

Registered number 04313439

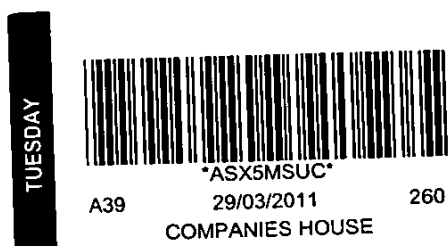
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**WACOAL (UK) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 1 JANUARY 2011**



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**WACOAL (UK) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	K Hirooka T Miura R Murray
<b>COMPANY SECRETARY</b>	Scnp Secretaries Limited
<b>COMPANY NUMBER</b>	04313439
<b>REGISTERED OFFICE</b>	17 Hanover Square London W1S 1HU
<b>AUDITOR</b>	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Dukes Court 32 Duke Street St James's London SW1Y 6DF

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**WACOAL (UK) LIMITED**

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**WACOAL (UK) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 1 JANUARY 2011**

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The directors present their report and the financial statements for the year ended 1 January 2011

**PRINCIPAL ACTIVITIES**

The principal activity of the company in the period under review was that of procuring the sale of clothing on behalf of the parent company, Wacoal America Inc

**DIRECTORS**

The directors who served during the year were

K Hirooka  
T Miura  
R Murray

**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 estimates that are reasonable and prudent,
- 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.

**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

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**WACOAL (UK) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 1 JANUARY 2011**

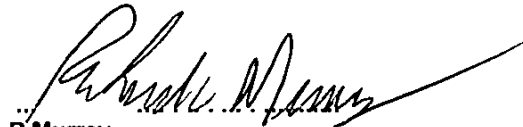
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**AUDITOR**

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



**R Murray**  
Director

Date 16.3.11

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**WACOAL (UK) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WACOAL (UK) LIMITED**

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We have audited the financial statements of Wacoal (UK) Limited for the year ended 1 January 2011, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditor's 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 AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation 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 1 January 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

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**WACOAL (UK) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WACOAL (UK) LIMITED**

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**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

Ross Badger FCA (Senior statutory auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Dukes Court  
32 Duke Street  
St James's  
London  
SW1Y 6DF

Date 21 3 11

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**WACOAL (UK) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 JANUARY 2011**

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	Note	2011 £	2010 £
<b>TURNOVER</b>	1	<b>427,879</b>	<b>345,882</b>
Administrative expenses		<u>(415,038)</u>	<u>(407,388)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>12,841</b>	<b>(61,506)</b>
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>	10	<u><b>12,841</b></u>	<u><b>(61,506)</b></u>

The notes on pages 7 to 11 form part of these financial statements



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**WACOAL (UK) LIMITED**  
**REGISTERED NUMBER. 04313439**

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**BALANCE SHEET**  
**AS AT 1 JANUARY 2011**

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	Note	£	1 January 2011 £	2 January 2010 £
<b>FIXED ASSETS</b>				
Tangible assets	5		435	9,067
<b>CURRENT ASSETS</b>				
Debtors	6	50,495		57,800
Cash at bank and in hand		46,275		23,298
		<u>96,770</u>		<u>81,098</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(113,456)</u>		<u>(119,257)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(16,686)</u>	<u>(38,159)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(16,251)</u>	<u>(29,092)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	9		162,502	162,502
Profit and loss account	10		<u>(178,753)</u>	<u>(191,594)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(16,251)</u>	<u>(29,092)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



**R Murray**  
Director

Date 16.3.11

The notes on pages 7 to 11 form part of these financial statements

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**WACOAL (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

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**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements and going concern**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on the going concern basis which assumes the company's continuing ability to trade (and thus to pay its debts as they fall due) for the foreseeable future. The balance sheet deficit arises from the operating losses generated by the company in prior periods and are expected to be reversed in future years. Since the balance sheet deficit is largely made up of amounts due to the parent company, the directors consider that there is every reason to believe that the company should be able to continue operating for the foreseeable future.

The parent company has, furthermore, stated that it intends, without creating a contractual obligation to provide such support as may reasonably be necessary to the company for the foreseeable future.

**1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	33% straight line
Fixtures & fittings	-	40% reducing balance

**1.5 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

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**WACOAL (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

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**1 ACCOUNTING POLICIES (continued)**

**1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction with the exception of turnover between Wacoal UK Limited and Wacoal America Inc where an average rate for the period is agreed in advance

Exchange gains and losses are recognised in the Profit and Loss Account

**1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**2. PROFIT/(LOSS)**

The profit/(loss) is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	6,693	7,715
Pension costs	5,173	6,343
Rent - operating leases	84,000	84,000
Profit/loss on sale of tangible assets	-	(3,540)
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2010 - £NIL)

The auditors' remuneration has been borne by the parent company, Wacoal America Inc, in both the current and preceding period

**WACOAL (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

**3. STAFF COSTS**

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	195,780	194,615
Social security costs	19,242	21,855
Other pension costs	5,173	6,343
	<u>220,195</u>	<u>222,813</u>

