

Registration number: 05502519

# Marks and Spencer 2005 (Chester Satellite Store) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 30 March 2019



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## Marks and Spencer 2005 (Chester Satellite Store) Limited

### Strategic Report for the Year Ended 30 March 2019

The directors present their strategic report for the year ended 30 March 2019.

#### **Fair review of the business**

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. In prior years, the directors approved the closure of the Chester Satellite Store and the store ceased trading on 10 April 2014. The Company's assets were written down to their net realisable values and reclassified to current assets due to the intention to sell the property. The property was sold on 3 December 2014. The financial statements have been prepared on a basis other than that of a going concern for the year ended 30 March 2019.

#### **Result for the year**

The Company made a profit for the year after tax of £47,000 (last year profit of £41,000).

#### **Principal risks and uncertainties and financial risk management**

The Company's activities expose it to financial risks, namely interest rate risk, liquidity risk, credit risk, fair value estimation and capital management risk.

##### **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.

##### **Liquidity risk**

The Company's exposure to liquidity risk is managed by funding of cash flow requirements by the parent company. The parent company relies on the Group treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments. The Company benefits from this liquidity through intra-group facilities and loans.

##### **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**

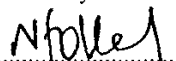
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide optimal returns for shareholders. However, the accounts have been prepared on a basis other than that of a going concern.

The directors do not believe the Company is exposed to significant cash flow risk, price risk or foreign exchange risk.

#### **Key performance indicators**

The Company is part of the Marks and Spencer Group plc group of companies (the 'Group'). The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the Company.

Approved by the Board on 25.11.19 and signed on its behalf by:

  
.....  
Nick Folland, Director

## **Marks and Spencer 2005 (Chester Satellite Store) Limited**

### **Director's Report for the Year Ended 30 March 2019**

The directors present their report and the unaudited financial statements for the year ended 30 March 2019.

#### **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:

Amanda Mellor (resigned 1 February 2019)

Scilla Grimble (resigned 14 September 2018)

Steven Bennett (appointed 14 September 2018 and resigned 29 August 2019)

Alistair Willey (resigned 27 June 2019)

Nick Folland (appointed 1 February 2019)

The following directors were appointed after the period end:

Lucy Walker (appointed 27 June 2019)

Andrew Turton (appointed 24 September 2019)

#### **Principal activity**

The Company's principal activity in prior periods was holding property on behalf of Marks and Spencer plc to enable Marks and Spencer plc to carry out its retailing activities. As the property was sold in December 2014 the Company has now ceased this activity and the accounts have been prepared on a basis other than that of a going concern.

Marks and Spencer 2005 (Chester Satellite Store) Limited 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 30 March 2019 (the 'year').

#### **Dividends**

The directors recommend a final dividend payment of £Nil (last year £Nil) be made in respect of the financial year ended 30 March 2019.

#### **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 30 March 2019 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 2005 (Chester Satellite Store) Limited

### Director's Report for the Year Ended 30 March 2019

#### 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 25.11.19 and signed on its behalf by:



Nick Folland  
Director

**Marks and Spencer 2005 (Chester Satellite Store) Limited**

**Income Statement for the Year Ended 30 March 2019**

	<b>Note</b>	<b>52 weeks ended 30 March 2019 £ 000</b>	<b>52 weeks ended 31 March 2018 £ 000</b>
Revenue		<u>-</u>	<u>-</u>
Operating profit/(loss)		-	-
Finance income	5	<u>58</u>	<u>51</u>
Profit before tax		58	51
Income tax expense	6	<u>(11)</u>	<u>(10)</u>
Profit for the year		<u><u>47</u></u>	<u><u>41</u></u>

The above results were derived from continuing operations.

**Marks and Spencer 2005 (Chester Satellite Store) Limited**

**(Registration number: 05502519)**

**Statement of Financial Position as at 30 March 2019**

	Note	30 March 2019 £ 000	31 March 2018 £ 000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	9	<u>3,566</u>	<u>3,518</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	(10)	(10)
Share premium		(6,274)	(6,274)
Retained earnings		<u>2,729</u>	<u>2,776</u>
Total equity		(3,555)	(3,508)
<b>Current liabilities</b>			
Income tax liability		<u>(11)</u>	<u>(10)</u>
Total equity and liabilities		<u>(3,566)</u>	<u>(3,518)</u>

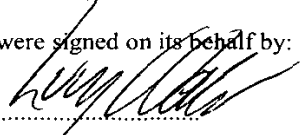
For the financial year ended 30 March 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**Directors' responsibilities:**

- The members have not required the Company to obtain an audit of its accounts for the 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 25.11.19

They were signed on its behalf by:

  
Lucy Walker  
Director

**Marks and Spencer 2005 (Chester Satellite Store) Limited**

**Statement of Changes in Equity for the Year Ended 30 March 2019**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 2 April 2017	10	6,274	(2,817)	3,467
Profit for the year	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
At 31 March 2018	<u><u>10</u></u>	<u><u>6,274</u></u>	<u><u>(2,776)</u></u>	<u><u>3,508</u></u>

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 April 2018	10	6,274	(2,776)	3,508
Profit for the period	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>
At 30 March 2019	<u><u>10</u></u>	<u><u>6,274</u></u>	<u><u>(2,729)</u></u>	<u><u>3,555</u></u>

## **Marks and Spencer 2005 (Chester Satellite Store) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019**

#### **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 are prepared on the break up basis.

There have been significant changes to accounting under IFRS which have affected the Company's financial statements.

