Peacocks Stores Limited

Annual Report and Financial Statements

52 weeks ended 1 March 2014

Registered Number : SC285031

PEACOCKS STORES LIMITED
Registered Number: SC285031

ANNUAL REPORT AND FINANCIAL STATEMENTS

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PEACOCKS STORES LIMITED
Registered Number: SC285031

DIRECTORY

DIRECTORS
P E Day
K B Lee
C Leigh
S R Simpson

SECRETARY
J Carruthers

AUDITOR
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STRATEGIC REPORT

INTRODUCTION

The directors present their strategic report for the 52 weeks ended 1 March 2014.

BUSINESS REVIEW AND STRATEGIES

Business objectives and strategies

Peacocks offer great quality, fashionable clothes for women, men and children at value prices. Its main customer profile is the younger mum shopping for herself and her family.

Some of the key actions undertaken which are designed to meet these objectives are:

- The continued organic expansion of the Peacocks business.
- During these difficult times to strive to ensure that all products retailed are value for money.
- Ongoing training of our employees to ensure that their interaction with customers delivers an experience which they will enjoy and wish to repeat.
- Ongoing brand development utilising our online presence as well as traditional marketing and advertising techniques, to ensure that the target customer in Peacocks has instant recognition of the brand and that the perception of the brand reflects reliability, consistency, comfort and value for money.

Financial performance

The profit for the period after taxation amounted to £45,220,000 (2013 - £39,156,000).

Turnover was ahead of the previous period even though the previous period included 53 weeks trading compared to 52 weeks in the period to 1 March 2014. On a like for like basis sales were ahead of the previous period.

The company continues to prosper by means of tight cost control and investment in new stores where opportunity arises.

Some of the key actions taken in the year to maintain and grow the business were:

- Dedicated resource focussed on the identification of potential new store locations with a high probability of exceeding the financial investment criterion.
- Continuing the growth in the number of products sold on the Peacocks ecommerce site.
- Working closely with suppliers to minimise the impact on input costs in particular wool, cotton and cashmere.

Development of relationships with garden centre groups and the building of relationships in the Republic of Ireland where the company is expanding.

PRINCIPAL RISKS AND UNCERTAINTIES

In the current environment vigilance over all the material areas of potential risk are extremely important. Some of the key risks impacting the business and how they are managed/controlled are as follows:-

- **Foreign currency:** The company purchases many products from overseas suppliers in non sterling denominated currencies giving rise to potential currency movement risk.

  In order to provide a degree of certainty and to allow accurate costing of products, the group, of which Peacocks is a part, hedges a percentage of the forward purchase orders by means of derivatives, being mainly forward foreign exchange contracts and currency options.

STRATEGIC REPORT

- **Major disruptive events:** The company operates ongoing Business Continuity planning which is reviewed and updated on a regular basis. A formal Business Continuity Plan exists and an external Disaster Recovery contract is in place with a reputable third party provider. These plans are simulated in a 'real' environment at least once a year, in order to ensure that in the case of a disaster to a key area of the business, the systems environment can be re-established within pre-defined timeframes.

- **Impact of legislation/other regulatory requirements:** The company monitors current and forthcoming legislation on a regular basis and operates policies and procedures within the business which are consistent with such requirements. As well as utilising third party professionals, the company employs considerable in house expertise in order that these developments are adequately assessed and policies and procedures developed to ensure that any implications are addressed and that risks arising are minimised.

  Such policies and procedures are incorporated into a Policies & Procedures Manual which is made available to all employees by various means (hard copy, intranet etc), supported by specific notices drawing key developments to the attention of staff and promoting the importance of adherence.

- **Pension funding risk:** The company does not operate a Defined Benefit pension scheme but does participate in a Group Personal pension scheme which is based on defined contributions. The company therefore assesses the pension funding risk as minimal.

- **Litigation:** The company adopts a strategy of focussed risk management in order to reduce the likelihood of third party actions arising and also utilises various forms of insurance to protect and mitigate the impact of any potential litigation against the group, primarily in the areas of public and employer liability.

