

Company Registration No. 01505036 (England and Wales)

**T. J. MORRIS LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**



**Moore (NW) LLP**  
**Chartered Accountants**

# **T. J. MORRIS LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	Mr T J Morris Mr J L Morris
<b>Secretary</b>	Mr G McLoughlin
<b>Company number</b>	01505036
<b>Registered office</b>	Portal Way Axis Business Park Gillmoss Liverpool L11 0JA
<b>Auditor</b>	Moore (NW) LLP 110-114 Duke Street Liverpool L1 5AG

---

# **T. J. MORRIS LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 7
Directors' responsibilities statement	8
Independent auditor's report	9 - 11
Group statement of comprehensive income	12
Group balance sheet	13
Company balance sheet	14
Group statement of changes in equity	15
Company statement of changes in equity	16
Group statement of cash flows	17
Company statement of cash flows	18
Notes to the financial statements	19 - 38

---

# **T. J. MORRIS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2020**

---

The directors present the strategic report for the year ended 30 June 2020.

#### **Strategic Aims**

The Company aims to continue its current levels of growth, to maintain its position in the marketplace.

This objective will be achieved by:

- continuing to expand the Company's retail operations throughout the United Kingdom by opening new stores
- continuing to provide its customers with quality products at bargain prices
- offering new retail opportunities to customers

#### **Fair Review of the Business**

The Company achieved an increase in turnover from £2,471m to £2,792m, an increase of £321m or 13%. This was achieved by the opening of additional retail outlets during the year, shop re-sites and an increased contribution from existing stores. Operating profit increased from £231m to £261m, an increase of £30m or 13%.

The balance sheet shows that the Company's financial position has strengthened compared to the prior year in terms of net assets.

At 30 June 2020 the Company had 525 retail outlets. Further additions to retail outlets are planned during the year to 30 June 2021 which should lead to 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.

#### **Future Developments of the Business**

The Company intends to increase the number of retail outlets in operation in the year to 30 June 2021, and to eventually have between 800 and 1,000 retail outlets open.

#### **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 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.

##### **Market risk**

Market risk encompasses three types of risk being currency risk, interest rate risk and price risk. The Company's policies for managing interest rate risk are considered along with those for managing cash flow 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.

##### **Interest rate risk**

The Company finances its operations through retained profits. The Company's exposure to interest rate fluctuations is negligible given its surplus of cash.

##### **Credit risk**

The Company's principal financial assets are cash balances which are invested safely.

# **T. J. MORRIS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

### **Section 172(1) statement**

The directors of the Company act in good faith to promote the success of the Company, in a fair manner with high standards of business conduct. The Company aim to provide its customers with 'top brands at bottom prices' is attained by the directors continued decision making on the basis of medium and long term strategy, to ensure they can obtain the best product to be retailed through the highest quality outlets, but at a price that is lower than its competitors

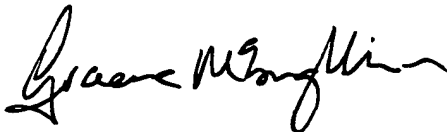
In enabling the Company to deliver on its aim, the directors acknowledge the importance of recognising the roles which company employees bring to the success of the Company, through skill experience and commitment. Their wellbeing is a priority of the directors in the strategic planning for the future development of the Company.

The directors acknowledge the importance of the Company's customers to the continued success of the company and place great emphasis on customer experience whilst shopping with the Company, in determining key operational decisions to be made.

The Company supplier relationships are paramount to ensuring high quality product can be obtained on terms that can satisfy customer demand and the directors are ever mindful of the need to maintain and enhance good supplier relations in the strategy they deliver for the Company.

The directors are mindful of the impact the Company operations may have upon the community environment and incorporate various activities and charitable donations into the strategy the Company has, in order to maintain good community relations.

By order of the board



.....  
Mr G McLoughlin

**Secretary**

..... 18/01/2021

# **T. J. MORRIS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

The directors present their annual report and financial statements for the year ended 30 June 2020.

### **Principal activities**

The principal activity of the Company and Group continued to be the retailing of household products at bargain prices.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T J Morris

Mr J L Morris

### **Results and dividends**

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £15,800,000. The directors do not recommend payment of a further dividend.

### **Research and development**

The Company is continually engaged in research and development activities, implementing new procedures and innovation to ensure the business of the Company continuously evolves to maintain and enhance its competitiveness within the retail market.

### **Disabled persons**

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 develop a disability during employment with the Company.

### **Employee involvement**

The Company has maintained its commitment to employee involvement and sound employee relations. Regular meetings are held by management with trade unions and staff focus groups to ensure effective communication of the latest developments and key objectives concerning the Company.

### **Business relationships**

#### *Suppliers*

The Company was designated as a 'grocer' to which the Grocery Supply Code of Practice (Code) applies. Following designation, the Company has to comply with the rules the Code contains. The Company has always maintained open and fair relationships with its suppliers and designation has not been an issue for the Company.

