

Registered No: 00045618

Missouri Topco Limited

Condensed Consolidated Interim Financial Statements

13 weeks ended 30 November 2013

Missouri Topco Limited

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Results of operations for the 13 weeks ended 30 November 2013

Revenue

Revenue increased by 3.7% to £321.0m in the 13 week period ended 30 November 2013 and increased by 0.7% to £863.1m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £309.5m; 39 week period ended 24 November 2012: £857.3m; 52 week period ended 23 February 2013: £1,125.4m).

Cost of sales and gross profit

Costs of sales increased by 5.0% to £269.9m in the 13 week period ended 30 November 2013 and increased by 1.1% to £759.4m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £257.1m; 39 week period ended 24 November 2012: £750.9m; 52 week period ended 23 February 2013: £997.8m).

Gross profit decreased by 2.5% to £51.1m in the 13 week period ended 30 November 2013 and decreased by 2.5% to £103.7m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £52.4m; 39 week period ended 24 November 2012: £106.4m; 52 week period ended 23 February 2013: £127.6m).

Gross profit as a percentage of revenue decreased to 15.9% in the 13 weeks ended 30 November 2013 and decreased to 12.0% in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: 16.9%; 39 week period ended 24 November 2012: 12.4%; 52 week period ended 23 February 2013: 11.3%)

Administrative expenses (including exceptional items)

Administrative expenses (including exceptional items) were unchanged at £19.0m in the 13 week period ended 30 November 2013 and increased by 0.4% to £48.3m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £19.0m; 39 week period ended 24 November 2012: £48.1m; 52 week period ended 23 February 2013: £62.4m).

Exceptional items

Exceptional items included within administrative costs were £1.3m in the 13 week period ended 30 November 2013 and £2.5m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £0.3m; 39 week period ended 24 November 2012: £2.0m; 52 week period ended 23 February 2013: £2.0m).

Exceptional items in the quarter and year to date relate to restructuring costs (refer to note 13).

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Results of operations for the 13 weeks ended 30 November 2013 (continued)

Operating profit

Operating profit, after exceptional items, decreased by 3.9% to £32.1m in the 13 week period ended 30 November 2013 and decreased by 5.0% to £55.4m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £33.4m; 39 week period ended 24 November 2012: £58.3m; 52 week period ended 23 February 2013: £65.2m).

Net finance costs

Net finance costs (excluding exceptional items) decreased by £0.1m to £11.8m in the 13 week period ended 30 November 2013 and increased by £0.7m to £36.5m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £11.9m; 39 week period ended 24 November 2012: £35.8m; 52 week period ended 23 February 2013: £46.9m).

Financing exceptional items of £nil were incurred in the 13 week period ended 30 November 2013 and 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £nil; 39 week period ended 24 November 2012: £nil; 52 week period ended 23 February 2013: £0.5m) and are shown within finance costs.

Income tax

Income tax increased to £8.7m in the 13 week period ended 30 November 2013 and increased to £8.2m in the 40 weeks ended 30 November 2013 (13 week period ended 24 November 2012: £6.8m; 39 week period ended 24 November 2012: £7.2m; 52 week period ended 23 February 2013: £4.3m). This represents the best estimate of the effective annual tax rate expected for the full year, applied to the pre-tax profit for the 13 and 40 week periods.

Profit for the period

The profit for the period was £11.6m in the 13 week period ended 30 November 2013 and £10.7m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £14.7m; 39 week period ended 24 November 2012: £15.3m; 52 week period ended 23 February 2013: £13.5m).

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Results of operations for the 13 weeks ended 30 November 2013 (continued)

Cash flow

Cash flows from operations increased by £0.1m to £13.2m in the 13 week period ended 30 November 2013 and decreased by £38.8m to £26.8m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £13.1m; 39 week period ended 24 November 2012: £65.6m; 52 week period ended 23 February 2013: £94.9m).

Net cash used in investing activities was £18.1m in the 13 week period ended 30 November 2013 and £37.0m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £6.1m; 39 week period ended 24 November 2012: £13.5m; 52 week period ended 23 February 2013: £21.0m).

Cash decreased by £29.6m in the 13 week period ended 30 November 2013 and decreased by £61.5m in the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £17.3m decrease; 39 week period ended 24 November 2012: £4.4m increase; 52 weeks ended 23 February 2013: £24.5m increase). The cash balance as at 30 November 2013 was £59.2m. This represents a £41.4m decrease on the cash balance as at 24 November 2012.

