

Rec

LESLIE WISE LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE PERIOD
FROM 1 DECEMBER 1999 TO 30 APRIL 2001**

REGISTERED NUMBER: 885078



LESLIE WISE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

Contents	Pages
Company information	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 16
 The following pages do not form part of the statutory financial statements	
Detailed profit and loss statement	17 - 18

LESLIE WISE LIMITED

COMPANY INFORMATION
AT 30 APRIL 2001

DIRECTORS

N. H. Wise
J. H. Gowers

SECRETARY

E. Larbi

REGISTERED OFFICE

32 Queen Anne Street
London
W1G 8HD

BUSINESS ADDRESS

33 Great Portland Street
London
W1N 5DD

AUDITORS

Sinclairs Leigh Sorene
32 Queen Anne Street
London
W1G 8HD

LESLIE WISE LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the period ended 30 April 2001.

PRINCIPAL ACTIVITIES

The principal activities of the company and its subsidiary in the period under review were those of textile merchants.

No significant change in the nature of these activities occurred during the period.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £147,497.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends (1999: £Nil).

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial period ended 30 April 2001.

FUTURE DEVELOPMENTS

There are no plans for major developments in the operations of the company.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors are continuing to monitor developments on the introduction of the single European currency and are satisfied that no specific action is required at this point in time.

DIRECTORS AND THEIR INTERESTS

The directors in office in the period and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2001	1999
N. H. Wise	Ordinary shares	-	-
J. H. Gowers	Ordinary shares	-	-

LESLIE WISE LIMITED

DIRECTORS' REPORT

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 affairs of the company as at the end of the financial year 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period, the company made charitable contributions totalling £1,440.

AUDITORS

The auditors, Sinclairs Leigh Sorene, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:


~~E. Larbi~~ N. WIFE
~~Secretary~~ Director

Date: 10 September 2001

LESLIE WISE LIMITED

AUDITORS' REPORT TO THE MEMBERS OF LESLIE WISE LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and on the basis of accounting policies set out on pages 7 and 8.

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 as to whether 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 30 April 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
Sinclairs Leigh Sorene

**Registered Auditor
32 Queen Anne Street
London
W1G 8HD**

10 September 2001

LESLIE WISE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001**

	Notes	2001 £	1999 £
TURNOVER	2	5,723,159	4,630,215
Cost of sales		(4,206,526)	(3,390,372)
GROSS PROFIT		1,516,633	1,239,843
Distribution costs		(235,750)	(229,129)
Administrative expenses		(1,374,262)	(973,453)
Other operating income		(93,379)	37,261
		250,000	174,200
OPERATING PROFIT	3	156,621	211,461
Investment income and interest receivable	4	3,566	-
Interest payable and similar charges	5	(182)	(26)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		160,005	211,435
Tax on profit on ordinary activities	8	(12,508)	23,785
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		147,497	235,220

Continuing operations

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

Total recognised gains and losses

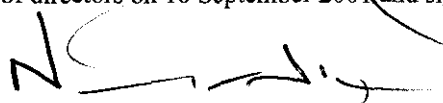
The company has no recognised gains or losses other than the profit for the above two financial periods.

LESLIE WISE LIMITED**BALANCE SHEET
AT 30 APRIL 2001**

	Notes	£	2001 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		189,384		123,432
Investments	10		79,203		79,203
			<u>268,587</u>		<u>202,635</u>
CURRENT ASSETS					
Stocks	11	81,315		108,223	
Debtors	12	1,578,482		904,477	
Cash at bank and in hand		283,971		697,449	
		<u>1,943,768</u>		<u>1,710,149</u>	
CREDITORS: amounts falling due within one year	13	(911,586)		(784,908)	
NET CURRENT ASSETS			<u>1,032,182</u>		<u>925,241</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,300,769</u>		<u>1,127,876</u>
CREDITORS: amounts falling due after more than one year	14		(25,396)		-
NET ASSETS			<u>1,275,373</u>		<u>1,127,876</u>
CAPITAL AND RESERVES					
Called up share capital	17		251,256		251,256
Other reserves	18		77,872		77,872
Profit and loss account	19		946,245		798,748
TOTAL SHAREHOLDERS' FUNDS	20		<u>1,275,373</u>		<u>1,127,876</u>

Approved by the board of directors on 10 September 2001 and signed on its behalf by the following directors:

N. H. Wise:



J. H. Gowers:



The notes on pages 7 to 16 form part of these financial statements.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

1. STATEMENT OF ACCOUNTING POLICIES

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

Consolidation

The company is exempt from the obligation to prepare group financial statements as it is itself a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of a member state of the European Union. Consequently the financial statements present information about itself and not the group.

Cash flow

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.

