

LESLIE WISE LIMITED

Company No: 885078

FINANCIAL STATEMENTS

- for the year ended -

30TH NOVEMBER 1995



SINCLAIRS
Registered Auditors
32 Queen Anne Street
London, W1M 0HD

LESLIE WISE LIMITED

DIRECTORS

N.H. Wise
J.H. Gowers

SECRETARY

E. Larbi

BUSINESS ADDRESS

33 Great Portland Street
London
W1N 5DD

REGISTERED OFFICE

32 Queen Anne Street
London
W1M 0HD

AUDITORS

Sinclairs
32 Queen Anne Street
London
W1M 0HD

LESLIE WISE LIMITED

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LESLIE WISE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30th November 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company are those of Textile Merchants and there were no significant changes during the year.

During the year, turnover increased by just over 54%, and this has resulted in increased profitability. The directors hope to maintain this improved position during 1996.

DIVIDEND AND TRANSFER TO RESERVES

The directors recommend payment of a dividend amounting to £1,407,000.

It is proposed that the retained profit of £493 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The Directors in office during the year did not have any direct interest in the issued share capital of the company.

The Directors' interests in the issued share capital of Leslie Wise Group P.L.C., the ultimate parent undertaking, are shown in the financial statements of that company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those 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 the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that the financial statements comply with the above requirements.

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 1985. 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.

LESLIE WISE LIMITED

REPORT OF THE DIRECTORS (Continued)

CHARITABLE CONTRIBUTIONS

During the year the company made various charitable contributions totalling £665.

AUDITORS

The auditors, Sinclairs, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board



E. Larbi
Secretary

Date: 11th April 1996

LESLIE WISE LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF LESLIE WISE LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30th November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SINCIAIRS
Registered Auditors

32 Queen Anne Street
London
W1M 0HD

Date: 11th April 1996

LESLIE WISE LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH NOVEMBER 1995

	Notes	1995 £	1994 £
TURNOVER	2	9,251,310	6,006,588
Cost of sales		(6,731,603)	(4,592,621)
GROSS PROFIT		2,519,707	1,413,967
Distribution costs		(405,327)	(379,347)
Administrative expenses		(1,065,966)	(1,009,625)
		1,048,414	24,995
Other operating income		425,750	455,000
OPERATING PROFIT	3	1,474,164	479,995
Income from investments	4	430,079	447,909
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,904,243	927,904
Tax on profit on ordinary activities	7	(496,750)	(163,509)
PROFIT FOR THE FINANCIAL YEAR		1,407,493	764,395
Dividends	8	(1,407,000)	(764,000)
RETAINED PROFIT FOR THE YEAR	17	493	395

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

LESLIE WISE LIMITED

BALANCE SHEET AT 30TH NOVEMBER 1995

	Notes	£	1995 £	1994 £
FIXED ASSETS				
Tangible assets	9		174,072	223,594
Investments	10		79,203	79,203
			<u>253,275</u>	<u>302,797</u>
CURRENT ASSETS				
Stocks	11	234,666		316,388
Debtors	12	5,154,046		3,900,995
Cash at bank and in hand		414,293		407,296
		<u>5,803,005</u>	<u>4,624,679</u>	
CREDITORS: Amounts falling due within one year				
	13	(2,612,172)	(1,483,861)	
NET CURRENT ASSETS				
			<u>3,190,833</u>	<u>3,140,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
			<u><u>3,444,108</u></u>	<u><u>3,443,615</u></u>
CAPITAL AND RESERVES				
Called up share capital	15		251,256	251,256
Merger reserve	16		77,872	77,872
Profit and loss account	17		3,114,980	3,114,487
			<u><u>3,444,108</u></u>	<u><u>3,443,615</u></u>

The financial statements were approved
by the board on 11th April 1996 (and
signed on its behalf by

N.H.Wise

J.H.Gowers

) Directors

The notes on pages 6 to 13 form part of these financial statements.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 CASH FLOW STATEMENT

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cash flow statement, being a wholly owned subsidiary of a EU registered parent undertaking.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Fixtures and fittings	10% - 25% Straight line
Motor vehicles	25% Reducing balance

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Work in progress - cost of raw materials and labour together with
and finished goods attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.7 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.8 LEASING

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

1.9 PENSIONS

-Defined benefit scheme

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

-Defined contribution scheme

Contributions are charged to the profit and loss account as incurred.

2. TURNOVER

1995
£

1994
£

Analysis by:-

Geographical market

United Kingdom

Export

9,233,485 5,936,308
17,825 70,280

9,251,310 6,006,588

3. OPERATING PROFIT

1995
£

1994
£

The operating profit is stated
after charging:-

Depreciation

59,744 66,111

Auditors' remuneration:-

Audit services

10,000 10,000

Non-audit services

- 3,000

Operating lease rentals:-

Land and buildings

177,903 179,188

4. INCOME FROM INVESTMENTS

1995
£

1994
£

Bank and other interest receivable

79 409

Income from group undertaking

430,000 447,500

430,079 447,909

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

5. DIRECTORS AND EMPLOYEES

	1995 £	1994 £
Staff costs:-		
Wages and salaries	621,221	598,214
Social security costs	64,135	67,538
Other pension costs	69,322	66,842
	<u>754,678</u>	<u>732,594</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Production	4	4
Selling and distribution	12	15
Management and administration	11	10
	<u>27</u>	<u>29</u>
	£	£

