



**CORPORATE
RESTRUCTURING**

Our ref: MTB/JXN/AMG/WEN010/958514/P3

Your ref:

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London W1H 6LY

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www.mcr.uk.com

TO ALL KNOWN CREDITORS AND MEMBERS

When telephoning please ask for:
Adam Garcia

e-mail:
agarcia@mcr.uk.com

Direct dial:
020 7487 7261

30 July 2010

Dear Sirs

**Wensum Holdings Limited
Sartoria Corporatewear Limited
Faithful Workwear Limited
(Proposed Company Voluntary Arrangements) (together "the Companies")**

The directors of the Companies, having regard to the financial positions of the Companies have decided to take steps to enter each of the Companies into Company Voluntary Arrangements with their creditors. My firm has been requested to assist in drawing up proposals to creditors and to convene creditors' and members' meetings at which the proposals will be considered and voted upon. Please find enclosed a notice convening those meetings.

Purpose of the meetings

The main purpose of the creditors' meetings will be to consider and vote on the proposals. A copy of these is attached enclosing the Directors' Statements of Affairs for the Companies. I also enclose my comments, in the form of my Nominees report. In addition, creditors will vote for the appointment of Supervisors to administer the arrangements and may appoint a creditors' committee of between three and five creditors, if they so wish.

Voting

Votes at the meeting are based on the value of your debt as evidenced by a written statement of your claim (a proof of debt form is attached). If you are not a limited company, you may vote if:

1. you attend the meeting and have either submitted or bring with you a statement of your claim;
or
2. you do not attend the meeting but nominate someone else to attend on your behalf and return the proxy form by the time stated in the notice. You can nominate the chairman of the meeting, who will be a director of the company, to act as your proxy and vote in accordance with your wishes. You must submit a proof of debt form either at or before the meeting.

If you are a limited company, you must ensure the enclosed proxy is received no later than midday on the business day before the meeting. It may be posted or sent by facsimile to this office. You must also provide a written statement of claim.

Cont'd/...



Supervisors' fees

A creditors' guide to insolvency practitioners' fees in voluntary arrangements is available on the Nominees' website at www.mcr.uk.com

Creditors' meetings

Attached is a formal notice of creditors' meetings. These meetings will be held concurrently at 10:00am on 16 August 2010 at The Hallmark Hotel, Midland Road, Derby, DE1 2SQ to consider the Directors' proposals and the Nominee's comments.

The CVAs require the approval of a majority in excess of 75% in value of the creditors voting on the resolution in person or by proxy. Each of these proposed CVAs is contingent upon the approval of both of the other two CVAs. Should one set of creditors not approve the CVA, the CVAs for all three Companies will not be implemented.

Members' meetings

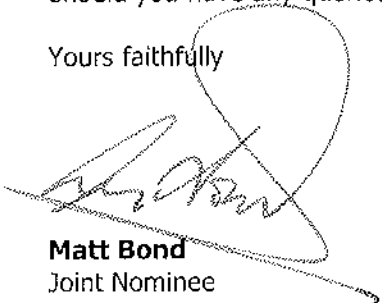
A CVA also requires that a meeting of members of each company takes place. A CVA is approved by members if it receives the approval of a majority in number in excess of 50% in value of the members of each company present in person or by proxy and voting.

Meetings of the members of each of the Companies have also been convened for 11:00am on 16 August 2010 at The Hallmark Hotel, Midland Road, Derby, DE1 2SQ to consider the Directors' proposals and the Nominees' comments.

Further information

Should you have any queries please contact Adam Garcia of this office in the first instance.

Yours faithfully



Matt Bond
Joint Nominee

Encs.

- A copy of the Directors' Proposals for Company Voluntary Arrangements dated 29 July 2010;
- Nominees' report dated 29 July 2010;
- Notice of Meetings;
- Proof of Debt forms;
- Proxy forms.