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Condensed consolidated income statement

	Note	13 weeks ended 30 November 2013 £'m	13 weeks ended 24 November 2012 £'m	40 weeks ended 30 November 2013 £'m	39 weeks ended 24 November 2012 £'m	52 weeks ended 23 February 2013 £'m
Revenue	3	321.0	309.5	863.1	857.3	1,125.4
Cost of sales	3	(269.9)	(257.1)	(759.4)	(750.9)	(997.8)
Gross profit	3	51.1	52.4	103.7	106.4	127.6
Administrative expenses (including exceptional items)	3	(19.0)	(19.0)	(48.3)	(48.1)	(62.4)
Operating profit	3	32.1	33.4	55.4	58.3	65.2
Operating profit pre exceptional items		33.4	33.7	57.9	60.3	67.2
Exceptional items - administrative costs	13	(1.3)	(0.3)	(2.5)	(2.0)	(2.0)
Operating profit		32.1	33.4	55.4	58.3	65.2
Finance costs		(12.0)	(12.1)	(37.0)	(36.3)	(47.7)
Exceptional items - finance costs	13	-	-	-	-	(0.5)
Finance income		0.2	0.2	0.5	0.5	0.8
Net finance costs		(11.8)	(11.9)	(36.5)	(35.8)	(47.4)
Profit before income tax and exceptional items		21.6	21.8	21.4	24.5	20.3
Total exceptional items	13	(1.3)	(0.3)	(2.5)	(2.0)	(2.5)
Profit before income tax		20.3	21.5	18.9	22.5	17.8
Income tax	5	(8.7)	(6.8)	(8.2)	(7.2)	(4.3)
Profit for the period		11.6	14.7	10.7	15.3	13.5

The notes on pages 10 to 19 form an integral part of this condensed consolidated interim financial information.

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Statement of comprehensive income

	13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	£'m	£'m	£'m	£'m	£'m
Profit for the period	11.6	14.7	10.7	15.3	13.5
Other comprehensive (expenditure)/ income:					
Cash flow hedges	(31.3)	(4.6)	(47.6)	(2.7)	17.7
Income tax element of cash flow hedges	6.6	1.1	10.3	0.6	(4.0)
Other comprehensive (expenditure) / income net of income tax	(24.7)	(3.5)	(37.3)	(2.1)	13.7
Total comprehensive (expenditure)/ income for the period	(13.1)	11.2	(26.6)	13.2	27.2

The notes on pages 10 to 19 form an integral part of this condensed consolidated interim financial information.

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Condensed consolidated balance sheet

		30 November 2013	24 November 2012	23 February 2013
	Note	£'m	£'m	£'m
Assets				
Property, plant and equipment		161.2	152.2	152.0
Intangible assets		22.1	16.0	17.7
Deferred income tax asset		0.3	0.5	0.4
Financial assets – derivative financial instruments	7	-	0.2	4.8
Total non-current assets		183.6	168.9	174.9
Inventories – goods for resale		189.0	162.2	140.7
Trade and other receivables		40.3	33.3	23.0
Financial assets – derivative financial instruments	7	-	1.0	16.9
Cash and cash equivalents		59.2	100.6	120.7
Total current assets		288.5	297.1	301.3
Total assets		472.1	466.0	476.2
Liabilities				
Financial liabilities – derivative financial instruments	7	(11.1)	(1.4)	-
Trade and other payables		(169.1)	(174.1)	(171.0)
Current income tax liabilities		(7.2)	(8.4)	(4.8)
Provisions for other liabilities and charges	8	(1.3)	(1.3)	(1.3)
Total current liabilities		(188.7)	(185.2)	(177.1)
Financial liabilities – borrowings	6	(466.1)	(462.9)	(463.7)
Financial liabilities – derivative financial instruments	7	(17.2)	(0.5)	-
Trade and other payables		(42.9)	(40.2)	(40.0)
Deferred income tax liabilities		(4.2)	(11.9)	(15.6)
Provisions for other liabilities and charges	8	(3.3)	(3.7)	(4.0)
Total non-current liabilities		(533.7)	(519.2)	(523.3)
Total liabilities		(722.4)	(704.4)	(700.4)
Net liabilities		(250.3)	(238.4)	(224.2)
Shareholders' deficit				
Ordinary shares		17.3	17.3	17.3
Share premium		385.6	385.6	385.6
Hedge reserve		(22.0)	(0.5)	15.3
Merger reserve		(774.3)	(774.3)	(774.3)
Warrant reserve		3.1	3.1	3.1
Capital redemption reserve		5.7	5.7	5.7
Retained earnings		134.3	124.7	123.1
Total shareholders' deficit		(250.3)	(238.4)	(224.2)

The notes on pages 10 to 19 form an integral part of this condensed consolidated interim financial information.

