

# **Wear:Aer (1999) Limited**

## **Report and Financial Statements**

31 March 2010



## **Wear Aer (1999) Limited**

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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 2010

### Results and dividends

The loss for the year, after taxation, is £18,746 (2009 loss £196,112) 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

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 2006

### Disclosure of information to the auditors

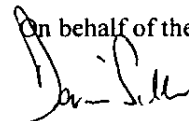
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and of the Company's 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  
26<sup>th</sup> July 2010

## 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 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 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.

### **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 2010 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.

## **Independent auditors' report**

**to the members of Wear:Aer (1999) Limited**

(continued)

### **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

*28 July 2010*

## Profit and loss account

for the year ended 31 March 2010

|  | Notes | 2010<br>£       | 2009<br>£        |
|--|-------|-----------------|------------------|
| Other operating charges                                    | 2     | (46,765)        | (218,996)        |
| <b>Operating loss</b>                                      |       | <u>(46,765)</u> | <u>(218,996)</u> |
| Bank interest receivable                                   |       | 28,019          | 22,884           |
| <b>Loss on ordinary activities before taxation</b>         |       | <u>(18,746)</u> | <u>(196,112)</u> |
| Tax on profit/(loss) on ordinary activities                | 5     | —               | —                |
| <b>Loss for the financial year transferred to reserves</b> | 10    | <u>(18,746)</u> | <u>(196,112)</u> |

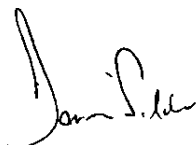
There are no recognised gains or losses other than the loss of £18,746 attributable to the shareholders for the year ended 31 March 2010 (2009 loss £196,112)

# Wear Aer (1999) Limited

Registered No 3777807

## Balance sheet at 31 March 2010

|   | Notes | 2010<br>£          | 2009<br>£          |
|---|-------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |       |                    |                    |
| Investments   | 6     | <u>1</u>           | <u>1</u>           |
| <b>Current assets</b>                                 |       |                    |                    |
| Debtors   | 7     | 37,127             | 135,599            |
| Cash on hand  |       | <u>1,132,780</u>   | <u>665,760</u>     |
|   |       | 1,169,907          | 801,359            |
| <b>Creditors: amounts falling due within one year</b> | 8     | <u>(1,466,322)</u> | <u>(1,079,028)</u> |
| <b>Net current liabilities</b>                        |       | (296,415)          | (277,669)          |
| <b>Total assets less current liabilities</b>          |       | <u>(296,414)</u>   | <u>(277,668)</u>   |
| <b>Capital and reserves</b>                           |       |                    |                    |
| Share capital   | 9     | 100                | 100                |
| Profit and loss account                               | 10    | <u>(296,514)</u>   | <u>(277,768)</u>   |
| <b>Shareholders' deficit</b>                          | 10    | <u>(296,414)</u>   | <u>(277,668)</u>   |



D R Suddens  
Director  
26<sup>th</sup> July 2010



## Notes to the financial statements

at 31 March 2010

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable UK 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 400 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

#### ***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 2010

### *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 2010

### 2. Other operating charges

|                         | 2010<br>£     | 2009<br>£      |
|-------------------------|---------------|----------------|
| Exchange (gain)/loss    | (39,717)      | 218,034        |
| Other operating charges | 86,482        | 962            |
|                         | <u>46,765</u> | <u>218,996</u> |

### 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

|           | 2010<br>No | 2009<br>No |
|-----------|------------|------------|
| 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 2010 and 31 March 2009.

## Notes to the financial statements

at 31 March 2010

### 5. Tax

#### (a) Tax on loss on ordinary activities

The tax charge is made up as follows

##### *Current tax*

|                                | 2010<br>£ | 2009<br>£ |
|--------------------------------|-----------|-----------|
| UK corporation tax (note 5(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

|   | 2010<br>£ | 2009<br>£ |
|---|-----------|-----------|
| Profit/(Loss) on ordinary activities before tax   | (18,746)  | (196,112) |
| Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%) | (5,249)   | (54,911)  |
| Expenses not deductible   | 24,215    | 269       |
| Unutilised trading losses for the year  | (18,966)  | 54,642    |
| Total current tax (note 5(a))   | —         | —         |

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.

## Notes to the financial statements

at 31 March 2010

### 6. Investments

Shares in  
group  
companies  
£

Cost and net book value

At 1 April 2009 and 31 March 2010

1

At 31 March 2010 the company directly owns 100% of the issued ordinary share capital of the following company

| <i>Name of subsidiary undertaking</i> | <i>Country of registration</i> | <i>Class of share capital held</i> | <i>Nature of business</i> |
|---------------------------------------|--------------------------------|------------------------------------|---------------------------|
| 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 2010 for the subsidiary undertaking is as follows

| <i>Name of subsidiary undertaking</i> | <i>Aggregate of capital and reserves</i> |                  | <i>Profit for the financial year</i> |                  |
|---------------------------------------|--|------------------|--------------------------------------|------------------|
|                                       | <i>2010</i><br>£                         | <i>2009</i><br>£ | <i>2010</i><br>£                     | <i>2009</i><br>£ |
| Dr Martens E-Commerce LLC             | <u>1,608,533</u>                         | <u>1,106,213</u> | <u>854,338</u>                       | <u>279,850</u>   |

### 7. Debtors

|                                    | <i>2010</i><br>£ | <i>2009</i><br>£ |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 28,031           | 89,930           |
| Other debtor                       | <u>9,096</u>     | <u>45,669</u>    |
|                                    | <u>37,127</u>    | <u>135,599</u>   |

### 8. Creditors: amounts falling due within one year

|                                    | <i>2010</i><br>£ | <i>2009</i><br>£ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | <u>1,466,322</u> | <u>1,079,028</u> |

## Notes to the financial statements

at 31 March 2010

### 9. Share capital

|                            | <i>Allotted, called up and fully paid</i> |            | <i>2009</i> |            |
|----------------------------|---|------------|-------------|------------|
|                            | <i>No</i>                                 | <i>£</i>   | <i>No</i>   | <i>£</i>   |
| Ordinary shares of £1 each | 100                                       | <u>100</u> | 100         | <u>100</u> |

### 10. Reconciliation of shareholders' deficit 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 2009   | 100                  | (277,768)              | (277,668)               |
| Loss for the year | –                    | (18,746)               | (18,746)                |
| At 31 March 2010  | <u>100</u>           | <u>(296,514)</u>       | <u>(296,414)</u>        |

### 11. 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 2010 the total cost of the loans and overdrafts guaranteed by the Company under this agreement amounted to £11,517,897 (2009 £14,940,913)

### 12. 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