

LESLIE WISE LIMITED

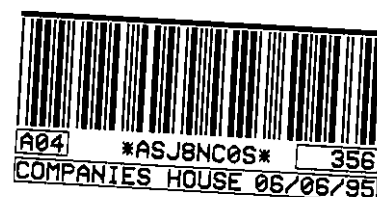
Company No: 885078

FINANCIAL STATEMENTS

- for the year ended -

30TH NOVEMBER 1994

**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

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994

Page

1 Report of the directors

3 Auditors' report

5 Profit and loss account

6 Balance sheet

7 Notes to the financial statements

## **LESLIE WISE LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the year ended 30th November 1994.

#### **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 the company improved its gross margins on turnover which was lower than the previous year. However, overheads were carefully monitored and coupled with the improved margins there was a significant increase in profitability.

The current year has commenced with order levels ahead of the previous year and the directors anticipate that this trend should continue.

#### **DIVIDEND AND TRANSFER TO RESERVES**

The directors recommend payment of a dividend amounting to £764,000.

It is proposed that the retained profit of £395 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

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 £1,180.

**AUDITORS**

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

By Order of the Board

Date: 21st February 1995

  
E. Larbi  
Secretary

**LESLIE WISE LIMITED**

**AUDITORS' REPORT**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF LESLIE WISE LIMITED**

We have audited the financial statements on pages 5 to 14 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**SINCLAIRS**  
Registered Auditors

32 Queen Anne Street  
London  
W1M 0HD

Date: 21st February 1995

LESLIE WISE LIMITED

AUDITORS' REPORT (Continued)

AUDITORS' REPORT TO THE DIRECTORS OF LESLIE WISE LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and its subsidiary for the year ended 30th November 1994.

**Basis of opinion**

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

**Opinion**

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by section 248 of the Companies Act 1985.

  
SINCLAIRS  
Registered Auditors

32 Queen Anne Street  
London  
W1M 0HD

Date: 21st February 1995

**LESLIE WISE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH NOVEMBER 1994**

	Notes	1994 £	1993 £
<b>TURNOVER</b>	<b>2</b>	6,006,588	6,229,682
Cost of sales		(4,592,621)	(4,916,826)
<b>GROSS PROFIT</b>		1,413,967	1,312,856
Distribution costs		(379,347)	(412,467)
Administrative expenses		(1,009,625)	(978,841)
		24,995	(78,452)
Other operating income		455,000	337,000
<b>OPERATING PROFIT</b>	<b>3</b>	479,995	258,548
Income from investments	<b>4</b>	447,909	256,673
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		927,904	515,221
Tax on profit on ordinary activities	<b>7</b>	(163,509)	(92,006)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		764,395	423,215
Dividends	<b>8</b>	(764,000)	(423,000)
<b>RETAINED PROFIT FOR THE YEAR</b>	<b>17</b>	395	215

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 7 to 14 form part of these financial statements.

**LESLIE WISE LIMITED**

**BALANCE SHEET AT 30TH NOVEMBER 1994**

	Notes	£	1994 £	1993 £
<b>FIXED ASSETS</b>				
Tangible assets	9		223,594	244,297
Investments	10		79,203	79,203
			<u>302,797</u>	<u>323,500</u>
<b>CURRENT ASSETS</b>				
Stocks	11	316,388		484,300
Debtors	12	3,900,995		3,357,361
Cash at bank and in hand		407,296		502,224
		<u>4,624,679</u>	<u>4,343,885</u>	
<b>CREDITORS:</b> Amounts falling due within one year	13	(1,483,861)	(1,224,165)	
<b>NET CURRENT ASSETS</b>			<u>3,140,818</u>	<u>3,119,720</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,443,615</u>	<u>3,443,220</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	15		251,256	251,256
Merger reserve	16		77,872	77,872
Profit and loss account	17		3,114,487	3,114,092
			<u>3,443,615</u>	<u>3,443,220</u>

The financial statements were approved by the board on 21st February 1995 and signed on its behalf by

N.H. Wise

J.H. Gowers

Directors

The notes on pages 7 to 14 form part of these financial statements.

## LESLIE WISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994

#### 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 an 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 AND HIRE PURCHASE

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 1994**

**1.9 PENSIONS**

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.

