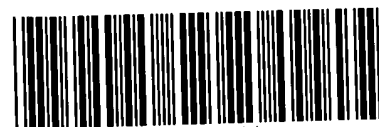


**TK Maxx**

**Directors' report and financial statements  
for the 52 weeks ended 28 January 2017**

**Registered number: 02774693**

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## **TK Maxx**

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**Directors and other information**

**Board of directors**

David L. Averill  
John J. Klinger  
Mary B. Reynolds

**Company secretaries**

Alicia C. Kelly  
Ann McCauley (resigned 2 February 2017)  
Lisa Schwartz  
Susan Beaumont

**Registered office**

50 Clarendon Road  
Watford  
Hertfordshire  
United Kingdom  
WD17 1TX

**Registered number**

02774693

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## Strategic report

### Business review and principal activities

TK Maxx ("the Company") is a subsidiary of TJX Europe Limited ("the Parent Company") and a member of the wider TJX Europe Limited group of companies ("the Group"). The Company acts as a property management company for a number of the stores operated by its fellow subsidiary, TJX UK. Lease agreements for these stores are between the respective landlords and the Company, which subsequently permits TJX UK to occupy the stores pursuant to a sharing of possession arrangement.

The principal activity of the Group is the retailing of fashionable, quality, brand name merchandise through 'TK Maxx' and 'HomeSense' stores, at prices generally significantly below department and speciality store regular prices on comparable merchandise, every day.

The income statement for the period is set out on page 7. The Company reported turnover of £41,906,000 (2016: £52,834,000) representing rental income from TJX UK and a profit of £138,000 in the period (2016: £138,000). The profit for the period will be transferred to reserves. Net assets has increased from the prior period to £4,801,000 (2016: £4,663,000).

The directors do not recommend the payment of a dividend (2016: £nil).

### Principal risks and uncertainties

As part of a quoted US group the Company is subject to policies as set out by The TJX Companies, Inc. ("the Ultimate Parent Company") to properly monitor and control risk. The policies are set out by the Ultimate Parent Company and are implemented by the finance department of the Group. In addition, the directors consider any significant changes specific to operations of the Group.

The principal risks and uncertainties are managed at a European level and are disclosed in the Parent Company's financial statements.

### Key performance indicators

The directors manage the Group's operations at a Group level. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, is discussed within the strategic report of the Parent Company's financial statements, which does not form part of this report.

On behalf of the Board



Mary B. Reynolds  
Director  
3 August 2017

## Directors' report

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 28 January 2017. The comparative period covers the 52 weeks ended 30 January 2016.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Future developments and outlook

During the 52 week period ended 28 January 2017, no 'TK Maxx' stores were closed and no 'TK Maxx' or 'HomeSense' stores were opened for which the lease is held by the Company. Additionally, there were 22 leases renegotiated and transferred to TJX UK during the period. This brings the total number of stores and head office or warehouse locations for which the Company provides property management services at the fiscal year end to 56 (2016: 78).

During the next financial year the Company plans to transfer the remaining leases to TJX UK. This Company is unlikely to trade in the foreseeable future but the directors believe that it will be able to meet its future financial obligations

## Directors' report (continued)

### Financial risk management

Refer to principal risks and uncertainties within the strategic report on page 2.

### Dividends

Refer to strategic report on page 2.

### Employees

The Company has no employees, only directors (2016: nil). Company activities are supported by the employees of other Group companies.

### Directors

The directors who served at any time during the period and up to the date of signing the financial statements are shown below:

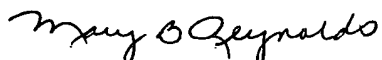
David L. Averill  
John J. Klinger  
Mary B. Reynolds

Directors' emoluments are disclosed in note 4 to the financial statements.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the Board



Mary B. Reynolds  
Director  
3 August 2017

## Independent auditors' report to the members of TK Maxx

### Report on the financial statements

#### Our opinion

In our opinion, TK Maxx's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 January 2017 and of its profit for the 52 week period (the "period") 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.

#### What we have audited

The financial statements, included within the strategic report, directors' report and financial statements (the "annual report"), comprise:

- the balance sheet as at 28 January 2017;
- the income statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the strategic report and the directors' report. We have nothing to report in this respect.

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## Independent auditors' report to the members of TK Maxx (continued)

### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the strategic report and directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



John Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
3 August 2017

**Income statement**

	Note	2017 £'000	2016 £'000
Turnover		41,906	52,834
Cost of sales		(41,733)	(52,661)
<b>Gross profit</b>		<b>173</b>	<b>173</b>
Operating profit	5	173	173
Profit on ordinary activities before taxation		173	173
Tax on profit on ordinary activities	6	(35)	(35)
<b>Profit for the financial period</b>		<b>138</b>	<b>138</b>

All of the Company's activities are of a continuing nature.


