

COMPANY REGISTRATION NUMBER 01505036

T.J.MORRIS LIMITED
FINANCIAL STATEMENTS
30TH JUNE 2012



MOORE STEPHENS (NORTH WEST) LLP
Chartered Accountants & Statutory Auditor
110-114 Duke Street
Liverpool
L1 5AG

T.J.MORRIS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

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T.J.MORRIS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	T J Morris J Morris
Company secretary	G P McLoughlin
Registered office	Axis Business Park Gillmoss Liverpool L11 0JA
Auditor	Moore Stephens (North West) LLP Chartered Accountants & Statutory Auditor 110-114 Duke Street Liverpool L1 5AG

T.J.MORRIS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th June 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was retailing and wholesale distribution of toiletries, cosmetics and other household products

The company achieved an increase in turnover from £721m to £915m, a percentage increase of some 27%. This was achieved from the contribution of additional retail outlets opened during the year, shop re-sites and like for like growth from existing stores

Operating profit increased from £59,804,946 in 2011 to £83,984,522

The balance sheet on page 9 of the financial statements demonstrates that the company's financial position has improved compared to the prior year end in terms of net current assets

Further additions to retail outlets are planned during 2013 which should show further growth in turnover and profitability

The company manages its operations on a retail outlet 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 business

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £59,735,118. The directors have not recommended a dividend

T.J.MORRIS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2012

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including loans, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short term flexibility is achieved by overdraft facilities.

The maturity of borrowings is set out in note 17 to the financial statements. In addition to these borrowings the company has access to further borrowing facilities.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit risk

The company's principal financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of trading and payment history, market knowledge and third party credit references. Credit limits are reviewed by the credit manager on a regular basis in conjunction with debt ageing and collection history.

DIRECTORS

The directors who served the company during the year were as follows:

T J Morris

J Morris

T.J.MORRIS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2012

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS

During the year the company made the following contributions

	2012	2011
	£	£
Charitable	<u>81,199</u>	<u>113,260</u>

DISABLED EMPLOYEES

The company has continued its policy of employing disabled persons wherever practicable having regard to their particular aptitudes and abilities. When the situation arises, the company endeavours to retrain any members of staff who develops a disability during employment with the company.

EMPLOYEE INVOLVEMENT

The company has maintained its commitment to employee involvement and sound employee relations. Meetings are held with management and staff to keep them informed of the latest developments and key objectives.

T.J.MORRIS LIMITED

THE DIRECTORS' REPORT *(continued)*

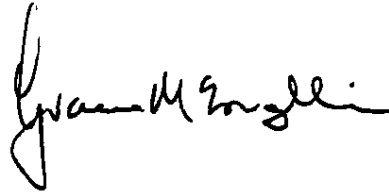
YEAR ENDED 30TH JUNE 2012

AUDITOR

Moore Stephens (North West) LLP, the Company's auditors, have indicated their willingness to continue in office and, in accordance with Section 487(2) of the Companies Act 2006, they are deemed re-appointed

Registered office
Axis Business Park
Gillmoss
Liverpool
L11 0JA

Signed by order of the directors



G P McLOUGHLIN
Company Secretary

Approved by the directors on

1/10/12

T.J.MORRIS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF T J.MORRIS LIMITED

YEAR ENDED 30TH JUNE 2012

We have audited the financial statements of T J Morris Limited for the year ended 30th June 2012 on pages 8 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30th June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

T.J.MORRIS LIMITED

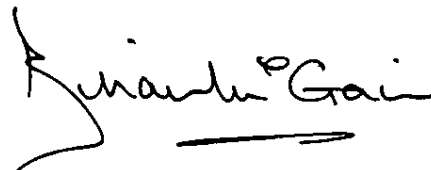
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF T.J.MORRIS LIMITED *(continued)*

YEAR ENDED 30TH JUNE 2012

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



BRIAN McGAIN (Senior Statutory Auditor)
For and on behalf of
MOORE STEPHENS (NORTH WEST) LLP
Chartered Accountants
& Statutory Auditor

110-114 Duke Street
Liverpool
L1 5AG

2/10/2012

T.J.MORRIS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2012

	Note	2012 £	2011 £
TURNOVER	2	914,821,413	721,358,972
Cost of sales		660,663,762	513,260,810
GROSS PROFIT		254,157,651	208,098,162
Administrative expenses		171,055,063	148,898,499
Other operating income		(881,934)	(605,283)
OPERATING PROFIT	3	83,984,522	59,804,946
(Loss)/profit on disposal of fixed assets	6	(16,664)	19,905
		83,967,858	59,824,851
Interest receivable	7	865,904	166,383
Interest payable and similar charges	8	(641,078)	(537,964)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,192,684	59,453,270
Tax on profit on ordinary activities	9	24,457,566	16,978,565
PROFIT FOR THE FINANCIAL YEAR		59,735,118	42,474,705

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 13 to 23 form part of these financial statements.