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Condensed consolidated cash flow statement

		13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	Note	£'m	£'m	£'m	£'m	£'m
Cash flows from operating activities						
Cash generated	9	13.2	13.1	26.8	65.6	94.9
Interest paid		(22.2)	(22.1)	(44.7)	(44.5)	(44.7)
Income tax paid		(2.5)	(2.2)	(6.6)	(3.2)	(4.7)
Net cash (used in)/ generated from operating activities		(11.5)	(11.2)	(24.5)	17.9	45.5
Cash flows from investing activities						
Purchase of property, plant and equipment		(14.0)	(4.2)	(26.7)	(10.1)	(15.3)
Purchase of intangible assets		(4.3)	(2.1)	(10.8)	(3.9)	(6.4)
Interest received		0.2	0.2	0.5	0.5	0.7
Net cash used in investing activities		(18.1)	(6.1)	(37.0)	(13.5)	(21.0)
Net (decrease)/ increase in cash and cash equivalents		(29.6)	(17.3)	(61.5)	4.4	24.5
Cash and cash equivalents at the beginning of the period		88.8	117.9	120.7	96.2	96.2
Cash and cash equivalents at the end of the period		59.2	100.6	59.2	100.6	120.7

The notes on pages 10 to 19 form an integral part of this condensed consolidated interim financial information.

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Condensed consolidated statement of changes in shareholders' equity

	Share capital	Share premium	Merger Reserve	Hedge reserve	Capital redemption reserve	Warrant reserve	Retained earnings	Total reserves
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
As at 26 February 2012	17.3	385.6	(774.3)	1.6	5.7	3.1	108.9	(252.1)
Comprehensive income:								
Profit for the period	-	-	-	-	-	-	15.3	15.3
Total profit for the period	-	-	-	-	-	-	15.3	15.3
Other comprehensive income:								
Cash flow hedges								
- fair value gains in the period	-	-	-	(2.9)	-	-	-	(2.9)
- transfers to inventory	-	-	-	0.2	-	-	-	0.2
- income tax element of cash flow hedges	-	-	-	0.6	-	-	-	0.6
Total other comprehensive expenditure	-	-	-	(2.1)	-	-	-	(2.1)
Transactions with owners:								
Fair value charge for subscription for 'B' shares	-	-	-	-	-	-	0.5	0.5
Total transactions with owners	-	-	-	-	-	-	0.5	0.5
As at 24 November 2012	17.3	385.6	(774.3)	(0.5)	5.7	3.1	124.7	(238.4)

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Condensed consolidated statement of changes in shareholders' equity

	Share capital	Share premium	Merger Reserve	Hedge reserve	Capital redemption reserve	Warrant reserve	Retained earnings	Total reserves
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
As at 24 February 2013	17.3	385.6	(774.3)	15.3	5.7	3.1	123.1	(224.2)
Comprehensive income:								
Profit for the period	-	-	-	-	-	-	10.7	10.7
Total profit for the period	-	-	-	-	-	-	10.7	10.7
Other comprehensive expenditure:								
Cash flow hedges:								
- fair value losses in the period	-	-	-	(49.9)	-	-	-	(49.9)
- transfers to inventory	-	-	-	2.3	-	-	-	2.3
- income tax element of cash flow hedges	-	-	-	10.3	-	-	-	10.3
Total other comprehensive expenditure	-	-	-	(37.3)	-	-	-	(37.3)
Transactions with owners:								
Fair value charge for subscription for 'B' shares	-	-	-	-	-	-	0.5	0.5
Total transactions with owners	-	-	-	-	-	-	0.5	0.5
As at 30 November 2013	17.3	385.6	(774.3)	(22.0)	5.7	3.1	134.3	(250.3)

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Notes to the Financial Statements

1. General information

The company is incorporated and domiciled in Guernsey, all subsidiary companies are incorporated and domiciled in the UK. The company is limited by shares. The financial statements are presented in sterling, which is the group's functional and presentational currency. The group's principal place of business is Gillibrands Road, Skelmersdale, West Lancashire, WN8 9TB.

These condensed consolidated interim financial statements were approved for issue on 17 January 2014.