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

	2011 No.	2010 No
Average number of employees	<u>5</u>	<u>5</u>

**4. TAXATION**

	2011 £	2010 £
UK corporation tax charge on profit/loss for the year	<u>-</u>	<u>-</u>

**5. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 3 January 2010 and 1 January 2011	<u>57,029</u>	<u>32,650</u>	<u>89,679</u>
<b>Depreciation</b>			
At 3 January 2010	51,589	29,023	80,612
Charge for the year	3,501	3,192	6,693
Foreign exchange movement	1,939	-	1,939
At 1 January 2011	<u>57,029</u>	<u>32,215</u>	<u>89,244</u>
<b>Net book value</b>			
At 1 January 2011	<u>-</u>	<u>435</u>	<u>435</u>
At 2 January 2010	<u>5,440</u>	<u>3,627</u>	<u>9,067</u>

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**WACOAL (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

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**6. DEBTORS**

	<b>1 January 2011 £</b>	<b>2 January 2010 £</b>
VAT	21,481	10,376
Prepayments	3,259	21,702
Other debtors	25,755	25,722
	<u>50,495</u>	<u>57,800</u>

**7. CREDITORS:  
Amounts falling due within one year**

	<b>1 January 2011 £</b>	<b>2 January 2010 £</b>
Trade creditors	6,135	2,158
Amounts owed to group undertakings	46,163	62,182
Accruals and deferred income	60,440	54,254
Other creditors	718	663
	<u>113,456</u>	<u>119,257</u>

**8. SECURED DEBTS**

Within other debtors (see note 6), there is a rental deposit of £24,675. The lessor has a legal registered charge over these funds.

**9. SHARE CAPITAL**

	<b>1 January 2011 £</b>	<b>2 January 2010 £</b>
<b>Allotted, called up and fully paid</b>		
162,502 Ordinary shares of £1 each	<u>162,502</u>	<u>162,502</u>

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**WACOAL (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

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**10. RESERVES**

	<b>Profit and loss account £</b>
At 3 January 2010	<b>(191,594)</b>
Profit for the year	<b>12,841</b>
	<hr/>
At 1 January 2011	<b>(178,753)</b>
	<hr/> <hr/>

**11. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,173 (2009 - £6,343). Contributions totalling £718 (2009 - £663) were payable to the fund at the balance sheet date and are included in creditors.

**12. OPERATING LEASE COMMITMENTS**

At 1 January 2011 the company had annual commitments under non-cancellable operating leases as follows:

	<b>1 January 2011 £</b>	<b>2 January 2010 £</b>
<b>Expiry date:</b>		
Within 1 year	-	84,000
Between 2 and 5 years	<b>90,384</b>	-
	<hr/> <hr/>	<hr/> <hr/>

**13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions available under FRS 8 Related Party Disclosure not to disclose transactions with other group companies.

**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company and controlling party is Wacoal Holdings Corporation, a company registered in Japan.

The smallest group in which the results of the company are consolidated is that headed by Wacoal America Inc.

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**WACOAL (UK) LIMITED**

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**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 JANUARY 2011**

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	<b>Page</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>	13	<b>427,879</b>	<b>345,882</b>
<b>LESS OVERHEADS</b>			
Administration expenses	13	<b>(303,274)</b>	<b>(270,063)</b>
Establishment expenses	13	<b>(111,764)</b>	<b>(137,325)</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b><u>12,841</u></b>	<b><u>(61,506)</u></b>

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**WACOAL (UK) LIMITED**

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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 1 JANUARY 2011**

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	2011 £	2010 £
<b>TURNOVER</b>		
Commissions receivable	<u>427,879</u>	<u>345,882</u>
	2011 £	2010 £
<b>ADMINISTRATION EXPENSES</b>		
Staff salaries	195,780	194,615
Staff private health insurance	12,225	11,446
Staff national insurance	19,242	21,855
Staff pension costs - money purchase schemes	5,173	6,343
Employee travel and subsistence	7,783	12,268
Postage	3,028	2,099
Telephone and fax	6,254	8,647
Supplies	4,800	3,553
Advertising and promotion	17,425	196
Bank charges	180	400
Difference on foreign exchange	4,878	4,188
Sundry expenses	19,813	25,432
Depreciation - motor vehicles	-	1,305
Depreciation - office equipment	3,192	4,573
Depreciation - fixtures & fittings	-	132
Depreciation - leasehold property	3,501	1,705
Profit/loss on sale of tangible assets	-	(3,540)
VAT - Input tax recovery	-	(25,154)
	<u>303,274</u>	<u>270,063</u>
	2011 £	2010 £
<b>ESTABLISHMENT EXPENSES</b>		
Rent - operating leases	84,000	84,000
Rates	12,777	11,828
Service charges and insurance	14,987	17,968
Dilapidations provision	-	23,529
	<u>111,764</u>	<u>137,325</u>