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

IN THE MATTER OF THE INSOLVENCY ACT 1986

**Wensum Holdings Limited
Sartoria Corporatewear Limited
Faithful Workwear Limited**

NOTICE OF CREDITORS' MEETINGS

NOTICE IS HEREBY GIVEN pursuant to Section 3 of the Insolvency Act 1986 that a meeting of creditors of the above named company will be held concurrently at 10.00 am on 16 August 2010 at The Hallmark Hotel, Midland Road, Derby, DE1 2SQ to consider the Directors' proposals and the Nominee's comments.

The following documents are enclosed:

1. Copies of the Directors' proposals for Company Voluntary Arrangements dated 29 July 2010;
2. The Nominee's report dated 29 July 2010;
3. A proxy form;
4. A proof of debt form;
5. Statement of Insolvency Practice 3

A creditors' guide to insolvency practitioners' fees in voluntary arrangements is available on the Nominees' website at www.mcr.uk.com

A creditor may vote either in person or by proxy.

Proxies intended to be used at the first meeting of creditors or at any adjournment thereof must be lodged with the Nominee, Matthew Peter Bond of MCR, 43-45 Portman Square, London, W1H 6LY, prior to the meeting.



Matt Bond
Joint Nominee

30 July 2010

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
LONDON**

**IN THE MATTER OF
WENSUM HOLDINGS LIMITED
SARTORIA CORPORATEWEAR LIMITED
FAITHFUL WORKWEAR LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986**

NOMINEES' REPORT

DATED 29 JULY 2010

Paragraphs 7(1)(d)
and 28(2) of
Schedule A1 to the
Insolvency Act
1986

Statement of consent to act by nominee

Name of Company

(a) Insert full name
of company

(a) WENSUM HOLDINGS

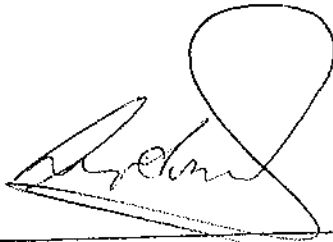
Limited

(b) Insert full
name, address and
qualification of person
making the statement

(b) MATT BOND of MCR, 43-45 Portman Square, London W1H 6LY

have consented to act as nominee in relation to proposals for a voluntary
arrangement between the above-named company and its creditors
pursuant to Part I of the Insolvency Act 1986.

Signed



Date 29/7/2010

Paragraphs 7(1)(d)
and 28(2) of
Schedule A1 to the
Insolvency Act
1986

Statement of consent to act by nominee

Name of Company

(a) Insert full name
of company

(a) SARTORIA CORPORATEWEAR

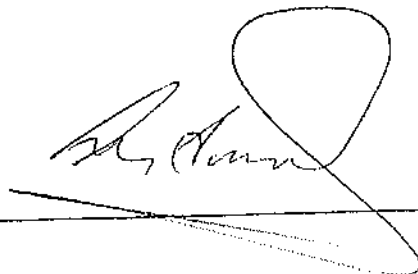
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29/7/2010

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Name of Company

(a) Insert full name
of company

(a) FAITHFUL WORKWEAR

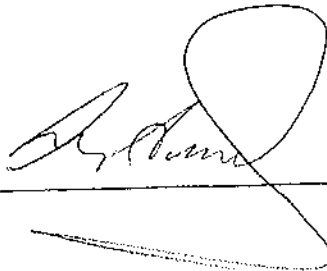
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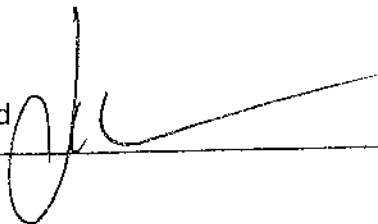
Limited

(b) Insert full
name, address and
qualification of person
making the statement

(b) JASON GODEFROY of MCR, 43-45 Portman Square, London W1H 6LY

have consented to act as nominee in relation to proposals for a voluntary arrangement between the above-named company and its creditors pursuant to Part I of the Insolvency Act 1986.