T.J.MORRIS LIMITED

BALANCE SHEET

30TH JUNE 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	10	212,601,698	191,307,799
Investments	11	2,500	2,500
		<u>212,604,198</u>	<u>191,310,299</u>
CURRENT ASSETS			
Stocks	12	76,009,411	64,470,581
Debtors due within one year	13	28,741,316	32,877,821
Debtors due after one year	13	24,528,466	19,329,830
Cash at bank and in hand		66,644,724	27,600,367
		<u>195,923,917</u>	<u>144,278,599</u>
CREDITORS: Amounts falling due within one year	14	101,687,571	91,886,330
NET CURRENT ASSETS		<u>94,236,346</u>	<u>52,392,269</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>306,840,544</u>	<u>243,702,568</u>
CREDITORS: Amounts falling due after more than one year	15	29,634,780	28,308,241
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	4,303,491	2,227,172
		<u>272,902,273</u>	<u>213,167,155</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	20,000	20,000
Profit and loss account	23	272,882,273	213,147,155
SHAREHOLDERS' FUNDS	24	<u>272,902,273</u>	<u>213,167,155</u>

These financial statements were approved by the directors and authorised for issue on 11/10/2012 and are signed on their behalf by



T J MORRIS
Director

Company Registration Number 01505036

The notes on pages 13 to 23 form part of these financial statements

T.J.MORRIS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30TH JUNE 2012

	Note	2012		2011	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES			95,179,939		52,444,935
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		865,904		166,383	
Interest paid		(641,078)		(537,964)	
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			224,826		(371,581)
TAXATION			(19,833,628)		(13,969,758)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(37,868,243)		(28,369,366)	
Receipts from sale of fixed assets		68,849		1,042,048	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(37,799,394)		(27,327,318)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING			37,771,743		10,776,278
MANAGEMENT OF LIQUID RESOURCES					
Cash placed in short term deposits		(20,000,000)		(15,000,000)	
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES			(20,000,000)		(15,000,000)
FINANCING					
(Repayment of)/increase in bank loans		(2,350,379)		887,494	
Net inflow from other long-term creditors		3,622,993		12,037,762	
NET CASH INFLOW FROM FINANCING			1,272,614		12,925,256
INCREASE IN CASH			19,044,357		8,701,534

The notes on pages 13 to 23 form part of these financial statements.

T.J.MORRIS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30TH JUNE 2012

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	83,984,522	59,804,946
Depreciation	16,488,831	14,840,627
Increase in stocks	(11,538,830)	(18,356,942)
Increase in debtors	(1,062,131)	(10,353,881)
Increase in creditors	7,307,547	15,339,482
Decrease in provisions	—	(8,829,297)
Net cash inflow from operating activities	<u>95,179,939</u>	<u>52,444,935</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	2011 £
Increase in cash in the period	19,044,357	8,701,534
Net cash outflow from/(inflow) from bank loans	2,350,379	(887,494)
Net cash (inflow) from other long-term creditors	(3,622,993)	(12,037,762)
Cash used to increase liquid resources	<u>20,000,000</u>	<u>15,000,000</u>
	37,771,743	10,776,278
Change in net funds	37,771,743	10,776,278
Net debt at 1 July 2011	(18,107,924)	(28,884,202)
Net funds at 30 June 2012	<u>19,663,819</u>	<u>(18,107,924)</u>

The notes on pages 13 to 23 form part of these financial statements.

T.J.MORRIS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30TH JUNE 2012

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2011 £	Cash flows £	At 30 Jun 2012 £
Net cash			
Cash in hand and at bank	27,600,367	39,044,357	66,644,724
Less deposits treated as liquid resources	(20,000,000)	(20,000,000)	(40,000,000)
	<u>7,600,367</u>	<u>19,044,357</u>	<u>26,644,724</u>
Liquid resources			
Deposits included in cash	20,000,000	20,000,000	40,000,000
Debt			
Debt due within 1 year	(17,400,050)	53,925	(17,346,125)
Debt due after 1 year	(28,308,241)	(1,326,539)	(29,634,780)
	<u>(45,708,291)</u>	<u>(1,272,614)</u>	<u>(46,980,905)</u>
Net funds	<u>(18,107,924)</u>	<u>37,771,743</u>	<u>19,663,819</u>

The notes on pages 13 to 23 form part of these financial statements.