FINANCIAL KEY PERFORMANCE INDICATORS

The company utilises a number of Key Performance Indicators (KPI's) in order to monitor and assess the performance of the business and compares these with targets which are set at the beginning of each fiscal year. The main KPI's for the 52 weeks to 1 March 2014 are as follows:

	2013/14	*2012/13*
Operating Profit % (Operating Profit as a % of turnover)	**17.92%**	**16.45%**
Free Cash Flow % (Operating cash flow (excluding interest, tax and financing payments) as a % of Operating Profit)	**107.3%**	**146.51%**
Working Capital % (Net current assets as a % of turnover)	**27.08%**	**13.86%**
Return on Capital Employed (Profit before tax and goodwill as a % of Shareholders' Funds)	**64.58%**	**113.97%**
Operating Profit per Employee (Operating Profit/average number of employees)	**£10,675**	**£9,323**

This report was approved by the board on 20 June 2014 and signed on its behalf.

Kristian Lee
Director

PEACOCKS STORES LIMITED
Registered Number: SC285031

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ending 1 March 2014.

PRINCIPAL ACTIVITY

Peacocks offer great quality, fashionable clothes and accessories for the whole family at affordable prices. The main customer profile is the cost conscious mum shopping for herself and her family.

Retail – This is the largest division and represents the company's physical stores. The Peacocks retail portfolio is throughout England, Northern Ireland, Scotland and Wales and covers high street stores, out of town retail parks and seaside locations.

Concessions – The concession portfolio provides Peacocks with the opportunity to sell focused ranges within supermarket stores, shopping villages, garden centres and other convenient locations throughout the UK.

Online – Peacocks has an online store providing the customer with the ability to conveniently browse and purchase from the full Peacocks range with direct delivery to the home.

International – The Peacocks brand has an international presence in both Europe and further afield.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £45,220,000 (2013 - £39,156,000). The directors do not recommend the payment of a dividend (2013: £nil).

DIRECTORS

The directors holding office during the period were as follows:

P E Day
K B Lee
C Leigh
S R Simpson

In accordance with the Articles of Association, no director retires by rotation.

EMPLOYEES

The directors are committed to ensuring genuine and effective employee involvement in the company's activities. It is recognised that training and development of employees is an essential investment. The company believes that by providing regular updates to all staff as to the company's progress, taking cognisance of staff feedback and by involving staff where possible in decisions, the overall effectiveness of the business through this team work is enhanced and further that the morale of the work force is positively impacted.

Key areas are:

- Newsletter updating staff of developments in the company.
- Annual performance appraisals for all levels of staff.

The company gives full and fair consideration to all applications for employment having regard to each applicant's aptitude and ability for the position available. Physical disability is not a bar to the provision of training for career development, or to promotion which is encouraged wherever possible.

Considerable emphasis is placed on employee development and in particular improving their awareness of the importance of the customer whether internal or external to the Group.

DIRECTORS' REPORT

CHARITABLE DONATIONS

The Company made no charitable donations in the period.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the necessary steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board

J Carruthers
Secretary

20 June 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEACOCKS STORES LIMITED

We have audited the financial statements of Peacocks Stores Limited for the year ended 1 March 2014 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

Philip Charles (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ
27 **June 2014**

PEACOCKS STORES LIMITED
Registered Number: SC285031

PROFIT AND LOSS ACCOUNT
For the 52 Weeks Ended 1 March 2014

	Notes	*Continuing Operations 52 weeks ended 1 March 2014 £000*	*Continuing Operations 53 weeks ended 2 March 2013 £000*	*Release of Negative Goodwill 53 weeks ended 2 March 2013 £000*	*Total Year 53 weeks ended 2 March 2013 £000*
TURNOVER	1	324,874	315,874	-	315,874
Cost of sales		(249,749)	(250,368)	7,909	(242,459)
GROSS PROFIT		75,125	65,506	7,909	73,415
Distribution costs		(12,798)	(14,715)	-	(14,715)
Administrative expenses		(4,097)	(6,725)	-	(6,725)
OPERATING PROFIT		58,230	44,066	7,909	51,975
Net interest receivable/(payable) and similar charges	5	241			(318)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	58,471			51,657
Tax on profit on ordinary activities	6	(13,251)			(12,501)
PROFIT FOR THE FINANCIAL PERIOD	16	45,220			39,156

There were no gains or losses recognised in the year other than those dealt with in the profit and loss account above.

