
PEACOCKS STORES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

FRIDAY



S4L2OCW1
SCT 27/11/2015 #209
COMPANIES HOUSE

PEACOCKS STORES LIMITED

COMPANY INFORMATION

DIRECTORS

Philip Day
Kristian Lee
Carmel Leigh
Steve Simpson

COMPANY SECRETARY

June Carruthers

REGISTERED NUMBER

SC285031

REGISTERED OFFICE

Waverley Mills
Langholm
Dumfriesshire
DG13 0EB

INDEPENDENT AUDITOR

KPMG LLP
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

BANKERS

Barclays Bank
77 Albion Street
Leeds
LS1 5LD

Santander Corporate Banking
301 St Vincent Street
Glasgow
G2 1AL

SOLICITORS

Maclay Murray & Spens LLP
1 George Square
Glasgow
G2 1AL

DLA Piper Scotland LLP
Collins House
Rutland Building
Edinburgh
EH11-2AA

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

PEACOCKS STORES LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 8
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	11 - 22

PEACOCKS STORES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

INTRODUCTION

The directors present their strategic report for the 52 weeks ended 28 February 2015.

BUSINESS REVIEW

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 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.

PEACOCKS STORES LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 28 FEBRUARY 2015

- **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.

- **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.

PEACOCKS STORES LIMITED

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 28 FEBRUARY 2015

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 28 February 2015 are as follows:

	2014/15	2013/14
Operating Profit % (Operating Profit as a % of turnover)	18.82%	17.92%
Free Cash Flow % (Operating cash flow (excluding interest, tax and financing payments) as a % of Operating Profit)	96.09%	107.3%
Working Capital % (Net current assets as a % of turnover)	35.38%	27.08%
Return on Capital Employed (Profit before tax as a % of Shareholder's Funds)	50.23%	64.58%
Operating Profit per Employee (Operating Profit/average number of employees)	£11,618	£10,675

This report was approved by the board on 24 July 2015 and signed on its behalf.



Kristian Lee
Director

PEACOCKS STORES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors present their report and the financial statements for the Year ended 28 February 2015.

PRINCIPAL ACTIVITIES

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 Year, after taxation, amounted to £52,934,000 (2014 - £45,220,000).

An interim dividend of £10,000,000 was paid on 31st October 2014. The directors do not recommend the payment of a final ordinary dividend (2014: £nil).

DIRECTORS

The directors who served during the Year were:

Philip Day
Kristian Lee
Carmel Leigh
Steve Simpson

EMPLOYEE INVOLVEMENT

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.

DISABLED EMPLOYEES

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.

PEACOCKS STORES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015**

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 company.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 24 July 2015 and signed on its behalf.



June Carruthers
Secretary

PEACOCKS STORES LIMITED

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 law 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 judgments 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;
- 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.

PEACOCKS STORES LIMITED

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 28 February 2015, set out on pages 9 to 22. 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 6, 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 28 February 2015 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.

PEACOCKS STORES LIMITED

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

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

24 July 2015

PEACOCKS STORES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	52 weeks ended 28 February 2015 £000	52 weeks ended 1 March 2014 £000
TURNOVER	1	351,680	324,874
Cost of sales		(268,509)	(249,749)
GROSS PROFIT		83,171	75,125
Distribution costs		(12,754)	(12,798)
Administrative expenses		(4,232)	(4,097)
OPERATING PROFIT	2	66,185	58,230
Interest receivable and similar income		962	910
Interest payable and similar charges	5	(105)	(669)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		67,042	58,471
Tax on profit on ordinary activities	6	(14,108)	(13,251)
PROFIT FOR THE FINANCIAL PERIOD	17	52,934	45,220

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements.

PEACOCKS STORES LIMITED
REGISTERED NUMBER: SC285031

BALANCE SHEET
AS AT 28 FEBRUARY 2015

	Note	£000	28 February 2015 £000	£000	1 March 2014 £000
FIXED ASSETS					
Intangible assets	7		259		-
Tangible assets	8		13,921		5,996
			<u>14,180</u>		<u>5,996</u>
CURRENT ASSETS					
Stocks	9	32,077		28,916	
Debtors	10	6,790		6,296	
Cash at bank		145,402		118,102	
		<u>184,269</u>		<u>153,314</u>	
CREDITORS: amounts falling due within one year	11	(59,862)		(65,352)	
NET CURRENT ASSETS			<u>124,407</u>		<u>87,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>138,587</u>		<u>93,958</u>
CREDITORS: amounts falling due after more than one year	12		(11)		(20)
PROVISIONS FOR LIABILITIES					
Deferred tax	13	(200)		(58)	
Other provisions	14	(2,849)		(2,606)	
			<u>(3,049)</u>		<u>(2,664)</u>
DEFERRED INCOME	15		<u>(2,048)</u>		<u>(729)</u>
NET ASSETS			<u>133,479</u>		<u>90,545</u>
CAPITAL AND RESERVES					
Called up share capital	16		5,000		5,000
Profit and loss account	17		128,479		85,545
SHAREHOLDER'S FUNDS	18		<u>133,479</u>		<u>90,545</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2015.