New standards and interpretations effective for periods commencing on or after 1 January 2018 and therefore applicable to the Company's financial statements for the 52 weeks ended 30 March 2019 are listed below:

- IFRS 9 Financial Instruments.
- IFRS 15 Revenue from Contracts with Customers.
- Amendments to IFRS 4 Insurance Contracts regarding the implementation of IFRS 9 Financial Instruments.
- Interpretation IFRIC 22 Foreign Currency Transactions and Advance Consideration.
- Amendments to IAS 40 Transfer of Investment Property.
- Amendments to IFRS 2 Share-Based Payments, on clarifying how to account for certain types of share-based payment transactions.
- Annual improvements to IFRS Standards 2014-2016 Cycle (certain items effective from 1 January 2017).

With the exception of the adoption of IFRS 9, the adoption of the above standards and interpretations 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.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard is effective for periods commencing on or after 1 January 2018 and therefore has been implemented with effect from 1 April 2018. The standard introduces changes to three key areas:

- New requirements for the classification and measurement of financial instruments.
- A new impairment model based on expected credit losses for recognising provisions.
- Simplified hedge accounting through closer alignment with an entity's risk management methodology.

The adoption of IFRS 9 has not had a material impact on either the income statement or the statement of financial position. The Company has adopted IFRS 9 using the modified transition approach, though there have been no adjustments to opening retained earnings for the impact of IFRS 9 and has not restated the prior period comparatives.

New standards and interpretations effective for periods commencing on or after 1 January 2019 and therefore applicable to the Company for the 52 weeks ending 28 March 2020 are listed below:

- Annual improvements to IFRS Standards 2015-2017 Cycle.
- Amendments to IFRS 9 Financial Instruments, on prepayment features with negative compensation.
- Amendments to IAS 28 Investments in Associates, on long term interests in associates and joint ventures.
- Amendments to IAS 19 Employee Benefits on plan amendment, curtailment or settlement.
- IFRIC 23 Uncertainty over Income Tax Treatments.
- IFRS 16 Leases.

The adoption of the above standards and interpretations will not 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.



## **Marks and Spencer 2005 (Chester Satellite Store) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019**

#### **Accounting convention**

The financial statements are drawn up on a basis other than that of a going concern. The Company's accounting policies have been consistently applied throughout the year.

#### **Taxation**

Tax expense comprises current and deferred tax. 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. Refer to note 7 for details of non-cash movements.

#### **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 estimates within the accounts.

## **3 Employee information**

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

## **4 Directors emoluments**

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

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## Marks and Spencer 2005 (Chester Satellite Store) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019

#### 5 Finance income

	52 weeks ended 30 March 2019 £ 000	52 weeks ended 31 March 2018 £ 000
<b>Finance income</b>		
Interest on loan to other related parties	<u>58</u>	<u>51</u>

#### 6 Income tax

Tax charged in the income statement

	52 weeks ended 30 March 2019 £ 000	52 weeks ended 31 March 2018 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>11</u>	<u>10</u>

The tax on profit before tax for the year is the same as the standard rate of corporate tax in the UK of 19% (2018 - the same as the standard rate of corporate tax in the UK of 19%).

The differences are reconciled below:

	52 weeks ended 30 March 2019 £ 000	52 weeks ended 31 March 2018 £ 000
Profit before tax	<u>58</u>	<u>51</u>
Corporation tax at standard rate	<u>11</u>	<u>10</u>
Total tax charge	<u>11</u>	<u>10</u>

## Marks and Spencer 2005 (Chester Satellite Store) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019

#### 7 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 30 March 2019 £ 000	52 weeks ended 31 March 2018 £ 000
<b>Profit before tax</b>	58	51
Interest receivable from another Group company	<u>(58)</u>	<u>(51)</u>
<b>Funds generated from operations</b>	-	-
<b>Funds from operating activities</b>		
Tax paid	<u>(10)</u>	<u>(11)</u>
<b>Net funds generated from operating activities</b>	(10)	(11)
<b>Funds from financing activities</b>		
Interest receivable	<u>58</u>	<u>51</u>
<b>Net inflow of funds from financing activities</b>	<u>58</u>	<u>51</u>
<b>Net movement in intercompany balances</b>	<u><u>48</u></u>	<u><u>40</u></u>

#### 8 Share capital

Allotted, called up and fully paid shares

	As at 30 March 2019		As at 31 March 2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

## Marks and Spencer 2005 (Chester Satellite Store) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019

#### 9 Related party transactions

##### Summary of transactions with parent entities

During the year, the Company had the following related party transactions and balances.

##### Income and receivables from related parties

	Parent £ 000
<b>2019</b>	
Interest receivable from a related party	58
Amounts receivable from related party	38

	Parent £ 000
<b>2018</b>	
Interest receivable from a related party	51
Amounts receivable from related party	49

##### Loans to related parties

	Parent £ 000
<b>2019</b>	
At start of year	3,469
Other adjustment	(2)
Interest charged	61
At end of year	3,528

	Parent £ 000
<b>2018</b>	
At start of year	3,481
Reclassified to Current Account	(63)
Interest charged	51
At end of year	3,469

##### Terms of loans to related parties

As at 30 March 2019 the loan to the immediate parent company was £3,528,000 (last year £3,469,000) is interest bearing and repayable on demand. The current account receivable of £38,000 with the parent company (last year £49,000 payable) is non interest bearing. Interest rates are set within intercompany loan agreements; currently at 1% + 6month LIBOR. A 2% increase/decrease in the interest rate of the loan from another Group undertaking would result in a loss/gain of £70,000 in the income statement, before tax.

## **Marks and Spencer 2005 (Chester Satellite Store) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 March 2019**

#### **10 Parent and ultimate parent undertaking**

The Company's immediate parent is Marks and Spencer 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)

#### **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