

**MARKS AND SPENCER
PENSION TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2021**

Registered Number 00326199

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Marks and Spencer Pension Trust Limited
Report and Financial Statements
For the year ended 31 March 2021

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Company Secretary

S Lee

Registered office

Waterside House, 35 North Wharf Road, London, W2 1NW

Company number

00326199

Auditor

KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL

Country of incorporation

England and Wales

Marks and Spencer Pension Trust Limited
Directors' Report
For the year ended 31 March 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

Principal activity

The company's principal activity is a non-trading holding company.

Results and dividends

The Statement of Comprehensive Income is set out in page 6 and shows the result for the year.

The company has not traded on its own account during the current or previous years and, in the opinion of the directors, this situation is unlikely to change in the foreseeable future. The directors do not recommend the payment of a dividend (2020 - £Nil).

Directors

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

G Oakley (Chairman)
G Bennett (appointed 8 December 2020)
G Derbyshire
A Dobbs (appointed 1 January 2020, resigned 8 December 2020)
R Fox
A Govier
A Houston
F Ramzan
R Wolff
The Law Debenture Pension Trust Corporation plc

Going concern

The financial statements are prepared on a going concern basis because the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. In support of this expectation the directors are unaware of any factors likely to affect the company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements. In reaching this conclusion, the directors have considered the impact of the COVID 19 outbreak. The company is the corporate trustee of the Marks & Spencer Pension Scheme. Having considered the status of the Marks & Spencer Pension Scheme, the directors are satisfied that the company is still a going concern.

Political donations

The company made no political donations or incurred any political expenditure during the year (2020: £Nil).

Marks and Spencer Pension Trust Limited
Directors' Report (continued)
For the year ended 31 March 2021

Statement of directors' responsibilities

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and prudent;
- 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.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of the company which were in force at the date of approval of this report.

Disclosure of information to auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Marks and Spencer Pension Trust Limited
Directors' Report (continued)
For the year ended 31 March 2021

Auditor

The auditor is deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board and signed on its behalf by:

G Oakley
G Oakley (Sep 15, 2021 15:11 GMT+1)

G Oakley

Director

Date: 15 September 2021

Waterside House, 35 North Wharf Road, London W2 1NW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKS AND SPENCER PENSION TRUST LIMITED

Opinion

We have audited the financial statements of Marks and Spencer Pension Trust Limited ("the company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the policies and procedures to prevent and detect fraud that apply to this company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting

entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all material accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Matters on which we are required to report by exception

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.

Directors' responsibilities

As explained more fully in their 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; 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.



Fang Fang Zhou (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

17 Sept 2021

Marks and Spencer Pension Trust Limited
Statement of Comprehensive Income
For the year ended 31 March 2021

	Note	2021 £	2020 £
Administrative expenses	4	-	-
Operating loss		-	-
Interest receivable		2	18
Profit / (loss) before taxation		2	18
Taxation	5	(1)	(3)
Total comprehensive profit for the financial year		1	15

All amounts relate to continuing activities.

The notes on pages 9 to 14 form part of these financial statements.

Marks and Spencer Pension Trust Limited
Registered Number: 00326199
Balance Sheet
As at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Cash at bank and in hand		<u>4,956</u>	<u>4,954</u>
		4,956	4,954
Current liabilities			
Creditors: amounts falling due within one year	6	<u>(4)</u>	<u>(3)</u>
Net current assets		4,952	4,951
Total assets less current liabilities		<u>4,952</u>	<u>4,951</u>
Capital and reserves			
Called up share capital	7	5,000	5,000
Profit and loss account		<u>(48)</u>	<u>(49)</u>
		4,952	4,951

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G Oakley
G Oakley (Sep 15, 2021 15:11 GMT+1)

G Oakley

Director

Gareth Derbyshire
Gareth Derbyshire (Sep 15, 2021 16:32 GMT+1)

G Derbyshire

Director

Date: 15 September 2021 Date: 15 September 2021

The notes on pages 9 to 14 form part of these financial statements.

Marks and Spencer Pension Trust Limited
Statement of Changes in Equity
For the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	5,000	(49)	4,951
Total comprehensive profit for the year	-	1	1
At 31 March 2021	5,000	(48)	4,952

The notes on pages 9 to 14 form part of these financial statements.

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

1. Accounting policies

General information

Marks and Spencer Pension Trust Limited is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and its principal activities are set out in the directors' report, on page 1.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company acts as an agent for Marks and Spencer Pension Scheme and has not traded on its own account during the year. The company's expenses are met by the Marks and Spencer Pension Scheme and therefore, no turnover or expenses are reported in the company's financial statements.

