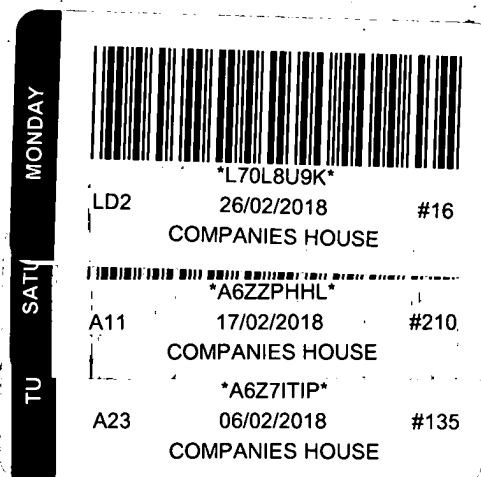

BLACKBIRD RETAIL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017



BLACKBIRD RETAIL HOLDINGS LIMITED

COMPANY INFORMATION

Directors

K M Johnson
J J Birtwhistle
P S Marshall

Registered number

07106749

Registered office

Norfolk Tower
Surrey Street
Norwich
Norfolk
NR1 3PA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 St James Court
Whitefriars
Norwich
NR3 1RJ

BLACKBIRD RETAIL HOLDINGS LIMITED

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BLACKBIRD RETAIL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

Introduction

The directors present their strategic report for the company for the year ended 28 February 2017.

Business review

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risk and uncertainties we face.

During the year the company was acquired by Raven Bidco Limited. The majority of the existing shareholders and all the directors remain in the business, the directors are of the opinion that together with the additional resources from the Raven Topco Limited Group will give the business the ability to achieve its aim of being the number one online furniture company in the UK.

The company declared an illegal dividend during the year. At the time the dividend was paid, the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose. The directors consider that there are sufficient distributable reserves in its wholly owned subsidiary company such as to enable a dividend to be paid to the company to amend the reserves position

Principal risks and uncertainties

The principal financial risk faced by the company is its ability to keep servicing the bank loans that are payable by Raven Bidco Limited. The funds required to service the bank loans are provided as loans from the trading entity, The Cotswold Company (UK) Limited. Those directors, who are common to both companies, believe that The Cotswold Company (UK) Limited will continue to be able to provide sufficient loans to enable Raven Bidco Ltd to service its bank debt for the foreseeable future. Due to the nature of sourcing of its products The Cotswold Company (UK) Ltd is susceptible to changes in foreign exchange rates and this, together with changes in the global economy, present a risk to the businesses cashflow.

Financial key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strengths of The Cotswold Company (UK) Limited as a whole, those being sales growth, gross profit and operating margin:

Movement in sales	79% (2016: 164%)
Gross profit margin	55% (2016: 55%)
Operating profit margin	6% (2016: 7%)

Forecast cash flow is a key indicator for the business and this is reviewed on a daily basis. The directors review the cost of its expenditure relating to The Cotswold Company (Qingdao) Business Consulting Limited in relation to comparing the cost of obtaining the equivalent services from a third party.

The directors are pleased with the performance of the business during the financial year. Continued investment in its customer base through the strategic marketing activities and increased stock availability has again resulted in satisfactory levels of profitability.

Other key performance indicators

Our customers are the key to the future of the business and we pride ourselves in providing excellent customer service. As such, we monitor customer reviews and operational performance connected to the quality of goods we receive and supply.

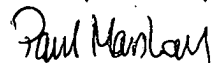
BLACKBIRD RETAIL HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017**

This report was approved by the board on

5/2/18

and signed on its behalf.



P S Marshall
Director

BLACKBIRD RETAIL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

The directors present their report and the audited financial statements for the year ended 28 February 2017.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the audited financial statements of the Company in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 audited 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 to enable them to ensure that the audited 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.

Results and dividends

The loss for the year, amounted to £92,806 (2016 - profit £566,034).

The company declared dividends totalling £134,027 (2016: 534,755).

At the time the dividend was paid, the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose. The directors consider that there are sufficient distributable reserves in its wholly owned subsidiary company such as to enable a dividend to be paid to the company to amend the reserves position

The directors have not recommended an amount that should be paid by way of a dividend.

Directors

The directors who served during the year, and up to the date of signing the financial statements were:

K M Johnson
J J Birtwhistle
P S Marshall
A Joseph (resigned 31 October 2016)
R T Bisset (resigned 31 October 2016)

BLACKBIRD RETAIL HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017**

A J Shapin (resigned 31 October 2016)

H E Beebe (appointed 1 June 2016, resigned 31 October 2016)

Future developments

The business continues to expand and grow its customer base through providing high quality service to customers, offering a wide range of products and investment in strategic marketing. The directors continue to review opportunities to grow the business in the new financial year.

