

Company Registration No. 2589899

Contents

**Directors' Report and Financial Statements
for the year ended 2 March 2014**

**Northern Feather
(Home Furnishings)
Limited**

Directors' report	1
Independent auditors' report	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7



NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

DIRECTORS AND ADVISERS

Directors

— S G Swalwell
N H Manning

Company Secretary

S G Swalwell

Company number

2589899

Registered office

P O Box 1
Lockett Road
South Lancs Industrial Estate
Ashton-in-Makerfield
Wigan
WN4 8DE

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
1 East Parade
Sheffield
South Yorkshire
S1 2ET

Solicitors

Pinsent Masons
No 1 Park Row
Leeds
West Yorkshire
LS1 5AB

Bankers

HSBC Bank plc
2 Cloth Hall Street
Huddersfield
West Yorkshire
HD1 2ES

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 2 MARCH 2014

The directors present their report and the audited financial statements for the year ended 2 March 2014.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally 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 accounting 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 was the manufacture and sale of duvets, pillows, quilts and other bedding products.

On 3 March 2013 the company's trade, assets and liabilities were transferred to its parent company, John Cotton Group Limited, and the company ceased to trade.

Dividends

No dividend was paid during the year (2013: £1,000,000). The profit for the financial year of £Nil (2013: profit £147,000) 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 of the company who were in office during the year and up to the date of signing the financial statements were:

A H Starkey (resigned on 31 March 2014)
S G Swalwell
N H Manning

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 2 MARCH 2014

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.

Independent Auditors

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

This report was approved by the board on 4 July 2014 and signed on its behalf by:



S G Swalwell
Company Secretary

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 2 March 2014 and of its result 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Northern Feather (Home Furnishings) Limited, comprise:

- the balance sheet as at 2 March 2014;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 MEMBERS OF NORTHERN FEATHER (HOME FURNISHINGS) LIMITED (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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



Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
4 July 2014

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 2 MARCH 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	-	26,346
Cost of sales		-	(22,190)
Gross profit		-	4,156
Distribution costs		-	(1,708)
Administrative expenses		-	(923)
Operating profit		-	1,525
Interest payable and similar charges	5	-	-
Profit on ordinary activities before taxation	6	-	1,525
Tax on profit on ordinary activities	7	-	(378)
Profit for the financial year	11	-	1,147

All the results included in the profit and loss account above relate to discontinued 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 7 to 13 form part of these financial statements.

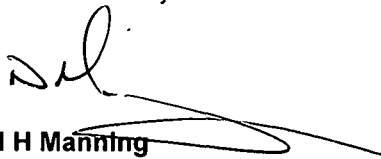
NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

Registered Number - 2589899

BALANCE SHEET AS AT 2 MARCH 2014

	Notes	2014 £'000	2013 £'000
Debtors	9	6,268	6,268
Net assets		<u>6,268</u>	<u>6,268</u>
Capital and reserves			
Called-up share capital	10	1,499	1,499
Share premium account	11	4,501	4,501
Profit and loss account	11	268	268
		<u>6,268</u>	<u>6,268</u>
Equity shareholders' funds		5,769	5,769
Non-equity shareholders' funds		499	499
Total shareholders' funds	11	<u>6,268</u>	<u>6,268</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 July 2014.


N H Manning
Director

The notes on pages 7 to 13 form part of these financial statements.

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and on the 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 2 MARCH 2014

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

All turnover related to the company's principal activity. The analysis by geographical area of the company's turnover is set out below:-

	2014 £'000	2013 £'000
United Kingdom	-	25,949
Europe	-	381
Rest of the World	-	16
	<u>-</u>	<u>26,346</u>

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 2 MARCH 2014

3 Directors' emoluments

	2014 £'000	2013 £'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 2 March 2014 there were no retirement benefits accruing to any of the directors (2013: £Nil).