#### *Customers*

Customer experience and confidence is key to the Company and the Company seeks to engage with customers through extensive social media information provision, activities and competitions. Customer feedback on products and stores are key to the Company's current and future offer and is always welcomed and taken into consideration.

#### *Communities and the environment*

The Company supports numerous charities and communities throughout the year, through various donations, fund raising activities and initiatives.

# **T. J. MORRIS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 30 JUNE 2020**

---

#### **Auditor**

The auditor, Moore (NW) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Corporate governance**

The Company has not adopted a corporate governance code on the basis that the Company is a family owned Company with a flat structure with commonality of ownership and leadership. There are 2 legal directors registered at Companies House, who are supported by an executive board with 3 appointed senior managers. There is a further senior committee consisting of the legal board, the executive board and a number of the most senior managers in the Company.

The structure enables clear lines of communication to ensure accountability and transparency. The responsibilities of the directors are clear, given the simplicity of the structure and fairness is ensured through the supportive assistance the structure provides to the directors.

#### **Energy and carbon report**

The Company's environmental reporting accords with Streamlined Energy and Carbon Reporting requirements. The reporting period is the same as the Company's financial year, 1st July 2019 to 30th June 2020.

The Company have reported on all of the emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within the Company's consolidated financial statements.

An operational control approach has been used in order to define the company's organisational boundary. This is the basis for determining the Scope 1 and Scope 2 emissions for which the Company is responsible.

The emissions sources that constitute our boundary for the year to 30th June 2020 are:

- Scope 1: Company-owned vehicles, natural gas combustion within boilers and refrigerant gas losses; and
- Scope 2: purchased electricity for our own use.

#### **Methodology**

For the Company's reporting, the Company has employed the services of a specialist adviser, Verco, to quantify and verify the Greenhouse Gas (GHG) emissions associated with the Company's operations.

The following methodology was applied by Verco in the preparation and presentation of this data:

- the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute (the "WBCSD/WRI GHG Protocol");
- application of appropriate emission factors to the Company's activities to calculate GHG emissions;
- scope 2 reporting methods – application of location-based and market-based emission factors for electricity supplies;
- inclusion of all the applicable Kyoto gases, expressed in carbon dioxide equivalents, or CO<sub>2</sub>e;
- presentation of gross emissions as the Company does not purchase carbon credits (or equivalents);
- presentation of annual energy use; and
- where data was missing, values were estimated using an extrapolation of available data.

# T. J. MORRIS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### Absolute Emissions

The total Scope 1 and 2 GHG emissions from the Company's operations in the year ending 30th June 2020 were:

- 34,979.2 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) using a 'location-based' emission factor methodology for Scope 2 emissions.
- 41,617.8 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) using a 'market-based' emission factor methodology for Scope 2 emissions.

#### Total Energy Use

The total energy use for the Company for FY2020 was 93,624,964 kWh.

#### Intensity Ratio

As well as reporting the absolute emissions, the Company's GHG emissions are reported below on the tonnes of CO<sub>2</sub> equivalent per square metre of the Company's premises. This is the most appropriate metric given that the majority of emissions result from the operation of the Company's premises.

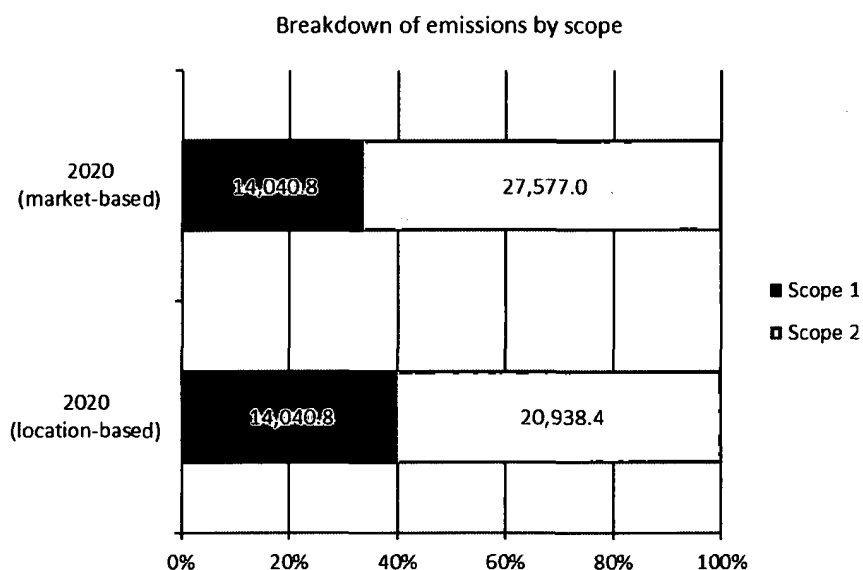
For FY2020, the intensity metric was as follows:

- 0.07 tonnes of CO<sub>2</sub>e per square meter of occupied space (location-based method)
- 0.08 tonnes of CO<sub>2</sub>e per square meter of occupied space (market-based method)

#### Target and Baselines

Given the impact of the Company's operations, the Company's objective is to maintain or reduce its GHG emissions per square meter of premise space each year and will report each year whether it has been successful in this regard.

