

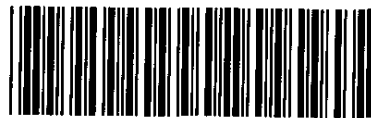
Registration number: 05502543

Simply Food (Property Investments)

Annual Report and Unaudited Financial Statements

for the Year Ended 28 March 2020

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Simply Food (Property Investments)

Directors' Report for the Year Ended 28 March 2020

The directors present their report and the unaudited financial statements for the year ended 28 March 2020

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:

Steven Bennett (resigned 29 August 2019)

Nick Folland

Lucy Walker (appointed 27 June 2019)

Andrew Turton (appointed 24 September 2019)

Alistair Willey (resigned 27 June 2019)

Principal activity

The Company's principal activity is holding property on behalf of the Marks and Spencer plc group of companies to enable the group of companies to carry out their 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 of holding property.

Simply Food (Property 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 52 weeks ended 28 March 2020 (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 28 March 2020.

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 28 March 2020 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.

Simply Food (Property Investments)

Directors' Report for the Year Ended 28 March 2020

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 22 October 2020 and signed on its behalf by:



.....
Nick Folland
Director

Simply Food (Property Investments)

Income Statement for the Year Ended 28 March 2020

	Note	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Revenue	3	59	59
Cost of sales		<u>(15)</u>	<u>13</u>
Operating profit	4	44	72
Finance income	7	<u>8</u>	<u>5</u>
Profit before tax		52	77
Income tax expense	8	<u>(13)</u>	<u>(12)</u>
Profit for the year		<u><u>39</u></u>	<u><u>65</u></u>

The above results were derived from continuing operations.

Simply Food (Property Investments)
(Registration number: 05502543)
Statement of Financial Position as at 28 March 2020

	Note	28 March 2020 £ 000	30 March 2019 £ 000
Assets			
Non-current assets			
Prepaid Leasehold Premiums	9	1,719	1,734
Current assets			
Trade and other receivables	12	<u>1,555</u>	<u>1,500</u>
Total assets		<u>3,274</u>	<u>3,234</u>
Equity and liabilities			
Equity			
Share capital	11	(10)	(10)
Share premium		(100)	(100)
Retained earnings		<u>(3,151)</u>	<u>(3,112)</u>
Total equity		(3,261)	(3,222)
Current liabilities			
Income tax liability		<u>(13)</u>	<u>(12)</u>
Total equity and liabilities		<u>(3,274)</u>	<u>(3,234)</u>

For the financial year ended 28 March 2020 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 22 October 2020.

They were signed on its behalf by:

.....


Lucy Walker

Director

Simply Food (Property Investments)

Statement of Changes in Equity for the Year Ended 28 March 2020

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2018	10	100	3,047	3,157
Profit for the year	-	-	65	65
At 30 March 2019	<u>10</u>	<u>100</u>	<u>3,112</u>	<u>3,222</u>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 31 March 2019	10	100	3,112	3,222
Profit for the year	-	-	39	39
At 28 March 2020	<u>10</u>	<u>100</u>	<u>3,151</u>	<u>3,261</u>

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

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 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.

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 31 March 2019:

- IFRS 16 Leases.
- IFRIC 23 Uncertainty over Income Tax Treatments.
- Amendments to IFRS 9 Prepayment Features with Negative Compensation.
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures.
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement.
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23).
- Amendments to IAS 39 Financial instruments: Recognition and measurement

The adoption of the other 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.

- Amendments to IFRS 16: Covid-19-Related Rent Concessions.
- 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.
- IFRS 17 Insurance Contracts.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform.

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.

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

Revenue recognition

Revenue represents rent receivable from another group undertaking which is recognised on an accruals basis.

Cost of sales

Cost of sales represents amortisation of prepaid leasehold premiums.

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.

Prepaid leasehold premiums

Payments made to acquire leasehold land and buildings are included in prepayments at cost and are amortised over the life of the lease.

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.

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

2 Critical accounting judgements and key sources of estimation uncertainty

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.

Impairment of prepaid leasehold premium

Prepaid leasehold premiums 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 based on either value in use calculations prepared on the basis of management's assumptions and estimates or a red book valuation report for the related property that adheres to the Royal Institution of Chartered Surveyor's Valuation Professional Standards.

