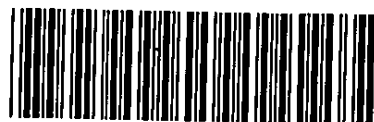


COMPANY REGISTRATION NUMBER 02354111

T&G ALLAN MORPETH LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
1 OCTOBER 2011

THURSDAY



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COMPANIES HOUSE

UNW LLP

Chartered Accountants & Statutory Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

T&G ALLAN MORPETH LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

RB Allan
CP McClymont
DA Clipsham
AJ Briggs

Company secretary

MK Allan

Registered office

Allan House
5 Bamburgh Court
First Avenue
Team Valley
Gateshead
Tyne & Wear
NE11 0TX

Auditor

UNW LLP
Chartered Accountants
& Statutory Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

National Westminster Bank plc
87 Grey Street
Newcastle upon Tyne
NE99 1PY

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

T&G ALLAN MORPETH LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 1 OCTOBER 2011

The directors present their report and the financial statements of the company for the year ended 1 October 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 14 August 2010 and therefore the year to 1 October 2011 is the first full year of trading. The principal activity of the company from that date was the retailing of stationery, cards, writing instruments, books, toys and gifts from a department store in Morpeth.

The trading conditions have remained challenging with the continued uncertainty surrounding the impact of Government spending cuts and the adverse weather conditions around Christmas 2010. Trading conditions are not expected to improve in the current financial year.

DIRECTORS

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

RB Allan
CP McClymont
DA Clipsham
AJ Briggs

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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

AUDITOR

UNW LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

T&G ALLAN MORPETH LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 1 OCTOBER 2011

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Allan House
5 Bamburgh Court
First Avenue
Team Valley
Gateshead
Tyne & Wear
NE11 0TX

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'AJ Briggs', is written over a circular stamp or seal.

AJ Briggs
Director

Approved by the directors on 18 May 2012

T&G ALLAN MORPETH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T&G ALLAN MORPETH LIMITED

YEAR ENDED 1 OCTOBER 2011

We have audited the financial statements of T&G Allan Morpeth Limited for the year ended 1 October 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 1 October 2011 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&G ALLAN MORPETH LIMITED

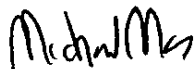
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T&G ALLAN MORPETH LIMITED *(continued)*

YEAR ENDED 1 OCTOBER 2011

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Michael Morris FCCA ACA (Senior Statutory Auditor)
For and on behalf of
UNW LLP
Chartered Accountants
& Statutory Auditor

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

18 May 2012

T&G ALLAN MORPETH LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 1 OCTOBER 2011

| | Note | 2011 £ | 2010 £ |
|---|------|------------------|-----------|
| TURNOVER | | 666,752 | 84,303 |
| Cost of sales | | (301,884) | (48,802) |
| GROSS PROFIT | | 364,868 | 35,501 |
| Distribution costs | | (292,056) | (36,499) |
| Administrative expenses | | (69,970) | — |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,842 | (998) |
| Tax on profit/(loss) on ordinary activities | 3 | 2,305 | (6,039) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 5,147 | (7,037) |
| Balance brought forward | | (7,037) | — |
| Balance carried forward | | (1,890) | (7,037) |

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 8 to 11 form part of these financial statements.

T&G ALLAN MORPETH LIMITED

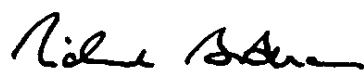
BALANCE SHEET

1 OCTOBER 2011

| | Note | 2011 £ | 2010 £ |
|---|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | <u>54,865</u> | <u>71,656</u> |
| CURRENT ASSETS | | | |
| Stocks | | 245,518 | 266,471 |
| Debtors | 5 | 43,242 | 23,053 |
| Cash at bank and in hand | | <u>470</u> | <u>570</u> |
| | | 289,230 | 290,094 |
| CREDITORS. Amounts falling due within one year | 6 | <u>(342,151)</u> | <u>(362,648)</u> |
| NET CURRENT LIABILITIES | | <u>(52,921)</u> | <u>(72,554)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,944</u> | <u>(898)</u> |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 7 | <u>(3,734)</u> | <u>(6,039)</u> |
| | | <u>(1,790)</u> | <u>(6,937)</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 10 | 100 | 100 |
| Profit and loss account | | <u>(1,890)</u> | <u>(7,037)</u> |
| DEFICIT | 11 | <u>(1,790)</u> | <u>(6,937)</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 18 May 2012, and are signed on their behalf by



RB ALLAN
Director

Company Registration Number 02354111

The notes on pages 8 to 11 form part of these financial statements.