Directors' emoluments:-

Remuneration for management services (including pension contributions)	<u>296,506</u>	<u>296,827</u>
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The division of directors' emoluments, excluding pension contributions, is as follows:-

Highest paid director	<u>122,640</u>	<u>127,595</u>
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Other directors' remuneration fell within the following ranges:

	Number	Number
£110,001 - £115,000	-	1
£115,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £69,322 (1994: £66,842). All contributions were paid in the year.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 33% (1994 - 33%)	496,750	163,467
Adjustment in respect of prior years	-	42
	<u>496,750</u>	<u>163,509</u>

8. DIVIDENDS

	1995 £	1994 £
Equity interests		
Ordinary:-		
Final dividend proposed	<u>1,407,000</u>	<u>764,000</u>

9. TANGIBLE ASSETS

	Short leasehold £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>				
At 1st December 1994	11,084	383,273	320,607	714,964
Additions	-	1,100	20,000	21,100
Disposals	-	-	(28,979)	(28,979)
At 30th November 1995	<u>11,084</u>	<u>384,373</u>	<u>311,628</u>	<u>707,085</u>
<u>Depreciation</u>				
At 1st December 1994	3,022	287,706	200,642	491,370
Charge for year	504	29,594	29,646	59,744
On disposals	-	-	(18,101)	(18,101)
At 30th November 1995	<u>3,526</u>	<u>317,300</u>	<u>212,187</u>	<u>533,013</u>
<u>Net book value at 30th November 1995</u>	<u>7,558</u>	<u>67,073</u>	<u>99,441</u>	<u>174,072</u>
<u>Net book value at 30th November 1994</u>	<u>8,062</u>	<u>95,567</u>	<u>119,965</u>	<u>223,594</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

10. INVESTMENTS - RELATED UNDERTAKINGS

<u>Cost</u>	1.12.94	Additions	30.11.95
	£	£	£
Shares:			
Group undertaking	79,203	-	79,203
	<u>79,203</u>	<u>-</u>	<u>79,203</u>
<u>Net book value</u>	<u>79,203</u>		<u>79,203</u>

The operating subsidiary at the balance sheet date was:

Subsidiary undertaking	Description and proportion of share capital owned	Country of incorporation or registration	Nature of business
Tomorrows Textiles Today Limited	Ordinary 100%	England	Textile Merchants

The company is exempt from the obligations to prepare group financial statements as it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of a member state of the European Union.

The directors consider the value of the company's investment in its subsidiary undertaking is not less than the amounts at which it is stated in the company's balance sheet.

11. STOCKS

	1995	1994
	£	£
Work in progress	134,429	260,729
Finished goods and goods for resale	100,237	55,659
	<u>234,666</u>	<u>316,388</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

12. DEBITORS	1995 £	1994 £
Trade debtors	1,293,132	527,399
Amounts owed by subsidiary undertaking	808,705	943,943
Amounts owed by other group undertakings	3,018,509	2,387,761
Other debtors	2,550	-
Prepayments and accrued income	31,150	41,892
	<u>5,154,046</u>	<u>3,900,995</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £	1994 £
Trade creditors	437,304	327,490
Proposed dividend	1,407,000	764,000
Amounts owed to group undertakings	398	77,831
Corporation tax	496,750	163,467
Other taxes and social security costs	176,365	98,032
Accruals and deferred income	94,355	53,041
	<u>2,612,172</u>	<u>1,483,861</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 33% (1994 - 33%) analysed over the following timing differences:-

	Not provided		Provided	
	1995 £	1994 £	1995 £	1994 £
On the excess of capital allowances over depreciation	<u>(27,841)</u>	<u>(18,661)</u>	<u>-</u>	<u>-</u>

15. SHARE CAPITAL	1995 £	1994 £
<u>Authorised</u>		
Equity interests:		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

16. MERGER RESERVE	1995 £	1994 £
Balance at 30th November 1995	77,872	77,872

The balance represents the reserve arising on the acquisition of Tomorrows Textiles Today Limited.

17. PROFIT AND LOSS ACCOUNT	1995 £	1994 £
Retained profits at 1st December 1994	3,114,487	3,114,092
Retained profit for the year	493	395
Retained profits at 30th November 1995	3,114,980	3,114,487

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1995 £	1994 £
Profit for the financial year	1,407,493	764,395
Dividends	(1,407,000)	(764,000)
	493	395
Shareholders' funds at 1st December 1994	3,443,615	3,443,220
Shareholders' funds at 30th November 1995	3,444,108	3,443,615
Represented by:-		
Equity interests	3,444,108	3,443,615

19. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

<u>Land and buildings</u>	1995 £	1994 £
Expiry date:		
After five years	166,100	166,100

The company leases land and buildings on medium term leases. The rentals payable under these leases are subject to renegotiation at various intervals specified in the leases. In respect of these leases the company pays insurance, maintenance and repairs.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1995

20. **CONTINGENT LIABILITIES**

The company's bankers have given a guarantee of £100,000 (1994 - £100,000) to H.M. Customs and Excise on behalf of the company.

There exists unlimited cross guarantees, in respect of bank accounts, among members of the Leslie Wise Group P.L.C.

21. **ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Leslie Wise Group P.L.C., a company incorporated in England.

The parent undertaking is a publicly quoted company and as such copies of the published accounts are available from 30 Paddock Street, Wigston, Leicester LE18 2AN.