#### Key Figures





## T. J. MORRIS LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

GHG emissions	2020	
	Tonnes CO <sub>2</sub> e	tCO <sub>2</sub> e / m <sup>2</sup> (Note 4)
Scope 1 (Note 1)	14,040.8	0.03
Scope 2 (Note 2)	20,938.4	0.04
Scope 2 (Note 3)	27,577.0	0.05
Total GHG emissions (Location-based)	34,979.2	0.07
Total GHG emissions (Market-based)	41,617.8	0.08

Notes:

1 Scope 1 being emissions from the Company's combustion of fuel and operation of facilities.
2 Scope 2 being electricity (from location-based calculations), heat, steam and cooling purchased for the Company's own use.
3 Scope 2 being electricity (from market-based calculations), heat, steam and cooling purchased for the Company's own use.
4 Occupied office space: 509,957 m <sup>2</sup> .

	2020		
	Electricity (kWh)	Gas (kWh)	Total Energy Use (kWh)
Energy Use	89,810,376	3,814,588	93,624,964

#### *Efficiency actions undertaken*

Ongoing replacement of lighting with LEDs across all the stores and installation of a new roof-top solar project (Mold), and operation of 5 other roof-top solar arrays.

#### *Understanding the Indirect Environmental Impacts of our Business Activities*

The Company considers it important to comply with existing applicable environmental, ethical and social legislation. It is also important that the Company can demonstrate that an appropriate strategy is in place to meet future applicable legislative and regulatory requirements and that the Company can operate to specific industry standards, striving for best practice.

#### **Strategic report**

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the Company's business, and an indication of future developments.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

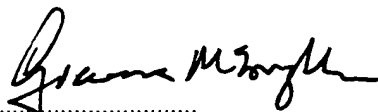
# **T. J. MORRIS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

By order of the board



.....  
Mr G McLoughlin  
**Secretary**

Date: 18/01/2021

# **T. J. MORRIS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2020***

---

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **T. J. MORRIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF T. J. MORRIS LIMITED**

---

#### **Qualified opinion on financial statements**

We have audited the financial statements of T. J. Morris Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

As explained in Note 1 to the financial statements, the company's investment properties have been included in the balance sheet at cost, instead of at fair value as required by FRS 102 and the Companies Act 2006. In the absence of valuations of the company's investment properties at 30th June 2020, it is not practical for us to estimate the financial effect of this departure.

In our opinion, except for the effects of the matter described above, the financial statements:

- give a true and fair view of the state of the company's and group's affairs as at 30 June 2020 and of the group 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.

#### **Basis for qualified opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **T. J. MORRIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF T. J. MORRIS LIMITED**

---

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **T. J. MORRIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF T. J. MORRIS LIMITED**

---

#### **Use of our report**

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



**Mr Brian McGain (Senior Statutory Auditor)**  
**For and on behalf of Moore (NW) LLP**

**Chartered Accountants**  
**Statutory Auditor**

*29th January 2021*

110-114 Duke Street  
Liverpool  
L1 5AG

# T. J. MORRIS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	2,791,511,631	2,470,617,223
Cost of sales		(1,905,275,824)	(1,692,868,102)
<b>Gross profit</b>		<b>886,235,807</b>	<b>777,749,121</b>
Administrative expenses		(620,083,703)	(554,669,346)
Other operating income		8,325,282	7,997,475
Exceptional item	4	(14,428,534)	-
<b>Operating profit</b>	<b>5</b>	<b>260,048,852</b>	<b>231,077,250</b>
Interest receivable and similar income	9	2,724,695	1,897,509
Interest payable and similar expenses	10	-	(37,296)
<b>Profit before taxation</b>		<b>262,773,547</b>	<b>232,937,463</b>
Tax on profit	11	(52,690,244)	(48,869,795)
<b>Profit for the financial year</b>		<b>210,083,303</b>	<b>184,067,668</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

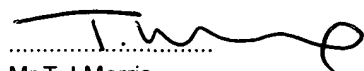
# T. J. MORRIS LIMITED

## GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020		2019 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	814,435,646		685,527,795	
Investment properties	14	71,177,350		58,950,488	
Investments	15		253		253
		<u>885,613,249</u>		<u>744,478,536</u>	
<b>Current assets</b>					
Stocks	18	204,352,247		190,835,763	
Debtors falling due after more than one year	19	57,889,974		62,652,787	
Debtors falling due within one year	19	53,215,759		118,410,609	
Cash at bank and in hand		341,616,862		220,768,807	
		<u>657,074,842</u>		<u>592,667,966</u>	
<b>Creditors: amounts falling due within one year</b>	20	(234,703,721)		(221,796,945)	
<b>Net current assets</b>		<u>422,371,121</u>		<u>370,871,021</u>	
<b>Total assets less current liabilities</b>		<u>1,307,984,370</u>		<u>1,115,349,557</u>	
<b>Creditors: amounts falling due after more than one year</b>	21	(25,125,646)		(25,908,219)	
<b>Provisions for liabilities</b>					
Deferred tax liability	23	3,576,215	4,442,132		
		<u>(3,576,215)</u>	<u>(4,442,132)</u>		
<b>Net assets</b>		<u>1,279,282,509</u>		<u>1,084,999,206</u>	
<b>Capital and reserves</b>					
Called up share capital	25	20,000		20,000	
Profit and loss reserves		1,279,262,509		1,084,979,206	
<b>Total equity</b>		<u>1,279,282,509</u>		<u>1,084,999,206</u>	