Going concern

At the year end the Company had net liabilities of £228,776 (2016: £1,943) and incurred a loss before tax of £92,806 (2016: £566,034). Raven Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support for a period of at least twelve months from the date of the financial statements so as to allow the Company to pay its debts as they fall due. The directors consider it appropriate to prepare the financial statements on a going concern basis.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent Auditors

The independent 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

5/2/18

and signed on its behalf.



P S Marshall
Director

BLACKBIRD RETAIL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKBIRD RETAIL HOLDINGS LIMITED

Report on the financial statements

Our opinion

In our opinion, Blackbird Retail Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its loss 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 28 February 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

BLACKBIRD RETAIL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKBIRD RETAIL HOLDINGS 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 3, 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

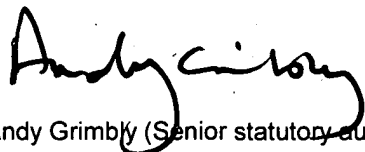
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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

BLACKBIRD RETAIL HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKBIRD RETAIL HOLDINGS LIMITED
(CONTINUED)**

audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Andy Grimby (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 St James Court
Whitefriars
Norwich
NR3 1RJ
Date: *5 February 2017*

BLACKBIRD RETAIL HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	2017 £	2016 £
Administrative expenses		(415,977)	(88,721)
Operating loss	4	<u>(415,977)</u>	<u>(88,721)</u>
Income from shares in group undertakings		323,171	654,755
(Loss)/profit before tax		<u>(92,806)</u>	<u>566,034</u>
Tax	8	-	-
Loss for the financial period		<u><u>(92,806)</u></u>	<u><u>566,034</u></u>

There was no other comprehensive income for 2017 (2016:£NIL).

BLACKBIRD RETAIL HOLDINGS LIMITED
REGISTERED NUMBER:07106749

BALANCE SHEET
AS AT 28 FEBRUARY 2017

	Note	28 February 2017 £	29 February 2016 £
Fixed assets			
Intangible assets	10	-	71,252
Investments	11	78,764	78,864
		<u>78,764</u>	<u>150,116</u>
Current assets			
Cash at bank and in hand	12	4,278	603
		<u>4,278</u>	<u>603</u>
Creditors: amounts falling due within one year	13	(311,818)	(152,662)
Net current liabilities		<u>(307,540)</u>	<u>(152,059)</u>
Net liabilities		<u>(228,776)</u>	<u>(1,943)</u>
Capital and reserves			
Called up share capital	15	14,492	14,492
Profit and loss account	16	(243,268)	(16,435)
Total shareholders deficit		<u>(228,776)</u>	<u>(1,943)</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on



P S Marshall
Director

BLACKBIRD RETAIL HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Called up share capital £	Profit and loss account £	Total shareholder s deficit £
At 1 March 2015	14,492	(47,714)	(33,222)
Profit for the year	-	566,034	566,034
	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	(534,755)	(534,755)
	<hr/>	<hr/>	<hr/>
At 1 March 2016	14,492	(16,435)	(1,943)
Loss for the year	-	(92,806)	(92,806)
	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	(134,027)	(134,027)
	<hr/>	<hr/>	<hr/>
At 28 February 2017	14,492	(243,268)	(228,776)

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

1. General information

Blackbird Retail Holdings Limited is a private company, limited by shares and was incorporated in the United Kingdom and registered in England. The registered office is Norfolk Tower, Norwich NR1 3PA. The company's principal activity is that of a holding company for the shares in its subsidiary companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The principal accounting policies, which have been applied consistently to all years presented, unless otherwise stated, are as follows:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Raven Topco Limited as at 28 February 2017 and these financial statements may be obtained from their registered office.

2.3 Going concern

At the year end the Company had net liabilities of £228,776 (2016: £1,943) and incurred a loss before tax of £92,806 (2016: £566,034). Raven Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support for a period of at least twelve months from the date of the financial statements so as to allow the Company to pay its debts as they fall due. The directors consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006, see note 19 for further details.

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.5 Distribution to equity holders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment losses.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.11 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for income and expenditure during the year. No judgements (apart from those involving estimates) have been made when preparing the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year include:

Useful economic life of intangible assets

The Company assesses at each reporting date whether an investment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investment. When determining the estimate, a number of assumptions are required including revenue forecasts, expected cash flows to ensure that future cash flows are recoverable. These cash flows take into account the global market place and expected changes in the operations of the company. If the recoverable amount is below the value the investment is currently recorded as then it is impaired and the charge is expensed through the profit and loss account.

BLACKBIRD RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

4. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	5,000	5,000
Impairment of intangible assets	(66,252)	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	1,800	1,800
	<u> </u>	<u> </u>

5. Employees

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

	2017 £	2016 £
Wages and salaries	-	78,728
	<u> </u>	<u> </u>
	-	78,728
	<u> </u>	<u> </u>

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

	2017 No.	2016 No.
Number of administrative staff	5	6
	<u> </u>	<u> </u>

6. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	-	78,728
	<u> </u>	<u> </u>
	-	78,728
	<u> </u>	<u> </u>

The directors were paid by a subsidiary during the period, and time associated with Blackbird Retail Holdings Limited has been deemed inconsequential.

