

Registration number: 04903061

Marks and Spencer Investments

Annual Report and Unaudited Financial Statements

for the Year Ended 3 April 2021

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Marks and Spencer Investments

Directors' Report for the Year Ended 3 April 2021

The directors present their report and the unaudited financial statements for the year ended 3 April 2021.

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:

Patricia Howell

Nick Folland

Daniel Brook (resigned 16 July 2021)

The following directors were appointed after the period end:

James Rudolph (appointed 16 July 2021)

Robert Lyons (appointed 16 December 2021)

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 53 weeks ended 3 April 2021 (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 3 April 2021.

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 3 April 2021 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.

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Directors' Report for the Year Ended 3 April 2021

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) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in 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 pursuant to Regulation (EC) No 1606/2002 as it applies in 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 16 December 2021 and signed on its behalf by:



.....
Nick Folland
Director

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Income Statement for the Year Ended 3 April 2021

	<i>Note</i>	53 weeks ended 3 April 2021 £ 000	52 weeks ended 28 March 2020 £ 000
Revenue	3	<u>335</u>	<u>1,275</u>
Operating profit		<u>335</u>	<u>1,275</u>
Profit before tax		335	1,275
Income tax expense	6	<u>-</u>	<u>(242)</u>
Profit for the year		<u><u>335</u></u>	<u><u>1,033</u></u>

The above results were derived from continuing operations.

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Statement of Financial Position as at 3 April 2021

	Note	3 April 2021 £ 000	28 March 2020 £ 000
Assets			
Current assets			
Trade and other receivables	9	<u>163,000</u>	<u>162,616</u>
Equity and liabilities			
Equity			
Share capital	8	(2)	(2)
Share premium		(69,466)	(69,466)
Retained earnings		<u>(92,864)</u>	<u>(92,529)</u>
Total equity		<u>(162,332)</u>	<u>(161,997)</u>
Current liabilities			
Trade and other payables	9	(668)	(377)
Income tax liability		<u>-</u>	<u>(242)</u>
		<u>(668)</u>	<u>(619)</u>
Total equity and liabilities		<u>(163,000)</u>	<u>(162,616)</u>

For the financial year ended 3 April 2021 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 16 December 2021. They were signed on its behalf by:



James Rudolph

Director

The notes on pages 6 to 11 form an integral part of these financial statements.

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Statement of Changes in Equity for the Year Ended 3 April 2021

	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>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 29 March 2020	2	69,466	92,529	161,997
Profit for the year	-	-	335	335
At 3 April 2021	<u>2</u>	<u>69,466</u>	<u>92,864</u>	<u>162,332</u>

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared for the 53 weeks ended 3 April 2021 (last year: 52 weeks ended 28 March 2020) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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.

Every 5 or 6 years, there is a requirement to introduce a 53-week period into the accounting calendar. This occurs when not doing so would result in the reporting end date being more than three days from 31 March. Due to the impact of the 53rd week being immaterial to the accounts, we have not made any specific adjustments to the financial statements.

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 29 March 2020:

- 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

The adoption of the 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:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture

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.

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

Revenue recognition

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

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:

	53 weeks ended 3 April 2021 £ 000	52 weeks ended 28 March 2020 £ 000
Interest received from a related party	335	1,275
Revenue is generated from operations within the United Kingdom.		

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

4 Employee information

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

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

	53 weeks ended 3 April 2021 £ 000	52 weeks ended 28 March 2020 £ 000
Current taxation		
UK corporation tax	-	242

The tax on profit before tax for the period is higher than the standard rate of corporate tax in the UK of 19% (2020 - 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:

	53 weeks ended 3 April 2021 £ 000	52 weeks ended 28 March 2020 £ 000
Profit before tax	335	1,275
Corporation tax at standard rate	64	242
Effects of group relief/ other reliefs	(64)	-
Tax expense in the income statement	-	242

7 Intercompany non cash movements

	53 weeks ended 3 April 2021 £ 000	52 weeks ended 28 March 2020 £ 000
Profit before tax	335	1,275
Funds from operating activities		
Tax paid	(242)	(266)
Net funds generated from operating activities	93	1,009
Net movement in intercompany balances	93	1,009

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

8 Share capital

Allotted, called up and fully paid shares

	As at 3 April 2021		As at 28 March 2020	
	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
2021	
Interest charge to related party	<u>335</u>
2020	
Interest charge to related party	<u>1,275</u>

Expenditure with and payables to related parties

	Other related parties £ 000
2021	
Amounts payable to related party	<u>668</u>
2020	
Amounts payable to related party	<u>377</u>

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

Terms of loans to related parties

	Other related parties £ 000
2021	
At start of year	162,616
Tax paid by other related party	(265)
Interest charged	649
At end of year	<u>163,000</u>
	Other related parties £ 000
2020	
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>

Terms of loans to related parties

As at 3 April 2021 the £163,000,000 (last year £162,616,000) loans to other Group undertakings are interest bearing. The current payable of £668,000 (last year £377,000) 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 £3,260,000 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.

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Notes to the Unaudited Financial Statements for the Year Ended 3 April 2021

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.