Turnover

The turnover for the year represents amounts invoiced for goods sold and services provided, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Short leasehold land and buildings	Equal annual amounts over the unexpired period of the lease
Motor vehicles	25% per annum on reducing balance
Fixtures and fittings	10% - 25% per annum on cost

Stocks

Work in progress and finished stocks are valued at lower of cost (including overheads) and net realisable value.

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

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred taxation

Provision is made for deferred taxation using the liability method, for all timing differences other than those which are expected, with reasonable probability, to continue in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions. Foreign currency monetary assets and liabilities in the balance sheet are translated into sterling at the rates of exchange ruling at the end of the year. Resulting exchange gains and losses are taken to the profit and loss account.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension Schemes

- Defined benefit scheme

Contributions are charged to the profit and loss account so as to spread the cost of the pensions over employees' working lives with the company.

- Defined contribution scheme

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

2. TURNOVER

	2001	1999
	£	£
Analysis by geographical market:		
United Kingdom	5,723,147	4,626,594
Exports	12	3,621
	<u>5,723,159</u>	<u>4,630,215</u>

Turnover is attributable to the one principal activity of the company.

3. OPERATING PROFIT

Operating profit is stated	2001	1999
	£	£
After charging:		
Depreciation of fixed assets	65,602	37,435
Loss on disposal of tangible assets	-	2,348
Auditors' remuneration	13,000	8,000
Loss on foreign currencies	-	4,388
Operating lease rentals		
Land and buildings	<u>230,868</u>	<u>179,499</u>
After crediting:		
Profit on disposal of tangible assets	32,205	-
Profit on foreign currencies	<u>558</u>	<u>-</u>

LESLIE WISE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001****4. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	2001	1999
	£	£
Interest received and receivable		
Bank interest	3,566	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	1999
	£	£
On bank loans and overdrafts	182	26

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	2001	1999
	£	£
Staff costs		
Wages and salaries	471,158	665,580
Social security costs	31,756	52,644
Other pension costs	30,616	61,090
	533,530	779,314

	2001	1999
	No.	No.
The average number of employees during the year was made up as follows:		
Production	4	5
Selling and distribution	5	7
Management and administration	5	11
	14	23

	2001	1999
	£	£
Directors' emoluments		
Emoluments	5,920	292,165

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

6. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2001 No.	1999 No.
During the period the following number of directors:		
Accrued benefits under defined benefit pension schemes	-	2
	<u>2001</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Details of highest paid director's emoluments		
Emoluments	-	186,828

7. PENSION COSTS

Defined contribution Scheme

The company is part of the Group's defined contribution pension scheme and makes contributions towards this scheme. The Group operates a defined contribution pension scheme for certain senior employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,500 (1999: £13,787).

Defined benefit scheme

The company is part of the Group's defined benefit scheme and makes contributions towards this scheme. The Group operates this defined benefit scheme for its employees which is set up under a separate trust fund.

The latest actuarial valuation was carried out at 1st March 1996 by a qualified actuary using the attained age method and placed a value of £3,152,000 on the assets of the scheme which was sufficient to cover 120% of the benefits that had accrued to members after allowing for expected future increases in earnings. The main financial assumption used in the funding review is an investment return of 2.5% per annum in excess of salary increases. Pensions increases of 3.25% per annum have been incorporated into the review representing the statutory requirement for pensions accruing to members in respect of services after 5th April 1997.

Group contribution to the pension scheme had previously been suspended since 1988 having regard to the surplus disclosed by the relevant valuation. The actuary has calculated the regular pension cost attributable to the Group on the basis of the assumptions stated above after accounting for the benefit improvements, to be 14% per annum of pensionable salary. Accordingly a charge of £Nil (1999: £37,000) has been made in these accounts for contributions and is included in creditors.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	1999
	£	£
The taxation charge comprises:		
Current tax on income for the period at 20% (1999 - 31%)	12,508	59,647
Adjustment in respect of prior years	-	(83,432)
	<u>12,508</u>	<u>(23,785)</u>

9. TANGIBLE FIXED ASSETS

	Land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost:				
At 1 December 1999	11,084	411,516	353,925	776,525
Additions	-	7,227	173,800	181,027
Disposals	(11,084)	-	(251,234)	(262,318)
At 30 April 2001	<u>-</u>	<u>418,743</u>	<u>276,491</u>	<u>695,234</u>
Depreciation:				
At 1 December 1999	5,542	389,649	257,901	653,092
Charge for period	5,542	19,285	48,067	72,894
On disposals	(11,084)	-	(209,052)	(220,136)
At 30 April 2001	<u>-</u>	<u>408,934</u>	<u>96,916</u>	<u>505,850</u>
Net book value:				
At 30 April 2001	<u>-</u>	<u>9,809</u>	<u>179,575</u>	<u>189,384</u>
At 30 November 1999	<u>5,542</u>	<u>21,866</u>	<u>96,024</u>	<u>123,432</u>
			2001	1999
			£	£