T&G ALLAN MORPETH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2011

1 ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

Turnover comprises revenue recognised by the company in respect of goods and service supplied, exclusive of Value Added Tax and trade discounts

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

| | | |
|---------------------|---|-------------------------|
| Leasehold Property | - | over term of lease |
| Fixtures & Fittings | - | 10% - 25% straight line |

Stocks

All stocks are goods for resale and are stated at the lower of purchase cost and net realisable value, where net realisable value is based on estimated selling price

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 makes pension contributions to individual employee pension plans through a third party provider

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, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

T&G ALLAN MORPETH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2011

1. ACCOUNTING POLICIES *(continued)*

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

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

| | 2011 £ | 2010 £ |
|------------------------------------|---------------|--------------|
| Depreciation of owned fixed assets | <u>16,791</u> | <u>1,888</u> |

Audit fees and directors remuneration are borne by the parent company. The company has incurred a management charge of £69,970 in the year from T&G Allan Holdings Limited

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2011 £ | 2010 £ |
|---|----------------|--------------|
| Deferred tax | | |
| Origination and reversal of timing differences (note 7) | | |
| Capital allowances | (2,327) | 6,061 |
| Losses | <u>22</u> | <u>(22)</u> |
| Total deferred tax (note 7) | <u>(2,305)</u> | <u>6,039</u> |

4. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Fixtures & Fittings £ | Total £ |
|--------------------------------------|----------------------------|-----------------------------|----------------|
| COST | | | |
| At 3 October 2010 and 1 October 2011 | <u>22,117</u> | <u>412,796</u> | <u>434,913</u> |
| DEPRECIATION | | | |
| At 3 October 2010 | 14,704 | 348,553 | 363,257 |
| Charge for the year | <u>1,947</u> | <u>14,844</u> | <u>16,791</u> |
| At 1 October 2011 | <u>16,651</u> | <u>363,397</u> | <u>380,048</u> |
| NET BOOK VALUE | | | |
| At 1 October 2011 | <u>5,466</u> | <u>49,399</u> | <u>54,865</u> |
| At 2 October 2010 | <u>7,413</u> | <u>64,243</u> | <u>71,656</u> |

T&G ALLAN MORPETH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2011

5. DEBTORS

| | 2011 £ | 2010 £ |
|-------------------------------|---------------|---------------|
| Trade debtors | 1,487 | - |
| Other debtors and prepayments | 41,755 | 23,053 |
| | <u>43,242</u> | <u>23,053</u> |

6 CREDITORS: Amounts falling due within one year

| | 2011 £ | 2010 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 155,647 | - |
| Amounts owed to group undertakings | 180,605 | 359,330 |
| Other taxation and social security | 1,063 | - |
| Other creditors | 4,836 | 3,318 |
| | <u>342,151</u> | <u>362,648</u> |

7. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

| | 2011 £ | 2010 £ |
|--|--------------|--------------|
| Provision brought forward | 6,039 | - |
| Profit and loss account movement arising during the year | (2,305) | 6,039 |
| Provision carried forward | <u>3,734</u> | <u>6,039</u> |

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

| | 2011 £ | 2010 £ |
|---|--------------|--------------|
| Excess of taxation allowances over depreciation on fixed assets | 3,734 | 6,061 |
| Tax losses available | - | (22) |
| | <u>3,734</u> | <u>6,039</u> |

8 COMMITMENTS UNDER OPERATING LEASES

At 1 October 2011 the company had annual commitments under non-cancellable operating leases as set out below

| | Land and buildings | |
|-------------------------------|--------------------|---------------|
| | 2011 £ | 2010 £ |
| Operating leases which expire | | |
| Within 2 to 5 years | 61,000 | - |
| After more than 5 years | - | 61,000 |
| | <u>61,000</u> | <u>61,000</u> |

T&G ALLAN MORPETH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2011

9. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with other group companies

10. SHARE CAPITAL

Authorised share capital:

| | 2011 | 2010 |
|--------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid.

| | 2011 | | 2010 | |
|--------------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 | 2010 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Profit/(Loss) for the financial year | 5,147 | (7,037) |
| Opening shareholders' (deficit)/funds | <u>(6,937)</u> | <u>100</u> |
| Closing shareholders' deficit | <u>(1,790)</u> | <u>(6,937)</u> |

12. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking is T&G Allan Holdings Limited

The controlling party is considered to be the board of directors in the parent company