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Operating lease incentives

Urgent Issues Task Force Abstract Number 28 requires that the aggregate benefit of a rent free period offered as an incentive to a lessee to enter into a lease should be allocated over the shorter of the lease term and a period ending on a date from which it is expected the prevailing market rent will be payable. The company has adopted a policy whereby the aggregate benefit of rent free periods is written off over the full period of the lease, rather than to the date of a rent review, a date from which it may be considered that a prevailing market rental would be payable.

The directors have taken the view that the adopted policy is more accurate and presents a true and fair view as opposed to the prescribed policy, since they would not have entered into longer lease periods without the greater incentives having been offered by the landlords. These incentives were offered to entice the company to enter into longer term leases rather than shorter term leases. The directors therefore consider that the rent free periods involved should be written off over the full periods of the leases involved.

The adopted policy results in a rent free period provision of £16,873,320 being included in accruals and deferred income in these financial statements. The adopted policy also resulted in £1,212,562 of previous provisions being released and credited to the profit and loss account with the creation of additional provisions in the year of £5,028,272. If the provision had been made in accordance with the prescribed policy, the provision would be £9,903,131 as at 30th June 2012, and would have resulted in £2,166,816 being released and credited to the profit and loss account with the creation of additional provisions in the year of £4,388,060.

The directors have previously stated this amount within provisions for liabilities and charges, but have now decided that it is more accurately reflected in accruals and deferred income split between amounts within twelve months and after twelve months. The corresponding figures have been restated accordingly.

Turnover

The turnover shown in the profit and loss account represents cash sales and amounts invoiced during the year, exclusive of Value Added Tax. Cash sales are recognised at the point of sale and credit sales are recognised when goods are delivered to the customer.

Fixed assets

All fixed assets are initially recorded at cost.

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Freehold Property

- 2% straight line method

Leasehold Property

- over 8 yrs from last major refurbishment

Plant & Machinery

- 15% to 25% reducing balance method and 10% straight line method

Fixtures & Fittings

- 15% reducing balance method

Computer Equipment

- 25% straight line method

Leasehold Property Premiums

- depreciated over the period of the lease

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost represents the cost price of goods plus import duty and freight for foreign purchases. Net realisable value represents the price achieved for goods when sold.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates two defined benefit pension schemes for employees. The assets of the schemes are held separately from those of the company. The contributions to the schemes are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

1 ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Cash balances

Cash term deposits previously treated as liquid resources are now treated as cash balances with instant access. The previous year's figures have been restated accordingly.

Website development

Website costs are written off as they are incurred.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	<u>914,821,413</u>	<u>721,358,972</u>

3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned fixed assets	16,488,831	14,840,627
Operating lease costs		
- Other	24,872,039	20,256,226
Auditor's remuneration - audit of the financial statements	58,850	44,000
Auditor's remuneration - other fees	<u>54,787</u>	<u>68,707</u>

	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>58,850</u>	<u>44,000</u>

Auditor's remuneration - other fees

- Taxation services	43,750	61,240
- Other Services	<u>11,037</u>	<u>7,467</u>
	<u>54,787</u>	<u>68,707</u>

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Number of administrative and warehouse staff	601	459
Number of retail staff	7,310	6,453
	<u>7,911</u>	<u>6,912</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	87,975,980	76,133,570
Social security costs	4,195,889	4,502,181
Other pension costs	38,237	1,279,146
	<u>92,210,106</u>	<u>81,914,897</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	2,098,116	8,352,461
Value of company pension contributions to money purchase schemes	–	1,249,900
	<u>2,098,116</u>	<u>9,602,361</u>

Remuneration of highest paid director:

	2012 £	2011 £
Total remuneration (excluding pension contributions)	1,817,817	5,053,048
Value of company pension contributions to money purchase schemes	–	1,249,900
	<u>1,817,817</u>	<u>6,302,948</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	–	1

6. LOSS/PROFIT ON DISPOSAL OF FIXED ASSETS

	2012 £	2011 £
(Loss)/profit on disposal of fixed assets	<u>(16,664)</u>	<u>19,905</u>

