

Company Registration No. 2589899

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**Directors' Report and Financial Statements  
for the year ended 26 February 2012**

**Northern Feather  
(Home Furnishings)  
Limited**

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# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **DIRECTORS AND ADVISERS**

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<b>Directors</b>	A H Starkey S G Swalwell N H Manning
<b>Secretary</b>	S G Swalwell
<b>Company number</b>	2589899
<b>Registered office</b>	P O Box 1 Lockett Road South Lancs Industrial Estate Ashton-in-Makerfield Wigan WN4 8DE
<b>Auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditors Mazars House Gelderd Road Gildersome Leeds West Yorkshire LS27 7JN
<b>Solicitors</b>	Pinsent Masons No 1 Park Row Leeds West Yorkshire LS1 5AB
<b>Bankers</b>	HSBC Bank plc 2 Cloth Hall Street Huddersfield West Yorkshire HD1 2ES

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# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 26 FEBRUARY 2012**

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The directors present their report and the financial statements for the year ended 26 February 2012

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

### **Principal activities**

The company's principal activity during the year was the manufacture and sale of duvets, pillows, quilts and other bedding products.

The directors consider the level of business and the year end financial position to be satisfactory and expect the present level of activity to be sustained for the foreseeable future.

### **Review of the business and financial highlights**

The directors are satisfied with the overall financial performance in 2011/12 in what has been an extremely difficult and challenging year. Maintenance of gross margins continues to be a major concern as a result of customer selling price pressures and inflationary price pressures on key raw materials. Raw material prices continue to be extremely volatile.

The directors of the business consider the key performance indicators (KPI's) of the company to be

- turnover,
- gross margin, and
- operating profit

The company has managed to increase its sales in its key markets during the 2011/12 financial year. Turnover has increased by 18.1% but there has been a small decrease in its gross margin to 16.6% (2011: 16.7%) due to raw material price volatility and the time delays in obtaining selling price increases from the company's customers.

The company ends the year in a reasonable financial position which should enable it to meet the challenges that will occur during 2012/13 as a result of the adverse economic conditions which are currently being experienced in the UK.

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# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012**

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### **Risk exposure and mitigating procedures**

#### **Market risk**

One of the major risks to the business is customer loss through non-competitive pricing. Over the years, the company has mitigated this risk by investing in plant and machinery to ensure that manufacturing costs are minimised.

#### **Operational risk**

The company has solid reporting systems and produces timely and accurate management information which is consistently reviewed by the directors.

#### **Financial risk**

Financial risks are managed through internal management controls, regular, timely and accurate management information and by carefully monitoring the prices and forecast production requirements. The company mitigates its foreign exchange risk by having forward currency contracts when considered appropriate on future committed purchases.

#### **Dividends**

A dividend of £954,000 was paid during the year (2011: £828,000). The profit for the financial year after payment of the dividend of £58,000 (2011: loss £63,000) will be taken to reserves.

#### **Going concern**

The use of the going concern basis of accounting is appropriate because there are no material uncertainties to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

#### **Directors**

The directors who served during the year were:

A H Starkey  
S G Swalwell  
D M Mein (resigned on 4 April 2011)  
N H Manning (appointed on 19 September 2011)

#### **Disabled persons**

The company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012**

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### **Employee involvement**

The company involves its employees and their representatives both in daily decisions and longer term matters. The company is fully committed to keeping all of its employees informed about their work unit and, where appropriate, the wider business. The company also discusses the implications of major business changes and other relevant matters through personal briefings, meetings and email.

### **Future developments**

The directors are optimistic about the future despite the increasing market and economic pressures. The directors are confident that the company has structured itself in a way to meet the ongoing changes in the global economy.

### **Qualifying third party indemnity provisions**

The company had Directors' and officers insurance in place throughout the year.

### **Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 May 2012 and signed on its behalf



**S G Swalwell**  
Company Secretary

# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

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We have audited the financial statements of Northern Feather (Home Furnishings) Limited for the year ended 26 February 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 February 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NORTHERN FEATHER (HOME FURNISHINGS) LIMITED (continued)

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Ian Wrightson,*

Ian Wrightson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

Date *12<sup>th</sup> June 2012.*

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 26 FEBRUARY 2012

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	Notes	2012 £'000	2011 £'000
Turnover	2	24,687	20,910
Cost of sales		<u>(20,593)</u>	<u>(17,412)</u>
Gross profit		4,094	3,498
Distribution costs		(1,685)	(1,515)
Administration expenses		<u>(950)</u>	<u>(639)</u>
Operating profit		1,459	1,344
Interest receivable		-	-
Interest payable	5	<u>(45)</u>	<u>(46)</u>
Profit on ordinary activities before taxation	6	1,414	1,298
Taxation	7	<u>(402)</u>	<u>(407)</u>
Profit for the year	15	<u>1,012</u>	<u>891</u>

All the results included in the profit and loss account above relate to continuing activities

