

COMPANY REGISTRATION NUMBER 885078

**LESLIE WISE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2004**



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**SINCLAIRS**  
Registered Auditors  
32 Queen Anne Street  
London  
W1G 8HD

**LESLIE WISE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2004**

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# LESLIE WISE LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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**The board of directors**

N H Wise  
J H Gowers

**Company secretary**

N H Wise

**Registered office**

32 Queen Anne Street  
London  
W1G 8HD

**Auditors**

Sinclairs  
Registered Auditors  
32 Queen Anne Street  
London  
W1G 8HD

# **LESLIE WISE LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 30 APRIL 2004**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2004.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activities of the company and its subsidiary during the year under review were those of textile merchants. There were no significant changes in the nature of these activities during the year.

The directors are satisfied with the performance of the company and are confident that the company will return to profitability in the foreseeable future.

#### **FUTURE DEVELOPMENTS**

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

#### **RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

#### **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.

#### **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 action is required at this point in time.

#### **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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, 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 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. The directors 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****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 APRIL 2004**

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**DONATIONS**

During the year the company made the following contributions:

	2004	2003
	£	£
Charitable	<u>540</u>	<u>1,300</u>

**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 30 April 2004.

**AUDITORS**

A resolution to re-appoint Sinclairs as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
32 Queen Anne Street  
London  
W1G 8HD

Signed by order of the directors



N H WISE  
Company Secretary

Approved by the directors on 16 August 2004

**LESLIE WISE LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER****YEAR ENDED 30 APRIL 2004**

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We have audited the financial statements which comprise the Profit and Loss Account, Reconciliation of Shareholder's Funds, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state in an auditors' report 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 30 April 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

32 Queen Anne Street  
London  
W1G 8HD

16 August 2004



SINCLAIRS

Registered Auditors

**LESLIE WISE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 APRIL 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>368,315</b>	3,225,158
Cost of sales		<u>292,485</u>	<u>2,523,315</u>
<b>GROSS PROFIT</b>		<b>75,830</b>	701,843
Distribution costs		<u>37,418</u>	170,899
Administrative expenses		<u>88,556</u>	538,608
<b>OPERATING LOSS</b>	<b>3</b>	<b>(50,144)</b>	(7,664)
Interest receivable and similar income		—	227
Interest payable	<b>6</b>	<u>(2,029)</u>	(2,186)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(52,173)</b>	(9,623)
Tax on loss on ordinary activities	<b>7</b>	—	(2,182)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(52,173)</b>	(7,441)
Balance brought forward		<u>686,370</u>	693,811
Balance carried forward		<u><u>634,197</u></u>	<u><u>686,370</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

**LESLIE WISE LIMITED****RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS****YEAR ENDED 30 APRIL 2004**

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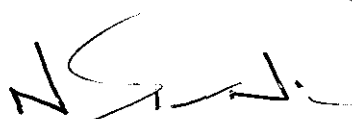
	2004	2003
	£	£
Loss for the financial year	(52,173)	(7,441)
Opening shareholder's equity funds	<u>1,015,498</u>	<u>1,022,939</u>
Closing shareholder's equity funds	<u>963,325</u>	<u>1,015,498</u>



**LESLIE WISE LIMITED****BALANCE SHEET****30 APRIL 2004**

	Note	2004 £	£	2003 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		104,790		114,368
Investments	9		79,203		79,203
			<u>183,993</u>		<u>193,571</u>
<b>CURRENT ASSETS</b>					
Stocks	10	—		96,243	
Debtors	11	133,339		312,847	
Cash at bank		<u>676,641</u>		<u>1,013,363</u>	
		809,980		1,422,453	
<b>CREDITORS: Amounts falling due within one year</b>					
	12	<u>18,734</u>		<u>588,612</u>	
<b>NET CURRENT ASSETS</b>			<u>791,246</u>		<u>833,841</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>975,239</u>		<u>1,027,412</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	14		11,914		11,914
			<u>963,325</u>		<u>1,015,498</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	18		251,256		251,256
Other reserves	19		77,872		77,872
Profit and loss account			<u>634,197</u>		<u>686,370</u>
<b>SHAREHOLDER'S FUNDS</b>			<u>963,325</u>		<u>1,015,498</u>

These financial statements were approved by the directors on the 16 August 2004 and are signed on their behalf by:



N H WISE



J H GOWERS

## LESLIE WISE LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2004

	Note	2004 £	2003 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	20	(295,185)	365,476
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(2,029)	(1,959)
TAXATION	20	—	7,499
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(27,362)	(17,002)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(324,576)	354,014
FINANCING	20	(12,146)	(13,250)
(DECREASE)/INCREASE IN CASH		<u>(336,722)</u>	<u>340,764</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2004 £	2003 £
(Decrease)/increase in cash in the period	(336,722)	340,764
Cash outflow in respect of hire purchase	<u>12,146</u>	<u>13,250</u>
	(324,576)	354,014
Change in net funds	(324,576)	354,014
Net funds at 1 May 2003	<u>1,001,217</u>	<u>647,203</u>
Net funds at 30 April 2004	<u>676,641</u>	<u>1,001,217</u>

## ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2003 £	Cash flows £	At 30 Apr 2004 £
Net cash:			
Cash in hand and at bank	<u>1,013,363</u>	<u>(336,722)</u>	<u>676,641</u>
Debt:			
Hire purchase agreements	<u>(12,146)</u>	<u>12,146</u>	<u>—</u>
Net funds	<u>1,001,217</u>	<u>(324,576)</u>	<u>676,641</u>

# LESLIE WISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2004

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

#### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 10% - 25% per annum on cost
Motor Vehicles	- 25% per annum 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.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004**

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**1. ACCOUNTING POLICIES** *(continued)***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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

**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.

**Pension schemes****-Defined Benefit Scheme**

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.

**-Defined Contribution Scheme**

Contributions are charged to the Profit and Loss account as incurred.

**2. TURNOVER**

The directors consider it to be seriously prejudicial to the interests of the company to disclose information regarding turnover.

**3. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	2004	2003
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	37,366	32,256
Depreciation of assets held under hire purchase agreements	—	9,181
Profit on disposal of fixed assets	(426)	—
Auditors' remuneration		
- as auditors	8,000	8,000
Operating lease costs:		
Land and buildings	—	45,279
	<u>          </u>	<u>          </u>

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of production staff	1	3
Number of selling and distribution staff	1	3
Number of management and administrative staff	1	2
	<u>3</u>	<u>8</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	37,094	306,021
Social security costs	1,957	15,992
Other pension costs	9,021	(6,829)
	<u>48,072</u>	<u>315,184</u>

**5. 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 £4,150 (2003: £11,309 Credit).

**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 last actuarial valuation was carried out at 1st March 1996 by a qualified actuary using the attained age method and place 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 increase. 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 contributions to the pension scheme had previously been suspended since 1998 having regard to the surplus disclosed by relevant valuation. During 1999, an actuarial review was carried out taking account of the minimum funding requirements of the Pensions Act 1995. The review revealed that there was a substantial deficit and consequently the annual pension provisions of the group were increased in order to eliminate this deficit by the year 2007 as required by the Pensions Act. A winding up of the pension fund was triggered at the end of June 1999. Statute imposes an obligation on the Group to make good the deficit which had been crystallised at approximately £1.4m. No pension contributions were made to the scheme in the current or previous year.

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****6. INTEREST PAYABLE**

	2004	2003
	£	£
Finance charges	<u>2,029</u>	<u>2,186</u>

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2004	2003
	£	£
Current tax:		
Corporation tax	-	-
Over/under provision in prior year	-	(3,034)
Total current tax	-	(3,034)
Deferred tax:		
Increase in deferred tax provision (note 14)		
Capital allowances	-	852
Tax on loss on ordinary activities	<u>-</u>	<u>(2,182)</u>

Due to losses surrendered within the group, there is no tax liability to be paid by this company.

**8. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>			
At 1 May 2003	430,123	263,502	693,625
Additions	2,041	51,845	53,886
Disposals	-	(68,443)	(68,443)
<b>At 30 April 2004</b>	<u>432,164</u>	<u>246,904</u>	<u>679,068</u>
<b>DEPRECIATION</b>			
At 1 May 2003	420,922	158,335	579,257
Charge for the year	4,636	32,730	37,366
On disposals	-	(42,345)	(42,345)
<b>At 30 April 2004</b>	<u>425,558</u>	<u>148,720</u>	<u>574,278</u>
<b>NET BOOK VALUE</b>			
<b>At 30 April 2004</b>	<u>6,606</u>	<u>98,184</u>	<u>104,790</u>
At 30 April 2003	<u>9,201</u>	<u>105,167</u>	<u>114,368</u>

**Hire purchase agreements**

Included within the net book value of £104,790 is £Nil (2003 - £27,543) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2003 - £9,181).