PEACOCKS STORES LIMITED
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BALANCE SHEET
At 1 March 2014

	Notes	*1 March 2014 £000*	*2 March 2013 £000*
FIXED ASSETS			
Tangible assets	7	5,996	4,270
CURRENT ASSETS			
Stocks	8	28,916	34,163
Debtors	9	6,296	5,684
Cash at bank and in hand		118,102	74,540
		153,314	114,387
CREDITORS: amounts falling due within one year	10	(65,352)	(70,614)
NET CURRENT ASSETS		87,962	43,773
TOTAL ASSETS LESS CURRENT LIABILITIES		93,958	48,043
CREDITORS: amounts falling due after one year	11	(20)	(29)
		93,938	48,014
PROVISIONS FOR LIABILITIES AND CHARGES	13	(2,664)	(2,689)
DEFERRED INCOME	14	(729)	-
NET ASSETS		90,545	45,325
CAPITAL AND RESERVES			
Called up share capital	15	5,000	5,000
Profit and loss account	16	85,545	40,325
SHAREHOLDER'S FUNDS	16	90,545	45,325

These financial statements were approved by the board of directors on 20 June 2014 and were signed on its behalf by:

Philip Day
Director

Kristian Lee
Director

NOTES TO THE FINANCIAL STATEMENTS
For the 52 Weeks Ended 1 March 2014

1. ACCOUNTING POLICIES

Financial period
These financial statements are drawn up for the 52 week period ended 1 March 2014. The comparative figures are for the 53 week period ended 2 March 2013.

Basis of preparation of accounts
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The directors have considered trading forecasts based on estimated future market conditions, the availability of ongoing funding and the underlying operational performance of the business in the context of its principle business activities and the risks and uncertainties which are applicable. After making suitable enquiries and on the basis of their assessment of the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern assertion in the preparation of these financial statements.

The company is exempt from the requirement of Financial Reporting Standard No. 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary of The Edinburgh Woollen Mill (Group) Limited and its cash flows are included within the consolidated cash flows of that company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Turnover and cost of sales
Turnover represents goods supplied net of value added tax. Cost of sales includes the cost of goods sold, together with shop running expenses and other direct costs.

Tangible fixed assets
All fixed assets are initially recorded at cost.

Depreciation
Depreciation is provided to write off the cost less residual value of tangible fixed assets, other than freehold land, by equal instalments over their estimated useful economic lives at rates set out below.

Short Leasehold Property	The shorter of 10 years or life of the lease
Fixtures and fittings	12.5% per annum
Plant and machinery	25% per annum

Deferred Income – Capital Contributions/Reverse Premiums
Capital sums received from landlords as inducements to enter into lease agreements are credited to deferred income and amortised to the profit and loss account over the period to the next rent review or the lease term, whichever is shorter.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is based on purchase price. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolescence, markdown and shrinkage.

There is no material difference between the balance sheet value of stocks and their replacement cost.

Taxation
The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 March 2014

1. ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Group's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Finance leases

Assets held under finance leases are leases which transfer to the company substantially all the benefits along with all the risk and rewards of ownership of an asset. The assets are included in fixed assets and depreciated over their useful lives, with the capital element of the leasing commitment shown as obligations under finance leases.

The lease rentals are treated as consisting of capital and interest elements with the capital element applied to reduce the outstanding obligations and the interest element charged against profit.

Operating leases

Operating lease rentals payable/receivable are charged/credited to the profit and loss account on a straight line basis.

Pension Costs

Contributions to the Group Personal Pension Plan are charged to the profit and loss account as incurred.

Provisions

In accordance with FRS 12, provision is made for expected dilapidation costs on properties. Provisions are not discounted.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at exchange rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Gains or losses on exchange are taken to the profit and loss account.

The company utilises forward currency contracts with another group company in order to reduce any exposure to the fluctuation in foreign exchange rates.

