

Coppley Apparel Group Limited
 Anticipated Receipts and Disbursements
 Week ending June 12 2009 to July 31 2009
 in CAD \$000's

Version 2
 Projections

Week Ending	B		B		B		A		A		A		A		A	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Cumulative Actual	Cumulative Budget	Actual	Cumulative Actual	Cumulative Budget	Actual	Cumulative Variance
	06/12/2009	06/19/2009	06/26/2009	07/03/2009	07/10/2009	07/17/2009	07/24/2009	07/31/2009	07/10/2009	07/17/2009	07/24/2009	07/31/2009	07/10/2009	07/17/2009	07/24/2009	07/31/2009
Receivable Collections	\$ 605	\$ 557	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 419	\$ 488	\$ 488	\$ 488	\$ 419	\$ 488	\$ 488	\$ 488
Critical Customer Receivables	-	-	-	-	-	-	-	-	40	-	-	-	225	-	-	-
Release of retainers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	\$ 605	\$ 557	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 459	\$ 488	\$ 488	\$ 488	\$ 644	\$ 488	\$ 488	\$ 488
Disbursements																
Payroll	284	448	427	21	307	278	28	409	426	43	43	43	350	315	132	2,314
Employee Related Disbursements	284	448	427	21	307	278	28	409	426	43	43	43	350	315	132	2,314
Piece Goods	50	50	348	343	5	180	227	87	184	200	-	842	558	570	12	(12)
Finished Goods	40	40	34	20	35	20	15	25	40	15	-	100	100	84	6	6
Letter of Credit Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Related Disbursements	90	\$ 34	\$ 34	\$ 34	\$ 34	\$ 34	\$ 20	\$ 185	\$ 207	\$ (82)	\$ (82)	\$ (82)	\$ 184	\$ 210	\$ -	\$ (6)
Rent	-	-	28	(28)	-	-	-	-	41	41	-	-	-	-	-	69
Utilities	-	-	16	(16)	-	-	-	-	4	4	-	-	-	-	-	38
Advertising - Space/Media	16	-	-	-	-	-	-	-	17	17	-	-	-	-	-	33
Travel	-	-	-	-	-	-	-	-	3	3	-	-	-	-	-	6
Supplies	-	-	30	(30)	-	-	-	-	3	3	-	-	-	-	-	33
Repairs & Maintenance	-	-	2	(2)	-	-	-	-	10	10	-	-	-	-	-	17
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable - all overheads	124	-	124	70	70	121	12	12	100	100	-	515	515	23	(23)	
Shipping/Postage	-	-	3	(3)	-	-	-	-	12	12	-	-	-	-	-	23
Temp. Staff	-	-	-	-	-	-	-	-	61	61	-	-	-	-	-	80
All Other	-	-	18	(18)	-	-	-	-	11	11	-	-	-	-	-	90
Overhead Related Disbursements	16	124	97	27	70	61	9	121	151	30	30	30	100	100	331	325
Lender Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Paid Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Paid Interest	-	-	-	-	-	-	-	-	57	64	-	-	-	-	-	64
DSI Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage P&I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Disbursements	-	-	-	-	-	-	-	-	57	64	(7)	(7)	-	-	57	64
Interest to Lender & HMX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royal Shirt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hartmax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coppley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid to Coppley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DSI Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DSI Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Course Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Professional Fees	292	175	79	95	200	94	106	125	28	97	H	120	120	120	1,272	483
Other Disbursements	292	175	79	95	200	94	106	125	28	97	97	120	120	120	1,272	483
Total Disbursements	\$ 602	\$ 837	\$ 837	\$ 200	\$ 960	\$ 790	\$ 164	\$ 950	\$ 930	\$ 20	\$ 252	\$ 5,235	\$ 3,354	\$ 5,235	\$ 2,971	\$ 383
Net Cash in (Out)	\$ 3	\$ (280)	\$ (167)	\$ (113)	\$ (249)	\$ (19)	\$ (329)	\$ (514)	\$ (328)	\$ (189)	\$ (282)	\$ (1,864)	\$ (1,735)	\$ (500)	\$ (607)	\$ (627)