Analysis of net book value of land and buildings:

Short leasehold	-	5,542
-----------------	---	-------

The additions to motor vehicles include £18,950 cost of a vehicle transferred from a group company. Related accumulated depreciation of £7,292 forms part of the depreciation charge for the period.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

10. INVESTMENTS

Other investments other than loans

Shares in related undertakings:

Cost or valuation:	Beginning and end of year £
Shares:	
Group undertaking	79,203
Net book value	79,203

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

The operating subsidiary at the balance sheet date was:

<u>Subsidiary undertaking</u>	Description and proportion of share capital <u>owned</u>	Country of incorporation or <u>registration</u>	Nature of <u>business</u>
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 wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of a member state of the European Union.

11. STOCKS

	2001 £	1999 £
Short term work in progress	-	47,481
Finished goods and goods for resale	81,315	60,742
	81,315	108,223

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

LESLIE WISE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001****12. DEBTORS**

	2001	1999
	£	£
Trade debtors	661,986	347,880
Amounts owed by group undertakings	885,006	530,315
Other debtors	3,220	-
Prepayments and accrued income	28,270	26,282
	<u>1,578,482</u>	<u>904,477</u>

13. CREDITORS: amounts falling due within one year

	2001	1999
	£	£
Net obligations under finance leases and hire purchase contracts	13,250	-
Trade creditors	556,220	217,991
Amounts owed to group undertakings	146,893	380,574
Corporation tax	12,508	59,647
Other taxes and social security costs	101,029	44,071
Accruals and deferred income	81,686	82,625
	<u>911,586</u>	<u>784,908</u>

14. CREDITORS: amounts falling due after more than one year

	2001	1999
	£	£
Net obligations under finance leases and hire purchase contracts	<u>25,396</u>	<u>-</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2001	1999
	£	£
The company's obligations are repayable as follows:		
Within one year or on demand	15,436	-
In two to five years	29,586	-
Total gross obligations	45,022	-
Finance charges and interest allocated to future accounting periods	(6,376)	-
Total net obligations	38,646	-
Net obligations analysed as follows:		
Included in creditors - amounts falling due within one year	13,250	-
Included in creditors - amounts falling due after more than one year	25,396	-
	38,646	-

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Not provided		Provided	
	2001	1999	2001	1999
	£	£	£	£
Deferred tax is calculated at 30% (1999 - 30%) analysed over the following timing differences:				
On the excess of capital allowances over depreciation	30,451	41,565	-	-

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

17. SHARE CAPITAL

	2001 £	1999 £
Authorised:		
Equity interests:		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>
Allotted, called up and fully paid:		
Equity interests:		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>

18. OTHER RESERVES

	2001 £	1999 £
Special reserve		
Balance at 1 December 1999 and 30 April 2001	<u>77,872</u>	<u>77,872</u>
Total other reserves	<u>77,872</u>	<u>77,872</u>

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

19. PROFIT AND LOSS ACCOUNT

	2001 £	1999 £
Retained profit as at 1 December 1999	798,748	563,528
Profit for the period	<u>147,497</u>	<u>235,220</u>
Retained profit as at 30 April 2001	<u>946,245</u>	<u>798,748</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	1999 £
Profit for the period	147,497	235,220
Opening shareholders' funds	<u>1,127,876</u>	<u>892,656</u>
Closing shareholders' funds	<u>1,275,373</u>	<u>1,127,876</u>
Represented by:-		
Equity interests	<u>1,275,373</u>	<u>1,127,876</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 DECEMBER 1999 TO 30 APRIL 2001

21. CONTINGENT LIABILITIES

There exists unlimited cross guarantees in respect of bank borrowings among members of the Leslie Wise Group Plc.

22. REVENUE COMMITMENTS

At the period end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2001	1999	2001	1999
	£	£	£	£
More than one year and less than five years	-	75,500	-	-
More than five years	106,100	106,100	-	-
	<u>106,100</u>	<u>181,600</u>	<u>-</u>	<u>-</u>

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.

23. CONTROL

The company is controlled by its ultimate parent undertaking, Leslie Wise Group P.L.C.

24. RELATED PARTY DISCLOSURES

The company is exempt from the requirement to disclose related party transactions and balances under Financial Reporting Standard No.8, on the grounds that it is a wholly owned undertaking and the consolidated financial statements in which it is included are publicly available.

25. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Leslie Wise Group P.L.C. a company registered in England and Wales. Copies of their published accounts are available from 33 Great Portland Street, London W1N 5DD.