Dollarama Inc.

Condensed Interim Consolidated Financial Statements

For the 13-week and 26-week periods ended August 3, 2014 and August 4, 2013

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

Dollarama Inc.

Consolidated Interim Statement of Financial Position as at
(Unaudited, expressed in thousands of Canadian dollars)

	Note	August 3, 2014	February 2, 2014
Assets			
Current assets			
Cash and cash equivalents		27,985	71,470
Accounts receivable		6,105	5,963
Deposits and prepaid expenses		6,596	5,382
Merchandise inventories		369,791	364,680
Derivative financial instruments	6	5,257	11,455
		415,734	458,950
Non-current assets			
Property and equipment		266,362	250,612
Intangible assets		130,982	129,436
Goodwill		727,782	727,782
Total assets		1,540,860	1,566,780
Liabilities and Shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		105,540	128,857
Dividend payable		10,613	9,823
Income taxes payable		12,535	22,102
Derivative financial instruments	6	2,941	-
Current portion of finance lease obligations	12	1,022	1,022
Current portion of long-term debt	7	3,673	3,017
		136,324	164,821
Non-current liabilities			
Long-term debt	7	580,203	395,446
Finance lease obligations	12	1,018	1,484
Deferred rent and tenant inducements		54,670	51,592
Deferred income taxes		90,598	89,271
Total liabilities		862,813	702,614
Commitments	12		
Shareholders' equity			
Share capital		472,464	493,602
Contributed surplus		13,114	10,884
Retained earnings		189,034	346,478
Accumulated other comprehensive income		3,435	13,202
Total shareholders' equity		678,047	864,166
Total liabilities and shareholders' equity		1,540,860	1,566,780

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Changes in Shareholders' Equity
(Unaudited, expressed in thousands of Canadian dollars except share amounts)

	Note	Number of common shares	Share capital $	Contributed surplus $	Retained earnings $	Accumulated other comprehensive income (loss) $	Total $
Balance – February 2, 2014		69,478,869	493,602	10,884	346,478	13,202	864,166
Net earnings for the period		-	-	-	122,120	-	122,120
Other comprehensive loss							
Unrealized loss on derivative financial instruments, net of reclassification adjustment and income tax of $3,562		-	-	-	-	(9,767)	(9,767)
Repurchase and cancellation of shares	8	(3,184,270)	(22,620)	-	(258,094)	-	(280,714)
Dividends declared		-	-	-	(21,470)	-	(21,470)
Share-based compensation	9	-	-	2,769	-	-	2,769
Issuance of common shares		40,097	943	-	-	-	943
Reclassification related to exercise of stock options		-	539	(539)	-	-	-
Balance – August 3, 2014		66,334,696	472,464	13,114	189,034	3,435	678,047
Balance – February 3, 2013		73,090,470	517,306	8,157	403,266	2,761	931,490
Net earnings for the period		-	-	-	105,414	-	105,414
Other comprehensive income							
Unrealized gain on derivative financial instruments, net of reclassification adjustment and income tax of $(2,925)		-	-	-	-	8,026	8,026
Repurchase and cancellation of shares	8	(1,561,247)	(11,104)	-	(104,228)	-	(115,332)
Dividends declared		-	-	-	(20,383)	-	(20,383)
Share-based compensation	9	-	-	1,810	-	-	1,810
Issuance of common shares		82,429	1,030	-	-	-	1,030
Reclassification related to exercise of stock options		-	988	(988)	-	-	-
Balance – August 4, 2013		71,611,652	508,220	8,979	384,069	10,787	912,055

