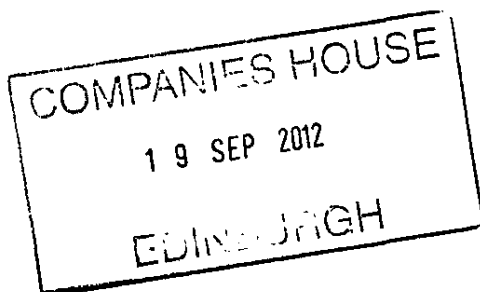


Registered in Scotland - Number SC32605

Register

THOMPSON'S (MODERN WEAR) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2012



THOMPSON'S (MODERN WEAR) LIMITED

COMPANY INFORMATION

DIRECTORS

Mr. G. J. Docherty
Mr. C. C. Docherty
Mr. C. D. McArthur

SECRETARY

Mr. C. C. Docherty

REGISTERED OFFICE

53 Elm Row
EDINBURGH
EH7 4AH

BANKERS

The Royal Bank of Scotland plc
2 Blenheim Place
EDINBURGH
EH7 5JH

SOLICITORS

Wright Johnston & Mackenzie
302 St Vincent Street
GLASGOW
G2 5RZ

ACCOUNTANTS

Menzies Accountants Limited
Chartered Accountants
23 Windsor Street
EDINBURGH
EH7 5LA

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 29 February 2012.

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 year. In preparing these 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;
- prepare the financial statements on a 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 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.

Principal activity

The company's principal activities are retailing sports equipment & clothing and the development of its property investment interests.

Directors

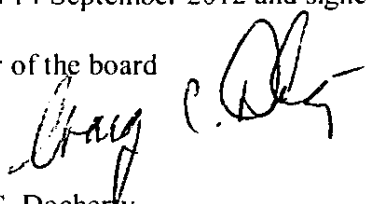
The directors during the year were as follows

Mr. G. J. Docherty
Mr. C. C. Docherty
Mr. C. D. McArthur

Small company rules

This report has 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. It was approved by the board on 14 September 2012 and signed on its behalf.

By order of the board


Mr. C. C. Docherty
Secretary

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THOMPSON'S (MODERN WEAR) LIMITED**

2.

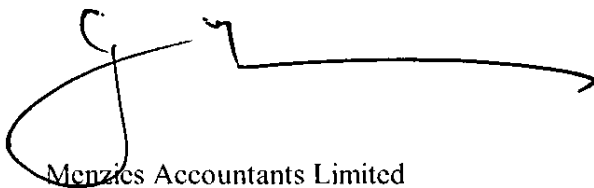
In accordance with the engagement letter dated 10 September 2006, and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared the accounts of the company on pages 3 to 11 from the accounting records and information and explanations supplied to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the Company's Board of Directors 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

You have acknowledged on the balance sheet for the year ended 29 February 2012 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.



Menzies Accountants Limited
Chartered Accountants

23 Windsor Street
EDINBURGH
EH7 5LA

14 September 2012

THOMPSON'S (MODERN WEAR) LIMITED**3.****PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	Notes	2012 £	2011 £
Turnover	2	611,115	538,641
Cost of sales		(372,017)	(299,382)
Gross profit		239,098	239,259
Distribution costs		(287,413)	(244,816)
Administrative expenses		(10,787)	(66,233)
Other operating income		56,307	66,582
Operating (loss)	3	(2,795)	(5,208)
Interest payable		(9,958)	(9,680)
(Loss) on ordinary activities before taxation		(12,753)	(14,888)
Taxation on (loss) on ordinary activities	4	-	-
(Loss) on ordinary activities after taxation for the financial year		(12,753)	(14,888)

THOMPSON'S (MODERN WEAR) LIMITED**4.****BALANCE SHEET
AS AT 29 FEBRUARY 2012**

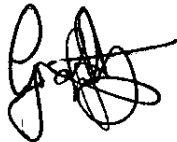
	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	5	719,107	719,372
Investments	6	69,964	69,964
		-----	-----
		789,071	789,336
		-----	-----
Current assets			
Stocks		134,904	174,385
Debtors	7	109,168	110,255
Cash at bank and in hand		233	400
		-----	-----
		244,305	285,040
		-----	-----
Creditors: amounts falling due within one year	8	(188,987)	(210,616)
		-----	-----
Net current assets		55,318	74,424
		-----	-----
Creditors: amounts falling due after more than one year	9	197,939	204,557
		-----	-----
Net assets		646,450	659,203
		-----	-----
 Capital and reserves			
Called up share capital	10	10,000	10,000
Revaluation reserve	11	612,354	612,354
Profit and loss account	12	24,096	36,849
		-----	-----
Shareholders' funds		646,450	659,203
		-----	-----

**BALANCE SHEET - CONTINUED
AT 29 FEBRUARY 2012**

The directors:

1. confirm that for the year ending 29 February 2012 the company was entitled to exemption under subsection (1) of section 477 Companies Act 2006 ;
2. confirm that no notice requiring an audit had been deposited under section 476 Companies Act 2006 in relation to the financial statements for the financial year; and
3. acknowledge their responsibility for:
 - (a) ensuring that the company keeps accounting records which comply with section 386 and section 387 of the Companies Act 2006 ; and
 - (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements, which 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, were approved by the board on 14 September 2012 and signed on its behalf.



