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TOO INC
Form 11-K
June 25, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

TRANSITIONAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 1-14987

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

TOO, INC. SAVINGS AND RETIREMENT PLAN

B. Name and issuer of the securities held pursuant to the plan and the address of its principal executive office:

TOO, INC.
8323 WALTON PARKWAY
NEW ALBANY, OHIO 43054

Too, Inc. Savings and Retirement Plan
Report on Audits of Financial Statements
As of and for the Years Ended December 31, 2003 and 2002
and Supplemental Schedule
As of December 31, 2003

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Too, Inc. and the
Plan Administrator of the Too, Inc.
Savings and Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of the Too, Inc. Savings and Retirement Plan (the "Plan") as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2003, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Ary, Roepcke & Mulchaey, P.C.

Columbus, Ohio
June 18, 2004

TOO, INC. SAVINGS AND RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2003 AND 2002

2003

2002

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ASSETS:

Investments	\$22,565,800	\$18,021,740
Cash	37	-
Receivable for contributions:		
Employer	1,980,665	2,325,396
Participants	65,390	62,843
	-----	-----
Total contributions receivable	2,046,055	2,388,239
	-----	-----
Due from brokers	51,565	-
	-----	-----
Total assets	24,663,457	20,409,979
	-----	-----
LIABILITIES:		
Due to brokers	278	-
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$24,663,179	\$20,409,979
	=====	=====

The accompanying notes are an integral part of these financial statements.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
	-----	-----
ADDITIONS:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 2,301,411	\$ (1,748,937)
Earnings from mutual funds	45,355	73,220
Dividends from common stock	33,952	28,436
Earnings from common collective trusts	-	653
	-----	-----
Total investment income (loss)	2,380,718	(1,646,628)
	-----	-----
Contributions:		
Employer	2,679,374	2,896,298
Participants	1,350,775	1,151,282
Rollovers	82,080	113,973
	-----	-----

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Total contributions	4,112,229	4,161,553
	-----	-----
Total additions	6,492,947	2,514,925
	-----	-----
DEDUCTIONS:		
Distributions to participants	2,078,808	1,676,116
Administrative expenses	160,939	87,669
	-----	-----
Total deductions	2,239,747	1,763,785
	-----	-----
Net increase	4,253,200	751,140
Net assets available for benefits:		
Beginning of year	20,409,979	19,658,839
	-----	-----
End of year	\$ 24,663,179	\$ 20,409,979
	=====	=====

The accompanying notes are an integral part of these financial statements.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003 AND 2002

(1) DESCRIPTION OF THE PLAN

GENERAL

The Too, Inc. Savings and Retirement Plan (the "Plan") is a defined contribution plan covering substantially all employees of Too, Inc. (the "Employer", the "Company", or "Too"), who are at least 21 years of age and have completed a year of employment with 1,000 or more hours of service. Employees who are considered to be a highly compensated associate under the Internal Revenue code of 1986 (the "Code") and have met the eligibility requirements, described above, are eligible to receive the non-service and service related retirement contribution, but may not elect to make voluntary contributions.

During 2002, the Plan was amended to among other things 1) change the vesting schedule as noted under vesting below, and 2) no longer give prior service credit after August 22, 2002, to participants who transfer directly from Limited Brands, Inc. and its affiliates, which were former affiliates of Too, Inc.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

CONTRIBUTIONS

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EMPLOYER CONTRIBUTIONS:

The Company may provide a non-service related retirement contribution of 4% of annual compensation up to the Social Security wage base and 7% of annual compensation thereafter, and a service related retirement contribution of 1% of annual compensation for participants who have completed five or more years of vesting service as of the last day of the Plan year. Participants who complete 500 hours of service during the Plan year and are participants on the last day of the Plan year are eligible. The annual compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Code, which for the Plan years ended December 31, 2003 and 2002, was \$200,000.

The Company may also provide a matching contribution of 100% of the participant's voluntary contributions up to 3% of the participant's total annual compensation.

PARTICIPANT'S VOLUNTARY CONTRIBUTIONS:

A participant may elect to make a voluntary tax-deferred contribution of 1% to 12% of his or her annual compensation up to the maximum permitted under Section 402(g) of the Code adjusted annually (\$12,000 at December 31, 2003). This voluntary tax-deferred contribution may be limited by Section 401(k) of the Code.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

INVESTMENT OPTIONS

The participants direct the investment of both their own and the Employer's contributions by utilizing various investment options offered by the Plan. The Plan currently offers five mutual funds, five insurance company pooled separate accounts, one common collective trust, an Employer's stock fund, and a common stock fund of a former affiliate to which no additional investments are allowed.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's and Employer's contributions and allocated investment earnings and administrative expenses. Allocations are based on the participant's account balances or earnings. The benefit to which a participant is entitled is equal to the vested balance in the participant's account.

