

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012
FOR
LESLIE WISE LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2012**

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LESLIE WISE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2012

DIRECTORS:

N H Wise
J H Gowers

SECRETARY

N H Wise

REGISTERED OFFICE:

39A Welbeck Street
London
W1G 8DH

REGISTERED NUMBER:

00885078 (England and Wales)

AUDITORS.

Sinclairs
Chartered Accountants
Statutory Auditors
39A Welbeck Street
London
W1G 8DH

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

The directors present their report with the financial statements of the company for the year ended 30 April 2012

PRINCIPAL ACTIVITY

The principal activity of the company were those of textile merchants

REVIEW OF BUSINESS

The company's key financial highlights are as follows

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Turnover	10,991,457	13,295,265	8,725,509	6,428,604
Gross profit margin	24.21%	24.38%	23.45%	23.64%
Net profit/ (loss) before tax	2,116,992	2,786,172	(326,783)	(180,171)

Leslie Wise Limited business consists of designing and supplying fabrics to ladies clothing manufacturers. Despite turnover decreasing by 17%, the company has managed to maintain the same level of profitability. The directors are satisfied with the financial results for the year under review and expect the company to continue to be profitable in the foreseeable future.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £6.30433 per share.

The total distribution of dividends for the year ended 30 April 2012 will be £1,584,000.

FUTURE DEVELOPMENTS

There are no plans at present to change the nature of the company's activities which are considered to be satisfactory.

DIRECTORS

The directors who served the company during the year were as follows:

N H Wise
J H Gowers

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

FINANCIAL INSTRUMENTS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Liquidity ratio (Current assets/current liabilities)	104.94%	105.08%	81.04%	92.23%

The company's principal financial instruments comprise of bank balances, trade debtors, trade creditors and loans made available to/from the company. The main purpose of these instruments is to raise funds and finance the company's operations.

Due to the nature of the instruments used by the company, the value of these instruments will not fluctuate as a result of changes in market prices and therefore there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is stated below.

Trade debtors are managed in respect of credit and cash flow risks by internal policies concerning the credit offered to customers and all are subject to both the regular monitoring of amounts outstanding and credit limits.

Creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts when due.

The company has incurred a net increase of £1,062,878 in cash in the year (2011: £1,407,738) mainly due to the profit incurred in the year. Cash resources at the year end were £2,483,077 (2011: £1,420,199). The company makes use of money market facilities when funds are available for investment.

Loans were made available to/from group companies. These loans are presently unsecured, interest free and repayable on demand.

POST BALANCE SHEET EVENT

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations or the state of affairs of the company in the financial year subsequent to the financial year ended 30th April 2012.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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,
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Sinclairs, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'N H Wise', with a long, sweeping horizontal stroke extending to the right.

N H Wise - Secretary

15 August 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LESLIE WISE LIMITED

We have audited the financial statements of Leslie Wise Limited for the year ended 30 April 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

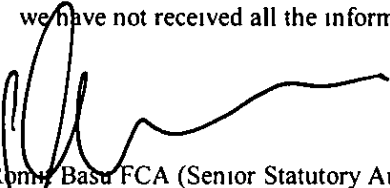
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LESLIE WISE LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Rommy Basu FCA (Senior Statutory Auditor)
for and on behalf of Sinclairs
Chartered Accountants
Statutory Auditors
39A Welbeck Street
London
W1G 8DH

15 August 2012

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2012**

	Notes	2012 £	2011 £
TURNOVER		10,991,457	13,295,265
Cost of sales		<u>8,330,384</u>	<u>10,054,291</u>
GROSS PROFIT		2,661,073	3,240,974
Administrative expenses		<u>544,081</u>	<u>454,802</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,116,992	2,786,172
Tax on profit on ordinary activities	4	<u>532,833</u>	<u>705,175</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,584,159</u></u>	<u><u>2,080,997</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

