Company.

##### **New accounting standards in issue but not yet effective**

New standards and interpretations that are in issue but not yet effective are listed below:

- Amendments to IFRS 16: Covid-19-Related Rent Concessions.
- Amendments to IAS 1 and IAS 8 Definition of Material.
- Amendments to IFRS 3 Definition of a Business.
- Amendments to References to the Conceptual Framework in IFRS Standards.
- IFRS 17 Insurance Contracts.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform.

The adoption of the above standards and interpretations is not expected to lead to any changes to the Company's accounting policies or have any other material impact on the financial position or performance of the Company.

##### **Accounting convention**

The financial statements are drawn up on the historical cost basis of accounting, except as disclosed in the accounting policies set out below. The Company's accounting policies have been consistently applied throughout the year.

##### **Revenue recognition**

Revenue represents interest receivable from a related party which is recognised on an accrual basis.

## **Marks and Spencer Investments**

### **Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020**

#### **Taxation**

Tax expense comprises current tax only. Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Statement of cash flows**

There were no cash movements for the Company as all transactions were settled using intercompany loans and current accounts and therefore no statement of cash flows is presented in these accounts.

#### **Financial assets and liabilities**

##### **Recognition and measurement**

Loans to other Group undertakings and all other receivables are non-derivative financial assets, initially recognised at fair value, then subsequently carried at amortised cost. All receivables from other Group undertakings are not considered to be overdue or impaired.

Loans from other Group undertakings and all other payables are initially recorded at fair value, which is generally the proceeds received. They are then subsequently carried at amortised cost. All payables to other Group undertakings are repayable on demand.

## **2 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements under IFRS requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. There are no critical judgements and sources of estimation uncertainty within the accounts.

## **3 Revenue**

The analysis of the Company's revenue for the year from continuing operations is as follows:

	<b>52 weeks ended 28 March 2020 £ 000</b>	<b>52 weeks ended 30 March 2019 £ 000</b>
Interest received from a related party	<u>1,275</u>	<u>1,398</u>
Revenue is generated from operations within the United Kingdom.		

## **4 Employee information**

The Company had no employees during the year (last year none).



## Marks and Spencer Investments

### Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

#### 5 Directors emoluments

No director received emoluments in respect of their services to the Company during the year (last year £Nil).

#### 6 Income tax

Tax charged in the income statement

	<b>52 weeks ended 28 March 2020 £ 000</b>	<b>52 weeks ended 30 March 2019 £ 000</b>
<b>Current taxation</b>		
UK corporation tax	<u>242</u>	<u>266</u>

The tax on profit before tax for the period is the same as the standard rate of corporate tax in the UK of 19% (2019 - same as the standard rate of corporate tax in the UK of 19%).

The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>52 weeks ended 28 March 2020 £ 000</b>	<b>52 weeks ended 30 March 2019 £ 000</b>
Profit before tax	<u>1,275</u>	<u>1,398</u>
Corporation tax at standard rate	<u>242</u>	<u>266</u>
Tax expense in the income statement	<u>242</u>	<u>266</u>

#### 7 Intercompany non cash movements

	<b>52 weeks ended 28 March 2020 £ 000</b>	<b>52 weeks ended 30 March 2019 £ 000</b>
<b>Profit before tax</b>	1,275	1,398
<b>Funds from operating activities</b>		
Tax paid	<u>(266)</u>	<u>(179)</u>
<b>Net funds generated from operating activities</b>	<u>1,009</u>	<u>1,219</u>
<b>Net movement in intercompany balances</b>	<u>1,009</u>	<u>1,219</u>

## Marks and Spencer Investments

### Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

#### 8 Share capital

##### Allotted, called up and fully paid shares

	As at 28 March 2020		As at 30 March 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 9 Related party transactions

##### Income and receivables from related parties

	Other related parties £ 000
<b>2020</b>	
Interest charge to related party	<u>1,275</u>
<b>2019</b>	
Interest charge to related party	<u>1,398</u>

##### Expenditure with and payables to related parties

	Other related parties £ 000
<b>2020</b>	
Amounts payable to related party	<u>377</u>
<b>2019</b>	
Amounts payable to related party	<u>250</u>

## Marks and Spencer Investments

### Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

#### Terms of loans to related parties

	<b>Other related parties £ 000</b>
<b>2020</b>	
At start of year	161,480
Tax paid by other related party	(179)
Interest charged	1,315
At end of year	<u>162,616</u>
	<b>Other related parties £ 000</b>
<b>2019</b>	
At start of year	159,897
Tax paid by other related party	(209)
Interest charged	1,377
Other reclassifications	415
At end of year	<u>161,480</u>

#### Terms of loans to related parties

As at 28 March 2020 the £162,616,000 (last year £161,480,000) loans to other Group undertakings are interest bearing. The current payable of £377,000 (last year £250,000) is non interest bearing. Interest rates are set within individual loan agreements; currently LIBOR for the loan from the related party. A 2% increase/decrease in the interest rate of the loan from another Group undertaking would result in a loss/gain of £3,252,000 in the income statement, before tax.

#### 10 Parent and ultimate parent undertaking

The Company's immediate parent is Marks and Spencer (Nederland) B.V.

The ultimate parent is Marks and Spencer Group plc.

The most senior parent entity producing publicly available financial statements is Marks and Spencer Group plc. These financial statements are available upon request from the Company Secretary or are available on the website [www.marksandspencer.com/thecompany](http://www.marksandspencer.com/thecompany).

## **Marks and Spencer Investments**

### **Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020**

#### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Marks and Spencer Group plc, incorporated in the United Kingdom.

The address of Marks and Spencer Group plc is:  
Waterside House, 35 North Wharf Road, London W2 1NW.

The parent of the smallest group in which these financial statements are consolidated is Marks and Spencer plc, incorporated in the United Kingdom.

The address of Marks and Spencer plc is:  
Waterside House, 35 North Wharf Road, London W2 1NW.