The accounting policies and the notes on pages 10 to 16 form an integral part of the financial statements.

**Balance sheet**

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible assets	7	1,282	2,350
		<b>1,282</b>	<b>2,350</b>
<b>Current assets</b>			
Debtors - due within one year	8	12,219	12,723
- due after more than one year	9	3	4
		<b>12,222</b>	<b>12,727</b>
Creditors: amounts falling due within one year	10	(1,408)	(1,434)
<b>Net current assets</b>		<b>10,814</b>	<b>11,293</b>
<b>Total assets less current liabilities</b>		<b>12,096</b>	<b>13,643</b>
Creditors: amounts falling due after more than one year	11	(2,327)	(3,602)
Provisions for liabilities	12	(4,968)	(5,378)
<b>Net assets</b>		<b>4,801</b>	<b>4,663</b>
<b>Capital and reserves</b>			
Called up share capital	13	3,986	3,986
Retained earnings		815	677
<b>Total equity</b>		<b>4,801</b>	<b>4,663</b>

The accounting policies and the notes on pages 10 to 16 form an integral part of the financial statements.

The financial statements and notes on pages 7 to 16 were approved by the Board of Directors on 3 August 2017 and are signed on its behalf by:



Mary B. Reynolds  
Director

TK Maxx

Registered number: 02774693

**Statement of changes in equity**

	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 February 2015	3,986	539	4,525
Profit for the financial period	-	138	138
<b>Balance as at 30 January 2016</b>	<b>3,986</b>	<b>677</b>	<b>4,663</b>
Profit for the financial period	-	138	138
<b>Balance as at 28 January 2017</b>	<b>3,986</b>	<b>815</b>	<b>4,801</b>

The accounting policies and the notes on pages 10 to 16 form an integral part of the financial statements.

## Notes to the financial statements

### 1 General information

The principal activity of the Company is to act as a property management company for a number of the stores operated by its fellow subsidiary, TJX UK. Lease agreements on these stores are between the respective landlords and the Company, which subsequently permits TJX UK to occupy the stores pursuant to a sharing of possession arrangement.

The Company is a private company and is incorporated and domiciled in England. The address of its registered office is 50 Clarendon Road, Watford, Hertfordshire, WD17 1TX.

### 2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, the reduced disclosure framework set out in that standard and the Companies Act 2006.

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

#### b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Ultimate Parent Company includes the Company's cash flows in its own consolidated financial statements;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the Ultimate Parent Company's consolidated financial statement disclosures; and

#### c) Turnover

Turnover, which represents rental income from the Company's fellow subsidiary, TJX UK, is based on the total cost of sales incurred by the Company.

#### d) Cost of sales

Cost of sales includes the costs associated with the leasing of properties.

#### e) Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the term of the lease and classified as cost of sales.

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### f) Reverse lease premiums and rent free periods

Benefits received or receivable as incentives to sign leases are spread on a straight line basis over the lease term.

#### g) Corporation tax

Corporation tax represents amounts expected to be paid in respect of the taxable profit for the period and is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

#### h) 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements that arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are undiscounted.

#### i) Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition, including dismantling and restoration costs. Tangible assets are measured at historical cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible assets over the expected useful economic lives of the assets concerned. Depreciation is provided on additions with effect from the first day of the month following commissioning and on disposals up to the end of the month of ownership. The principal asset lives used for this purpose are:

Leasehold improvements: 15 years, or the term of the lease if shorter

Fixtures and fittings: 3 – 10 years

Where a store is identified for relocation or closure the remaining useful economic lives of the assets are adjusted and depreciation accelerated accordingly.

#### j) Impairment of tangible assets

At each balance sheet date, tangible assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

#### k) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**Notes to the financial statements (continued)**

**3 Summary of significant accounting policies (continued)**

**l) Related party disclosure**

The Company is a wholly owned subsidiary of the Ultimate Parent Company and is included in the consolidated financial statements of the Ultimate Parent Company, which are publicly available. Consequently, the Company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

**4 Directors' emoluments**

None of the directors received emoluments for their services as directors of the Company (2016: nil). The directors receive emoluments in their capacity as officers of the Ultimate Parent Company and their emoluments are included in the financial statements of the Ultimate Parent Company.

**5 Operating profit**

	2017 £'000	2016 £'000
Operating profit is stated after charging:		
Rental of properties	39,197	47,515
Other property costs	2,536	4,163

Auditors' remuneration for provision of statutory audit services for the period (and the prior period) was borne by the Company's fellow subsidiary, TJX UK.