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Net Earnings and Comprehensive Income
(Unaudited, expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	13-week periods ended		26-week periods ended	
		August 3, 2014	August 4, 2013	August 3, 2014	August 4, 2013
Sales		572,603	511,322	1,073,744	959,442
Cost of sales		366,037	324,036	689,683	611,482
Gross profit		206,566	187,286	384,061	347,960
General, administrative and store operating expenses		97,984	91,611	189,279	176,017
Depreciation and amortization	5	9,346	11,290	18,131	22,519
Operating income		99,236	84,385	176,651	149,424
Net financing costs		5,093	2,297	9,578	4,610
Earnings before income taxes		94,143	82,088	167,073	144,814
Provision for income taxes	10	25,247	22,319	44,953	39,400
Net earnings for the period		68,896	59,769	122,120	105,414
Other comprehensive income (loss)					
Items to be reclassified subsequently to net earnings					
Unrealized gain (loss) on derivative financial instruments, net of reclassification adjustment		(3,926)	7,900	(13,329)	10,951
Income taxes relating to component of other comprehensive income (loss)		1,049	(2,111)	3,562	(2,925)
Total other comprehensive income (loss), net of income taxes		(2,877)	5,789	(9,767)	8,026
Total comprehensive income for the period		66,019	65,558	112,353	113,440
Earnings per common share					
Basic net earnings per common share		$1.03	$0.82	$1.81	$1.45
Diluted net earnings per common share	11	$1.03	$0.82	$1.80	$1.44
Weighted average number of common shares outstanding during the period (*thousands*)	11	66,719	72,718	67,540	72,910
Weighted average number of diluted common shares outstanding during the period (*thousands*)	11	66,984	72,903	67,795	73,097

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Cash Flows
(Unaudited, expressed in thousands of Canadian dollars)

	Note	13-week periods ended		26-week periods ended	
		August 3, 2014	August 4, 2013	August 3, 2014	August 4, 2013
Operating activities					
Net earnings for the period		68,896	59,769	122,120	105,414
Adjustments for:					
Depreciation and amortization		9,346	11,290	18,131	22,519
Amortization of debt issue costs		277	130	508	258
Excess of receipts (disbursements) over amount recognized on derivative financial instruments		(4,745)	(1,292)	(4,190)	4,251
Recognition of deferred leasing costs		153	104	306	183
Recognition of deferred tenant allowances		(1,247)	(853)	(2,221)	(1,671)
Deferred lease inducements		725	930	1,588	1,958
Deferred tenant allowances		1,589	1,735	3,711	2,879
Share-based compensation	9	1,452	1,262	2,769	1,810
Finance lease		-	177	-	-
Net financing costs on long-term debt		(2,429)	-	656	-
Deferred income taxes		3,789	1,030	4,890	1,827
Loss (gain) on disposal of assets		615	(72)	543	(48)
Cash generated before working capital components		78,421	74,210	148,811	139,380
Changes in non-cash working capital components	14	54,196	46,078	33,459	28,342
Cash generated before interest and taxes		132,617	120,288	182,270	167,722
Interest paid		(6,754)	(2,582)	(7,419)	(3,744)
Income taxes paid		(18,999)	(19,573)	(49,630)	(53,278)
Net cash generated from operating activities		106,864	98,133	125,221	110,700
Investing activities					
Additions to property and equipment		(14,897)	(27,214)	(32,043)	(45,741)
Additions to intangible assets		(2,202)	(2,688)	(4,377)	(4,211)
Proceeds on disposal of property and equipment		10	128	144	196
Net cash used by investing activities		(17,089)	(29,774)	(36,276)	(49,756)
Financing activities					
Proceeds from long-term debt	7	150,000	22,941	150,000	24,937
Proceeds from revolving credit facility	7	-	70,000	140,000	70,000
Repayment of revolving credit facility	7	(105,000)	-	(105,000)	-
Transaction fees		(751)	-	(751)	-
Repayment of finance lease		(234)	(357)	(466)	(357)
Issuance of common shares		-	103	943	1,030
Dividends paid		(10,857)	(10,242)	(20,680)	(18,341)
Repurchase and cancellation of shares		(132,338)	(103,590)	(296,476)	(103,590)
Net cash used by financing activities		(99,180)	(21,145)	(132,430)	(26,321)
Increase (decrease) in cash and cash equivalents		(9,405)	47,214	(43,485)	34,623
Cash and cash equivalents – Beginning of period		37,390	39,975	71,470	52,566
Cash and cash equivalents – End of period		27,985	87,189	27,985	87,189

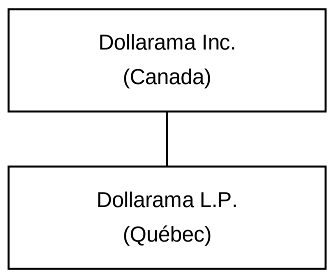
The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1 General information

Dollarama Inc. (the “Corporation”) was formed on October 20, 2004 under the Canada Business Corporations Act. The Corporation operates dollar stores in Canada that sell all items for $3.00 or less. As at August 3, 2014, the Corporation maintains retail operations in every Canadian province. The Corporation’s corporate headquarters, distribution centre and warehouses are located in the Montreal area. The Corporation is listed on the Toronto Stock Exchange (“TSX”) and is incorporated and domiciled in Canada.