Coppley Apparel Group Limited
 Anticipated Receipts and Disbursements
 Week ending June 26, 2009 to July 31, 2009
 in CAD \$'000's

Version 2

Week Week Ending	B		1,131,098		1,153,588		Actual		Actual		Actual		Actual		Actual		Actual		Actual		Total	Cumulative Budget	Cumulative Actual	Cumulative Variance	
	08/12/2009	08/18/2009	Actual	Variance	08/22/2009	08/29/2009	09/05/2009	09/12/2009	09/19/2009	09/26/2009	10/03/2009	10/10/2009	10/17/2009	10/24/2009	10/31/2009	11/07/2009	11/14/2009	11/21/2009	11/28/2009	12/05/2009					12/12/2009
Cash Rollforward																									
Beginning Cash Position	\$ 1,041	\$ 1,044	\$ 1,044	\$ -	\$ 764	\$ 877	\$ (113)	\$ 419	\$ 861	\$ (442)															
Net Cash In / (Out)	(280)	(167)	(167)	(113)	(345)	(16)	(320)	(514)	(328)	(186)															
Ending Cash Before Borrowing	764	877	877	(113)	419	861	(442)	353	533	(627)															
Borrowings from Wachovia LOC	-	-	-	-	-	-	94	-	94	94															
Ending Cash Position After Borrowing	\$ 1,044	\$ 764	\$ 877	\$ (113)	\$ 419	\$ 861	\$ (442)	\$ -	\$ 533	\$ (633)															
Restated cash	2300				0			0																	
Payments from Wachovia	0				2300			2300																	
Balance of funds	2300				2300			2300																	

Notes:

- A - The totals reported in these columns are the cumulative actual to budget totals for the past three weeks.
- B - During the week ending June 26, 2009 the budget was revised and there were changes affecting the previously reported weeks.
- C - For the current week ending July 3, 2009 cash collections from accounts receivable is \$166,000 more than projected. Cumulatively over the four week period cash collections from accounts receivable is more than projected by \$244,000.
- D - For the week ending July 3, 2009 payroll related disbursements were lower than expected by \$43,000. The variance is a permanent difference caused by lower than expected labour hours being used. For the cumulative four week period, payroll related costs are lower than projected by \$92,000 which is strictly a permanent difference caused by lower than expected production and overtime hours.
- E - For the week ending July 3, 2009, inventory related disbursements were higher than expected by \$82,000. This is a temporary difference caused by lower than expected order levels in the previous weeks. For the cumulative four week period, inventory related disbursements are higher than projected by \$6,000. This negative \$6,000 variance represents a temporary timing difference in the overall inventory related costs.
- F - For the week ending July 3, 2009 general accounts payable expenditures were higher than projected by \$30,000. This result was expected as there were lower than expected expenditures made the previous week. For the cumulative four week period, general accounts payable expenditures have a positive variance of \$6,000 which represents a temporary timing difference and is consistent with management's goal to conserve cash over the period of the cash flow.
- G - For the week ending July 3, 2009 interest on post-petition borrowings were higher than projected by \$7,000. This is a permanent difference as the borrowings for the \$2.3 million held in trust was not factored into the cash analysis. The explanation and variance for the four week cumulative balance is the same for the week ending July 3, 2009.
- H - For the week ending July 3, 2009 professional fee disbursements were lower than projected by \$97,000. For the cumulative four week period, professional fee disbursements were less than expected by \$299,000. Management is uncertain as to how much of this positive variance is a limiting and/or permanent difference as professional fee invoices from various professionals providing restructuring services have yet to be received.
- I - M&T is the lockbox account for Coppley Apparel Group Limited. Cash funds are not always accessible from this account due to the timing surrounding the clearance of the cheques therefore this amount is reported separately.