The financial statements were approved by the board of directors and authorised for issue on ...18/07/2021... and are signed on its behalf by:



Mr T J Morris  
Director



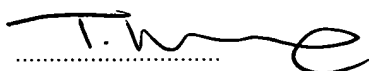
# T. J. MORRIS LIMITED

## COMPANY BALANCE SHEET AS AT 30 JUNE 2020

	Notes	2020		2019 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	765,387,215		662,753,095	
Investment properties	14	71,177,350		58,950,488	
Investments	15	353		353	
		<u>836,564,918</u>		<u>721,703,936</u>	
<b>Current assets</b>					
Stocks	18	204,352,247		190,835,763	
Debtors falling due after more than one year	19	111,216,465		88,922,319	
Debtors falling due within one year	19	53,147,704		117,834,906	
Cash at bank and in hand		340,321,118		219,032,579	
		<u>709,037,534</u>		<u>616,625,567</u>	
<b>Creditors: amounts falling due within one year</b>	20	(234,626,080)		(221,786,945)	
<b>Net current assets</b>		<u>474,411,454</u>		<u>394,838,622</u>	
<b>Total assets less current liabilities</b>		<u>1,310,976,372</u>		<u>1,116,542,558</u>	
<b>Creditors: amounts falling due after more than one year</b>	21	(25,125,646)		(25,908,219)	
<b>Provisions for liabilities</b>	23	(3,576,215)		(4,442,132)	
<b>Net assets</b>		<u>1,282,274,511</u>		<u>1,086,192,207</u>	
<b>Capital and reserves</b>					
Called up share capital	25	20,000		20,000	
Profit and loss reserves		1,282,254,511		1,086,172,207	
<b>Total equity</b>		<u>1,282,274,511</u>		<u>1,086,192,207</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £211,882,304 (2019 - £184,436,452 profit).

The financial statements were approved by the board of directors and authorised for issue on 15/01/2021 and are signed on its behalf by:



Mr T J Morris  
Director

Company Registration No. 01505036

# T. J. MORRIS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>As restated for the period ended 30 June 2019:</b>				
<b>Balance at 1 July 2018</b>		20,000	910,911,538	910,931,538
<b>Year ended 30 June 2019:</b>				
Profit and total comprehensive income for the year		-	184,067,668	184,067,668
Dividends	12	-	(10,000,000)	(10,000,000)
<b>Balance at 30 June 2019</b>		20,000	1,084,979,206	1,084,999,206
<b>Year ended 30 June 2020:</b>				
Profit and total comprehensive income for the year		-	210,083,303	210,083,303
Dividends	12	-	(15,800,000)	(15,800,000)
<b>Balance at 30 June 2020</b>		20,000	1,279,262,509	1,279,282,509

# T. J. MORRIS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>As restated for the period ended 30 June 2019:</b>				
<b>Balance at 1 July 2018</b>		20,000	911,735,756	911,755,756
<b>Year ended 30 June 2019:</b>				
Profit and total comprehensive income for the year		-	184,436,451	184,436,451
Dividends	12	-	(10,000,000)	(10,000,000)
<b>Balance at 30 June 2019</b>		20,000	1,086,172,207	1,086,192,207
<b>Year ended 30 June 2020:</b>				
Profit and total comprehensive income for the year		-	211,882,304	211,882,304
Dividends	12	-	(15,800,000)	(15,800,000)
<b>Balance at 30 June 2020</b>		20,000	1,282,254,511	1,282,274,511

# T. J. MORRIS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	372,717,967		257,991,239	
Interest paid		-		(37,296)	
Income taxes paid		(48,999,999)		(49,763,979)	
<b>Net cash inflow from operating activities</b>		<b>323,717,968</b>		<b>208,189,964</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets	(177,051,401)		(119,568,506)		
Proceeds on disposal of tangible fixed assets	120,663		107,217		
Purchase of investment property	(12,226,862)		(7,788,196)		
Investment in subsidiaries	-		(253)		
Loans repaid	(2,394,508)		1,392,229		
Interest received	2,724,695		1,897,509		
<b>Net cash used in investing activities</b>		<b>(188,827,413)</b>		<b>(123,960,000)</b>	
<b>Financing activities</b>					
Increase in finance leases obligations	1,757,500		-		
Dividends paid to equity shareholders	(15,800,000)		(10,000,000)		
<b>Net cash used in financing activities</b>		<b>(14,042,500)</b>		<b>(10,000,000)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>120,848,055</b>		<b>74,229,964</b>	
Cash and cash equivalents at beginning of year		220,768,807		146,538,843	
<b>Cash and cash equivalents at end of year</b>		<b>341,616,862</b>		<b>220,768,807</b>	