The Corporation’s head and registered office is located at 5805 Royalmount Avenue, Montreal, Quebec H4P 0A1.

As at August 3, 2014, the significant entities within the legal structure of the Corporation are as follows:



Dollarama L.P. operates the chain of stores and performs related logistical and administrative support activities.

2 Basis of preparation

The Corporation prepares its condensed interim consolidated financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) as set out in the CPA Canada Handbook – Accounting under Part I, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”. In accordance with GAAP, these financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the Corporation’s audited annual consolidated financial statements for the year ended February 2, 2014 (“Fiscal 2014”), which have been prepared in accordance with IFRS as issued by the IASB. In management’s opinion, the unaudited condensed interim consolidated financial statements reflect all the adjustments that are necessary for a fair presentation of the results for the interim period presented.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors for issue on September 11, 2014.

3 Summary of significant accounting policies

These condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in note 3 of the Fiscal 2014 consolidated financial statements. Information on significant new accounting standards and amendments issued but not yet adopted is described in note 4 of the Fiscal 2014 consolidated financial statements.

4 Significant standards and interpretations not yet adopted

The following standards and amendments to existing standards were released by the IASB in May 2014 and July 2014. The Corporation is evaluating whether to early adopt these standards but does not expect any significant changes upon adoption.

- In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers. IFRS 15 replaces all previous revenue recognition standards, including IAS 18 – Revenue. The new standard is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted.

- In July 2014, the IASB issued the final version of IFRS 9, “Financial Instruments” concerning classification and measurement, impairment and hedge accounting, to supersede IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 will be effective for years beginning on or after January 1, 2018 with early adoption permitted.

5 Critical accounting estimates and judgments

The preparation of condensed interim consolidated financial statements requires management to make estimates and assumptions using judgment that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense during the reporting period. Estimates and other judgments are continually evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In preparing these condensed interim consolidated financial statements, the significant estimates and judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for Fiscal 2014 (refer to note 6 of the Fiscal 2014 consolidated financial statements), with the exception of a change in the estimated useful life of store and warehouse equipment and leasehold improvements.

Property and equipment

Estimates of useful lives, residual values and methods of depreciation are reviewed annually. Any changes are accounted for prospectively as a change in accounting estimate.

5 Critical accounting estimates and judgments (cont'd)

Leasehold improvements

Prior to February 3, 2014, substantially all of the Corporation's leasehold improvements were being depreciated on a straight-line basis over the term of the lease, which was on average a 10-year period from the date of inception of the lease. As a result of a review of its leasehold improvements, effective February 3, 2014, the Corporation increased the estimated useful life of substantially all of its leasehold improvements. The change was driven by new information about the economic life of these assets, including the increasing number of leases extending into the first renewal option. Leasehold improvements that were not already fully depreciated are now being depreciated on a straight-line basis over a period of approximately 15 years from the date of inception of the lease. Management now believes the first renewal option on leases is reasonably assured of being exercised.

Store and warehouse equipment

The Corporation also extended the range of the estimated useful life of substantially all of its store and warehouse equipment, which, prior to February 3, 2014, were being depreciated on a straight-line basis over a range of eight to ten years. The change was driven by new information about the economic life of these assets. Store and warehouse equipment that were not already fully depreciated are now being depreciated on a straight-line basis over their estimated useful lives, which now range from ten to fifteen years.

The effect of these changes to the estimated useful life of leasehold improvements and store and warehouse equipment was a decrease of approximately $4,000 and $8,000 in depreciation expense for the 13-week and 26-week periods ended August 3, 2014, respectively. The impact on planned depreciation for the remainder of the fiscal year ending February 1, 2015 is a decrease of approximately $5,000 and $3,000 for leasehold improvements and store and warehouse equipment, respectively.