Mr. G. J. Docherty
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012****1. ACCOUNTING POLICIES****Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The company and its subsidiary undertaking comprise a small group. The company has taken advantage of the exemption provided by sections 398 and 399 of the Companies Act 2006 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents sums receivable for goods and services and is stated net of value added tax.

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;

Plant & machinery	25% per annum straight line basis
Fixtures, fittings & equipment	25% per annum reducing balance basis

Investment properties

Investment properties are interests in land and buildings which are held for their investment potential, any rental being negotiated at arm's length. Investment properties are stated at their open market value and are not depreciated.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Leasing

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discountable basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 29 FEBRUARY 2012

2. TURNOVER

All turnover is attributable to markets in the United Kingdom.

3. OPERATING (LOSS)

The operating (loss) is stated after charging:	2012	2011
	£	£
Depreciation of tangible fixed assets		
• owned by the company	771	1,695
Directors' emoluments	11,466	44,712
Pension contributions	1,800	7,200
	-----	-----

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2011 – 3).

4. TAXATION

	2012	2011
	£	£
U.K. corporation tax	-	-
	-----	-----

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 29 FEBRUARY 2012

5. TANGIBLE FIXED ASSETS

	Investment properties £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 March 2011	717,698	59,547	777,245
Additions	-	506	506
	-----	-----	-----
At 29 February 2012	717,698	60,053	777,751
	-----	-----	-----
Depreciation			
At 1 March 2011	-	57,873	57,873
Charge for year	-	771	771
	-----	-----	-----
At 29 February 2012	-	58,644	58,644
	-----	-----	-----
Net book value			
At 29 February 2012	717,698	1,409	719,107
	-----	-----	-----
At 28 February 2011	717,698	1,674	719,372
	-----	-----	-----

Investment properties were valued on an open market basis by Culverwell a firm of Chartered Surveyors on 28 February 2003. Two properties were subject to a further revaluation by Ryden a firm of Chartered Surveyors in February 2009. The directors consider this further revaluation brings the values up to date as at 29 February 2012. In accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), investment properties are not depreciated. Compliance with the Financial Reporting Standard for Smaller Entities is a departure from the Companies Act 2006 necessary to give a true and fair view. The historic cost of the investment properties is £159,919 (2011 - £159,919)

If these properties were sold for their revalued amounts there would be a tax charge of between £110,000 and £180,000, based on current corporation tax rates.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 29 FEBRUARY 2012

6. INVESTMENTS

	Shares in group undertakings £
At 1 March 2011	69,964
At 29 February 2012	69,964

The investments in group undertakings represent an investment in a wholly owned subsidiary registered in Scotland.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2012 £	(Loss) for the year 2012 £
Alexander & Company (Footwear) Limited	9,799	(1,740)

The principal activity of Alexander & Company (Footwear) Limited is property investment and development.

7. DEBTORS

	2012 £	2011 £
Due within one year		
Trade debtors	4,364	5,055
Prepayments & accrued income	7,337	7,747
Amounts owed by group undertakings	97,467	97,453
	109,168	110,255

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS AT 29 FEBRUARY 2012

8. CREDITORS: amounts falling due within one year

	2012	2011
	£	£
Bank overdraft	67,192	91,037
Bank loan	14,076	21,285
Trade creditors	20,343	19,557
Amounts owed to group undertakings	18,919	22,254
Other taxes and social security	5,645	4,190
Other creditors	62,812	52,293
	-----	-----
	188,987	210,616
	-----	-----

Of the creditors falling due within and after more than one year, the bank loans and overdrafts totalling £279,207 (2011 - £316,879) are secured.

Bank loans outstanding at the year end amounted to £212,015 (2011 - £225,842) and include instalments due after more than five years of £97,421 (2011 - £111,497).

9. CREDITORS - Amounts falling due after more than one year:

	2012	2011
	£	£
Bank loan	197,939	204,557
	-----	-----

10. SHARE CAPITAL

	2012	2011
	£	£
Authorised, allotted, called up & fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	-----	-----

11. REVALUATION RESERVE

	2012	2011
	£	£
Balance at 1 March 2010	612,354	612,354
	-----	-----
Balance at 29 February 2011	612,354	612,354
	-----	-----

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS AT 29 FEBRUARY 2012

12. RETAINED PROFIT	2012	2011
	£	£
Balance at 1 March 2011	36,849	51,737
Retained (loss) for the year	(12,753)	(14,888)
	-----	-----
Balance at 29 February 2012	24,096	36,849
	-----	-----

13. FINANCIAL COMMITMENTS

At 29 February 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012	2011
	£	£
Operating leases which expire:		
Between two and five years	25,000	25,000
After more than five years	-	-
	-----	-----

14. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions due at the year end.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a 100% subsidiary of Thompsons Holdings (Edinburgh) Limited, a company registered in Scotland. Mr. G.J. Docherty and Mr. C.C. Docherty who control 100% of the shares in Thompsons Holdings (Edinburgh) Limited are the company's ultimate controlling party.

16. RELATED PARTY TRANSACTIONS

During the year the company transacted as follows:

1. Alexander & Company (Footwear) Limited (100% subsidiary).

Net funds of £3,335 were transferred from the parent company. The balance due to the subsidiary at 29 February 2012 was £18,919.

2. Thompsons Holdings (Edinburgh) Limited (ultimate parent company).

The company incurred expenses of £14 on behalf of the parent company. The balance due by the parent company at 29 February 2012 was £97,467.