# T. J. MORRIS LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	33	344,810,908		249,436,477	
Interest paid		-		(37,296)	
Income taxes paid		(48,999,999)		(49,763,979)	
<b>Net cash inflow from operating activities</b>		295,810,909		199,635,202	
<b>Investing activities</b>					
Purchase of tangible fixed assets	(149,506,171)		(109,886,241)		
Proceeds on disposal of tangible fixed assets	120,663		107,217		
Purchase of investment property	(12,226,862)		(7,788,196)		
Investment in subsidiaries	-		(353)		
Loans repaid	(2,394,508)		1,392,229		
Interest received	3,527,008		2,444,829		
<b>Net cash used in investing activities</b>		(160,479,870)		(113,730,515)	
<b>Financing activities</b>					
Increase in finance leases obligations	1,757,500		-		
Dividends paid to equity shareholders	(15,800,000)		(10,000,000)		
<b>Net cash used in financing activities</b>		(14,042,500)		(10,000,000)	
<b>Net increase in cash and cash equivalents</b>		121,288,539		75,904,687	
Cash and cash equivalents at beginning of year		219,032,579		143,127,892	
<b>Cash and cash equivalents at end of year</b>		340,321,118		219,032,579	

# **T. J. MORRIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

### **1 Accounting policies**

#### **Company information**

T. J. Morris Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Portal Way, Axis Business Park, Gillmoss, Liverpool, L11 0JA.

The group consists of T. J. Morris Limited and its subsidiary company Sirom Aviation Limited.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, except in respect of investment properties as explained in note 1.6.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of T. J. Morris Limited and its subsidiary company Sirom Aviation Limited. The company has not consolidated the financial statements of its other subsidiary companies, Axis Business Park Liverpool Management Company Limited, Mere Hall Farm Limited and T.J. Morris Technologies Limited, on the grounds that they are not material for the purposes of giving a true and fair view.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have also considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the company. No immediate concerns in relation to the company's long term future have been identified but this area continues to be monitored. The directors are satisfied that the steps they have taken in the short term are appropriate and effective.

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and provided in the normal course of business, and is shown net of VAT. Cash sales are recognised at the point of sale and credit sales are recognised when goods are delivered to the customer.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold and long leasehold property	2% straight line
Shop refurbishments	Over 8 years from last major refurbishment
Short leasehold premiums	Over the full period of the lease
Plant and equipment	15% and 25% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	25% straight line
Motor vehicles	25% reducing balance
Helicopters	10% straight line
Aircraft	5% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Investment properties

Investment properties are included at cost. FRS 102 required that they be shown at fair value. This is a departure from FRS 102 and the Companies Act 2006. It is not practical to estimate the financial effect of this departure.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# **T. J. MORRIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

### **1 Accounting policies**

**(Continued)**

#### **1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Stocks**

Stocks are stated 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 charges for goods purchased from overseas. Net realisable value represents the price achieved for goods when sold.

The company imports goods from overseas suppliers. These are recognised as goods in transit from the moment they are shipped from the port of origin until they are received into warehouse stock. Goods in transit are valued at cost.

#### **1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at banks with original maturities of three months or less.

#### **1.11 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

---

#### 1 Accounting policies

(Continued)

##### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

##### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies (Continued)

#### 1.18 Website development

Website development costs are written off as they are incurred.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2020 £	2019 £
--	-----------	-----------

#### Turnover analysed by class of business

Sale of goods	2,791,511,631	2,470,617,223
---------------	---------------	---------------

	2020 £	2019 £
--	-----------	-----------

#### Other significant revenue

Interest income	2,724,695	1,897,509
-----------------	-----------	-----------

Rental income arising from investment properties	6,672,434	5,602,776
--	-----------	-----------

Other rental income	1,652,848	2,394,699
---------------------	-----------	-----------

	2020 £	2019 £
--	-----------	-----------

#### Turnover analysed by geographical market

United Kingdom	2,791,511,631	2,470,617,223
----------------	---------------	---------------

### 4 Exceptional item

	2020 £	2019 £
--	-----------	-----------

#### Expenditure

Exceptional costs with regard to Covid-19	14,428,534	-
---	------------	---

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 5 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Exchange losses	43,665	-
Depreciation of owned tangible fixed assets	47,930,355	44,679,189
Loss on disposal of tangible fixed assets	92,530	53,054
Operating lease charges	62,581,930	59,177,930
	<u>                    </u>	<u>                    </u>

### 6 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	90,000	80,000
Audit of the financial statements of the company's subsidiaries	5,000	7,000
	<u>95,000</u>	<u>87,000</u>
<b>For other services</b>		
Taxation compliance services	20,000	22,000
Other taxation services	172,000	63,000
All other non-audit services	4,750	750
	<u>196,750</u>	<u>85,750</u>

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administrative and warehouse staff	2,484	2,120	2,484	2,120
Retail staff	22,795	20,696	22,795	20,696
Total	<u>25,279</u>	<u>22,816</u>	<u>25,279</u>	<u>22,816</u>