6 Derivative financial instruments

Fair value of financial instruments

The three levels of fair value hierarchy under which the Corporation's financial instruments are valued are the following:

Level 1 – Quoted market prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

6 Derivative financial instruments (cont'd)

A summary of the aggregate contractual nominal value, statement of financial position location and estimated fair values of derivative financial instruments as at August 3, 2014 and February 2, 2014 is as follows:

	Contractual nominal value US$	Statement of financial position	Fair value - Asset (Liability)	Nature of hedging relationship
		Location	Significant other observable inputs (Level 2)	Recurring
Hedging instruments				
Foreign exchange forward contracts	275,110	Current assets	5,257	Cash flow hedge
Foreign exchange forward contracts	330,753	Current liabilities	(2,941)	Cash flow hedge
As at August 3, 2014	605,863		2,316	
Hedging instruments				
Foreign exchange forward contracts	145,814	Current assets	11,455	Cash flow hedge
As at February 2, 2014	145,814		11,455	

The Corporation is exposed to certain risks relating to its ongoing business operations. The primary risk managed by using derivative financial instruments is currency risk. Foreign exchange forward contracts are entered into in order to manage the currency fluctuation risk associated with forecasted US dollar merchandise purchases sold in stores.

For foreign exchange forward contracts, the Corporation formally documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedging transactions.

Foreign exchange forward contracts are designated as hedging instruments and recorded at fair value, determined using market prices and other observable inputs. The Corporation designates its foreign exchange forward contracts as hedges of the variability in highly probable future cash flows attributable to a recognized forecasted transaction (cash flow hedges). The fair value of the foreign exchange forward contracts is determined using the forward exchange rates at the measurement date, with the resulting value discounted back to present values.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

7 Long-term debt

Long-term debt outstanding consists of the following as at:

	August 3, 2014	February 2, 2014
Senior unsecured notes bearing interest at a variable rate equal to 3-month bankers' acceptance rate (CDOR) plus 54 basis point payable quarterly, maturing May 16, 2017 (the "Floating Rate Notes")	150,000	-
Senior unsecured notes bearing interest at a fixed annual rate of 3.095% payable in equal semi-annual instalments, maturing November 5, 2018 (the "Fixed Rate Notes")	400,000	400,000
Accrued interest on the Floating Rate Notes and Fixed Rate Notes	3,673	3,017
Unsecured revolving credit facility maturing December 14, 2018	35,000	-
Less: Unamortized debt issue costs	(4,797)	(4,554)
	583,876	398,463
Current portion	(3,673)	(3,017)
	580,203	395,446

Floating rate senior unsecured notes

On May 16, 2014, the Corporation issued the Floating Rate Notes by way of private placement in reliance upon exemptions from the prospectus requirements under applicable securities legislation. The Notes were issued at par for aggregate gross proceeds of $150,000 and bear interest at a variable rate equal to the 3-month bankers' acceptance rate (CDOR) plus 54 basis points (or 0.54%), to be set quarterly on the 16th day of May, August, November and February of each year. Interest is payable in cash quarterly, in arrears, over the three-year term on the 16th day of May, August, November and February of each year, commencing August 16, 2014. As at August 3, 2014, the carrying value of the Floating Rate Notes was $150,092. The fair value of the Floating Rate Notes as at August 3, 2014 was determined to be $150,125 valued as a level 2 in the fair value hierarchy (February 2, 2014 – n/a). The fair value was observed from Bloomberg.

Fixed rate senior unsecured notes

As at August 3, 2014, the carrying value of the Fixed Rate Notes was $402,996 (February 2, 2014 – $403,017). The fair value of the Fixed Rate Notes as at August 3, 2014 was determined to be $408,632 valued as a level 2 in the fair value hierarchy (February 2, 2014 – $405,868). The fair value was observed from Bloomberg.

Credit facility

Effective May 16, 2014, the Corporation cancelled $100,000 of the $350,000 aggregate amount available under the unsecured revolving credit facility maturing December 14, 2018, which portion was not drawn by the Corporation on that date, in order to reduce standby fees payable on the unutilized portion.