4 Employee information

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

	2014 Number	2013 Number
By type of work		
Manufacturing and distribution	-	120
Administration and management	-	25
	-	145

	2014 £'000	2013 £'000
Staff costs (for the above persons):		
Wages and salaries	-	2,549
Social security costs	-	200
Other Pension costs (see note 12)	-	29
	-	2,778

5 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank overdraft	-	-

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 2 MARCH 2014

6 Profit on ordinary activities before taxation

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for:		
Audit	-	12
Non-audit services	-	-
Depreciation charge for the year:		
Tangible owned assets	-	201
Operating lease rentals:		
Land and buildings	-	96
Plant and machinery	-	70
Loss on disposal of tangible fixed assets	<u>-</u>	<u>-</u>

7 Tax on profit on ordinary activities

(a) Analysis of charge in year

	2014		2013	
	£'000	£'000	£'000	£'000
Current tax:				
UK corporation tax on profit for the year	-		330	
Adjustments in respect of prior years	<u>-</u>		<u>9</u>	
Total current tax (note 7b)		-		339
Deferred tax:				
Origination and reversal of timing differences for the period	-		37	
Effect of decrease in tax rate	-		(4)	
Adjustments in respect of prior years	<u>-</u>		<u>6</u>	
Total deferred tax		-		39
Tax on profit on ordinary activities		<u>-</u>		<u>378</u>

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 2 MARCH 2014

7 Taxation on profit on ordinary activities (continued)

(b) Factors affecting tax charge for year

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 23.08% (2013: 24.17%). The differences are explained below.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	-	1,525
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.08% (2013: 24.17%)	-	369
Effects of:		
Expenses not deductible for tax purposes	-	1
Fixed asset timing differences	-	(3)
Short term timing differences	-	(37)
Adjustments to tax charge in respect of prior years	-	9
	-	(30)
Current tax charge for year (Note 7a)	-	339

8 Dividends

	2014 £'000	2013 £'000
Interim ordinary dividend paid	-	1,000

9 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade debtors	-	-
Amounts owed by group undertakings	6,268	6,268
Prepayments and accrued income	-	-
	6,268	6,268

The amount owed by group undertakings of £6,268,000 arises as a result of the transfer of the company's trade, assets and liabilities to its parent company (see note 14).

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 2 MARCH 2014

10 Called-up share capital

	2014 £'000	2013 £'000
Authorised		
20,000,000 (2013: 20,000,000) ordinary shares of 10p each	2,000	2,000
4,990,000 (2013: 4,990,000) deferred shares of 10p each	499	499
	<u>2,499</u>	<u>2,499</u>
Allotted, called-up and fully paid		
10,000,000 (2013: 10,000,000) ordinary shares of 10p each	1,000	1,000
4,990,000 (2013: 4,990,000) deferred shares of 10p each	499	499
	<u>1,499</u>	<u>1,499</u>

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.

11 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 4 March 2013	1,000	499	4,501	268	6,268
Profit for the year	-	-	-	-	-
At 2 March 2014	<u>1,000</u>	<u>499</u>	<u>4,501</u>	<u>268</u>	<u>6,268</u>

12 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 £Nil (2013: £29,000).

13 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 2 March 2014 amounted to £Nil (2013: £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.

NORTHERN FEATHER (HOME FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 2 MARCH 2014

14 Transfer of trade to parent company

On 3 March 2013 the company's trade, assets and liabilities were transferred to its parent company, John Cotton Group Limited, and the company ceased to trade. The assets and liabilities transferred to John Cotton Group Limited were as follows:

	£'000
Tangible fixed assets	1,517
Stocks	3,026
Trade debtors	3,477
Prepayments	56
Cash at bank and in hand	3,612
Trade creditors	(4,181)
Corporation tax payable	(78)
Amount owed to group undertakings	(282)
Other taxes and social security costs	(430)
Other creditors	(364)
Deferred taxation	(85)
	<u>6,268</u>

The amount owing to the company in respect of the transfer is included in debtors (note 9).

15 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.

16 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 2 March 2014 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.