Philip Day
 Director


Kristian Lee
 Director

The notes on pages 11 to 22 form part of these financial statements.

PEACOCKS STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover and cost of sales

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

1.3 Concessions

The commission earned on concessionaires' sales is included in Turnover and Gross Profit.

1.4 Intangible fixed assets and amortisation

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition.

The intellectual property rights are amortised on a straight line basis over the directors' estimate of their useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	The shorter of 10 years or life of the lease
Plant and machinery	-	25% per annum
Motor vehicles	-	25% per annum
Fixtures and fittings	-	12.5% per annum

PEACOCKS STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES (continued)

1.6 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 on a straight line basis over the period to the next rent review or the lease term, whichever is the shorter.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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.

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.

PEACOCKS STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the Year.

1.13 Provisions

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

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	52 weeks ended 28 February 2015 £000	52 weeks ended 1 March 2014 £000
Amortisation - intangible fixed assets	7	-
Depreciation of tangible fixed assets:		
- owned by the company	1,448	900
- held under finance leases	11	11
Auditor's remuneration	24	23
Operating lease rentals:		
- plant and machinery	850	1,158
- other operating leases	35,599	33,565
Loss on sale of tangible fixed assets	45	14
Rent receivable- operating leases	(432)	(446)

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	52 weeks ended 28 February 2015 £000	<i>52 weeks ended 1 March 2014 £000</i>
Wages and salaries	49,435	47,127
Social security costs	2,745	2,716
Other pension costs	247	209
	<u>52,427</u>	<u>50,052</u>

The average monthly number of employees, including the directors, during the Year was as follows:

	52 weeks ended 28 February 2015 No.	<i>52 weeks ended 1 March 2014 No.</i>
Retail	5,015	4,782
Distribution	414	416
Office and management	268	257
	<u>5,697</u>	<u>5,455</u>

The average monthly number of full time equivalent employees, based on contracted hours, during the year was 2,745 (2014 - 2,686).

4. DIRECTORS' REMUNERATION

	52 weeks ended 28 February 2015 £000	<i>52 weeks ended 1 March 2014 £000</i>
Remuneration	<u>92</u>	<u>93</u>
Company pension contributions to defined contribution pension schemes	<u>13</u>	<u>9</u>

During the period retirement benefits were accruing to 2 directors (2014 - 2) in respect of a defined contribution pension scheme and 1 director (2014 - 1) in respect of a defined benefit scheme.

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

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

5. INTEREST PAYABLE

	52 weeks ended 28 February 2015 £000	52 weeks ended 1 March 2014 £000
On finance leases and hire purchase contracts	1	1
On loans from group undertakings	104	668
	<u>105</u>	<u>669</u>

6. TAXATION

	52 weeks ended 28 February 2015 £000	52 weeks ended 1 March 2014 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	13,957	13,339
Adjustments in respect of prior periods	9	(98)
Total current tax	<u>13,966</u>	<u>13,241</u>
Deferred tax		
Origination and reversal of timing differences	150	40
Effect of reduced tax rate on opening liability	(8)	(30)
Total deferred tax (see note 13)	<u>142</u>	<u>10</u>
Tax on profit on ordinary activities	<u>14,108</u>	<u>13,251</u>

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 21.19% (2014 - 23.09%). The differences are explained below:

	52 weeks ended 28 February 2015 £000	<i>52 weeks ended 1 March 2014 £000</i>
Profit on ordinary activities before tax	67,042	<i>58,471</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.19% (2014 - 23.09%)	14,204	<i>13,501</i>
Effects of:		
Expenses not deductible for tax purposes	124	<i>100</i>
Capital allowances for year in excess of depreciation	(162)	<i>(61)</i>
Adjustments to tax charge in respect of prior periods	9	<i>(98)</i>
Short term timing difference leading to an increase in taxation	11	<i>23</i>
Double taxation relief	(167)	<i>(166)</i>
Transfer pricing adjustments	(53)	<i>(58)</i>
Current tax charge for the year (see note above)	13,966	<i>13,241</i>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions 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 assets and liabilities at the balance sheet date have been calculated based on the rate of 20% substantively enacted at the balance sheet date.

PEACOCKS STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

7. INTANGIBLE FIXED ASSETS

	Intellectual Property £000
Cost	
At 2 March 2014	-
Additions	266
At 28 February 2015	266
Amortisation	
At 2 March 2014	-
Charge for the Year	7
At 28 February 2015	7
Net book value	
At 28 February 2015	259
At 1 March 2014	-

The intellectual property rights acquired are being amortised on a straight line basis over the directors' estimate of their useful economic life of 10 years.