2. Basis of preparation

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 23 February 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC interpretations.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 23 February 2013, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the income tax rate that would be applicable to expected total annual earnings.

There are no new IFRSs or IFRIC interpretations that are effective for the first time for this financial period that would be expected to have a material impact on the company.

At the date of approval of these condensed consolidated interim financial statements, the IASB and IFRIC have issued new or amended standards and interpretations which were in issue but not effective for the financial period and not early adopted:

New standards, amendments to standards or interpretations

- IFRS 9 Financial Instruments: Classification and Measurement (2010)
- Amendments to IAS 32 Offsetting financial assets and financial liabilities
- Amendments to IAS 39 Continuing hedge accounting after derivative novations

The company intends to adopt the new standards and amendments no later than their applicable date, subject to endorsement by the EU.

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Notes to the Financial Statements (continued)

3. Operating profit

	13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	£'m	£'m	£'m	£'m	£'m
Revenue	321.0	309.5	863.1	857.3	1,125.4
Cost of goods sold	(170.8)	(160.2)	(476.5)	(473.8)	(626.6)
Selling expenses	(89.0)	(87.1)	(255.2)	(248.8)	(333.3)
Distribution expenses	(10.1)	(9.8)	(27.7)	(28.3)	(37.9)
Total cost of sales	(269.9)	(257.1)	(759.4)	(750.9)	(997.8)
Gross profit	51.1	52.4	103.7	106.4	127.6
Administrative expenses pre exceptional items	(17.7)	(18.7)	(45.8)	(46.1)	(60.4)
Exceptional items (note 13)	(1.3)	(0.3)	(2.5)	(2.0)	(2.0)
Administrative expenses	(19.0)	(19.0)	(48.3)	(48.1)	(62.4)
Operating profit	32.1	33.4	55.4	58.3	65.2

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Notes to the Financial Statements (continued)

4. Segment reporting

The chief operating decision-maker has been identified as the Board of Directors. The Directors consider there to be one operating and reportable segment, being that of the sale of clothing and homewares through out of town retail outlets, primarily through the Matalan fascia, in the United Kingdom.

Internal reports reviewed regularly by the Board provide information to allow the chief operating decision-maker to allocate resources and make decisions about the operations. The internal reporting focuses on the group as a whole and does not identify individual segments. This set of condensed financial statements is therefore presented as a single reportable segment.

The chief operating decision maker relies primarily on EBITDA before exceptional items to assess the performance of the group and make decisions about resources to be allocated to the segment. This can be reconciled to statutory operating profit as follows:

	13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	£'m	£'m	£'m	£'m	£'m
Operating profit	32.1	33.4	55.4	58.3	65.2
Depreciation	6.0	6.7	17.5	17.8	23.3
Amortisation	2.1	4.9	5.9	8.1	9.9
Exceptional items	1.3	0.3	2.5	2.0	2.0
EBITDA	41.5	45.3	81.3	86.2	100.4
Rent expense	24.6	23.7	73.7	70.2	95.3
EBITDAR	66.1	69.0	155.0	156.4	195.7

The performance of the group is subject to seasonal peaks. The group traditionally performs well during late spring and early summer and over the Christmas season.

Whilst the e-commerce business represents a significant opportunity for future growth within the group, it does not yet represent a significant portion of the operating results of the group. E-commerce is therefore not reported as a separate operating segment by the group for internal or external reporting purposes.

5. Income tax

Income tax for the 13 week period ended 30 November 2013 is charged at 42.9%; 40 weeks ended 30 November 2013: charged at 43.4% (13 weeks ended 24 November 2012: 31.6%; 39 weeks ended 24 November 2012: 32.0%; 52 weeks ended 23 February 2013: 24.2%) representing the best estimate of the effective annual income tax rate expected for the full year, applied to the pre-tax profit for the 13 and 40 week periods.

The total income tax charge for the period is higher than the UK rate of 23.0% at the end of November 2013 (November 2012: 24.0%; February 2013: 23.0%). The key reconciling items relate to non-deductible expenses.

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Notes to the Financial Statements (continued)

6. Financial liabilities – borrowings

	30 November 2013 £'m	24 November 2012 £'m	23 February 2013 £'m
Non-current			
Senior notes (net of £3.9m of issue costs (November 2012: £5.0m; February 2013: £4.7m))	(221.1)	(220.0)	(220.3)
Senior secured notes (net of £5.0m of issue costs (November 2012: £7.1m; February 2013: £6.6m))	(245.0)	(242.9)	(243.4)
	(466.1)	(462.9)	(463.7)

Notes in issue are all denominated in Sterling as at 30 November 2013. The group had no short term borrowings during any of the reported periods.