VESTING

A participant is fully and immediately vested for voluntary and rollover contributions and is credited with a year of vesting service for Employer's contributions for each Plan year that they are credited with at least 500 hours of service.

A summary of vesting percentages for Employer's retirement contributions is as follows:

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Years of vested service -----	Percentage -----
Less than 3 years	0%
3 years	20
4 years	40
5 years	60
6 years	80
7 years	100

A summary of vesting percentages for Employer's matching contributions after January 1, 2002 is as follows:

Years of vested service -----	Percentage -----
Less than 2 years	0%
2 years	20
3 years	40
4 years	60
5 years	80
6 years	100

Employer's matching contributions prior to January 1, 2002, are vested at the same percentage as the Employer's retirement contributions.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003 AND 2002

PAYMENT OF BENEFITS

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason, participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than \$5,000 have the option of leaving their accounts invested in the Plan until age 65. All benefits will be paid as a lump-sum distribution. Those participants holding shares of Too common stock will have the option of receiving such amounts in whole shares of Too and cash for any fractional shares. Participants have the option of having their benefit paid directly to an eligible retirement plan specified by the participant.

A participant who is fully vested in his or her account and who has participated in the Plan for at least seven years may obtain an in-service withdrawal from their account based on the percentage amounts designated by the Plan. A participant may also request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

AMOUNTS ALLOCATED TO PARTICIPANTS WITHDRAWN FROM THE PLAN

The vested portion of net assets available for benefits allocated to participants withdrawn from the plan was \$51,938 and \$38,558 as of December 31, 2003 and 2002, respectively.

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FORFEITURES

Forfeitures are used to reduce the Employer's required contributions. Forfeitures of \$680,430 and \$248,397 were used to reduce Employer's contributions for the plan years ended December 31, 2003 and 2002, respectively.

EXPENSES

Expenses of the Plan are deducted from participants' accounts. Brokerage fees, transfer taxes, and other expenses incurred in connection with the investment of the Plans assets will be added to the cost of such investments or deducted from the proceeds thereof, as the case may be.

(2) SUMMARY OF ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting, including investment valuation and income recognition.

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TOO, INC. SAVINGS AND RETIREMENT PLAN NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

ESTIMATES

The Plan prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements and the changes in net assets available for plan benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

RISKS

The Plan provides for the various investment options as described in Note 1. Any investment is exposed to various risks, such as interest rate, market and credit. These risks could result in a material effect on participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

INCOME RECOGNITION

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

INVESTMENT VALUATION

Mutual funds are stated at fair value as determined by quoted market price, which represents the net asset value of shares held by the Plan at year-end. Common stocks are valued as determined by quoted market price. The common collective trusts are valued on a daily basis. The value of

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each unit is determined by subtracting total liabilities from the total value of the assets, including accrued income, and dividing the amount remaining by the number of units outstanding on the valuation date. Pooled separate account values are generally determined based on the market values of the securities included in the underlying funds.

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

BENEFIT PAYMENTS

Benefits are recorded when paid.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003 AND 2002

(3) INVESTMENTS

During April of 2002, American Express Trust, former trustee, as instructed by the Employer, liquidated all of the investments of the Plan and transferred the assets to Principal Life Insurance Company who in turn reinvested the assets, based on participant investment direction. Except for the investments in pooled separate accounts under a group annuity contract with Principal Life Insurance Company, the Plan's investments are held at in directed custodial trusts with Delaware Charter Guarantee & Trust Company and Bankers Trust Company. The following table presents investments. Investments that represent 5 percent or more of the Plan's net assets are separately identified.

	2003	2002
	-----	-----
Investments at fair value as determined by:		
QUOTED MARKET PRICE		
Common stock:		
Too, Inc.	\$ 1,217,396	\$ 1,538,302
Limited Brands, Inc.	1,381,075	1,263,562
	-----	-----
	2,598,471	2,801,864
	-----	-----
Mutual funds:		
T. Rowe Price Capital		
Appreciation Fund	1,954,754	1,392,218
Other	2,467,848	1,231,038
	-----	-----
	4,422,602	2,623,256
	-----	-----
	7,021,073	5,425,120
	-----	-----

ESTIMATED FAIR VALUE

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Common collective trusts:		
Gartmore Trust Company Stable		
Value Fund	7,716,310	6,664,751
	-----	-----
Principal Life Insurance Company		
pooled separate accounts:		
Principal Partners Large-Cap Blend	4,821,552	4,365,747
Principal Bond & Mortgage	1,448,759	967,267
Other	1,558,106	598,855
	-----	-----
	7,828,417	5,931,869
	-----	-----
	15,544,727	12,596,620
	-----	-----
Total investments at fair value	\$22,565,800	\$18,021,740
	=====	=====

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003 AND 2002

INVESTMENTS (CONTINUED)