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

7. INTEREST RECEIVABLE

	2012 £	2011 £
Bank interest receivable	864,354	99,824
Other interest received	1,550	66,559
	<u>865,904</u>	<u>166,383</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest payable on bank borrowing	640,345	537,964
Other similar charges payable	733	-
	<u>641,078</u>	<u>537,964</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	23,000,000	18,500,000
Over/under provision in prior year	(618,753)	(1,427,537)
Total current tax	<u>22,381,247</u>	<u>17,072,463</u>
Deferred tax		
Origination and reversal of timing differences (note 18)		
Capital allowances	2,076,319	(93,898)
Tax on profit on ordinary activities	<u>24,457,566</u>	<u>16,978,565</u>

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

9 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

Corporation tax has been assessed on the profit on ordinary activities for the year at an average rate of 25.5% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	84,192,684	59,453,270
Profit on ordinary activities by rate of tax	21,469,134	16,646,915
Expenses not deductible for tax purposes	647,497	278,881
Capital allowances for period in excess of depreciation	(781,855)	(417,453)
Depreciation of land and buildings	1,665,224	1,991,657
Adjustments to tax charge in respect of previous periods	(618,753)	(1,427,537)
Total current tax (note 9(a))	22,381,247	17,072,463

10 TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST					
At 1 July 2011	139,766,908	44,033,085	33,572,507	36,381,110	253,753,610
Additions	16,953,430	11,435,980	2,789,958	6,688,875	37,868,243
Disposals	(22,781)	(175,188)	(156,998)	(76,295)	(431,262)
At 30 June 2012	156,697,557	55,293,877	36,205,467	42,993,690	291,190,591
DEPRECIATION					
At 1 July 2011	10,444,226	20,208,360	14,133,198	17,660,027	62,445,811
Charge for the year	2,644,500	5,806,796	4,228,666	3,808,869	16,488,831
On disposals	(3,185)	(175,189)	(108,577)	(58,798)	(345,749)
At 30 June 2012	13,085,541	25,839,967	18,253,287	21,410,098	78,588,893
NET BOOK VALUE					
At 30 June 2012	143,612,016	29,453,910	17,952,180	21,583,592	212,601,698
At 30 June 2011	129,322,682	23,824,725	19,439,309	18,721,083	191,307,799

Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	1,074,999	-

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

11 INVESTMENTS

Unlisted investments	Total	£
COST		
At 1st July 2011 and 30th June 2012		<u>2,500</u>
NET BOOK VALUE		
At 30th June 2012 and 30th June 2011		<u>2,500</u>

12. STOCKS

	2012 £	2011 £
Stock	69,550,975	61,161,346
Goods in transit	6,458,436	3,309,235
	<u>76,009,411</u>	<u>64,470,581</u>

13. DEBTORS

	2012 £	2011 £
Trade debtors	7,994,302	8,064,922
Other debtors	24,578,938	30,253,971
Directors current accounts	3,205,200	—
Prepayments and accrued income	17,491,342	13,888,758
	<u>53,269,782</u>	<u>52,207,651</u>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Other debtors	<u>24,528,466</u>	<u>19,329,830</u>

Included in debtors is a Directors Current Account relating to Mr T J Morris The details are as follows

	£
Opening balance at 1st July 2011 (credit)	(974)
Maximum outstanding during the year	3,205,200
Closing balance at 30th June 2011	3,205,200
	=====

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

14. CREDITORS. Amounts falling due within one year

	2012 £	As Restated 2011 £
Bank loans	17,346,125	17,400,050
Trade creditors	48,264,879	40,872,198
Other creditors including taxation and social security		
Taxation and social security	17,155,531	16,458,996
Other creditors	3,878,028	3,394,632
Directors current accounts	—	974
	<u>86,644,563</u>	<u>78,126,850</u>
Accruals and deferred income	15,043,008	13,759,480
	<u>101,687,571</u>	<u>91,886,330</u>

Provision for rent free periods and capital contributions have been re-stated as accruals and deferred income

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Bank loans	<u>17,346,125</u>	<u>17,400,050</u>

The bank loans and overdrafts are secured by a first legal mortgage over eighteen of the company's freehold properties and by a cross guarantee with T J Morris Properties Limited, a related party

15. CREDITORS: Amounts falling due after more than one year

	2012 £	As Restated 2011 £
Bank loans and overdrafts	13,974,025	16,270,479
Other creditors		
Accruals and deferred income	15,660,755	12,037,762
	<u>29,634,780</u>	<u>28,308,241</u>

Rent free periods and capital contributions - the amount due after five years included in accruals and deferred income is £11,200,892 (2011 £8,323,009)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012 £	2011 £
Bank loans and overdrafts	<u>13,974,023</u>	<u>16,270,479</u>