BALANCE SHEET
30 APRIL 2012

		2012	2011
	Notes	£	£
FIXED ASSETS			
Tangible assets	6	21,361	92,304
Investments	7	79,203	79,203
		<u>100,564</u>	<u>171,507</u>
CURRENT ASSETS			
Stocks	8	177,232	154,704
Debtors	9	2,208,569	1,687,525
Cash at bank and in hand		2,483,077	1,420,199
		<u>4,868,878</u>	<u>3,262,428</u>
CREDITORS			
Amounts falling due within one year	10	4,639,891	3,104,543
		<u>4,639,891</u>	<u>3,104,543</u>
NET CURRENT ASSETS		<u>228,987</u>	<u>157,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>329,551</u>	<u>329,392</u>
CAPITAL AND RESERVES			
Called up share capital	12	251,256	251,256
Other reserves	13	77,872	77,872
Profit and loss account	13	423	264
		<u>329,551</u>	<u>329,392</u>
SHAREHOLDERS' FUNDS	17	<u>329,551</u>	<u>329,392</u>

The financial statements were approved and authorised for issue by the Board of Directors on 15 August 2012 and were signed on its behalf by



N H Wise - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012**

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	1,727,019	1,412,788
Taxation		(720,633)	-
Capital expenditure	2	56,492	(5,050)
Increase in cash in the period		<u>1,062,878</u>	<u>1,407,738</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>1,062,878</u>	<u>1,407,738</u>
Change in net funds resulting from cash flows		<u>1,062,878</u>	<u>1,407,738</u>
Movement in net funds in the period		<u>1,062,878</u>	<u>1,407,738</u>
Net funds at 1 May		<u>1,420,199</u>	<u>12,461</u>
Net funds at 30 April		<u>2,483,077</u>	<u>1,420,199</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	2,116,992	2,786,172
Depreciation charges	21,288	31,354
(Profit)/loss on disposal of fixed assets	(6,837)	134
(Increase)/decrease in stocks	(22,528)	95,408
(Increase)/decrease in debtors	(511,268)	307,538
Increase/(decrease) in creditors	129,372	(1,807,818)
Net cash inflow from operating activities	1,727,019	1,412,788

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Capital expenditure		
Purchase of tangible fixed assets	(5,460)	(6,185)
Sale of tangible fixed assets	61,952	1,135
Net cash inflow/(outflow) for capital expenditure	56,492	(5,050)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/5/11	Cash flow	At
	£	£	30/4/12
			£
Net cash			
Cash at bank and in hand	1,420,199	1,062,878	2,483,077
	<u>1,420,199</u>	<u>1,062,878</u>	<u>2,483,077</u>
Total	1,420,199	1,062,878	2,483,077

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012

I ACCOUNTING POLICIES

Accounting convention

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

Preparation of consolidated financial statements

The financial statements contain information about Leslie Wise Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Leslie Wise Textiles Limited, a company registered in England and Wales

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

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

Fixtures and fittings	- 20% straight line on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

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 for the year are charged in the profit and loss account

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 lower of cost and net realisable value

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	440,013	373,559
Social security costs	63,549	54,661
Other pension costs	765	725
	<u>504,327</u>	<u>428,945</u>

The average monthly number of employees during the year was as follows

	2012	2011
Production staff	5	4
Selling and distribution staff	1	1
Administrative staff	1	1
Management	2	2
	<u>9</u>	<u>8</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Other operating leases	44,280	44,787
Depreciation - owned assets	21,288	31,354
(Profit)/loss on disposal of fixed assets	(6,837)	134
Auditors' remuneration	13,000	12,000
Auditors' remuneration for non audit work	7,380	1,750
	<u>150,816</u>	<u>93,932</u>

The number of directors to whom retirement benefits were accruing was as follows

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	544,613	722,637
(Over)/under provision in prior years	(2,004)	-
Total current tax	542,609	722,637
Deferred tax	(9,776)	(17,462)
Tax on profit on ordinary activities	<u>532,833</u>	<u>705,175</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>2,116,992</u>	<u>2,786,172</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.836% (2011 - 27.836%)	546,946	775,559
Effects of		
Non allowable expenses	6,009	9,463
Capital allowances	(6,576)	(6,303)
Profit on disposal of assets	(1,766)	-
Over provision in previous year	(2,004)	-
Losses brought forward	-	(56,082)
Current tax charge	<u>542,609</u>	<u>722,637</u>