3 Revenue

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

	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Rental income from a related party	59	59
Revenue is generated from operations within the United Kingdom.		

4 Operating profit

Arrived at after charging

	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Amortisation expense	15	-
Amortisation adjustment	-	(13)

Amortisation was adjusted in prior year following a review of the accumulated amortisation balances for the prepaid leasehold premium of the land. The adjustment made was to correct the prior years over amortisation, the Company do not deem the adjustment to be material and therefore in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, retrospective application was not made.

5 Employee information

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

6 Directors emoluments

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

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

7 Finance income and costs

	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Finance income		
Interest income	<u>8</u>	<u>5</u>

8 Income tax

Tax charged in the income statement

	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Current taxation		
UK corporation tax	<u>13</u>	<u>12</u>

The tax on profit before tax for the year is higher than the standard rate of corporate tax in the UK of 19% (2019 - lower than the standard rate of corporate tax in the UK of 19%).

	52 weeks ended 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Profit before tax	<u>52</u>	<u>77</u>
Corporation tax at standard rate	10	15
Increase/(decrease) from effect of expenses not deductible in determining taxable profit	<u>3</u>	<u>(3)</u>
Total tax charge	<u>13</u>	<u>12</u>

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

9 Prepaid leasehold premiums

	Prepaid leasehold premiums £ 000
Cost or valuation	
At 1 April 2018	1,916
At 30 March 2019	1,916
Amortisation	
At 1 April 2018	195
Amortisation charge	(13)
At 30 March 2019	182
Carrying amount	
At 30 March 2019	1,734
At 1 April 2018	1,721
	Prepaid leasehold premiums £ 000
Cost or valuation	
At 31 March 2019	1,916
At 28 March 2020	1,916
Amortisation	
At 30 March 2019	182
Amortisation charge	15
At 28 March 2020	197
Carrying amount	
At 28 March 2020	1,719
At 31 March 2019	1,734

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

10 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 28 March 2020 £ 000	52 weeks ended 30 March 2019 £ 000
Profit before tax	52	77
Interest receivable from another Group company	<u>(8)</u>	<u>(5)</u>
Operating profit	44	72
Amortisation	<u>15</u>	<u>(13)</u>
Funds generated from operations	59	59
Funds from operating activities		
Tax paid	<u>(12)</u>	<u>(11)</u>
Net funds generated from operating activities	47	48
Funds from financing activities		
Interest Receivable	<u>8</u>	<u>5</u>
Net inflow of funds from financing activities	<u>8</u>	<u>5</u>
Net movement in intercompany balances	<u><u>55</u></u>	<u><u>53</u></u>

11 Share capital

Allotted, called up and fully paid shares

	As at 28 March 2020	As at 30 March 2019
	No. 000 £ 000	No. 000 £ 000
Ordinary shares of £1 each	<u>10</u> <u>10</u>	<u>10</u> <u>10</u>

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

12 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

	Other related parties £ 000
2020	
Rental income from related party	59
Interest income from a related party	8
Amounts receivable from related party	<u>51</u>
	Other related parties £ 000
2019	
Rental income from a related party	59
Interest income from a related party	5
Amounts receivable from related party	<u>18</u>

Loans to related parties

	Other Related Party £ 000
2020	
At start of year	1,482
Tax paid by Parent	(11)
Rental income	25
Interest paid	<u>8</u>
At end of year	<u>1,504</u>
	Other Related Party £ 000
2019	
At start of year	909
Tax paid by parent	(12)
Repayment	538
Rental income	41
Reclassification from Current Account	<u>6</u>
At end of year	<u>1,482</u>

Simply Food (Property Investments)

Notes to the Unaudited Financial Statements for the Year Ended 28 March 2020

Terms of loans to related parties

As at 28 March 2020 the loan to other related party of £1,504,000 (last year £1,482,000) is interest bearing at a 12m LIBOR rate. The current accounts receivable of £51,000 (last year £18,000) are non interest bearing. A 2% increase/decrease in the interest rate of the loan from another Group undertaking would result in a loss/gain of £30,000 in the income statement, before tax.

13 Parent and ultimate parent undertaking

The Company's immediate parent is Simply Food (Property Ventures) Limited.

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.

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