

Company statement of financial position

	Notes	As at 30 March 2013 £m	As at 31 March 2012 £m
Assets			
Non-current assets			
Investments in subsidiary undertakings	C5	9,207.8	9,194.6
Total assets		9,207.8	9,194.6
Liabilities			
Current liabilities			
Amounts owed to subsidiary undertakings		2,516.8	2,541.7
Total liabilities		2,516.8	2,541.7
Net assets		6,691.0	6,652.9
Equity			
Ordinary share capital		403.5	401.4
Share premium account		315.1	294.3
Capital redemption reserve		2,202.6	2,202.6
Merger reserve		1,397.3	1,397.3
Retained earnings		2,372.5	2,357.3
Total equity		6,691.0	6,652.9

The financial statements were approved by the Board and authorised for issue on 20 May 2013. The financial statements also comprise the notes on pages 111 and 112.

Marc Bolland Chief Executive Officer

Alan Stewart Chief Finance Officer

Company statement of changes in shareholders' equity

	Ordinary share capital £m	Share premium account £m	Capital redemption reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 3 April 2011	396.2	255.2	2,202.6	1,397.3	2,336.7	6,588.0
Profit for the year	–	–	–	–	273.6	273.6
Dividends	–	–	–	–	(267.8)	(267.8)
Capital contribution for share-based payments	–	–	–	–	14.8	14.8
Shares issued on the exercise of employee share options	5.2	39.1	–	–	–	44.3
At 31 March 2012	401.4	294.3	2,202.6	1,397.3	2,357.3	6,652.9
At 1 April 2012	401.4	294.3	2,202.6	1,397.3	2,357.3	6,652.9
Profit for the year	–	–	–	–	273.3	273.3
Dividends	–	–	–	–	(271.3)	(271.3)
Capital contribution for share-based payments	–	–	–	–	13.2	13.2
Shares issued on the exercise of employee share options	2.1	20.8	–	–	–	22.9
At 30 March 2013	403.5	315.1	2,202.6	1,397.3	2,372.5	6,691.0

Company statement of cash flows

	52 weeks ended 30 March 2013 £m	52 weeks ended 31 March 2012 £m
Cash flows from investing activities		
Dividends received	273.3	273.6
Net cash generated from investing activities	273.3	273.6
Cash flows from financing activities		
Shares issued on exercise of employee share options	22.9	44.3
Repayment of intercompany loan	(24.9)	(50.1)
Equity dividends paid	(271.3)	(267.8)
Net cash used in financing activities	(273.3)	(273.6)
Net cash inflow from activities	–	–
Cash and cash equivalents at beginning and end of year	–	–

Company notes to the financial statements

C1 Accounting policies

The Company's accounting policies are the same as those set out in note 1 of the Group financial statements, except as noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The Company grants share-based payments to the employees of subsidiary companies. Each period the fair value of the employee services received by the subsidiary as a capital contribution from the Company is reflected as an addition to investments in subsidiaries.

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. The loans are non-interest bearing and repayable on demand.

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 21 of the Group financial statements.

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement.

C2 Employees

The Company had no employees during the current or prior year. Directors received emoluments in respect of their services to the Company during the year of £968,000 (last year £932,000). The Company did not operate any pension schemes during the current or preceding year.

C3 Auditors' remuneration

Auditors' remuneration in respect of the Company's annual audit has been borne by its subsidiary Marks and Spencer plc and has been disclosed on a consolidated basis in the Company's consolidated financial statements as required by Section 494(4)(a) of the Companies Act 2006.

C4 Dividends

	2013 per share	2012 per share	2013 £m	2012 £m
Dividends on equity ordinary shares				
Paid final dividend	10.8p	10.8p	172.3	170.2
Paid interim dividend	6.2p	6.2p	99.0	97.6
	17.0p	17.0p	271.3	267.8

In addition, the directors have proposed a final dividend in respect of the year ended 30 March 2013 of 10.8p per share amounting to a dividend of £173.5m. It will be paid on 12 July 2013 to shareholders who are on the Register of Members on 31 May 2013. In line with the requirements of IAS 10 – 'Events after the Reporting Period', this dividend has not been recognised within these results.

C5 Investments

A. Investments in subsidiary undertakings

	2013 £m	2012 £m
Beginning of the year	9,194.6	9,179.8
Additional investment in subsidiary undertakings relating to share-based payments	13.2	14.8
End of year	9,207.8	9,194.6

Shares in subsidiary undertakings represent the Company's investment in Marks and Spencer plc.

Company notes to the financial statements continued

C5 Investments continued

B. Principal subsidiary undertakings

The Company's principal subsidiary undertakings are set out below. A schedule of interests in all undertakings is filed with the Annual Return.

	Principal activity	Country of incorporation and operation	Proportion of voting rights and shares held by:	
			Company	A subsidiary
Marks and Spencer plc	Retailing	Great Britain	100%	–
Marks and Spencer International Holdings Limited	Holding company	Great Britain	–	100%
Marks and Spencer (Nederland) BV	Holding company	The Netherlands	–	100%
Marks and Spencer Marinopoulos BV	Holding company	The Netherlands	–	100%
Marks and Spencer Czech Republic a.s.	Retailing	Czech Republic	–	51%
Marks and Spencer (Ireland) Limited	Retailing	Republic of Ireland	–	100%
Marks and Spencer (Asia Pacific) Limited	Retailing	Hong Kong	–	100%
Marks & Spencer Simply Foods Limited	Retailing	Great Britain	–	100%
Marks and Spencer Marinopoulos Greece SA	Retailing	Greece	–	80%
M.S. General Insurance L.P.	Financial services	Guernsey	–	100%
per una Group Limited	Procurement	Great Britain	–	100%
Marks and Spencer Scottish Limited Partnership	Property investment	Great Britain	–	– ¹

1. Marks and Spencer plc is the general partner.

The Company has taken advantage of the exemption under Section 410 of the Companies Act 2006 by providing information only in relation to subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the financial statements.

C6 Related party transactions

During the year, the Company has received dividends from Marks and Spencer plc of £273.3m (last year £273.6m) and decreased its loan from Marks and Spencer plc by £24.9m (last year £50.1m). The outstanding balance was £2,516.8m (last year £2,541.7m) and is non-interest bearing. There were no other related party transactions.