5 DIVIDENDS

	2012 £	2011 £
Ordinary shares of £1 each		
Final	<u>1,584,000</u>	<u>1,316,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2011	20,140	108,097	128,237
Additions	5,460	-	5,460
Disposals	-	(91,646)	(91,646)
At 30 April 2012	25,600	16,451	42,051
DEPRECIATION			
At 1 May 2011	8,908	27,025	35,933
Charge for year	4,583	16,705	21,288
Eliminated on disposal	-	(36,531)	(36,531)
At 30 April 2012	13,491	7,199	20,690
NET BOOK VALUE			
At 30 April 2012	12,109	9,252	21,361
At 30 April 2011	11,232	81,072	92,304

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2011 and 30 April 2012	79,203
NET BOOK VALUE	
At 30 April 2012	79,203
At 30 April 2011	79,203

The company's investments at the balance sheet date in the share capital of companies include the following

Tomorrows Textiles Today Limited
Nature of business Textile merchants

	% holding	2012 £	2011 £
Class of shares	100.00		
Ordinary shares			
Aggregate capital and reserves		(12,194)	(12,194)

Under the provision of Section 400 of the Companies Act 2006, the company is exempt from preparing consolidated accounts 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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

8 STOCKS

	2012	2011
	£	£
Finished goods	<u>177,232</u>	<u>154,704</u>

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

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	1,081,177	1,096,212
Amounts owed by group undertakings	1,052,989	550,381
Other debtors	24,485	-
Deferred tax asset	27,238	17,462
Prepayments and accrued income	22,680	23,470
	<u>2,208,569</u>	<u>1,687,525</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	1,013,893	506,873
Amounts owed to group undertakings	2,900,500	1,316,500
Tax	544,613	722,637
Social security and other taxes	9,727	9,444
VAT	24,085	30,804
Other creditors	25,380	408,348
Accruals and deferred income	121,693	109,937
	<u>4,639,891</u>	<u>3,104,543</u>

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2012	2011
	£	£
Expiring		
Within one year	36,000	-
Between one and five years	-	36,000
	<u>36,000</u>	<u>36,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £	2011 £
251,256	Ordinary		<u>251,256</u>	<u>251,256</u>

13 RESERVES

	Profit and loss account £	Other reserves £	Totals £
At 1 May 2011	264	77,872	78,136
Profit for the year	1,584,159		1,584,159
Dividends	(1,584,000)		(1,584,000)
At 30 April 2012	<u>423</u>	<u>77,872</u>	<u>78,295</u>

Other reserves represent the reserve arising on the acquisition of Tomorrows Textiles Today Limited

14 CONTINGENT LIABILITIES

There exists an Unlimited Multilateral Guarantee given by Leslie Wise Group Limited, Leslie Wise Limited, Worldwide Television Limited, Arfield Limited and Tomorrows Textiles Limited

15 TRANSACTIONS WITH DIRECTORS

During the year, the directors purchased motor vehicles from the company giving rise to a net aggregate gain of £6,249 on the disposal of those motor vehicles. At the Balance Sheet date, a balance of £23,202 was owed by John Gowers, the director. This balance was paid to the company on 18 May 2012.

16 RELATED PARTY DISCLOSURES

The company is exempt from the requirement to disclose related party transactions and balances with its group undertakings under Financial Reporting Standard 8, on the grounds that it is a wholly owned company and the consolidated financial statements in which it is included are publicly available.

At the Balance Sheet date, a balance of £25,380 (2011: £408,348) was owed to Leslie Wise Group Limited, a company in which N Wise and J Gowers are also directors.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	1,584,159	2,080,997
Dividends	<u>(1,584,000)</u>	<u>(1,316,500)</u>
Net addition to shareholders' funds	159	764,497
Opening shareholders' funds	<u>329,392</u>	<u>(435,105)</u>
Closing shareholders' funds	<u>329,551</u>	<u>329,392</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

18 **CONTROL**

During the year, the company was under the control of N H Wise and J H Gowers, the directors of its ultimate parent company, Leslie Wise Textiles Limited

19 **ULTIMATE PARENT COMPANY**

The ultimate parent company is Leslie Wise Textiles Limited, a company registered in England and Wales. Copies of their published accounts are available from 5th Floor, 9 Cavendish Place, London, W1G 0NQ