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****9. INVESTMENTS****Other investments other than loan**

	<b>£</b>
<b>COST</b>	
At 1 May 2003 and 30 April 2004	<u><b>79,203</b></u>
<b>NET BOOK VALUE</b>	
At 30 April 2004	<u><b>79,203</b></u>
At 30 April 2003	<u><b>79,203</b></u>

The company owns 100% of the issued ordinary share capital of Tomorrow Textiles Today Limited, a company incorporated in England. Its principal activities are those of textile merchants and its financial year end is 30 April.

**Aggregate capital and reserves**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Tomorrow Textiles Today Limited	<b>517,584</b>	<b>529,587</b>

**Profit and (loss) for the year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Tomorrow Textiles Today Limited	<b>(12,003)</b>	<b>11,405</b>

Under the provision of section 228 of the Companies Act 1985 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.

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.

**10. STOCKS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Finished goods	<u><b>—</b></u>	<u><b>96,243</b></u>

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

**11. DEBTORS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>2,210</b>	<b>64,958</b>
Amounts owed by group undertakings	<b>128,181</b>	<b>217,748</b>
VAT recoverable	<b>—</b>	<b>22,998</b>
Prepayments and accrued income	<b>2,948</b>	<b>7,143</b>
	<u><b>133,339</b></u>	<u><b>312,847</b></u>

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****12. CREDITORS: Amounts falling due within one year**

	2004 £	2003 £
Trade creditors	—	293,858
Amounts owed to group undertakings	—	261,153
Other creditors including taxation and social security:		
PAYE and social security	10,361	10,249
VAT	373	—
Hire purchase agreements	—	12,146
	<u>10,734</u>	<u>22,395</u>
Accruals and deferred income	8,000	11,206
	<u>18,734</u>	<u>588,612</u>

**13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2004 £	2003 £
Amounts payable within 1 year	—	14,150
Less interest and finance charges relating to future periods	—	(2,004)
	<u>—</u>	<u>12,146</u>

Net obligations under hire purchase agreements are secured on the assets acquired.

**14. DEFERRED TAXATION**

	2004 £	2003 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	11,914	11,062
Profit and loss account movement arising during the year	—	852
Provision carried forward	<u>11,914</u>	<u>11,914</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	11,914	11,914
	<u>11,914</u>	<u>11,914</u>

**15. COMMITMENTS UNDER OPERATING LEASES**

At 30 April 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	2004 £	2003 £
Operating leases which expire:		
Within 2 to 5 years	—	40,000



**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****16. CONTINGENCIES**

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

**17. RELATED PARTY TRANSACTIONS**

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

**18. SHARE CAPITAL****Authorised share capital:**

	2004 £	2003 £
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>

**Allotted, called up and fully paid:**

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>	<u>251,256</u>	<u>251,256</u>

**19. OTHER RESERVES**

	2004 £	2003 £
Other reserves	<u>77,872</u>	<u>77,872</u>

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

**20. NOTES TO THE STATEMENT OF CASH FLOWS****RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2004 £	2003 £
Operating loss	(50,144)	(7,664)
Depreciation	37,366	41,437
Profit on disposal of fixed assets	(426)	—
Decrease in stocks	96,243	165,476
Decrease in debtors	179,508	503,767
Decrease in creditors	(557,732)	(337,540)
Net cash (outflow)/inflow from operating activities	<u>(295,185)</u>	<u>365,476</u>

**LESLIE WISE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2004****20. NOTES TO THE STATEMENT OF CASH FLOWS (continued)****RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2004 £	2003 £
Interest received	—	227
Interest element of hire purchase	<u>(2,029)</u>	<u>(2,186)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(2,029)</u>	<u>(1,959)</u>

**TAXATION**

	2004 £	2003 £
TAXATION	<u>—</u>	<u>7,499</u>

**CAPITAL EXPENDITURE**

	2004 £	2003 £
Payments to acquire tangible fixed assets	(53,886)	(17,002)
Receipts from sale of fixed assets	<u>26,524</u>	<u>—</u>
Net cash outflow from capital expenditure	<u>(27,362)</u>	<u>(17,002)</u>

**FINANCING**

	2004 £	2003 £
Capital element of hire purchase	<u>(12,146)</u>	<u>(13,250)</u>
Net cash outflow from financing	<u>(12,146)</u>	<u>(13,250)</u>

**21. ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is Leslie Wise Group PLC a company registered in England and Wales. Copies of their published accounts are available from 5th floor, 9 Cavendish Place, London W1.

**22. CONTROL**

During the current and previous financial year, the company was under the control of its ultimate parent undertaking, Leslie Wise Group PLC.