MEMO

Date: July 7, 2009

To: Wachovia Capital Finance Corporation

From: BDO Dunwoody Limited (“the Monitor”)

Re: Copley Apparel Group Limited (“Copley”)
Cash Flow Comparison Actual versus Budget

Purpose:

The purpose of the memo is to explain the results of Copley’s projected cash flow versus actual results for the week ending July 3, 2009. The Monitor reviewed the report (Exhibit A - Anticipated Receipts and Disbursements: Version 2 Projections, hereinafter referred to as the “Revised Forecast”) in order to determine the accuracy of the report and to provide commentary on the variances.

Validation of the Report:

Opening Cash Balances –

The Monitor reconciled the opening cash balance by reviewing the bank statements as at June 12, 2009. In order to reconcile to the general ledger, the Monitor added back unprocessed deposits and removed outstanding cheques that had not cleared the bank account at that point in time. The results of our reconciliation agree with opening cash balance in the Revised Forecast.

Cash Receipts and Disbursements –

The Monitor reviewed the supporting documentation for the receipts and the charges in the Revised Forecast. The amounts reported agree without exception to the supporting documentation. The Monitor then compared the actual amounts reported to actual amounts recorded in the bank statements, this too was performed without exception.

Closing Cash Balances –

The Monitor reconciled the opening cash balance by reviewing the bank statements at closing of July 3, 2009. In order to reconcile to the general ledger, BDO added back unprocessed deposits and removed outstanding cheques that had not cleared the bank account at that point in time. The results of our reconciliation agree with the closing cash balance in the Revised Forecast.

Variance Commentary:

The Monitor engaged in discussions with Richard Sexton, CFO, Sandy Gillies, Controller and Julie Dubber, Assistant Controller to gain an understanding regarding the nature of the variances. The Monitor reviewed the variances and acquired additional support for the balances in question. The actual variance explanations can be found in the footnotes of Exhibit A.

Summary:

(in \$000s)	Week Ending 07/3/2009			Cumulative		
	Budget	Actual	Variance	Budget	Actual	Variance
Receipts	442	608	166F	2,219	2,463	244F
Disbursements	956	936	20F	3,354	2,971	383F
Net Cash Flow	-514	-328	186F	-1,135	-508	627F
Opening Cash				1,041	1,041	0
Net Cash Flow				-1,135	-508	627F
Borrowing				94	0	94F
Closing Cash				0	533	533F

*"U" is an unfavourable variance

*"F" is a favourable variance

Week Ending July 3, 2009 -

For the week ending July 3, 2009 Copley had actual cash receipts of \$608,000 and actual cash disbursements of \$936,000 for a net cash outflow of \$328,000. The budgeted cash receipts for the period were \$442,000 and budgeted cash disbursements were \$956,000 for a net budgeted outflow of \$514,000. The result is a favorable actual to budget cash position of \$186,000 for the week. This favorable variance is primarily a timing difference resulting from the increased receivable collections over the week and the delay in disbursements as further described in the notes of the Revised Forecast.

Cumulative Results, Four Weeks Ending July 3, 2009 -

For the four week period ending July 3, 2009 Copley had actual cash receipts of \$2,463,000 and actual cash disbursements of \$2,971,000 for a net cash outflow of \$508,000. The budgeted cash receipts for the period were \$2,219,000 and budgeted cash disbursements were \$3,354,000 for a net budgeted outflow of \$1,135,000. The result is a favorable actual to budget cash position of \$627,000 for the period. From the \$627,000 positive variance, \$85,000 is considered permanent. The remaining \$542,000 positive variance is considered temporary and is primarily caused by increased receivable collections of \$244,000 over budget for the period and a temporary delay in disbursements of \$298,000 over the period.

Restructuring Costs

Restructuring costs, as detailed in Exhibit B, to July 3, 2009 indicate that to date \$493,179 has been paid for professional and legal services. The details of payments and invoices indicate that there is only \$55,747 of unpaid invoices. However, Gowlings and FTI each have two weeks of unbilled time. The Monitor will follow-up on these accounts.