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

The notes on pages 8 to 16 form part of these financial statements

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

Registered Number - 2589899

## BALANCE SHEET AS AT 26 FEBRUARY 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>1,442</u>	<u>1,470</u>
<b>Current assets</b>			
Stocks	10	3,025	3,347
Debtors	11	5,438	8,356
Cash at bank and in hand		<u>1,679</u>	<u>2</u>
		10,142	11,705
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,417)</u>	<u>(7,060)</u>
<b>Net current assets</b>		<u>4,725</u>	<u>4,645</u>
<b>Total assets less current liabilities</b>		6,167	6,115
<b>Provisions for liabilities and charges</b>	13	<u>(46)</u>	<u>(52)</u>
<b>Net assets</b>		<u>6,121</u>	<u>6,063</u>
<b>Capital and reserves</b>			
Called-up share capital	14	1,499	1,499
Share premium account	15	4,501	4,501
Profit and loss account	15	<u>121</u>	<u>63</u>
		<u>6,121</u>	<u>6,063</u>
Equity shareholders' funds		5,622	5,564
Non-equity shareholders' funds		<u>499</u>	<u>499</u>
<b>Shareholders' funds</b>	15	<u>6,121</u>	<u>6,063</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2012



**A H Starkey**  
Director

The notes on pages 8 to 16 form part of these financial statements

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 FEBRUARY 2012

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **1.2 Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention and on a going concern basis.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose, which are consistent with those of the previous year, are:

Plant and machinery	4-15 years
Motor vehicles	4 years
Fixtures and fittings	10 years

#### **1.4 Lease commitments**

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **1.5 Stocks and work-in-progress**

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

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### 1.6 Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction is entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date, except in those instances where a forward exchange contract has been arranged in which case this forward rate is used. Exchange gains or losses are included in operating profit.

### 1.7 Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### 1.9 Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 1.10 Cash flow

The company is a wholly owned subsidiary of John Cotton Group Limited. The cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1 (Revised) from publishing a cash flow statement.

## 2 Turnover

The analysis by geographical area of the company's turnover is set out below -

	2012	2011
	£'000	£'000
United Kingdom	24,379	20,560
Europe	249	316
Rest of the World	59	34
	<u>24,687</u>	<u>20,910</u>

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 3 Directors' emoluments

	2012 £'000	2011 £'000
Aggregate emoluments	-	-

None of the directors who served during the year received emoluments from the company for their services, but were instead remunerated by John Cotton Group Limited, the ultimate controlling party

At 26 February 2012 there were no retirement benefits accruing to any of the directors (2011 £Nil)

### 4 Employee information

The average number of persons employed by the company during the year was

	2012 Number	2011 Number
<b>By type of work</b>		
Manufacturing and distribution	110	97
Administration and management	25	22
	<u>135</u>	<u>119</u>

	2012 £'000	2011 £'000
<b>Staff costs (for the above persons):</b>		
Wages and salaries	2,299	1,974
Social security costs	189	172
Pension costs (see note 18)	15	14
	<u>2,503</u>	<u>2,160</u>

### 5 Interest payable and similar charges

	2012 £'000	2011 £'000
Bank overdraft	<u>45</u>	<u>46</u>

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 6 Profit on ordinary activities before taxation

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration for		
Audit	12	12
Non-audit services	-	-
Depreciation charge for the year		
Tangible owned assets	178	145
Operating lease rentals		
Land and buildings	89	60
Plant and machinery	50	51
Loss on disposal of tangible fixed assets	<u>-</u>	<u>5</u>

### 7 Taxation on profit on ordinary activities

#### (a) Analysis of charge in year

	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Current tax				
UK corporation tax on profit for the year	411		397	
Adjustments in respect of prior periods	<u>(3)</u>		<u>12</u>	
Total current tax (note 7b)		408		409
Deferred tax				
Origination and reversal of timing differences for the period	(4)		12	
Effect of decrease in tax rate	(2)		(2)	
Adjustments in respect of prior periods	<u>-</u>		<u>(12)</u>	
Total deferred tax (see note 13)		(6)		(2)
Tax on profit on ordinary activities		<u>402</u>		<u>407</u>

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 7 Taxation on profit on ordinary activities (continued)

#### (b) Factors affecting tax charge for year

The current tax charge for the year is higher (2011 higher) than the standard rate of corporation tax in the UK (26 19%) The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	1,414	1,298
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 19% (2011 28%)	370	363
Effects of		
Expenses not deductible for tax purposes	1	10
Fixed asset timing differences	(15)	(19)
Short term timing differences	19	5
Effects of inter-company interest	36	38
Adjustments to tax charge in respect of prior periods	(3)	12
	38	46
Current tax charge for period (Note 7a)	408	409