Note amounts include rolled up interest charges as appropriate to the instrument and also include an element of issue costs in accordance with IAS39.

Maturity of notes

	30 November 2013 £'m	24 November 2012 £'m	23 February 2013 £'m
Less than one year	-	-	-
One to five years	475.0	475.0	475.0
Five to ten years	-	-	-
	475.0	475.0	475.0
Issue costs	(8.9)	(12.1)	(11.3)
	466.1	462.9	463.7
Current	-	-	-
Non-current	466.1	462.9	463.7
	466.1	462.9	463.7

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Notes to the Financial Statements (continued)

6. Financial liabilities – borrowings (continued)

Borrowing facilities

The table below reflects the usage of the Revolving Credit Facilities (RCF) as at 30 November 2013. These facilities are subject to an annual review and incur fees at market rates.

	30 November 2013 £'m	24 November 2012 £'m	23 February 2013 £'m
Letters of credit	2.9	2.6	3.0
Guarantees	8.3	8.2	8.2
Unused	18.8	19.2	18.8
Total available	30.0	30.0	30.0

An unlimited guarantee under a composite accounting agreement operates for all group company bank accounts. Group bank loans and overdraft are secured by fixed and floating charges on all assets of the group. Notes in issue as disclosed are guaranteed by the assets of the guarantor group.

7. Derivative financial instruments

Forward foreign exchange contracts

The total principal value of forward foreign exchange contracts at 30 November 2013 is £544.7m (24 November 2012: £499.8m; 23 February 2013: £452.7m).

The net fair value of losses as at 30 November 2013 on open forward foreign exchange contracts that hedge the foreign currency risk of purchases are £28.3m (24 November 2012: losses of £0.7m; 23 February 2013: gains of £21.7m). These are transferred at their current fair value as an inventory based adjustment on receipt of the underlying inventory.

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Notes to the Financial Statements (continued)

8. Provisions for other liabilities and charges

Onerous contracts				Onerous contracts £'m
At 24 February 2013				(5.3)
Utilised in the 40 week period				0.7
At 30 November 2013				(4.6)

	30 November 2013 £'m	24 November 2012 £'m	23 February 2013 £'m
Analysis of total provisions:			
Non-current	(3.3)	(3.7)	(4.0)
Current	(1.3)	(1.3)	(1.3)
	(4.6)	(5.0)	(5.3)

Two leases previously assigned to another retailer were returned to the company in 2009 on privity of contract after they entered administration. A provision was created at that time to recognise that the leases were onerous and this was treated as exceptional in nature and is being released over the remaining life of the lease.

During a previous period a provision for an onerous lease was recognised on a property no longer used by the business. This provision has also been treated as exceptional in nature and is being released over the remaining life of the lease.

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Notes to the Financial Statements (continued)

9. Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:

	13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	£'m	£'m	£'m	£'m	£'m
Cash generated from operations					
Operating profit	32.1	33.4	55.4	58.3	65.2
Adjustments for:					
Depreciation	6.0	6.7	17.5	17.8	23.3
Amortisation of intangibles	2.1	4.9	5.9	8.1	9.9
Non cash exceptional items	-	-	-	-	(0.7)
Share based compensation charge	0.2	0.2	0.5	0.5	0.7
Hedge accounting	(0.2)	-	(0.2)	-	(0.1)
Operating cash flows before movements in working capital	40.2	45.2	79.1	84.7	98.3
Movements in working capital:					
Increase in inventories	(38.1)	(36.3)	(48.7)	(30.0)	(9.2)
Increase in trade and other receivables	(14.6)	(10.3)	(17.3)	(13.6)	(3.3)
Increase in trade and other payables	25.7	14.5	13.7	24.5	9.1
Net cash inflow from operating activities	13.2	13.1	26.8	65.6	94.9

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Notes to the Financial Statements (continued)

10. Reconciliation of net debt

Net funds incorporate borrowings, less cash and cash equivalents.