The functional currency of the company is pound sterling which is the currency of the primary economic environment in which the company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

Going Concern

The financial statements are prepared on a going concern basis because the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. In support of this expectation the directors are unaware of any factors likely to affect the company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements. In reaching this conclusion, the directors have considered the impact of the COVID 19 outbreak. The company is the corporate trustee of the Marks & Spencer Pension Scheme. Having considered the status of the Marks & Spencer Pension Scheme, the directors are satisfied that the company is still a going concern.

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

1 Accounting policies (continued)

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 for qualifying entities:

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year;
- the requirement of Section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- the requirements of Section 11 Financial Instruments not to disclose financial instruments;
- the requirements of Section 26 Share-based payments paragraphs 26.18(b), 26.19 to 26.21 and 26.23 not to disclose the weighted average number of shares and exercise price; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

This information is included in the publicly available consolidated financial statements of Marks and Spencer Group Plc at 31 March 2021 and these financial statements may be obtained from Waterside House, 35 North Wharf Road, London W2 1NW.

As the consolidated financial statements of Marks and Spencer Group Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Debtors

Debtors are initially measured at transaction price. Subsequent to initial recognition, they are measured at amortised cost less any impairment.

Cash at bank and in hand

Cash at bank and in hand represents the balance held in the bank account.

Creditors

Creditors are initially measured at transaction price. Subsequent to initial recognition, they are measured at amortised cost.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

1 Accounting policies (continued)

The company's ordinary shares are classified as equity instruments.

Capital and Reserves

The company's capital and reserves are as follows:

Called up share capital reserve represents the nominal value of the shares issued.

The profit and loss account represents cumulative profits, losses and total other comprehensive income of the company.

Administrative expenses

Administrative expenses comprise impairment losses on investments in subsidiaries during the year.

Interest receivable

Interest receivable comprises interest receivable on funds invested in cash at bank.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements, the key judgement relates to the carrying value of its investment. The carrying value of the company's investments in its subsidiary is reviewed to ensure it does not exceed the net assets of that subsidiary.

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

3 Employees

The company has no employees other than the directors and no directors' remuneration is payable (2020 - £Nil).

4 Operating loss

There were no administrative expenses in the year to 31 March 2021 (2020: nil).

The Auditors' remuneration of £5000 (2020 - £5000) will be paid by the Marks and Spencer Pension Scheme and therefore is not included within administrative expenses within the company's financial statements.

5 Taxation

	2021 £	2020 £
Total tax on profit / loss for the year	1	3

The tax assessed for the year is equal to the standard rate of Corporation tax in the UK of 19% (2020: 19%)

The differences are explained below:	2021 £	2020 £
Profit / (loss) on ordinary activities before taxation	2	18
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1	3
Effects of:		
Other	-	-
Total tax charge for the year	1	3

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Corporation Tax	4	3
	<u> </u>	<u> </u>

7 Called up share capital

	2021	2020
	£	£
Allotted, called up and fully paid:		
4,992 "A" ordinary shares of £1 each	4,992	4,992
5 "B" ordinary shares of £1 each	5	5
3 "C" ordinary shares of £1 each	3	3
	<u> </u>	<u> </u>
	<u>5,000</u>	<u>5,000</u>
	<u> </u>	<u> </u>

The A ordinary shares have attached to them full voting, dividend and capital distribution rights, including on winding up; they do not confer any rights of redemption.

The B and C ordinary shareholders have weight voting rights conferring on them 25 percent of the vote on any shareholder resolution which proposes to amend any provision in the articles which relates to: directors; or the trigger event. The shares have full dividend and capital distribution rights, including on winding up; they do not confer any rights or redemption.

8 Related party transactions

Per FRS 102 33.1A, the company has not made related party disclosures for transactions between group subsidiaries which are wholly owned.

The Marks and Spencer Pension Scheme is sponsored by Marks and Spencer plc but is not a subsidiary. As the Marks and Spencer Pension Scheme is a post-employment benefit plan for the benefit of employees of

Marks and Spencer Pension Trust Limited
Notes to the Financial Statements
For the year ended 31 March 2021

entities related to the company this is a related party. There were no related party transactions.

9 Ultimate parent company

The company's parent, ultimate parent company and controlling party is Marks and Spencer Group Plc.

Marks and Spencer Group Plc is the parent of the smallest and largest group for whom group consolidated accounts are drawn up. Copies of these consolidated financial statements are available from Marks and Spencer Group Plc's registered office address: Waterside House, 35 North Wharf Road, London, W2 1NW.