Signed



Date 29/7/2010.

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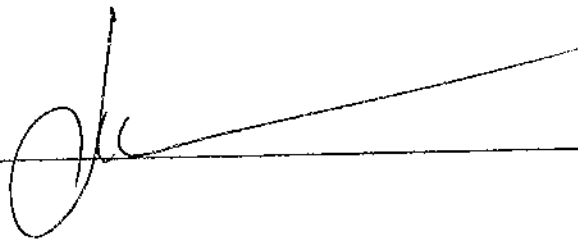
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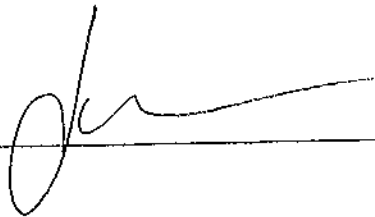
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pursuant to Part I of the Insolvency Act 1986.

Signed



Date 29/7/2010

Rule 1.38 and 1.39

Nominee's statement of opinion
pursuant to paragraph 6(2) of Schedule
A1 to the Insolvency Act 1986

Insert full name of
Company

Name of Company
Wensum Holdings Limited

Insert full name and
Address

I, Matthew Peter Bond
MCR
43-45 Portman Square
London
W1H 6LY

Make this statement pursuant to paragraph 6(2) of Schedule A1 to the Insolvency Act 1986.

In my opinion:

- (a) the proposed voluntary arrangement in relation to the above-named company, the terms of which are set out in the document dated 29 July 2010 prepared by the directors has a reasonable prospect of being approved and implemented;
- (b) the company is likely to have sufficient funds available to it during the proposed moratorium to enable it to carry on its business; and
- (c) meetings of the company and its creditors should be summoned to consider the proposed voluntary arrangement.

Signed



Date

29/7/2010

Rule 1.38 and 1.39

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A1 to the Insolvency Act 1986Insert full name of
CompanyName of Company
Sartoria Corporatewear LimitedInsert full name and
AddressI, Matthew Peter Bond
MCR
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London
W1H 6LY

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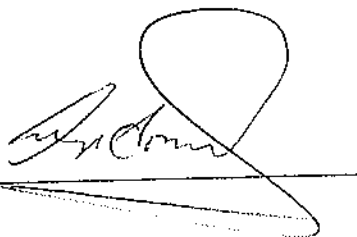
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A1 to the Insolvency Act 1986Insert full name of
CompanyName of Company
Faithful Workwear LimitedInsert full name and
AddressI, Matthew Peter Bond
MCR
43-45 Portman Square
London
W1H 6LY

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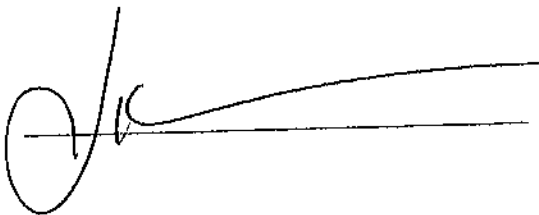
Insert full name and
Address

I, Jason James Godefroy
MCR
43-45 Portman Square
London
W1H 6LY

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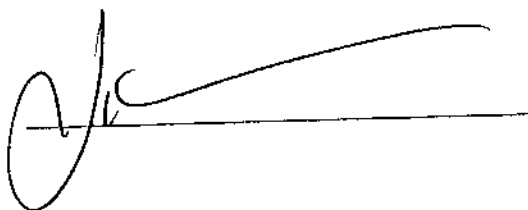
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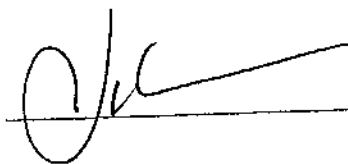
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- (c) meetings of the company and its creditors should be summoned to consider the proposed voluntary arrangement.