	Net debt at 24 February 2013	Cash movements	Non cash movements	Net debt at 30 November 2013
	£'m	£'m	£'m	£'m
Cash and cash equivalents	120.7	(61.5)	-	59.2
Debt due after 1 year	(463.7)	-	(2.4)	(466.1)
	(343.0)	(61.5)	(2.4)	(406.9)

11. Contingent liabilities

An unlimited guarantee under a composite accounting agreement operates for all group company bank accounts. Group bank loans and overdrafts as disclosed in note 6 are secured by fixed and floating charges on all the assets of the group. Notes in issue as disclosed in note 6 are guaranteed by the assets of the guarantor group.

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Notes to the Financial Statements (continued)

12. Related party transactions

The group continues to lease a building in London from a company associated with the Hargreaves family. A portion of the building continues to be leased to a number of companies associated with the Hargreaves family. The rental paid in the 13 week period ending 30 November 2013 was £0.2m; 40 week period ending 30 November 2013: £0.5m (13 weeks ended 24 November 2012: £0.2m; 39 week period ending 24 November 2012: £0.5m; 52 weeks ended 23 February 2013: £0.7m). The rental income in the 13 week period ending 30 November 2013 was £0.1m; 40 week period ending 30 November 2013: £0.2m; (13 weeks ended 24 November 2012: £nil; 39 week period ending 24 November 2012: £0.1m; 52 weeks ended 23 February 2013: £0.2m).

During a previous period, the buying team previously housed in this building was relocated to head office in Skelmersdale. The group has no further current use for this building nor does it expect to for the remainder of the lease term. Therefore a provision was recognised in relation to the onerous element of this lease. This provision was treated as exceptional in nature and is being released over the remaining lease term (refer to note 13).

During a previous period the group leased a new distribution centre from a company associated with the Hargreaves family. The rental paid during the 13 week period ended 30 November 2013 was £0.3m; 40 week period ending 30 November 2013 was £0.8m (13 weeks ended 24 November 2012: £0.3m; 39 weeks ended 24 November 2012 £0.8m; 52 weeks ended 23 February 2013: £1.1m). This transaction has taken place on commercial terms.

The group purchased IT services from a company that, during the period, became associated with the Hargreaves family. The expenditure incurred for the 13 week period ending 30 November 2013 was £0.1m; 40 week period ending 30 November 2013 was £0.7m (13 weeks ended 24 November 2012: £0.2m; 39 weeks ended 24 November 2012: £0.4m; 52 weeks ended 23 February 2013: £0.4m).

The group used the agency services of a company associated with the Hargreaves family. The expenditure incurred for the 13 week period ending 30 November 2013 was £0.2m; 40 week period ending 30 November 2013 was £0.3m (13 weeks ended 24 November 2012: £0.2m; 39 weeks ended 24 November 2012: £0.2m; 52 weeks ended 23 February 2013: £0.3m).

Missouri Topco Limited

Notes to the Financial Statements (continued)

13. Exceptional items

Exceptional items are comprised as follows:

	13 weeks ended 30 November 2013	13 weeks ended 24 November 2012	40 weeks ended 30 November 2013	39 weeks ended 24 November 2012	52 weeks ended 23 February 2013
	£'m	£'m	£'m	£'m	£'m
Restructuring costs	(1.3)	(0.3)	(2.5)	(0.5)	(1.3)
Onerous contract provision	-	-	-	-	0.8
Refinancing costs	-	-	-	(1.5)	(1.5)
Exceptional items – administrative costs	(1.3)	(0.3)	(2.5)	(2.0)	(2.0)
Financing costs	-	-	-	-	(0.5)
Exceptional items – finance costs	-	-	-	-	(0.5)
Total exceptional items	(1.3)	(0.3)	(2.5)	(2.0)	(2.5)

Restructuring costs

Restructuring costs of £1.3m were incurred during the 13 week period ended 30 November 2013 and £2.5m for the 40 week period ended 30 November 2013 (13 week period ended 24 November 2012: £0.3m; 39 week period ended 24 November 2012: £0.5m; 52 week period ended 23 February 2013: £1.3m.)

Onerous contract provision

During the 52 week period ended 23 February 2013 £0.8m of income was received from properties in respect of which onerous lease provisions are held in full. As the initial provision on these properties was created through exceptional items, the corresponding offsetting income was also recognised as exceptional.

Refinancing costs

Refinancing costs of £1.5m were incurred during the 39 week period ended 24 November 2012 relating to the settlement of a dispute with the holders of an interest rate swap that the group had previously entered into (52 week period ended 23 February 2013: £1.5m).

Financing costs

During the 52 week period ended 23 February 2013 £0.5m was expensed as an exceptional item within finance costs. This arose as a result of a change in the discount rate applied to the onerous lease provision.