

Wear:Aer (1999) Limited

Report and Financial Statements

31 March 2007

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COMPANIES HOUSE

Wear Aer (1999) Limited

Registered No 3777807

Directors

S W Griggs
D R Suddens

Secretary

SLC Registrars Limited

Auditors

Ernst & Young LLP
City Gate West
Toll House Hill
Nottingham
NG1 5FY

Bankers

HSBC Bank Plc

Solicitors

DLA

Registered office

Cobbs Lane
Wollaston
Nr Wellingborough
Northants
NN29 7SW

Directors' report

The directors present their report and financial statements for the year ended 31 March 2007

Results and dividends

The loss for the year, after taxation, is £5,695 (2006 loss £61) 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

Directors and their interests

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

S W Griggs
D R Suddens

There are no directors' interests requiring disclosure under the Companies Act 1985

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 1985 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

During the year the company had in force an indemnity provision in favour of one or more directors of Wear Aer (1999) Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985

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 385 of the Companies Act 1985, 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 Part VII of the Companies Act 1985

On behalf of the board



D R Suddens
Director

31 Oct 2007

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Wear.Aer (1999) Limited

We have audited the Company's financial statements (the "financial statements") for the year ended 31 March 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Wear Aer (1999) Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of the Company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Nottingham

31 October 2007

Profit and loss account

for the year ended 31 March 2007

	<i>Notes</i>	2007 £	2006 £
Other operating income	2	208	—
Operating profit		<u>208</u>	<u>—</u>
Interest payable and similar charges	3	5,903	—
Loss on ordinary activities before taxation	4	<u>(5,695)</u>	<u>—</u>
Tax on loss on ordinary activities	7	—	61
Loss for the financial year transferred to reserves	12	<u><u>(5,695)</u></u>	<u><u>(61)</u></u>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £5,695 attributable to the shareholders for the year ended 31 March 2007 (2006 loss of £61)

Balance sheet

at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	8	<u>1</u>	<u>1</u>
Current assets			
Debtors	9	611	610
Cash at bank		168,750	—
		<u>169,361</u>	<u>610</u>
Creditors amounts falling due within one year	10	<u>(261,126)</u>	<u>(86,683)</u>
Net current liabilities		<u>(91,767)</u>	<u>(86,073)</u>
Total assets less current liabilities		<u>(91,766)</u>	<u>(86,072)</u>
Capital and reserves			
Called up share capital	11	100	99
Profit and loss account	12	(91,866)	(86,171)
Shareholders' deficit	12	<u>(91,766)</u>	<u>(86,072)</u>



D R Suddens
Director

31 Oct 2007

Notes to the financial statements

at 31 March 2007

1. Accounting policies

Basis of preparation

The financial statements of Wear Aer (1999) Limited were approved for issue by the Board of Directors on 31 October 2007

The financial statements are prepared under the historical cost convention

The financial statements are prepared in accordance with applicable accounting standards

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 Wear Aer (1999) Limited will be met as they fall due by R Griggs Group Limited. The directors of Wear Aer (1999) 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 228 of the Companies Act 1985, 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 Wear Aer International Limited, which is a wholly owned subsidiary of R Griggs Group Limited, the consolidated financial statements 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

Investments

Investments are included at cost, less provision for impairment

2. Other operating income

	2007 £	2006 £
Exchange gains	208	—

3. Interest payable and similar charges

	2007 £	2006 £
Bank overdraft	5,903	—

Notes to the financial statements

at 31 March 2007

4. Loss on ordinary activities before taxation

This is stated after charging

	2007 £	2006 £
Auditors' remuneration - audit services	-	-
- non-audit services	-	-
	<u>-</u>	<u>-</u>

Auditors' remuneration is borne by other group undertakings

5. Staff costs

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

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

	2007 No	2006 No
Directors	<u>2</u>	<u>2</u>

6. Directors' emoluments

Directors' emoluments have been borne by the 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 2007 and 31 March 2006.

7. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

Current tax

	2007 £	2006 £
UK corporation tax (note 6(b))	-	-
Tax attributable to foreign subsidiary	-	61
Total current tax	<u>-</u>	<u>61</u>

Notes to the financial statements

at 31 March 2007

7. Tax (continued)

(b) Factors affecting current tax charge

Taxation above of £nil (2006 £61) represents USA tax refunds due in respect of the result of Dr Martens E-Commerce LLC (a subsidiary undertaking) for the year. This is in compliance with USA legislation whereby tax is receivable or payable by the holding company.

No deferred taxation is provided on earnings retained overseas since any remittance would not result in a material tax liability, taking into consideration any related double tax relief.

The differences are reconciled below

	2007 £	2006 £
Loss on ordinary activities before tax	(5,695)	—
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(1,709)	—
Unutilised non-trading losses for the year	1,709	—
Total current tax (note 7(a))	—	—

(c) Deferred tax

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

	2007 £	2006 £
Tax losses available	(1,709)	(-)

(d) Factors that may affect future tax charges

The current and total effective tax rates for 2007 and 2006 are lower than standard primarily because of the ability to utilise previously unrecognised tax losses brought forward. 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.

Announcements were made after the Balance Sheet date to changes in tax laws and rates that will have an effect on the deferred tax asset of the company. The main change that will affect the company is the reduction in the rate of UK Corporation tax from 30% to 28%. This change will result in a reduction of the deferred tax asset of £114.

Notes to the financial statements

at 31 March 2007

8. Investments

Shares in
group
companies
£

Cost and net book value

At 1 April 2006 and 31 March 2007

1

At 31 March 2007, the company owns 100% of the issued ordinary share capital of the following company

Name of subsidiary undertaking	Country of registration	Class of share capital held	Nature of investment		Nature of business
			Direct	Indirect	
Dr Martens E-Commerce LLC	USA	Capital of no par value	100%	–	Footwear retailer

The capital and reserves and the profit for the year ended 31 March 2007 for the subsidiary undertaking is as follows

Name of subsidiary undertaking	Aggregate of capital and reserves		Profit/(loss) for the financial year	
	2007 £	2006 £	2007 £	2006 £
Dr Martens E-Commerce LLC	300,437	–	308,909	–

9. Debtors

	2007 £	2006 £
Amounts owed by group undertakings	611	610

10. Creditors: amounts falling due within one year

	2007 £	2006 £
Bank overdraft	–	86,379
Amounts owed to group undertakings	261,126	304
	261,126	86,683

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

Notes to the financial statements

at 31 March 2007

11. Share capital

	2007 £	Authorised 2006 £
Ordinary shares of £1 each	100	100

	Allotted, called up and fully paid	
	2007	2006
	No	No
	£	£
Ordinary shares of £1 each	100	99

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 April 2006	99	(86,171)	(86,072)
Loss for the year	—	(5,695)	(5,695)
Issue of shares	1	—	1
At 31 March 2007	100	(91,866)	(91,766)

13. 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 2007 the total cost of the loans and overdrafts guaranteed by the Company under this agreement amounted to £9,653,552 (2006 £7,652,246)

14. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

15. Ultimate parent company

Wear Aer (1999) Limited is wholly owned by Wear Aer International 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