

Airwair (1994) Limited

Report and Financial Statements

31 March 2012

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COMPANIES HOUSE

Airwair (1994) Limited

Registered No 2874123

Directors

S W Griggs
D R Suddens

Secretary

SLC Registrars Limited
Thames House
Portsmouth Road
Esher
KT10 9AD

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank Plc
Avebury Boulevard
Milton Keynes
MK9 2GA

Solicitors

DLA Piper UK LLP
1 St Paul's Place
Sheffield
S1 2JX

Registered office

Cobbs Lane
Wollaston
Nr Wellingborough
Northamptonshire
NN29 7SW

Directors' report

The directors present their report and financial statements for the year ended 31 March 2012

Results and dividends

The loss for the year, after taxation is £386,205 (2011 £1,620,037) The directors do not recommend the payment of any dividends

Principal activities and review of the business

The Company principally operates as an intermediate investment holding company The Company did not trade during the year other than in its capacity as a holding company

Directors and their interests

The directors who served the Company during the year and subsequently were as follows

S W Griggs
D R Suddens

There are no directors' interests requiring disclosure under the Companies Act 2006

Going concern

The Company is reliant on the continued financial support of other group companies The directors of the Company's ultimate holding company R Griggs Group Limited have confirmed that future liabilities of Airwair (1996) Limited will be met as they fall due by R Griggs Group Limited The directors of Airwair (1996) Limited therefore consider it appropriate to prepare the financial statements on a going concern basis

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Disclosure of information to the auditors


So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and of the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Re-appointment of auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company

The directors' report takes advantage of the reduced disclosure available to small entities, in accordance with the special provisions of s 417 of the Companies Act 2006

On behalf of the board



D R Suddens
Director
24th July 2012

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make 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 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.

Independent auditors' report

to the members of Airwair (1994) Limited

We have audited the financial statements of Airwair (1994) Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 2012 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.

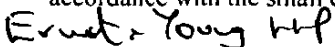
Opinion on other matter prescribed by the Companies Act 2006

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

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.


Andy Glover (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date

24 July 2012

Profit and loss account
for the year ended 31 March 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
Other operating (charges)/income		(29,082)	440
Operating (loss)/profit		(29,082)	440
Income from participating interests	4	–	2,183,542
Bank interest payable		(357,123)	(502,018)
(Loss)/ profit on ordinary activities before taxation		(386,205)	1,681,964
Tax on (loss)/profit on ordinary activities	5	–	(61,927)
(Loss)/Profit for the financial year	9	(386,205)	1,620,037

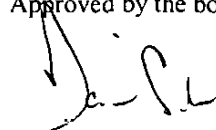
All of the operations of the Company are considered continuing

There are no recognised gains or losses other than the loss of £386,205 attributable to the shareholders for the year ended 31 March 2012 (2011 profit £1,620,037)

Balance sheet at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	6	<u>531,248</u>	<u>531,258</u>
Creditors amounts falling due within one year	7	<u>(14,285,033)</u>	<u>(13,898,838)</u>
Net current liabilities		<u>(14,285,033)</u>	<u>(13,898,838)</u>
Net assets		<u>(13,753,785)</u>	<u>(13,367,580)</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>(13,754,785)</u>	<u>(13,368,580)</u>
Shareholders' deficit	9	<u>(13,753,785)</u>	<u>(13,367,580)</u>

Approved by the board and signed on its behalf by



D R Suddens
Director
24th July 2012

Notes to the financial statements

at 31 March 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

Going concern

The Company is reliant on the continued financial support of other group companies. The directors of the Company's ultimate holding company R Griggs Group Limited have confirmed that future liabilities of Airwair (1994) Limited will be met as they fall due by R Griggs Group Limited. The directors of Airwair (1994) Limited therefore consider it appropriate to prepare the financial statements on a going concern basis

Consolidation

The Company is exempt from the requirements to prepare group financial statements by virtue of Section 400 of the Companies Act 2006, and accordingly the financial statements present information about the Company as an individual and not about its group

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes consolidated financial statements

Related party transactions

The Company is wholly owned by Airwair Limited, which is a wholly owned subsidiary of R Griggs Group Limited, the consolidated accounts of the latter are publicly available. Accordingly, the Company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with members or investees of the R Griggs Group

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Investments

Investments are included at cost, less provision for impairment

Notes to the financial statements

at 31 March 2012

2. Auditors Remuneration

Auditors' remuneration is borne by other group undertakings

3. Staff costs and directors remuneration

No salaries or wages have been paid to employees during the year

The monthly average number of employees during the year was as follows

	<i>2012</i> <i>No</i>	<i>2011</i> <i>No</i>
Directors	<u>2</u>	<u>2</u>

Directors' emoluments have been borne by other group companies. The directors of the Company are also directors or officers of a number of the companies within the R Griggs Group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the years ended 31 March 2012 and 31 March 2011.

4. Income from investments

	<i>2012</i> <i>£</i>	<i>2011</i> <i>£</i>
Income from participating interests	<u>—</u>	<u>2,183,542</u>

Notes to the financial statements

at 31 March 2012

5. Tax

(a) Tax on loss on ordinary activities

The tax charge / (credit) is made up as follows

	2012 £	2011 £
<i>Current tax</i>		
UK Corporation tax	–	61,927
Total current tax (note 5(b))	<u>–</u>	<u>61,927</u>

(b) Factors affecting current tax charge/(credit)

The differences are reconciled below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(386,205)</u>	<u>1,681,964</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	(100,413)	470,950
Non taxable income	–	(628,731)
Unrelieved tax losses carried forward	100,413	157,781
Overseas tax suffered	–	61,927
Total current tax (note 5(a))	<u>–</u>	<u>61,927</u>

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows

	2012 £	2011 £
Capital losses available	1,265,572	1,371,037
Tax losses available	<u>767,840</u>	<u>730,413</u>
	<u>2,033,412</u>	<u>2,102,450</u>

Given the uncertainty over future utilisation over timing differences and losses (eg profits may arise in entities that cannot offset the losses), no deferred tax assets have been recognised in respect of them. As and when these timing differences and losses are utilised, this will affect the current and total tax charges.