As at August 3, 2014, letters of credit outstanding under the unsecured revolving credit facility, issued for the purchase of inventories, amounted to $930 (February 2, 2014 – $756).

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

8 Share capital

Normal course issuer bid

On June 12, 2013, the Corporation introduced a normal course issuer bid (the “2013-2014 NCIB”) to repurchase for cancellation up to 3,364,523 common shares (representing 5% of the Corporation’s public float as at May 31, 2013) during the 12-month period from June 17, 2013 to June 16, 2014. On January 22, 2014, the Corporation received approval from the TSX to amend the 2013-2014 NCIB in order to increase the maximum number of common shares that may be repurchased from 3,364,523 up to 6,729,046 common shares (representing 10% of the Corporation’s public float as at May 31, 2013).

On June 12, 2014, the Corporation renewed its normal course issuer bid (the “2014-2015 NCIB”) to repurchase for cancellation up to 2,341,929 common shares (representing 3.5% of the common shares issued and outstanding as at June 11, 2014) during the 12-month period from June 17, 2014 to June 16, 2015.

The total number of common shares repurchased for cancellation under the 2013-2014 NCIB and the 2014-2015 NCIB during the 13-week period ended August 3, 2014 amounted to 1,394,040 common shares (August 4, 2013 – 1,561,247 common shares under the 2013-2014 NCIB) for a total cash consideration of $126,908 (August 4, 2013 – $115,332). For the 13-week period ended August 3, 2014, the Corporation’s share capital was reduced by $9,903 (August 4, 2013 - $11,104) and the remaining $117,005 (August 4, 2013 - $104,228) was accounted for as a reduction of retained earnings.

The total number of common shares repurchased for cancellation under the 2013-2014 NCIB and the 2014-2015 NCIB during the 26-week period ended August 3, 2014 amounted to 3,184,270 common shares (August 4, 2013 – 1,561,247 common shares under the 2013-2014 NCIB) for a total cash consideration of $280,714 (August 4, 2013 – $115,332). For the 26-week period ended August 3, 2014, the Corporation’s share capital was reduced by $22,620 (August 4, 2013 - $11,104) and the remaining $258,094 (August 4, 2013 - $104,228) was accounted for as a reduction of retained earnings.

9 Share-based compensation

Outstanding and exercisable options for the 26-week periods ended on the dates provided below are as follows:

	August 3, 2014		August 4, 2013	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding – beginning of period	904,674	62.00	452,281	35.22
Granted	322,000	88.78	586,000	72.10
Forfeited	(12,800)	72.01	-	-
Exercised	(48,450)	34.99	(89,897)	17.38
Outstanding – end of period	1,165,424	70.41	948,384	59.70
Exercisable – end of period	177,838	56.55	82,611	31.90

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

9 Share-based compensation (cont'd)

During the 13-week and 26-week periods ended August 3, 2014, the Corporation recognized a share-based compensation expense of $1,452 and $2,769, respectively (13-week and 26-week periods ended August 4, 2013 - $1,262 and $1,810, respectively).

Information relating to share options outstanding as at August 3, 2014 is as follows:

	Options outstanding			Options exercisable		
Range of exercise prices	Weighted average remaining life (in months)	Number of options	Weighted average exercise price ($)	Weighted average remaining life (in months)	Number of options	Weighted average exercise price ($)
$11.99-$17.50	57	13,274	15.63	55	10,088	15.05
$17.51-$26.51	67	22,000	24.32	65	1,600	22.42
$26.52-$37.77	80	25,800	30.32	80	11,000	30.01
$37.78-$54.01	90	172,800	44.06	90	57,000	43.73
$54.02-$81.94	104	612,550	72.81	104	98,150	71.80
$81.95-$88.78	116	319,000	88.78	-	-	-
	104	1,165,424	70.41	95	177,838	56.55

The weighted average fair value of the share options granted during the 26-week periods ended on the dates provided below was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

	26-week periods ended	
	August 3, 2014	August 4, 2013
Dividend yield	0.70%	0.68%
Risk-free interest rate	1.90%	1.41%
Expected life	6.4 years	6.5 years
Expected volatility	20.3%	20.0%
Weighted average fair value of share options estimated at the grant date	$19.85	$15.22

10 Income taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. The statutory income tax rate for the 13-week and 26-week periods ended August 3, 2014 was 26.7% (August 4, 2013 – 26.7%). The Corporation's effective income tax rate for the 13-week and 26-week periods ended August 3, 2014 was 26.8% and 26.9%, respectively (13-week and 26-week periods ended August 4, 2013 – 27.2%).