The bank loans and overdrafts are secured by a first legal mortgage over eighteen of the company's freehold properties and by a cross guarantee with T J Morris Properties Limited, a related party

The bank loans attract interest of between 0.95% and 1.25% over LIBOR and between 1% and 1.5% over base rate

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

16. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2012 £	2011 £
Amounts repayable		
In one year or less or on demand	17,346,125	17,400,050
In more than one year but not more than two years	2,272,550	2,260,550
In more than two years but not more than five years	6,817,650	6,781,650
In more than five years	4,883,824	7,228,279
	<u>31,320,149</u>	<u>33,670,529</u>

17. PENSIONS

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £38,237 (2011 £1,279,146)

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	2,227,172	2,321,070
Profit and loss account movement arising during the year	2,076,319	(93,898)
Provision carried forward	<u>4,303,491</u>	<u>2,227,172</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	4,303,491	2,227,172
	<u>4,303,491</u>	<u>2,227,172</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 30th June 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	794,350	33,648	395,350	65,596
Within 2 to 5 years	3,412,149	524,511	1,419,200	476,874
After more than 5 years	16,844,515	-	14,712,763	-
	<u>21,051,014</u>	<u>558,159</u>	<u>16,527,313</u>	<u>542,470</u>

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

20. CONTINGENCIES

The company's bankers had issued letters of credit to foreign suppliers in the sum of £879,284 at 30th June 2012 which would not be released to the suppliers bank accounts until after the year end

21 RELATED PARTY TRANSACTIONS

The company was under the control of Mr T J Morris throughout the current and previous year Mr T J Morris is the managing director and majority shareholder
The related party transactions which subsisted during the accounting period were as follows

Mr T J Morris (Company Director)

Included within debtors at the balance sheet date is £3,205,200 due from Mr T J Morris

T J Morris Properties Limited (Mr T J Morris is a director and major shareholder)

The company made loan monies available to T J Morris Properties Limited in the year At the balance sheet date the balance due from T J Morris Properties Limited was £11,508,509 The company leased properties from T J Morris Properties Limited, the rent payable during the year was £373,394 The amount due to the company by T J Morris Properties Limited at the year end has been personally guaranteed by T J Morris Esq a director and majority shareholder

Morrett Limited (Mr T J Morris is a director and shareholder)

The company made loan monies available to Morrett Limited in the year and charged loan interest of £1,343 At the balance sheet date the balance due from Morrett Limited was £37,958

Half Price or Less Limited is a company controlled by S. Morris (Son of Mr T J Morris)

The company made loan monies available to Half Price or Less Limited in the year At the balance sheet date the balance due from Half Price or Less Limited was £2,500,023 The company sold goods to Half Price or Less Limited in the sum of £653,150 and made Licence fee charges of £150,000 At the balance sheet date trade debtors includes an amount of £417,945 due to the company from Half Price or Less Limited The monies due to the company by Half Price or Less Limited at the year end have been personally guaranteed by T J Morris Esq a director and majority shareholder

P. & S. Taylor Limited is a wholly owned subsidiary of Half Price or Less Limited

During the year the company sold goods to the value of £1,508,389 to P & S Taylor Limited At the balance sheet date P & S Taylor Limited owed the company £721,651 During the year P & S Taylor Limited sold goods to the company in the sum of £912 The amount due to the company by P & S Taylor Limited at the year end has been personally guaranteed by T J Morris Esq a director and majority shareholder

Prescot Business Park Limited (T.J. Morris Esq. is a director and shareholder in this company)

During the year the company made a loan to Prescot Business Park Limited in addition to the amounts advanced in 2011 At the end of the year the loan balance outstanding was £10,519,854 The company charged interest on the loan in the sum of £125,319 for the period to 30 June 2012 The amount due to the company by Prescot Business Park Limited at the year end has been personally guaranteed by T J Morris Esq a director and majority shareholder

T.J.MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

22 SHARE CAPITAL

Allotted, called up and fully paid.

	2012		2011	
	No	£	No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

23 PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	213,147,155	170,672,450
Profit for the financial year	<u>59,735,118</u>	<u>42,474,705</u>
Balance carried forward	<u>272,882,273</u>	<u>213,147,155</u>

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	59,735,118	42,474,705
Opening shareholders' funds	<u>213,167,155</u>	<u>170,692,450</u>
Closing shareholders' funds	<u>272,902,273</u>	<u>213,167,155</u>

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the company is Mr T J Morris who is the majority shareholder