2. DIRECTORS' EMOLUMENTS

	2013/14 52 weeks £000	*2012/13 53 weeks £000*
Aggregate emoluments	**93**	**89**
Employer contributions to defined contribution pension schemes	**9**	**5**

The amounts in respect of the highest paid director are as follows:

Emoluments	**93**	**89**

The directors' emoluments and pension contributions were all borne by a fellow group undertaking.

NOTES TO THE FINANCIAL STATEMENTS
For the 52 Weeks Ended 1 March 2014

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	52 weeks ended 1 March 2014 £000	53 weeks ended 2 March 2013 £000
Release of negative goodwill	-	(7,909)
Depreciation of tangible fixed assets - owned	900	361
- leased	11	6
Loss on sale of tangible fixed assets	14	-
Rent receivable – operating leases	(446)	(304)
Auditor's remuneration – audit of these financial statements	23	40
Operating leases - property	33,565	31,861
- plant and machinery	1,158	1,255

4. STAFF COSTS

	52 weeks ended 1 March 2014 £000	53 weeks ended 2 March 2013 £000
Wages and salaries	47,127	48,647
Social security costs	2,716	2,921
Other pension costs	209	95
	50,052	51,663

The average number of persons employed by the company during the period, all of whom were employed directly in retail and associated support activities, were as follows:

	Number of employees 52 weeks ended 1 March 2014	53 weeks ended 2 March 2013
Retail	4,782	4,888
Distribution	416	454
Office and management	257	233
	5,455	5,575

5. NET INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR CHARGES

	52 weeks ended 1 March 2014 £000	53 weeks ended 2 March 2013 £000
Interest payable on bank borrowings	-	(15)
Interest payable on finance leases	(1)	(1)
Interest payable on intercompany loans	(668)	(681)
	(669)	(697)
Group interest receivable	910	379
Net interest receivable/(payable)	241	(318)

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 March 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a. Analysis of charge for the period

	52 weeks ended 1 March 2014 £000	*53 weeks ended 2 March 2013 £000*
Current tax		
UK corporation tax on profit for the period	13,339	12,454
Adjustment in respect of prior periods	(98)	-
Total current tax	13,241	12,454
Deferred Tax		
Origination and reversal of timing differences	40	47
Adjustment in respect of prior periods	(30)	-
Total deferred tax	10	47
Total tax charge for the period	13,251	12,501

b. Factors affecting the tax charge for the period

	52 weeks ended 1 March 2014 £000	*53 weeks ended 2 March 2013 £000*
Profit on ordinary activities before taxation	58,471	51,657
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 23.09 % (2012/13 – 24.19%)	13,501	12,496
Disallowable expenses and non taxable income	100	65
Adjustment to tax charge in respect of prior periods	(98)	-
Capital allowances in excess of depreciation	(61)	(47)
UK transfer pricing	(58)	(60)
Short term timing differences	23	-
Overseas profit exemption	(166)	-
	13,241	12,454

c. Factors affecting future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

7. TANGIBLE ASSETS

	Short Term Leasehold Property £000	*Plant and Machinery £000*	*Fixtures and Fittings £000*	*Assets Under Construction £000*	*Total £000*
Cost:					
At 3 March 2013	1,413	685	2,539	-	4,637
Additions	247	-	1,994	409	2,650
Disposals	(13)	-	(3)	-	(16)
At 1 March 2014	1,647	685	4,530	409	7,271
Depreciation:					
At 3 March 2013	13	113	241	-	367
Charge for the period	312	175	424	-	911
Disposals	(2)	-	(1)	-	(3)
At 1 March 2014	323	288	664	-	1,275
Net book value at 1 March 2014	1,324	397	3,866	409	5,996
Net book value at 2 March 2013	1,400	572	2,298	-	4,270

Included within fixtures, fittings and equipment are assets held under finance leases with a net book value of £28,000 (2013: £39,000).