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	358,339,554	312,630,353	358,339,554	312,630,353
Social security costs	17,472,795	14,231,687	17,472,795	14,231,687
Pension costs	5,876,152	3,851,814	5,876,152	3,851,814
	<u>381,688,501</u>	<u>330,713,854</u>	<u>381,688,501</u>	<u>330,713,854</u>

### 8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	2,011,312	1,022,625
Company pension contributions to defined contribution schemes	41,699	13,181
	<u>2,053,011</u>	<u>1,035,806</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	<u>1,339,485</u>	<u>512,058</u>

### 9 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	1,530,832	1,008,749
Other interest income	1,193,863	888,760
Total income	<u>2,724,695</u>	<u>1,897,509</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,530,832</u>	<u>1,008,749</u>
--	------------------	------------------

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 10 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Other interest	-	37,296

### 11 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	53,500,000	47,500,000
Adjustments in respect of prior periods	56,161	1,763,979
<b>Total current tax</b>	<b>53,556,161</b>	<b>49,263,979</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(865,917)	(394,184)
<b>Total tax charge</b>	<b>52,690,244</b>	<b>48,869,795</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	262,773,547	232,937,463
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	49,926,974	44,258,118
Tax effect of expenses that are not deductible in determining taxable profit	191,672	266,884
Unutilised tax losses carried forward	340,138	(19,175)
Permanent capital allowances in excess of depreciation	287,669	187,636
Depreciation on assets not qualifying for tax allowances	2,703,195	2,745,737
Under/(over) provided in prior years	56,161	1,763,979
Origination and reversal of timing differences - capital allowances	(865,917)	(394,184)
Rounding of tax charge	50,352	60,800
<b>Taxation charge</b>	<b>52,690,244</b>	<b>48,869,795</b>

### 12 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	15,800,000	10,000,000

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 13 Tangible fixed assets

Group	Freehold and long leasehold property	Shop refurbishments	Plant and equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2019	564,945,987	124,659,293	182,444,591	116,753,076	988,802,947
Additions	104,940,642	10,654,670	49,636,375	11,819,714	177,051,401
Disposals	-	(478,569)	(725,857)	(410,683)	(1,615,109)
At 30 June 2020	669,886,629	134,835,394	231,355,109	128,162,107	1,164,239,239
<b>Depreciation and impairment</b>					
At 1 July 2019	53,272,630	88,126,456	95,318,885	66,557,183	303,275,154
Depreciation charged in the year	10,541,069	10,580,146	17,510,256	9,298,884	47,930,355
Eliminated in respect of disposals	-	(470,609)	(551,461)	(379,846)	(1,401,916)
At 30 June 2020	63,813,699	98,235,993	112,277,680	75,476,221	349,803,593
<b>Carrying amount</b>					
At 30 June 2020	606,072,930	36,599,401	119,077,429	52,685,886	814,435,646
At 30 June 2019	511,500,132	36,706,064	87,125,707	50,195,892	685,527,795

Company	Freehold and long leasehold property	Shop refurbishments	Plant and equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2019	559,787,961	127,760,411	160,322,718	116,753,076	964,624,166
Additions	103,674,880	7,553,552	26,505,444	11,772,295	149,506,171
Disposals	-	(478,569)	(725,857)	(410,683)	(1,615,109)
At 30 June 2020	663,462,841	134,835,394	186,102,305	128,114,688	1,112,515,228
<b>Depreciation and impairment</b>					
At 1 July 2019	53,272,630	88,126,456	93,914,804	66,557,183	301,871,073
Depreciation charged in the year	10,498,244	10,580,146	16,289,485	9,290,981	46,658,856
Eliminated in respect of disposals	-	(470,609)	(551,461)	(379,846)	(1,401,916)
At 30 June 2020	63,770,874	98,235,993	109,652,828	75,468,318	347,128,013
<b>Carrying amount</b>					
At 30 June 2020	599,691,967	36,599,401	76,449,477	52,646,370	765,387,215
At 30 June 2019	506,515,332	39,633,956	66,407,915	50,195,892	662,753,095

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 13 Tangible fixed assets

(Continued)

Freehold land and buildings with a carrying amount of £69,763,570 (2019 - £69,721,204) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 14 Investment property

	Group 2020 £	Company 2020 £
<b>Cost</b>		
At 1 July 2019	58,950,488	58,950,488
Additions	12,226,862	12,226,862
At 30 June 2020	<u>71,177,350</u>	<u>71,177,350</u>

Investment properties are included at cost. FRS 102 requires that they be shown at fair value. This is a departure from FRS 102 and the Companies Act 2006. It is not practical to estimate the financial effect of this departure.

### 15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	<u>253</u>	<u>253</u>	<u>353</u>	<u>353</u>

#### Movements in fixed asset investments

Group	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2019 and 30 June 2020	<u>253</u>
<b>Carrying amount</b>	
At 30 June 2020	<u>253</u>
At 30 June 2019	<u>253</u>



# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 15 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 July 2019 and 30 June 2020

353

#### Carrying amount

At 30 June 2020

353

At 30 June 2019

353

### 16 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Axis Business Park Liverpool Management Company Limited is preparing accounts to 30 June 2020.

