



Registration number: 04763836

Minterton Services Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 30 March 2019





Minterton Services 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. The directors do not expect any development in the Company's business in the coming year that is significantly different from its present activities.

Result for the year

The Company made a profit for the year after tax of £221,351 (last year profit of £311,473).

Principal risks and uncertainties and financial risk management

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

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

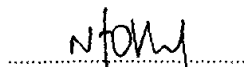
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide optimal returns for shareholders.

The directors do not believe the Company is exposed to significant interest rate risk, foreign currency risk, cash flow risk or price 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 18.11.19 and signed on its behalf by:



Nick Folland
Director

Minterton Services 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)

Andrew Holmes (resigned 26 April 2019)

Patricia Howell (appointed 8 February 2018)

Nick Folland (appointed 1 February 2019)

Principal activity

The Company's principal activity is to hold trademarks. 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 the coming year the trademarks will be transferred into Marks and Spencer plc.

Minterton Services 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 be made in respect of the financial period ended 30 March 2019 (last year £nil).

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 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.

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.

Minterton Services Limited

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

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. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

A. Amortisation of Intangible assets

Amortisation is provided so as to write down the assets to their residual values over their estimates useful lives as set out above. The selection of these estimated lives requires the exercise of management judgement.

B. Impairment of Intangible assets

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review of impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of managements assumptions and estimates.

3 Revenue

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

	52 weeks ended 30 March 2019 £	52 weeks ended 31 March 2018 £
Royalties received from another Group undertaking	279,537	397,779
Revenue is generated from operations within the United Kingdom.		

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 Operating profit

Arrived at after charging

	52 weeks ended 31 March 2018 £	52 weeks ended 31 March 2018 £
Amortisation expense	6,264	9,592
Legal expenses	-	3,653

The notes on pages 7 to 15 form an integral part of these financial statements.
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Minterton Services Limited

Income Statement for the Year Ended 30 March 2019

	Note	52 weeks ended 30 March 2019 £	52 weeks ended 31 March 2018 £
Revenue	3	279,537	397,779
Administrative expenses	6	(6,264)	(13,245)
Operating profit		273,273	384,534
Income tax expense	7	(51,922)	(73,061)
Profit for the year		221,351	311,473
Total comprehensive income		221,351	311,473

The above results were derived from continuing operations.

Minterton Services Limited
(Registration number: 04763836)
Statement of Financial Position as at 30 March 2019

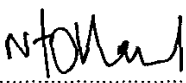
	Note	30 March 2019 £	31 March 2018 £
Assets			
Non-current assets			
Intangible assets	8	23,634	29,898
Current assets			
Trade and other receivables		2,555,070	2,348,594
Total assets		<u>2,578,704</u>	<u>2,378,492</u>
Equity and liabilities			
Equity			
Share capital	10	(1)	(1)
Retained earnings		(2,526,781)	(2,305,430)
Total equity		(2,526,782)	(2,305,431)
Current liabilities			
Income tax liability		(51,922)	(73,061)
Total equity and liabilities		<u>(2,578,704)</u>	<u>(2,378,492)</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 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 18.11.19
They were signed on its behalf by:


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Nick Folland

Director

Minterton Services Limited

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

	Share capital £	Retained earnings £	Total £
At 2 April 2017	1	1,993,957	1,993,958
Profit for the year	-	311,473	311,473
At 31 March 2018	1	2,305,430	2,305,431
	Share capital £	Retained earnings £	Total £
At 1 April 2018	1	2,305,430	2,305,431
Profit for the year	-	221,351	221,351
At 30 March 2019	1	2,526,781	2,526,782

The notes on pages 7 to 15 form an integral part of these financial statements.

Minterton Services 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 Company continues to adopt the going concern basis in preparing its financial statements.

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).

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.

IFRS 15 Revenue from Contracts with Customers is effective for periods beginning on or after 1 January 2018 and therefore has been implemented with effect from 1 April 2018. The standard establishes a principles-based approach for revenue recognition and is based on the concept of recognising revenue for performance obligations only when they are satisfied and the control of goods or services is transferred. In doing so, the standard applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers, except those in the scope of other standards. It replaces the separate models for goods, services and construction contracts under the previous accounting standard.

Due to the straightforward nature of the Company's revenue streams and the absence of significant judgement required in determining the timing of transfer of control, the adoption of IFRS 15 has not had a material impact on the timing or nature of the Company's revenue recognition.

The Company has adopted IFRS 15 using the modified transition approach and has therefore not restated the prior period comparatives. The adoption of IFRS 15 has not had a material impact on either the income statement or the statement of financial position.

Minterton Services Limited

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

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.

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 royalties paid by another Group undertaking which are recognised on an accruals basis.

Administrative expenses

Administrative expenses represent amortisation of trademarks and legal expenses.

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.

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. Please refer to note 9 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.

Minterton Services Limited

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

2 Critical accounting judgements and key sources of estimation uncertainty

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6 Operating profit

Arrived at after charging

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Amortisation expense	6,264	9,592
Legal expenses	-	3,653

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Minterton Services Limited

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

7 Income tax

Tax charged in the income statement

	52 weeks ended 30 March 2019 £	52 weeks ended 31 March 2018 £
Current taxation		
UK corporation tax	51,922	73,061

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

The differences are reconciled below:

	52 weeks ended 30 March 2019 £	52 weeks ended 31 March 2018 £
Profit before tax	273,273	384,534
Corporation tax at standard rate	51,922	73,061
Total tax charge	51,922	73,061



Minterton Services Limited

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

8 Intangible assets

	Trademarks, patents and licenses £
Cost or valuation	
At 2 April 2017	124,536
Disposals	(59,430)
At 31 March 2018	65,106
As 30 March 2019	65,106
Amortisation	
At 2 April 2017	40,531
Amortisation charge	9,592
Disposals	(14,915)
At 31 March 2018	35,208
At 1 April 2018	35,208
Amortisation charge	6,264
At 30 March 2019	41,472
Carrying amount	
At 30 March 2019	23,634
At 31 March 2018	29,898

Acquired trademark values are held in the Statement of Financial Position initially at cost. Definite life intangibles are amortised on a straight line basis over their estimated useful lives and are only assessed for impairment where such indicators exist. Any impairment in value is recognised immediately in the income statement.

During the prior year the Company transferred certain trademarks to another entity in the Marks and Spencer Group plc group.

Minterton Services Limited

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

9 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:

	2019 £	2018 £
Profit before tax	273,273	384,534
Amortisation	6,274	9,592
Tax paid	(73,061)	(91,917)
Disposal of intangible assets	-	44,516
Net increase in intercompany balances	<u>206,486</u>	<u>346,725</u>

10 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
1 ordinary share of £1 each	1	1	1	1

11 Related party transactions

Income and receivables from related parties

	Parent £
2019	
Royalties receivable from another Group undertaking	279,537
Amounts receivable from parent	<u>2,555,070</u>
2018	
Royalties receivable from another Group undertaking	397,779
Amounts receivable from parent	<u>2,348,595</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

Minterton Services Limited

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

12 Parent and ultimate parent undertaking

The Company's immediate parent is Marks and Spencer plc.

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.

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