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

11 Earnings per common share

Diluted net earnings per common share for the periods ended on the dates provided below was calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares as follows:

	13-week periods ended		26-week periods ended	
	August 3, 2014	**August 4, 2013**	**August 3, 2014**	**August 4, 2013**
Net earnings attributable to shareholders of the Corporation and used to determine basic and diluted net earnings per common share	$68,896	$59,769	$122,120	$105,414
Weighted average number of common shares outstanding during the period (*thousands*)	66,719	72,718	67,540	72,910
Assumed share options exercised (*thousands*)	265	185	255	187
Weighted average number of common shares for diluted net earnings per common share *(thousands)*	66,984	72,903	67,795	73,097
Diluted net earnings per common share	$1.03	$0.82	$1.80	$1.44

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

12 Commitments

As at August 3, 2014, contractual obligations for operating leases amounted to approximately $862,116 (August 4, 2013 – $828,184). The leases extend over various periods up to the year 2039.

The basic rent and contingent rent expense of operating leases for stores, warehouses, distribution centre and corporate headquarters included in the interim consolidated statement of net earnings and comprehensive income are as follows:

	13-week periods ended		26-week periods ended	
	August 3, 2014	August 4, 2013	August 3, 2014	August 4, 2013
Basic rent	32,495	29,337	66,518	60,087
Contingent rent	914	1,129	1,865	2,066
	33,409	30,466	68,383	62,153

As at August 3, 2014, the Corporation's finance lease obligation amounted to $2,040 (February 2, 2014 – $2,506). During the 13-week and 26-week periods ended August 3, 2014, the Corporation recorded interest expense of $22 and $45, respectively (13-week and 26-week periods ended August 4, 2013 – $8 and $19, respectively) on the finance lease.

13 Related party transactions

Expenses charged by entities controlled by a director, which comprise mainly rent, totalled $4,845 and $10,063, respectively, for the 13-week and 26-week periods ended August 3, 2014 (13-week and 26-week periods ended August 4, 2013 – $4,748 and $9,921, respectively).

These transactions were measured at cost, which equals fair value, being the amount of consideration established at market terms.

14 Interim consolidated statement of cash flows information

The changes in non-cash working capital components on the dates provided below are as follows:

	13-week periods ended		26-week periods ended	
	August 3, 2014	August 4, 2013	August 3, 2014	August 4, 2013
Accounts receivable	557	1,067	(142)	1,256
Deposits and prepaid expenses	15,045	(1,645)	(1,214)	(15,203)
Merchandise inventories	(8,161)	(8,141)	(5,111)	(1,875)
Accounts payable and accrued liabilities	25,297	33,265	(137)	6,348
Income taxes payable	21,458	21,532	40,063	37,816
	54,196	46,078	33,459	28,342

15 Events after the reporting period

Quarterly Cash Dividend

On September 11, 2014, the Corporation's Board of Directors announced that it had approved a quarterly cash dividend for holders of its common shares of $0.16 per common share. The Corporation's quarterly cash dividend will be paid on November 4, 2014 to shareholders of record at the close of business on October 2, 2014 and is designated as an "eligible dividend" for Canadian tax purposes.

2-For-1 Share Split by Way of Share Dividend

On September 11, 2014, the Corporation's Board of Directors also announced that it had approved a share dividend of one common share for each issued and outstanding common share of the Corporation, which has the same effect as a two-for-one share split of the Corporation's outstanding common shares. The Corporation's share dividend on the common shares will be paid on November 17, 2014 to shareholders of record at the close of business on November 10, 2014 and is designated as an "eligible dividend" for Canadian tax purposes.