Marks and Spencer (Lisburn) Limited

Report and Financial Statements

For the year ended 2 April 2011

Registered Number 05386790

SATURDAY

A1DC3Y78

A35 08/10/2011 171

COMPANIES HOUSE

Marks and Spencer (Lisburn) Limited
Report and financial statements
For the year ended 2 April 2011

Report of the Directors

The directors present their report and the audited financial statements of the Company for the year ended 2 April 2011

Principal activities, review of business and future developments

The Company's principal activity is that of a financing vehicle 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 of a financing vehicle

Marks and Spencer (Lisburn) Limited is incorporated and domiciled in England and Wales The Company's registered office is Waterside House, 35 North Wharf Road, London W2 1NW The Company is part of the Marks & Spencer group of companies (the 'Group')

The financial statements are made up to the nearest Saturday to 31 March each year The current financial year is the 52 weeks ended 2 April 2011 (the 'year')

Results and dividends

The Company made a profit after tax of £15,000 (last year £15,000) during the year The directors do not recommend the payment of a dividend (last year £nil)

Directors

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

RJ Ivens
A Mellor

Principal risks and uncertainties

The directors of Marks and Spencer Group plc manage the Group's risk at a Group level, rather than at an individual business unit level For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Marks and Spencer (Lisburn) Limited business The principal risks and uncertainties of Marks and Spencer Group plc which include those of the Company are discussed on pages 45 to 47 of the Group's annual report which does not form part of this report Copies of the Marks and Spencer Group plc annual report are available from the Company Secretary at Waterside House, 35 North Wharf Road, London W2 1NW or are available on the website www marksandspencer com

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

Report of the Directors continued

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) 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

Indemnity provision

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 subsidiary 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 2 April 2011 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

Statement of disclosure of information to auditors

The directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the next Annual General Meeting

On behalf of the Board

RJ Ivens
Director
4 October 2011

Marks and Spencer (Lisburn) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARKS AND SPENCER (LISBURN) LIMITED

We have audited the financial statements of Marks and Spencer (Lisburn) Limited for the year ended 2 April 2011 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 2 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

S Watson

Stuart Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

5 October 2011

Marks and Spencer (Lisburn) Limited
Statement of comprehensive income

	Notes	52 weeks ended 2 April 2011 £000	53 weeks ended 3 April 2010 £000
Revenue	2	**21**	21
Profit before tax	4	**21**	21
Income tax expense	5	**(6)**	(6)
Profit and total comprehensive income for the year attributable to equity holders of the Company		**15**	15

The Company has no recognised gains or losses other than those included in the Statement of comprehensive income and therefore no separate Statement of other comprehensive income has been presented

Marks and Spencer (Lisburn) Limited
Registered Number 05386790

Marks and Spencer (Lisburn) Limited
Statement of financial position

	Notes	As at 2 April 2011 £000	As at 3 April 2010 £000
ASSETS			
Current assets			
Amounts owed by another Group undertaking	8	**1,392**	1,372
Total assets		**1,392**	1,372
LIABILITIES			
Current liabilities			
Current tax liabilities		**(6)**	(6)
Amounts owed to another Group undertaking	8	**(85)**	(80)
Total liabilities		**(91)**	(86)
Net assets		**1,301**	1,286
EQUITY			
Called up share capital	7	**1,100**	1,100
Retained earnings		**201**	186
Total equity		**1,301**	1,286

The financial statements on pages 4 to 11 were approved by the Board of Directors and authorised for issue on 4 October 2011

A Mellor
Director

Marks and Spencer (Lisburn) Limited
Statement of changes in equity

	Share Capital £000	Retained Earnings £000	Total £000
At 29 March 2009	1,100	171	1,271
Profit for the year	-	15	15
At 3 April 2010	1,100	186	1,286
At 4 April 2010	**1,100**	**186**	**1,286**
Profit for the year	-	**15**	**15**
At 2 April 2011	**1,100**	**201**	**1,301**

Marks and Spencer (Lisburn) Limited
Notes to the financial statements
For the year ended 2 April 2011

1 ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs

The following IFRSs, IFRIC interpretations and amendments are effective for this accounting period but are not considered to be relevant to the Company's current activities and operations,

IAS 32 - 'Financial Instruments Presentation'

The following IFRSs, IFRIC interpretations and amendments have been issued but are not yet effective and have not been early adopted by the Company,

- IAS 24 (Revised 2009) – 'Related party disclosures'
- IFRIC 19 – 'Extinguishing financial liabilities with equity instruments'

A summary of the Company's significant accounting policies adopted is given below

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

Revenue
Revenue represents interest receivable from another Group undertaking which is recognised on an accruals basis

Taxation
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period

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

Statement of cash flows
There were no cash movements for Marks and Spencer (Lisburn) Limited as all transactions are settled using intercompany loans and current accounts and therefore no Statement of cash flows is presented in these accounts Refer to note 6 for details of non-cash movements