8. TANGIBLE FIXED ASSETS

	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost					
At 2 March 2014	1,647	685	4,530	409	7,271
Additions	373	621	7,987	449	9,430
Disposals	(45)	-	(16)	-	(61)
At 28 February 2015	1,975	1,306	12,501	858	16,640
Depreciation					
At 2 March 2014	323	288	664	-	1,275
Charge for the Year	354	170	935	-	1,459
On disposals	(12)	-	(3)	-	(15)
At 28 February 2015	665	458	1,596	-	2,719
Net book value					
At 28 February 2015	1,310	848	10,905	858	13,921
At 1 March 2014	1,324	397	3,866	409	5,996

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

8. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	28 February 2015 £000	1 March 2014 £000
Furniture, fittings and equipment	17	28

9. STOCKS

	28 February 2015 £000	1 March 2014 £000
Finished goods and goods for resale	32,077	28,916

10. DEBTORS

	28 February 2015 £000	1 March 2014 £000
Trade debtors	356	294
Amounts owed by group undertakings	27	-
Other debtors	-	78
Prepayments and accrued income	6,407	5,924
	<u>6,790</u>	<u>6,296</u>

**11. CREDITORS:
Amounts falling due within one year**

	28 February 2015 £000	1 March 2014 £000
Net obligations under finance leases and hire purchase contracts	9	9
Trade creditors	24,073	21,686
Amounts owed to group undertakings	99	13,581
Corporation tax	6,718	6,303
Other taxation and social security	7,162	7,080
Accruals and deferred income	21,801	16,693
	<u>59,862</u>	<u>65,352</u>

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

12. CREDITORS:

Amounts falling due after more than one year

	28 February 2015 £000	1 March 2014 £000
Net obligations under finance leases and hire purchase contracts	11	20

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	28 February 2015 £000	1 March 2014 £000
Between one and five years	11	20

13. DEFERRED TAXATION

	28 February 2015 £000	1 March 2014 £000
At beginning of year	58	48
Charge for year (P&L)	142	10
At end of year	200	58

The provision for deferred taxation is made up as follows:

	28 February 2015 £000	1 March 2014 £000
Accelerated capital allowances	255	105
Tax losses carried forward	(55)	(47)
	200	58

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

14. PROVISIONS

	Dilapidations £000
At 2 March 2014	2,606
Additions	480
Amounts utilised	(237)
At 28 February 2015	<u>2,849</u>

Dilapidations

A provision is recognised for repairing obligations arising under the terms of property operating lease agreements. Provision is made where repairs are required and a schedule of dilapidations has been served by the landlord, or where there is a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

15. DEFERRED INCOME

Capital Contributions & Reverse Premiums

	2015 £000
At 2 March 2014	729
Additions	1,632
Amortisation	(313)
At 28 February 2015	<u>2,048</u>

16. SHARE CAPITAL

	28 February 2015 £000	1 March 2014 £000
Allotted, called up and fully paid		
5,000,000 Ordinary shares shares of £1 each	<u>5,000</u>	<u>5,000</u>

17. RESERVES

	Profit and loss account £000
At 2 March 2014	85,545
Profit for the year	52,934
Dividends	(10,000)
At 28 February 2015	<u>128,479</u>

PEACOCKS STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	28 February 2015 £000	<i>1 March 2014 £000</i>
Opening shareholder's funds	90,545	45,325
Profit for the year	52,934	45,220
Dividends (Note 19)	(10,000)	-
Closing shareholder's funds	<u>133,479</u>	<u>90,545</u>

19. DIVIDENDS

	52 weeks ended 28 February 2015 £000	<i>52 weeks ended 1 March 2014 £000</i>
Dividends paid on equity capital	<u>10,000</u>	<u>-</u>

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:

	28 February 2015 £000	<i>1 March 2014 £000</i>
Committed Revolving Credit and Ancillary Facilities	<u>55,000</u>	<u>85,000</u>
Contingent liability to the company based on group utilisation of facilities at period end	<u>99,157</u>	<u>120,515</u>

21. 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 £246,706 (2014: £209,000).

The unpaid contributions at the period end, included in 'Other Creditors and Accruals' were £34,232 (2014: £32,000).

PEACOCKS STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

22. OPERATING LEASE COMMITMENTS

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	28 February	1 March	28 February	1 March
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Within 1 year	1,630	1,212	83	970
Between 2 and 5 years	22,501	18,280	206	14,253
After more than 5 years	9,032	14,222	-	16,909

23. RELATED PARTY TRANSACTIONS

In prior years various services were provided to the company by Hayton Construction. This activity was brought in house at the end of October 2013 after which no services were provided to the company. P. Day's wife was 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.

24. 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.

By virtue of his shareholding in the ultimate parent company P. Day is the ultimate controlling party.

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.