8. STOCKS

	1 March 2014 £000	*2 March 2013 £000*
Finished goods	28,916	34,163

9. DEBTORS

	1 March 2014 £000	*2 March 2013 £000*
Trade debtors	294	273
Prepayments and accrued income	5,924	5,359
Other debtors	78	52
	6,296	5,684

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 March 2014

10. CREDITORS: amounts falling due within one year

	1 March 2014 £000	*2 March 2013 £000*
Trade Creditors	21,686	19,370
UK corporation tax	6,303	6,711
Social security and other taxes including VAT	7,080	7,408
Other creditors and accruals	16,693	17,920
Obligations under finance leases (note 12)	9	8
Amounts owed to Group undertakings	13,581	19,197
	65,352	70,614

11. CREDITORS: amounts falling due after one year

	1 March 2014 £000	*2 March 2013 £000*
Obligations under finance leases (note 12)	20	29

12. OBLIGATIONS UNDER FINANCE LEASES

	1 March 2014 £000	*2 March 2013 £000*
Due within one year	9	8
In two to five years	20	29
	29	37

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Dilapidations	*Deferred Tax*	*Total*
	£000	*£000*	*£000*
At 3 March 2013	2,641	48	2,689
Charged to profit and loss account	7	10	17
Utilised	(42)	-	(42)
At 1 March 2014	2,606	58	2,664

Deferred taxation provided in the financial statements is as follows:

	1 March 2014	*2 March 2013*
	£000	*£000*
Accelerated capital allowances	105	48
Other timing differences	(47)	-
	58	48

14. DEFERRED INCOME

	Capital Contributions & Reverse Premiums
	£000
At 3 March 2013	-
Additions	858
Released to profit and loss account	(129)
	729

15. CALLED UP SHARE CAPITAL

	1 March 2014	*2 March 2013*
	£000	*£000*
Allotted, called up and fully paid		
5,000,000 Ordinary Shares of £1 each	5,000	5,000

16. RESERVES AND RECONCILIATION OF MOVEMENTS ON SHAREHOLDER'S FUNDS

	Share capital	*Profit and loss account*	*1 March 2014 Total*	*2 March 2013 Total*
	£000	*£000*	*£000*	*£000*
At beginning of period	5,000	40,325	45,325	6,169
Profit for the period	-	45,220	45,220	39,156
At end of period	5,000	85,545	90,545	45,325

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 March 2014

17. RELATED PARTY TRANSACTIONS

During the period services totalling £311,020 (period to 2 March 2013: £160,584) have been provided to the company by Hayton Construction. These services covered maintenance, dilapidation works and the repair of stores in the ordinary course of business. Competitive quotes are sought in all cases and business is only granted against the best quotes. This activity was brought in house at the end of October 2013. At the balance sheet date the amount due to Hayton Construction was £Nil (2013: £31,228). P Day's wife is the sole proprietor of Hayton Construction.

The company has taken advantage of the exemptions allowed under FRS 8 not to disclose transactions with other Group companies.

18. OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	1 March 2014		*2 March 2013*	
	£000	*£000*	*£000*	*£000*
	Property	*Other*	*Property*	*Other*
	£000	*£000*	*£000*	*£000*
Leases which expire:				
Within one year	**1,212**	**100**	**970**	**76**
Between one and two years	**2,794**	**150**	**2,381**	**230**
Between two and five years	**15,486**	**106**	**11,872**	**118**
In five years or more	**14,222**	**-**	**16,909**	**-**
At end of period	**33,714**	**356**	**32,132**	**424**

19. PENSION COMMITMENTS

The Group Personal Pension Plan provides money purchase benefits for employees of the Company based on the accumulated contributions paid on behalf of each member.

The charge to the Company for the period was £209,000 (2013: £95,000).

The unpaid contributions at the period end, included in 'Other Creditors and Accruals' (note 10) were £32,000 (2013: £30,000).

20. CONTINGENT LIABILITIES

In conjunction with certain other companies in the Group, the company has granted guarantees to secure the loans, overdrafts and committed revolving credit facilities of the companies in the group banking arrangements as follows:

	1 March 2014 £000	*2 March 2013 £000*
Committed Revolving Credit and Ancillary Facilities	**85,000**	**85,000**
Contingent liability to the company based on group utilisation of facilities at period end	**120,515**	**71,248**

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent company is The Edinburgh Woollen Mill (Group) Limited which is incorporated in Scotland.

The Company's immediate parent company is EWM (Topco) Limited.

The only group in which the results of the Company are consolidated is that headed by The Edinburgh Woollen Mill (Group) Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.