Mere Hall Farm Limited is preparing its first accounts to 30 June 2020.

T. J. Morris Technologies Limited is preparing accounts to 30 April 2020.

Name of undertaking	Registered office	Class of shares held	% Held Direct
Axis Business Park Liverpool Management Company Limited	UK	Ordinary	82.00
Mere Hall Farm Limited	UK	Ordinary	100.00
T. J. Morris Technologies Limited	UK	Ordinary	80.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Axis Business Park Liverpool Management Company Limited	89	-
Mere Hall Farm Limited	55,635	55,634
T. J. Morris Technologies Limited	(24,181)	(20,654)

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 17 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	72,939,360	75,418,209	126,265,850	101,687,741
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	192,103,579	209,521,748	192,051,579	209,511,748

### 18 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Goods in transit	23,152,156	18,031,373	23,152,156	18,031,373
Goods for resale	181,200,091	172,804,390	181,200,091	172,804,390
	204,352,247	190,835,763	204,352,247	190,835,763

### 19 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,629,346	2,313,932	2,629,345	2,313,932
Other debtors	12,420,040	10,829,090	12,420,040	10,451,490
Prepayments and accrued income	38,166,373	105,267,587	38,098,319	105,069,484
	53,215,759	118,410,609	53,147,704	117,834,906
<b>Amounts falling due after more than one year:</b>				
Other debtors	57,889,974	62,652,787	111,216,465	88,922,319
<b>Total debtors</b>	111,105,733	181,063,396	164,364,169	206,757,225

Included in other debtors due after more than one year are loans made by the company to related parties totaling £111,216,465 (2019 - £88,922,319). These loans are repayable on demand, but the directors have decided that they should be disclosed as being due after more than one year as the company has no intention of calling in these loans in the foreseeable future, as part of the ongoing financial support for these related parties.

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 20 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	22	1,757,500	-	1,757,500	-
Trade creditors		91,664,589	115,404,961	91,664,589	115,404,961
Corporation tax payable		26,056,168	21,500,006	26,056,168	21,500,006
Other taxation and social security		41,669,620	16,683,410	41,643,979	16,683,410
Other creditors		11,274,535	16,675,800	11,274,535	16,675,800
Accruals and deferred income		62,281,309	51,532,768	62,229,309	51,522,768
		<u>234,703,721</u>	<u>221,796,945</u>	<u>234,626,080</u>	<u>221,786,945</u>

### 21 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Accruals and deferred income	25,125,646	25,908,219	25,125,646	25,908,219
	<u>25,125,646</u>	<u>25,908,219</u>	<u>25,125,646</u>	<u>25,908,219</u>

Accruals and deferred income falling due after more than one year represent operating lease incentives and capital contributions.

Amounts included above which fall due after five years are as follows:

Operating lease incentives and capital contributions to be released after five years

11,285,651	12,935,179	11,285,651	12,935,179
<u>11,285,651</u>	<u>12,935,179</u>	<u>11,285,651</u>	<u>12,935,179</u>

### 22 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	1,757,500	-	1,757,500	-
	<u>1,757,500</u>	<u>-</u>	<u>1,757,500</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery.

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Group</b>		
Accelerated capital allowances	3,576,215	4,442,132
	<u>3,576,215</u>	<u>4,442,132</u>
	Liabilities 2020 £	Liabilities 2019 £
<b>Company</b>		
Accelerated capital allowances	3,576,215	4,442,132
	<u>3,576,215</u>	<u>4,442,132</u>
	Group 2020 £	Company 2020 £
<b>Movements in the year:</b>		
Liability at 1 July 2019	4,442,132	4,442,132
Credit to profit or loss	(865,917)	(865,917)
	<u>3,576,215</u>	<u>3,576,215</u>
Liability at 30 June 2020	<u>3,576,215</u>	<u>3,576,215</u>

#### 24 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	5,876,152	3,851,814
	<u>5,876,152</u>	<u>3,851,814</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 25 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 26 Financial commitments, guarantees and contingent liabilities

The company's bankers had issued letters of credit to foreign suppliers in the sum of £258,539 at 30 June 2020 which would not be released to the suppliers' bank accounts until after the year end.