Signed



Date

29/7/2010

Wensum Holdings Limited (Formerly GG125 Limited) ("Wensum")

Sartoria Corporatewear Limited ("Sartoria")

Faithful Workwear Limited ("Faithful")

(together "the Companies")

Nominee's Report and comments on the Directors' Proposals

Pursuant to Section 2 of the Insolvency Act 1986

1. We, Matthew Peter Bond and Jason James Godefroy, confirm that we are Licensed Insolvency Practitioners of MCR, 43-45 Portman Square, London, W1H 6LY. We set out below our report to the Court pursuant to Section 2(2) of the Insolvency Act 1986 and Rule 1.7 of the Insolvency Rules 1986. This is a report on the Proposals by the Directors of the Companies dated 28 July 2010. The Directors of the Group have prepared the Proposals which comply with the requirements of Part 1 of the Insolvency Act 1986 and Part 1 of the Insolvency Rules 1986.
2. I enclose with this report a copy of the Proposals, the Estimated Statements of Affairs as at 20 July 2010, cash flow and profit forecasts for 3 years ending 31 July 2013 and Estimated Outcome Statements for each of the Companies.
3. The Directors of the Companies purchased the businesses and assets of the Companies in a pre-packaged Administration sale on 30 June 2009. In late June 2010, the Companies were in financial difficulty and the Directors of the Companies and their Secured lender, Leumi ABL Limited, contacted MCR to consider the financial position of the Companies. The Directors subsequently commenced with Company Voluntary Arrangement ("CVA") proposals for the Companies.
4. We are satisfied that our prior engagements do not give rise to any conflict of interest. We have discussed and disclosed our proposed continued involvement with key stakeholders (Leumi ABL Limited and HM Revenue and Customs).
5. We confirm that we have assisted the Directors in the preparation of the Proposals and the Statements of Affairs, based on information contained in the Companies' records and the Directors' representations and whilst no work of an audit or verification nature has been carried out, we have no reason to suppose that full disclosure has not been made.
6. We are satisfied that the powers granted to the Supervisors under the Proposals are sufficient to enable them to carry out their duties. Should matters arise which have not been foreseen under the Proposals then the Supervisors would be able to apply to the Court for directions and/or seek creditors' views via a meeting or postal resolution.
7. It is apparent from the Proposals and from the Directors' Statements of Affairs that the Companies' assets are insufficient to meet their liabilities in full and that if the Companies went into Liquidation or an Administrator were appointed, non-preferential creditors would be unlikely to make any recovery other than from the Prescribed Part. The return, if any, would be negligible, estimated at 3 pence in the £ across the Companies in an Administration and 1 pence in the £ across the Companies in a Liquidation.



8. The Secured lender, Leumi ABL Limited, would be repaid in full in an Administration in accordance with their first ranking debenture which confers fixed and floating charges over all of the assets of all of the Companies. Any surplus, after the deduction of the Prescribed Parts where applicable, would become available to Thistle Garments Limited ("Thistle") in accordance with their debenture which confers fixed and floating charges over all of the assets of Sartoria and Faithful.

9. Nominees' Investigations

We have not conducted a detailed investigation of the Companies' affairs. We have conducted a high level review of the forecasts and reviewed the integrity of the Companies' financial model for the purposes of assessing the likely prospects for the proposed CVAs. We have taken account of the fact that the Companies' forecasts indicate profits can be expected in the future. We have discussed this with management and considered the explanations for this. Principally, the differences for the future compared to past are:

- Strengthened management team;
- The Companies will become increasingly streamlined as restructuring is completed;
- New monies to be injected on approval;
- Consolidation of management information systems; and
- Consolidation of warehousing facilities to reduce overheads.

10. Financial History

This is summarised in the Proposals. The Companies were incorporated in June 2009 therefore audited accounts have not been prepared. Figures have been taken from management accounts for April 2010 and from information provided by management.