The Plan's investments, (including investments bought, sold, and held during the year) appreciation (depreciation) in value for the periods ended December 31, 2003 and 2002, are set forth below:

	2003	2002
	-----	-----
Investments at fair value as determined by:		
QUOTED MARKET PRICE		
Common stock	\$ (81,693)	\$ (273,521)
Mutual funds	906,296	(583,962)
	-----	-----
	824,603	(857,483)
	-----	-----
ESTIMATED FAIR VALUE		
Common collective trusts	269,115	67,054
Pooled separate accounts	1,207,693	(958,508)
	-----	-----
	1,476,808	(891,454)
	-----	-----
Net appreciation (depreciation) in fair value	\$ 2,301,411	\$ (1,748,937)
	=====	=====

(4) TAX STATUS

The Internal Revenue Service has determined and informed the Employer by a letter dated September 9, 2003, that the Plan and related trust are

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designed in accordance with applicable sections of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

(5) PLAN ADMINISTRATION

A Committee comprised of members appointed by the Board of Directors of the Employer administers the Plan.

(6) PLAN TERMINATION

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue their contributions at any time. The Company has the right at any time, by action of its Board of Directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

(7) PARTIES-IN-INTEREST

Principal Life Insurance Company, under the group annuity contract, provides third party administrative services to the Plan for which the Plan is charged. In addition, Principal Life Insurance Company receives 1) 32 basis points annually of the value of the Plan's units held in the Principal Stable Value Fund, 2) a management fee based on the value of Plan assets invested in pooled separate accounts, and 3) a fee from certain investments in mutual funds.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003 AND 2002

(8) RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	2003	2002
	-----	-----
Net assets available for benefits per the financial statements	\$ 24,663,179	\$ 20,409,979
Amounts allocated to withdrawing participants	(51,938)	(38,558)
	-----	-----
Net assets available for benefits per Form 5500	\$ 24,611,241	\$ 20,371,421
	=====	=====

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500:

Benefits paid to participants per the financial statements	\$ 2,078,808
Amounts allocated to withdrawing participants:	

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At December 31, 2003 51,938
 At December 31, 2002 (38,558)

Benefits Paid to Participants Per Form 5500 \$ 2,092,188
 =====

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 EIN #31-1333930 PLAN #001
 SCHEDULE H LINE 4i
 SUPPLEMENTAL SCHEDULE OF ASSETS HELD AT END OF YEAR
 DECEMBER 31, 2003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
	-----	-----	----	-----
*	Too, Inc.	Common stock - 72,121 shares		\$ 1,217,396
	Limited Brands, Inc.	Common stock - 76,599 shares		1,381,075
	T. Rowe Price Capital Appreciation Fund	Mutual fund - 111,700 shares		1,954,754
	American Funds New Perspective R3 Fund	Mutual fund - 37,132 shares		903,425
	Vanguard Health Care Fund	Mutual fund - 4,517 shares		544,578
	Fidelity Advisor Equity Growth Fund	Mutual fund - 11,272 shares		524,508
	Vanguard Explorer Fund	Mutual fund - 7,424 shares		487,146
	Northern Institutional Government Select	Mutual fund - 8,191 shares		8,191
	Gartmore Trust Principal Stable Value Fund	Common collective trust - 540,296 units		7,716,310

* Represents a party-in-interest

(1) Cost information omitted - investment is part of individual account plan that participants or beneficiary directed with respect to assets allocated to his or her account.

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The accompanying notes are an integral part of this schedule.

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TOO, INC. SAVINGS AND RETIREMENT PLAN
 EIN #31-1333930 PLAN #001
 SCHEDULE H LINE 4i
 SUPPLEMENTAL SCHEDULE OF ASSETS HELD AT END OF YEAR
 DECEMBER 31, 2003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
	-----	-----	----	-----
	Investments under Principal Life Insurance Flexible Investment Annuity Group Contract 4-48602			
*	Principal Partners Large-Cap Blend Separate Account	Pooled separate account - 500,453 units		4,821,552
*	Principal Bond and Mortgage Separate Account	Pooled separate account - 2,116 units		1,448,759
*	Principal Partners Large-Cap Value Separate Account	Pooled separate account - 57,327 units		666,387
*	Principal Real Estate Separate Account	Pooled separate account - 1,261 units		522,699
*	Principal Partners Mid-Cap Growth Separate Account	Pooled separate account - 36,430 units		369,020

The accompanying notes are an integral part of this schedule.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Too, Inc. has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

Date: June 25, 2004

TOO, INC. SAVINGS AND RETIREMENT PLAN

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(registrant)

By /s/ WILLIAM E. MAY

William E. May
Executive Vice President
Chief Operating Officer
(Principal Financial Officer)
Too, Inc.

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Exhibit Index

Exhibit No.

23 Consent of Ary, Roepcke & Mulchaey, P.C.

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