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

7. Income from shares in group undertakings

	2017 £	2016 £
Dividends received from group companies	323,171	654,755
	<u>323,171</u>	<u>654,755</u>

8. Tax on loss

	2017 £	2016 £
Total current tax	-	-

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20.0% (2016 - 20.1%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(92,806)	566,034
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2016 - 20.1%)	(18,561)	113,660
Effects of:		
Expenses not deductible for tax purposes	20	-
Non-taxable income	(64,634)	(113,660)
Group relief	83,175	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

BLACKBIRD RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

9. Dividends

	2017 £	2016 £
Ordinary dividends paid	134,027	534,755
	<u>134,027</u>	<u>534,755</u>

At the time the dividend was paid, the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose. The directors consider that there are sufficient distributable reserves in its wholly owned subsidiary company such as to enable a dividend to be paid to the company to amend the reserves position.

10. Intangible assets

	Domain names and intellectual property £
Cost	
At 1 March 2016 and at 28 February 2017	100,002
Amortisation	
At 1 March 2016	28,750
Charge for the year	5,000
Impairment charge	66,252
At 28 February 2017	100,002
Net book value	
At 28 February 2017	-
At 29 February 2016	71,252

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

11. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2016	78,864
Amounts written off	(100)
At 28 February 2017	<u>78,764</u>
Net book value	
At 28 February 2017	<u>78,764</u>
At 29 February 2016	<u>78,864</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity	Registered office
The Cotswold Company (UK Limited)	Ordinary	100%	Furniture retail	Norfolk Tower, Surrey Street, Norwich NR1 3PA
Changeawhile Limited	Ordinary	100%	Non-trading	Norfolk Tower, Surrey Street, Norwich NR1 3PA
The Cotswold Company (Qingdao) Business Consulting Co. Ltd	Ordinary	100%	Service company	Room 2102, Building 1 Minghui International Building No. 39 Shilling Road Laoshan District, Shandong Province China 2666061

All subsidiaries are owned directly by the company.

BLACKBIRD RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

12. Cash at bank and in hand

	28 February 2017 £	29 February 2016 £
Cash at bank and in hand	4,278	603
	4,278	603

13. Creditors: Amounts falling due within one year

	28 February 2017 £	29 February 2016 £
Amounts owed to group undertakings	309,696	150,287
Other creditors	322	575
Accruals and deferred income	1,800	1,800
	311,818	152,662

14. Financial instruments

	28 February 2017 £	29 February 2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	74,202	603
	74,202	603
Financial liabilities		
Financial liabilities measured at amortised cost	(311,496)	(152,087)
	(311,496)	(152,087)

Financial assets measured at amortised cost comprise of the bank balances of £4,278 (2016: £603) and other debtors of £69,924 (2016: £Nil).

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings of £309,696 (2016: £150,287), and accruals and deferred income of £1,800 (2016: £1,800).

BLACKBIRD RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

15. Called up Share capital

	28 February 2017 £	29 February 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
14,492 (2016: 14,492) Ordinary shares of £1 each	<u>14,492</u>	<u>14,492</u>

There is a single class of share capital. There are no restrictions on the distribution of dividends and the repayment of capital.

16. Profit and loss account

The profit and loss account includes all retained profit and losses.

17. Contingent liabilities

The company holds a joint VAT registration with fellow group companies: Changeawhile Limited, The Cotswold Company (UK) Limited, Raven Bidco Limited, Raven Midco Limited, and Raven Topco Limited. At 28 February 2017, the maximum potential liability amounted to £760,064 (2016: £327,059).

The Royal Bank of Scotland Plc has a fixed and floating charge over the company in respect of the borrowings of the Raven Topco Limited Group. The directors are of the opinion that it is unlikely that any amount will become payable by the company under this charge.

18. Related party transactions

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

At the year end, included within other creditors, is an amount of £332 (2016: £575), owed to K M Johnson, director.

19. Controlling party

The immediate parent company of the Blackbird Retail Holdings Limited is Raven Bidco Limited. The ultimate parent company is Raven Topco Limited which is incorporated in the United Kingdom and registered in England and Wales. Whilst there is no overall controlling party of the group, the directors consider True Capital Partners 1-A LP and True Capital Partner 1 LP, who between them control greater than 50% of the voting rights and are managed by True Capital LLP to be the ultimate controlling parties.

Raven Topco Limited prepares consolidated financial statements which can be obtained from Francis House, 11 Francis Street, London, SW1P 1DE. This is largest and smallest group for which consolidated financial statements are prepared.