### 8 Dividends

	2012 £'000	2011 £'000
Interim ordinary dividend paid	954	828

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 9 Tangible fixed assets

	Plant, machinery, vehicles, fixtures and fittings £'000	Total £'000
<b>Cost</b>		
At 28 February 2011	3,182	3,182
Additions	152	152
Inter-company transfers	(7)	(7)
At 26 February 2012	<u>3,327</u>	<u>3,327</u>
<b>Depreciation</b>		
At 28 February 2011	1,712	1,712
Inter-company transfers	(5)	(5)
Charge for the year	178	178
At 26 February 2012	<u>1,885</u>	<u>1,885</u>
<b>Net book value</b>		
At 26 February 2012	<u>1,442</u>	<u>1,442</u>
At 27 February 2011	<u>1,470</u>	<u>1,470</u>

### 10 Stocks

	2012 £'000	2011 £'000
Raw materials and consumables	1,445	1,483
Work in progress	76	69
Finished goods	<u>1,504</u>	<u>1,795</u>
	<u>3,025</u>	<u>3,347</u>

### 11 Debtors

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	4,984	2,845
Amounts owed by group undertakings	400	5,445
Prepayments	<u>54</u>	<u>66</u>
	<u>5,438</u>	<u>8,356</u>

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 12 Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Bank overdraft	-	3,085
Trade creditors	4,129	3,121
Amounts owed to group undertakings	206	175
Corporation tax payable	195	206
Other taxes and social security costs	531	340
Other creditors	356	133
	<u>5,417</u>	<u>7,060</u>

### 13 Provisions for liabilities and charges

	Recognised liability 2012 £'000	Recognised liability 2011 £'000
<b>Deferred taxation</b>		
Accelerated capital allowances	109	102
Short term timing differences	(63)	(50)
Deferred tax liability	<u>46</u>	<u>52</u>
Liability at start of period	52	54
Deferred tax credit in profit and loss account for the period	(6)	(2)
Liability at end of period	<u>46</u>	<u>52</u>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 26 February 2012 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £2,000.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

### 14 Called-up share capital

	2012 £'000	2011 £'000
<b>Authorised</b>		
20,000,000 ordinary shares of 10p each	2,000	2,000
4,990,000 deferred shares of 10p each	499	499
	<u>2,499</u>	<u>2,499</u>
<b>Allotted, called-up and fully paid</b>		
10,000,000 ordinary shares of 10p each	1,000	1,000
4,990,000 deferred shares of 10p each	499	499
	<u>1,499</u>	<u>1,499</u>

# NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012

### 14 Called-up share capital (continued)

The deferred shares entitle their holders neither to any dividend or other distribution, nor to attend or vote at general meetings. The deferred shares entitle their holders on a winding-up of the company only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share.

### 15 Reconciliation of shareholders' funds and movements on reserves

	Ordinary share capital £'000	Deferred share capital £'000	Share premium account £'000	Profit and loss account £'000	Shareholders' Funds £'000
At 28 February 2011	1,000	499	4,501	63	6,063
Profit for the year	-	-	-	1,012	1,012
Dividends paid	-	-	-	(954)	(954)
At 26 February 2012	<u>1,000</u>	<u>499</u>	<u>4,501</u>	<u>121</u>	<u>6,121</u>

### 16 Capital commitments

	2012 £'000	2011 £'000
Capital expenditure that has been contracted for but has not been provided in the financial statements	<u>-</u>	<u>-</u>
Capital expenditure that has been authorised by the Directors but has not yet been contracted for	<u>-</u>	<u>-</u>

### 17 Financial commitments

At 26 February 2012, the company had annual commitments under non-cancellable operating leases in respect of land and buildings and plant and machinery as follows -

	Land and buildings		Other assets	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Expiring within one year	-	-	-	47
Expiring between two and five years	<u>97</u>	<u>85</u>	<u>-</u>	<u>-</u>
	<u>97</u>	<u>85</u>	<u>-</u>	<u>47</u>

### 18 Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The total pension cost for the company was £15,000 (2011 £14,000).

# **NORTHERN FEATHER (HOME FURNISHINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 26 FEBRUARY 2012**

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### **19 Contingent liabilities**

The company is party to an unlimited multilateral guarantee in respect of the fluctuating overdrafts of John Cotton Fibres Limited, John Cotton Group Limited, Snuggledown of Norway (UK) Limited and Northern Textiles plc which at 26 February 2012 amounted to £Nil (2011 £Nil) No loss is expected to arise

In addition, the bank has a guarantee in favour of HM Revenue & Customs for £250,000 on behalf of the company No loss is expected to arise

### **20 Related party transactions**

As a wholly owned subsidiary, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosing transactions between the company and other group companies as these have been eliminated on consolidation in the financial statements of John Cotton Group Limited

### **21 Ultimate controlling party**

The directors regard John Cotton Group Limited, a company registered in England and Wales, as the immediate and ultimate parent company According to the register maintained by the company, John Cotton Group Limited has a 100% interest in the equity capital of Northern Feather (Home Furnishings) Limited at 26 February 2012 and there have been no changes in this respect since that date Copies of the parent's consolidated financial statements may be obtained from The Secretary, John Cotton Group Limited, P O Box 3, Nunbrook Mills, Mirfield, West Yorkshire, WF14 0EH