(d) Factors affecting the future tax charge

Deferred tax has been calculated at the rate expected to apply at the time at which timing differences are forecast to reverse, based on tax rates which have been substantively enacted at the balance sheet date. Following the budget on 21 March 2012 a resolution under the provisional collection of taxes act resulted in the corporation tax rate reducing to 24% with effect from 1 April 2012. The budget on 21 March 2012 also announced a further reduction of 1% per annum in the main rate of corporation tax down to 22% by 1 April 2014. This change has not been substantively enacted at the balance sheet date, therefore the calculation of deferred tax balances do not reflect the potential impact of these proposed rate reductions.

Notes to the financial statements

at 31 March 2012

The effect on the Company of these proposed changes will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted

6. Investments

	<i>Shares in group companies</i>	<i>Investments other than loans</i>	<i>Total</i>
	£	£	£
Cost			
At 1 April 2011	5,810,969	341	5,811,310
Effect of exchange rates	-	(10)	(10)
At 31 March 2012	<u>5,810,969</u>	<u>331</u>	<u>5,811,300</u>
Amounts provided			
At 31 March 2011 and 31 March 2012	<u>5,280,052</u>	<u>-</u>	<u>5,280,052</u>
Net book value			
At 31 March 2012	<u>530,917</u>	<u>331</u>	<u>531,248</u>
At 31 March 2011	<u>530,917</u>	<u>341</u>	<u>531,258</u>

At 31 March 2012, the Company directly owns 100% of the issued ordinary share capital of the companies listed below

<i>Name of subsidiary undertaking</i>	<i>Country of registration</i>	<i>Class of share capital held</i>	<i>Nature of business</i>
Airwair USA Limited	USA	Capital of no par value	Dormant
Dr Martens Airwair Benelux N V	Belgium	Bearer Capital	Footwear distribution
Dr Martens Airwair France S A	France	Ordinary	Footwear retail and distribution
Dr Martens Airwair Korea Limited	Korea	Ordinary	Footwear retail and distribution
Dr Martens Airwair Japan KK	Japan	Ordinary	Footwear distribution
Dr Martens Airwair Singapore PTE Limited	Singapore	Ordinary	Footwear distribution
Dr Martens Airwair International trading (Shanghai) Co Limited	China	Ordinary	Dormant
Dr Martens Airwair Hong Kong Limited	Hong Kong	Ordinary	Footwear distribution

Notes to the financial statements

at 31 March 2012

6. Investments (continued)

The capital and reserves and the profit/(loss) for the year ended 31 March 2012 for each subsidiary undertaking is as follows

<i>Name of subsidiary undertaking</i>	<i>Aggregate of capital and reserves</i>		<i>Profit/(loss) for the financial year</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Airwair USA Limited	—	—	—	—
Dr Martens Airwair Benelux N V	(240,157)	(255,083)	—	—
Dr Martens Airwair France S A	42,738	60,740	(14,961)	(2,169)
Dr Martens Airwair Korea Limited	615,727	582,710	50,711	55,426
Dr Martens Airwair Japan KK	2,051,126	1,906,476	129,212	118,587
Dr Martens Airwair Singapore PTE Limited	375,889	309,001	65,270	494,468
Dr Martens Airwair Hong Kong Limited	1,510,746	1,284,148	218,818	1,188,310

7. Creditors: amounts falling due within one year

	<i>2012</i>	<i>2011</i>
	£	£
Bank overdraft	12,292,129	11,771,395
Amounts owed to group undertakings	1,992,904	2,127,443
	<u>14,285,033</u>	<u>13,898,838</u>

The bank overdraft is secured by fixed and floating charges over all assets of the Company and cross guarantees from fellow group undertakings

Notes to the financial statements

at 31 March 2012

8. Share capital

	<i>No</i>	<i>Allotted, called up and fully paid</i>	
		<i>2012</i>	<i>2011</i>
		<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	<u>1,000</u>	<u>1,000</u>

9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£</i>	<i>account</i>	<i>holders' deficit</i>
		<i>£</i>	<i>£</i>
At 1 April 2010	1,000	(14,988,617)	(14,987,617)
Profit for the year	–	1,620,037	1,620,037
At 31 March 2011	<u>1,000</u>	<u>(13,368,580)</u>	<u>(13,367,580)</u>
Loss for the year	–	(386,205)	(386,205)
At 31 March 2012	<u>1,000</u>	<u>(13,754,785)</u>	<u>(13,753,785)</u>

10. Contingent liability

The Company, together with other group undertakings, is party to unlimited multilateral guarantees given in respect of the bank loans and overdrafts of participating companies. As at 31 March 2012 the total cost of the loans and overdrafts guaranteed by the Company under this agreement amounted to £nil (2011 nil)

11. Ultimate parent company

Airwair (1994) Limited is wholly owned by Airwair Limited which is a wholly owned subsidiary of R Griggs Group Limited. The latter is the only group of which the Company is a member and for which group financial statements are prepared.

Copies of the ultimate parent company's consolidated financial statements may be obtained from Cobbs Lane, Wollaston, Northants, NN29 7SW