1 ACCOUNTING POLICIES continued

Financial instruments

Financial assets

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

Financial liabilities

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

Financial risk management

Interest rate risk

The Company's exposure to interest rate fluctuations is limited to interest bearing loans to and from other Group undertakings where the interest rates are agreed with the Group company Please refer to note 8 for details of the impact of a change in interest rates

Liquidity risk

The Company's exposure to liquidity risk is managed by funding cash flow requirements from the parent company

Credit risk

The Company's exposure to credit risk is limited to amounts receivable from and payable to other Group undertakings

Fair value estimation

The fair values of receivables and payables are approximate to their book values

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide optimal returns for shareholders

Critical accounting estimates and judgements

The preparation of the financial statements under IFRSs 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 within the accounts

2 REVENUE

	52 weeks ended 2 April 2011	53 weeks ended 3 April 2010
	£000	£000
Interest income	**21**	21

3 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The Company had no employees during the year (last year none) No director received emoluments in respect of their services to the Company during the year (last year £nil)

4 PROFIT BEFORE TAX

Auditors' remuneration of £3,000 (last year £3,000) in respect of the Company's annual audit has been borne by Marks and Spencer plc in the current and prior years

Marks and Spencer (Lisburn) Limited
Notes to the financial statements
For the year ended 2 April 2011

5 INCOME TAX EXPENSE

A Tax charge

	52 weeks ended 2 April 2011 £000	53 weeks ended 3 April 2010 £000
UK Corporation tax at 28% (last year 28%)		
- current year	**6**	6
Total income tax expense	**6**	6

On 23 March 2011, the Chancellor of the Exchequer announced a number of changes to the UK corporation tax system, including a reduction of the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 This change of rate became substantively enacted for the purpose of IAS 12 Income Taxes on 29 March 2011 when the House of Commons passed a resolution in respect of it under the Provisional Collection of Taxes Act 1968

B Tax reconciliation

The tax on the Company's profit before tax differs from the amount that would arise by applying the current UK tax rate to profits of the Company as follows

	52 weeks ended 2 April 2011 £000	53 weeks ended 3 April 2010 £000
Profit before tax	**21**	21
Tax at standard UK rate of 28% (last year 28%)	**6**	6
Total income tax expense	**6**	6

Marks and Spencer (Lisburn) Limited
Notes to the financial statements
For the year ended 2 April 2011

6 NON-CASH MOVEMENTS

The Company does not have a bank account All transactions are settled using intercompany loans and current accounts The movements for the year comprise the following

	52 weeks ended 2 April 2011 £000	53 weeks ended 3 April 2010 £000
Profit before tax	**21**	21
Funds generated from operations	**21**	21
Funds from operating activities		
Tax paid	**(6)**	(17)
Net funds generated from operating activities	**15**	4
Net movement in intercompany balances	**15**	4

In the current and prior years the tax was paid by another Group undertaking and settled using intercompany accounts

7 SHARE CAPITAL

	As at 2 April 2011 £000	As at 3 April 2010 £000
Issued, called up and fully paid		
1,100,002 ordinary shares of £1	**1,100**	1,100

8 RELATED PARTY DISCLOSURES

Durıng the year, the Company had the followıng related party transactıons

		52 weeks ended 2 April 2011 £000	53 weeks ended 3 Aprıl 2010 £000
Transactıons			
Interest receıvable from another Group undertakıng		**21**	21

		As at 2 Aprıl 2011 £000	As at 3 Aprıl 2010 £000
Balances			
Loans to another Group undertakıng	Parent	**1,391**	1,370
Current accounts receıvable from another Group undertakıng	Parent	**1**	2
Current accounts payable to another Group undertakıng	Other	**(85)**	(80)

Refer to Note 6 for detaıls of other amounts settled usıng ıntercompany accounts

As at 2 Aprıl 2011 the £1,391,000 (last year £1,370,000) loan to another Group undertakıng ıs ınterest bearıng The current accounts receıvable of £1,000 (last year £2,000) and current accounts payable of £85,000 (last year £80,000) are non ınterest bearıng Overall, the ınterest receıved durıng the year was £21,000 (last year £21,000) Interest rates are set wıthın ındıvıdual ıntercompany loan agreements, however, they are approxımately ın lıne wıth LIBOR A 2% ıncrease/decrease ın the ınterest rate of the loan to another Group undertakıng would result ın a gaın/loss of £28,000 ın the Statement of comprehensıve ıncome, before tax

9 ULTIMATE PARENT COMPANY

The ımmedıate parent undertakıng ıs Marks and Spencer (Sprucefıeld) Lımıted The ıntermedıate undertakıng ıs Marks and Spencer plc whıch ıs the smallest group to consolıdate these fınancıal statements The ultımate parent undertakıng and controllıng party ıs Marks and Spencer Group plc, a company regıstered ın England and Wales, whıch ıs the parent undertakıng of the largest group to consolıdate these fınancıal statements Copıes of the Marks and Spencer Group plc consolıdated fınancıal statements are avaılable from the Company Secretary at Watersıde House, 35 North Wharf Road, London W2 1NW