Registered No 3777807

Wear:Aer (1999) Limited

Report and Financial Statements

31 March 2012

Registered No 3777807

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
Northants
NN29 7SW

Directors' report

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

Results and dividends

The profit for the year, after taxation, is £1,494,082 (2011 loss £116,529) 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

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

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 12

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 Wear:Aer (1999) Limited

We have audited the financial statements of Wear Aer (1999) Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 13 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 2011 and of its profit 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

Ernst & Young LLP

Andy Glover (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 24th July 2012

Profit and loss account
for the year ended 31 March 2012

	Notes	*2012* £	*2011* £
Other operating (charges)/income	2	(55,059)	70,774
Operating (loss)/profit		(55,059)	70,774
Income from participating interests	5	1,517,145	
Bank interest receivable		31,996	45,755
Profit on ordinary activities before taxation		1,494,082	116,529
Tax on profit/(loss) on ordinary activities	6	–	–
Profit for the financial year	11	1,494,082	116,529

There are no recognised gains or losses other than the profit of £1,494,082 attributable to the shareholders for the year ended 31 March 2012 (2011 profit £116,529)

Balance sheet
at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	7	1	1
Current assets			
Debtors	8	176,928	435,499
Cash at bank		1,137,268	1,513,539
		1,314,196	1,949,038
Creditors amounts falling due within one year	9	–	(2,128,924)
Net current assets/(liabilities)		1,314,196	(179,886)
Net assets/(liabilities)		1,314,197	(296,414)
Capital and reserves			
Share capital	10	100	100
Profit and loss account	11	1,314,097	(179,985)
Shareholders' funds/(deficit)	11	1,314,197	(179,885)

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

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 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

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements
at 31 March 2012

2. Other operating (income)/charges

	2012 £	*2011* £
Exchange loss/(gain)	45,438	(90,752)
Other operating charges	9,621	19,978
	55,059	(70,774)

3. Auditors Remuneration

Auditors' remuneration is borne by other group undertakings

4. Staff costs and directors emoluments

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

	2012 *No*	*2011* *No*
Directors	2	2

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

5. Income from investments

	2012 £	*2011* £
Income from participating interests	1,517,145	–

Notes to the financial statements
at 31 March 2012

6 Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

Current tax

	2012 £	*2011* £
UK corporation tax (note 6(b))	–	–
Total current tax	–	–

(b) Factors affecting current tax charge

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

	2012 £	*2011* £
Profit on ordinary activities before tax	1,494,082	116,529
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	388,461	32,628
Non-taxable income	(391,956)	–
Expenses not deductible	–	5,594
Group relief received	–	(2,546)
Unrelieved tax losses carried forward	3,495	(35,676)
Total current tax (note 6(a))	–	–

(c) Deferred tax

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

	2012 £	*2011* £
Tax losses available	3,226	–

Given the uncertainty over future utilisation of the remaining timing differences and historic tax losses (eg profits may arise in entities that cannot offset the losses), deferred tax assets have only been recognised, in respect of them, to the extent that they will be utilised in the foreseeable future As and when these unrecognised 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

Notes to the financial statements
at 31 March 2012

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 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

7. Investments

	Shares in group companies
	£
Cost and net book value	
At 1 April 2010 and 31 March 2011	1

At 31 March 2011 the company directly 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 business*
Dr Martens E-Commerce LLC	USA	Capital of no par value	Footwear retailer

The capital and reserves and the profit for the year ended 31 March 2011 for the subsidiary undertaking is as follows

Name of subsidiary undertaking	*Aggregate of capital and reserves*		*Profit for the financial year*	
	2012	*2011*	*2012*	*2011*
	£	*£*	*£*	*£*
Dr Martens E-Commerce LLC *	128,586	1,574,321	65,706	53,809

* The Profit above is before payment of a dividend of £1,510,055

8. Debtors

	2012	*2011*
	£	*£*
Amounts owed by group undertakings	174,892	173,786
Other debtor	2,036	361,713
	176,928	435,499

9. Creditors: amounts falling due within one year

	2012	*2011*
	£	*£*
Amounts owed to group undertakings	–	2,128,924

Notes to the financial statements
at 31 March 2012

10. Share capital

	Allotted, called up and fully paid			
		2012		*2011*
	No	*£*	*No*	*£*
Ordinary shares of £1 each	100	100	100	100

11. Reconciliation of shareholders' deficit and movement on reserves

	Share capital	*Profit and loss account*	*Total shareholders' deficit*
	£	*£*	*£*
At 1 April 2010	100	(296,514)	(296,414)
Loss for the year	–	116,529	116,529
At 31 March 2011	100	(179,985)	(179,885)
Profit for the year		1,494,082	1,494,082
At 31 March 2012	100	1,314,097	1,314,197

12. 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 £3,613,877 (2011 £4,057,300)

13. 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