We are not aware of any previous failures that the Directors of the Group have been involved in.

11. Assets and liabilities

We understand these to be as stated on the Statements of Affairs, and the Directors have confirmed that full disclosure has been made to us. Agents have not been instructed to conduct a valuation of the tangible assets of the Companies on the basis that the assets stated in the Directors' Statements of Affairs are excluded from the CVA. The Companies' assets will be used to continue to trade the businesses in order that the Companies can make contributions to the Supervisors for the purpose of making distributions to the Companies' CVA creditors. Therefore the CVAs are not dependent upon the realisations of the Companies' assets.

The Companies' estimated liabilities are also summarised on the Statements of Affairs. There are a number of unknowns, specifically in relation to contingent liabilities, which if crystallised, would impact the quantum of dividend prospects for creditors. The estimated dividend referred to of 35 pence in the £.

12. Secured Creditors

Two creditors have charges registered, or which will be registered prior to the creditors' meeting, and we have spoken with both of them.

- Leumi ABL Limited has agreed to support the CVA Proposals and will continue to provide invoice finance following the approval of the CVAs. This is accommodated in the Proposals.
- Thistle Garments Limited has provided funding in order to stabilise the financial position of the Companies and has agreed to support the CVA



Proposals. In addition, Thistle has agreed to waive its right to a distribution in the CVAs in order to reduce the CVA creditors' claims.

13. Directors' Attitude and Co-operation

We confirm the Directors have co-operated fully with regard to the proposed CVAs.

14. Attitude of Major Creditors & Key Customers

Over recent days, a number of the larger trade creditors have been advised of the broad terms of the Proposals. They have indicated that they would consider the Proposals once the full terms have been reviewed, but have not indicated categorically that they would be willing to approve the CVA's at this stage but similarly have not indicated that they would not approve the Proposals. Preliminary discussions have been held with HMRC who are a major creditor, and they too are considering their position.

15. Projected Outcome of Proposals and Effect if Rejected

In the event that the Proposals are approved and are successfully implemented, it is apparent that there will be a better return for both preferential and non-preferential creditors than should the Proposals be rejected. Preferential creditors can expect to be paid in full. The estimated return for non-preferential creditors is 35 pence in the £. If rejected, then given the Companies are insolvent both on a balance sheet basis and cashflow basis, Administration or other formal insolvency procedures are likely to be unavoidable.

16. Actions which a Liquidator might pursue

The Proposals state that, to the knowledge of the Directors, there have not been any antecedent transactions that could be attacked by a Liquidator. Any duly appointed Supervisors will, nevertheless, have the power to pursue claims under Section 423 of the Insolvency Act 1986, which relates to reversing certain transactions if undertaken for a fraudulent purpose.

We are aware that charges have been granted in favour of Leumi ABL Limited and Thistle Garments Limited which may be caught under Section 245 of the Insolvency Act 1986, however new monies have been advanced by these lenders in consideration, and accordingly we do not consider these would be successfully challenged in Administration or Liquidation.

17. Nominees' Fees

As per the Proposals, our Nominees' fees are £30k plus VAT and disbursements. We anticipate that these fees will be paid prior to the meetings of members and creditors.

18. Summary

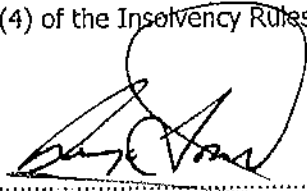
We consider that if Voluntary Arrangements were implemented in accordance with the Proposals, the return to creditors would exceed that which would be available in any other form of insolvency process. An estimated return to non-preferential creditors is projected of 35 pence in the £, compared to 3 pence in the £ in Administration and 1 pence in the £ in Liquidation across all of the Companies. We are satisfied that the Proposals have a reasonable prospect of being approved and implemented.