**6 Tax on profit on ordinary activities**

**(a) Tax expense included in the income statement**

	2017 £'000	2016 £'000
Current tax :		
UK corporation tax on profits of the period	34	34
Total current tax	34	34
Deferred tax:		
Origination and reversal of timing differences	1	1
Total deferred tax	1	1
<b>Tax on profit on ordinary activities</b>	<b>35</b>	<b>35</b>

**(b) Reconciliation of tax charge**

The tax assessed for the period is equal to the tax charge that would result from applying the standard rate of corporation tax of 20% (2016: 20.16%) to the profit on ordinary activities.

**Notes to the financial statements (continued)**

**6 Tax on profit on ordinary activities (continued)**

**(c) Tax rate changes**

The main rate of corporation tax reduced from 21% to 20% from 1 April 2015.

Further changes to the UK corporation tax rates were substantively enacted as part of Finance (No. 2) Act 2015 and Finance Act 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are reflected in these financial statements.

**7 Tangible assets**

	Leasehold improvements £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>			
As at 31 January 2016	1,663	3,322	4,985
Additions	935	-	935
Disposals	-	(2,006)	(2,006)
<b>As at 28 January 2017</b>	<b>2,598</b>	<b>1,316</b>	<b>3,914</b>
<b>Accumulated depreciation</b>			
As at 31 January 2016	1,663	972	2,635
Charge for the period	456	201	657
Disposals	-	(660)	(660)
<b>As at 28 January 2017</b>	<b>2,119</b>	<b>513</b>	<b>2,632</b>
<b>Net book value at 28 January 2017</b>	<b>479</b>	<b>803</b>	<b>1,282</b>
Net book value at 31 January 2016	-	2,350	2,350

**Notes to the financial statements (continued)**

**8 Debtors - due within one year**

	2017 £'000	2016 £'000
Prepayments and accrued income	3,850	5,506
Amounts owed by Group undertakings	8,369	7,217
	12,219	12,723

Amounts owed by Group undertakings are unsecured, interest free and payable on demand.

**9 Debtors - due after more than one year**

Debtors due after more than one year relate to deferred tax.

	2017 £'000	2016 £'000
Tax effect of timing differences:		
Excess of capital allowances over depreciation	3	4
	3	4
	4	5
Deferred tax charge in profit for the period (note 6)	(1)	(1)
	3	4

There are no un-recognised deferred tax assets or liabilities as at the period end (2016: £nil). The net deferred tax asset expected to reverse in 2018 is £1,000. This primarily relates to the reversal of timing differences on acquired tangible assets and capital allowances through depreciation and amortisation.

**10 Creditors: amounts falling due within one year**

	2017 £'000	2016 £'000
Amounts owed to Group undertakings	505	286
Accruals	14	70
Deferred income	889	1,078
	1,408	1,434

Amounts owed to Group undertakings are unsecured, interest free and payable on demand.

**Notes to the financial statements (continued)**

**11 Creditors: amounts falling due after more than one year**

	2017 £'000	2016 £'000
Deferred income	2,327	3,602

**12 Provisions for liabilities**

Provisions relate to asset dilapidations.

	2017 £'000	2016 £'000
Asset dilapidations at start of period	5,378	5,378
Additions	1,596	-
Disposals	(2,006)	-
Asset dilapidations at end of period	4,968	5,378

Provisions for asset dilapidations relate to management's estimate of make-good costs of properties held under leases with dilapidation clauses.

**13 Called up share capital**

	2017 £'000	2016 £'000
<b>Allotted, called up and fully paid:</b>		
6,871,629 (2016: 6,871,629) ordinary shares of £0.58 each	3,986	3,986

**14 Financial commitments**

The total minimum lease payments to which the Company is committed under non-cancellable operating leases as at 30 January 2016 and 28 January 2017 were as follows:

	2017 £'000	2016 £'000
<b>Land and buildings</b>		
Within one year	22,708	28,903
Within two to five years	57,058	66,470
After five years	13,015	21,034
	92,781	116,407

Certain of the Company's lease agreements include rent-free periods or other incentives. The amount shown above represents the full amount of the lease obligations before deduction of any incentives.

**Notes to the financial statements (continued)**

**15 Ultimate holding company**

The Company's Ultimate Parent Company is The TJX Companies, Inc., a company incorporated in Delaware, United States of America, which is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the Ultimate Parent Company's consolidated financial statements may be obtained from The TJX Companies, Inc., The Corporate Treasurer, 770 Cochituate Road, Framingham, Massachusetts, 01701, USA (tel. 001-508-390-2351), (<http://www.tjx.com>). The Company's registered office is 50 Clarendon Road, Watford, Hertfordshire, WD17 1TX.