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	55,193,347	51,157,143	55,193,347	51,157,143
Between two and five years	201,855,956	187,030,949	201,855,956	187,030,949
In over five years	214,986,163	219,726,461	214,986,163	219,726,461
	<u>472,035,466</u>	<u>457,914,553</u>	<u>472,035,466</u>	<u>457,914,553</u>

#### Lessor

The operating leases represent leases of properties to third parties. The leases are negotiated over terms of 5 - 25 years.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	5,100,075	4,254,160	5,100,075	4,254,160
Between two and five years	17,170,297	14,710,650	17,170,297	14,710,650
In over five years	13,034,594	14,410,045	13,034,594	14,410,045
	<u>35,304,966</u>	<u>33,374,855</u>	<u>35,304,966</u>	<u>33,374,855</u>

### 28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of tangible fixed assets	<u>31,682,965</u>	<u>15,878,242</u>	<u>31,682,965</u>	<u>15,878,242</u>

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 29 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
<b>Group</b>				
Entities over which the group has control, joint control or significant influence	-	-	18,071	21,782
Key management personnel	1,100,594	1,698,601	-	-
Other related parties	152,056	310,883	145,787	221,606
	<u>152,056</u>	<u>310,883</u>	<u>145,787</u>	<u>221,606</u>

#### Company

Entities over which the company has control, joint control or significant influence

Other related parties

	-	-	18,071	21,782
	152,056	310,883	145,787	221,606
	<u>152,056</u>	<u>310,883</u>	<u>145,787</u>	<u>221,606</u>

	Interest received		Rent paid	
	2020	2019	2020	2019
	£	£	£	£
<b>Group</b>				
Entities over which the entity has control, joint control or significant influence	924,169	984,834	285,000	285,000
Other related parties	22,248	12,504	-	-
	<u>924,169</u>	<u>984,834</u>	<u>285,000</u>	<u>285,000</u>

#### Company

Entities over which the entity has control, joint control or significant influence

Other related parties

	924,169	984,834	285,000	285,000
	22,248	12,504	-	-
	<u>924,169</u>	<u>984,834</u>	<u>285,000</u>	<u>285,000</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
<b>Group</b>		
Other related parties	77,244	40,564
	<u>77,244</u>	<u>40,564</u>
<b>Company</b>		
Other related parties	77,244	40,564
	<u>77,244</u>	<u>40,564</u>

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 29 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £	2019 Balance £
<b>Group</b>		
Entities over which the group has control, joint control or significant influence	56,272,440	61,599,345
Other related parties	1,651,896	1,229,648
	<u>                    </u>	<u>                    </u>
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	109,598,931	87,868,877
Other related parties	1,651,896	1,229,648
	<u>                    </u>	<u>                    </u>

#### Other information

Amounts due to the company from related parties (entities over which the company has control, joint control or significant influence) include balances totaling £109,561,124 which have been personally guaranteed by Mr T J Morris, director.

Amounts due to the company from other related parties have all been personally guaranteed by Mr T J Morris.

### 30 Directors' transactions

At 1 July 2019 the loan account of Mr T J Morris was overdrawn by £1,092,908. During the year the company made further advances totalling £17,468,693 and a total of £15,074,185 was repaid. At 30 June 2020 the loan account of Mr T J Morris was overdrawn by £3,487,416.

Dividends totalling £15,010,000 (2019 - £9,500,000) were paid in the year in respect of shares held by the company's directors.

### 31 Controlling party

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

# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 32 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	210,083,303	184,067,668
<b>Adjustments for:</b>		
Taxation charged	52,690,244	48,869,795
Finance costs	-	37,296
Investment income	(2,724,695)	(1,897,509)
Loss on disposal of tangible fixed assets	92,530	53,054
Depreciation and impairment of tangible fixed assets	47,930,355	44,679,189
<b>Movements in working capital:</b>		
Increase in stocks	(13,516,484)	(13,247,946)
Decrease/(increase) in debtors	72,352,174	(10,760,330)
Increase in creditors	5,810,540	6,190,022
<b>Cash generated from operations</b>	<b>372,717,967</b>	<b>257,991,239</b>

### 33 Cash generated from operations - company

	2020 £	2019 £
Profit for the year after tax	211,882,304	184,436,451
<b>Adjustments for:</b>		
Taxation charged	52,690,244	48,869,795
Finance costs	-	37,296
Investment income	(3,527,008)	(2,444,829)
Loss on disposal of tangible fixed assets	92,530	53,054
Depreciation and impairment of tangible fixed assets	46,658,856	43,995,805
<b>Movements in working capital:</b>		
Increase in stocks	(13,516,484)	(13,247,946)
Decrease/(increase) in debtors	44,787,566	(36,651,400)
Increase in creditors	5,742,900	24,388,251
<b>Cash generated from operations</b>	<b>344,810,908</b>	<b>249,436,477</b>

### 34 Analysis of changes in net funds - group

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	220,768,807	120,848,055	341,616,862
Obligations under finance leases	-	(1,757,500)	(1,757,500)
	<b>220,768,807</b>	<b>119,090,555</b>	<b>339,859,362</b>



# T. J. MORRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 35 Analysis of changes in net funds - company

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	219,032,579	121,288,539	340,321,118
Obligations under finance leases	-	(1,757,500)	(1,757,500)
	<u>219,032,579</u>	<u>119,531,039</u>	<u>338,563,618</u>

#### 36 Prior period adjustment

The directors have reviewed the freehold property portfolio and decided to reclassify non-trading properties as investment properties. These properties have been transferred at historic cost, totaling £71,177,350 as at 30 June 2020 and £58,950,488 as at 30 June 2019. The comparative figures have been restated accordingly.