Consequently, we recommend that a meeting of creditors be convened to consider the Proposals and that notices convening meetings of members and creditors, together with supporting documentation, be sent accordingly. We recommend that meetings of the Members and Creditors be held on 16 August 2010.



In our opinion the Proposals merit consideration by the Companies' creditors and accordingly, meetings of the Companies and their creditors should be summoned pursuant to Section 3 of the Insolvency Act 1986. We confirm that we are sending a copy of this report to the Companies (as required by Rule 1.7(4) of the Insolvency Rules 1986).

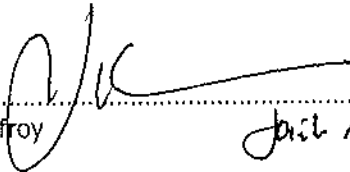
Signed
Matthew Peter Bond



joint trustee

29 July 2010

Signed
Jason James Godefroy



joint trustee

29 July 2010

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

LONDON

IN THE MATTER OF

WENSUM HOLDINGS LIMITED

SARTORIA CORPORATEWEAR LIMITED

FAITHFUL WORKWEAR LIMITED

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

**PROPOSALS FOR
COMPANY VOLUNTARY ARRANGEMENTS**

DATED 29 JULY 2010

These Proposals of the Directors of Wensum Holdings Limited, Sartoria Corporatewear Limited and Faithful Workwear Limited are prepared in accordance with the provisions of Part I Insolvency Act 1986 and Part I Insolvency Rules 1986 (as amended).



**CORPORATE
RESTRUCTURING**

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**EXPLANATORY STATEMENT RELATING TO THE PROPOSALS BY THE DIRECTORS FOR
COMPANY VOLUNTARY ARRANGEMENTS**

(Pursuant to Part I of the Insolvency Act 1986 ("Act") and

the Insolvency Rules 1986 ("Rules") (as amended))

Wensum Holdings Limited (Formerly GG125 Limited) ("Wensum")

Sartoria Corporatewear Limited ("Sartoria")

Faithful Workwear Limited ("Faithful")

(together "the Companies" or "the Group")

We, the undersigned, Directors of Wensum Holdings Limited (company number 06945152), Sartoria Corporatewear Limited (company number 06945143) and Faithful Workwear Limited (company number 06945172) whose registered offices are all at Gosforth Road, Derby, DE24 8HU propose that the Group enters into Company Voluntary Arrangement ("CVA") pursuant to Part I of the Act. Set out in this proposal is our explanation of why, in our opinion, a CVA for each of the Companies is desirable and we give reasons why the creditors may be expected to concur with such an arrangement. We believe that three CVAs are expected to enable a larger distribution to be made than would be possible if the Companies were wound up.

The words and phrases defined in clause 1 of the Proposal apply to this Explanatory Statement.

1 WHAT IS A CVA?

- 1.1 A CVA is a formal procedure pursuant to Part I of the Act which enables a company to agree with its creditors how their debts should be paid and in what proportions. It requires the approval of a majority in excess of 75% in value of the creditors voting on the resolution in person or by proxy. Once approved, it binds all creditors who were entitled to vote whether or not they were present or represented at that meeting and so voted and whether or not they actually received notice of the meeting. There are special provisions for valuing the votes of creditors who are connected with the respective company.
- 1.2 A CVA also requires that a meeting of members of each company takes place. A CVA is approved by members if it receives the approval of a majority in number in excess of 50% in value of the members of each company present in person or by proxy and voting.
- 1.3 The CVA is approved either if (1) it has been agreed by both the meeting of creditors and the meeting of members (as set out above) or (2) (subject to a member's right to apply to Court within 28 days of (a) the day on which the decision was taken by the creditors' meeting or (b) where the decision of the members was taken on a later day, such later day) it has been approved by the creditors' meeting only.
- 1.4 The prescribed extracts from the Act and the Rules dealing with the requisite majorities at the meetings of creditors and members are set out in the Appendices.