**2. TURNOVER**

**1994**

**1993**

**£**

**£**

**Analysis by:-**

Geographical market

United Kingdom

Export

5,936,308 6,221,151

70,280 8,531

6,006,588 6,229,682

**3. OPERATING PROFIT**

**1994**

**1993**

**£**

**£**

The operating profit is stated after charging:-

Depreciation

66,111 72,077

Auditors' remuneration:-

Audit services

10,000 10,000

Non-audit services

3,000 -

Operating lease rentals:-

Land and buildings

179,188 176,149

**4. INCOME FROM INVESTMENTS**

**1994**

**1993**

**£**

**£**

Bank and other interest receivable

409 2,673

Income from group undertaking

447,500 254,000

447,909 256,673

**LESLIE WISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994**

**5. DIRECTORS AND EMPLOYEES**

	1994 £	1993 £
Staff costs:-		
Wages and salaries	598,214	571,237
Social security costs	67,538	71,049
Other pension costs	66,842	62,453
	<u>732,594</u>	<u>704,739</u>

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

	Number	Number
Production	4	3
Selling and distribution	15	10
Management and administration	10	10
	<u>29</u>	<u>23</u>
	£	£

Directors' emoluments:-

Remuneration for management services (including pension contributions)	<u>296,827</u>	<u>309,901</u>
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The division of directors' emoluments, excluding pension contributions, is as follows:-

Chairman	<u>-</u>	<u>4,857</u>
Highest paid director	<u>127,595</u>	<u>137,027</u>

Other directors' remuneration fell within the following ranges:

	Number	Number
£110,001 - £115,000	1	-
£115,001 - £120,000	<u>-</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 £66,842 (1993: £62,453). All contributions were paid in the year.

**LESLIE WISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1994 £	1993 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 33% (1993 - 33%)	163,467	92,100
Adjustment in respect of prior years	42	(94)
	<u>163,509</u>	<u>92,006</u>

**8. DIVIDENDS**

	1994 £	1993 £
Equity interests		
Ordinary:-		
Final dividend proposed	<u>764,000</u>	<u>423,000</u>

**9. TANGIBLE ASSETS**

	Land and buildings £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>				
At 1st December 1993	11,084	381,051	334,289	726,424
Additions	-	2,222	63,614	65,836
Disposals	-	-	(77,296)	(77,296)
At 30th November 1994	<u>11,084</u>	<u>383,273</u>	<u>320,607</u>	<u>714,964</u>
<u>Depreciation</u>				
At 1st December 1993	2,518	257,989	221,620	482,127
Charge for year	504	29,717	35,890	66,111
On disposals	-	-	(56,868)	(56,868)
At 30th November 1994	<u>3,022</u>	<u>287,706</u>	<u>200,642</u>	<u>491,370</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>
<u>Net book value at 30th November 1993</u>	<u>8,566</u>	<u>123,062</u>	<u>112,669</u>	<u>244,297</u>
			1994 £	1993 £
Analysis of net book value of land and buildings:				
Short leasehold			<u>8,062</u>	<u>8,566</u>

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994

10. INVESTMENTS - RELATED UNDERTAKINGS

<u>Cost</u>	<u>Beginning of year</u> £	<u>Additions</u> £	<u>End of year</u> £
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 following was the operating subsidiary at the balance sheet date:

Subsidiary undertaking	Description and proportion of share capital owned	Country of incorp- oration 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

	1994 £	1993 £
Work in progress	260,729	295,169
Finished goods and goods for resale	55,659	189,131
	<u>316,388</u>	<u>484,300</u>

12. DEBTORS

	1994 £	1993 £
Trade debtors	527,399	665,333
Amounts owed by subsidiary undertaking	943,943	440,625
Amounts owed by other group undertakings	2,387,761	2,221,175
Prepayments and accrued income	41,892	30,228
	<u>3,900,995</u>	<u>3,357,361</u>

**LESLIE WISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994**

<b>13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Trade creditors	327,490	509,790
Proposed dividend	764,000	423,000
Amounts owed to group undertakings	77,831	11,946
Corporation tax	163,467	92,100
Other taxes and social security costs	98,032	145,248
Accruals and deferred income	53,041	42,081
	<u>1,483,861</u>	<u>1,224,165</u>

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is calculated at 33% (1993 - 33%) analysed over the following timing differences:-

	<b>Not provided</b>		<b>Provided</b>	
	<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
On the excess of capital allowances over depreciation	<u>(18,661)</u>	<u>(14,693)</u>	<u>-</u>	<u>-</u>

<b>15. SHARE CAPITAL</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
<u>Authorised</u>		
<b>Equity interests:</b>		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>
<u>Allotted, called up and fully paid</u>		
<b>Equity interests:</b>		
251,256 Ordinary shares of £1 each	<u>251,256</u>	<u>251,256</u>
<b>16. MERGER RESERVE</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Balance at 30th November 1994	<u>77,872</u>	<u>77,872</u>

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

## LESLIE WISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994

#### 17. PROFIT AND LOSS ACCOUNT

	1994 £	1993 £
Retained profits at 1st December 1993	3,114,092	3,113,877
Retained profit for the year	395	215
Retained profits at 30th November 1994	<u>3,114,487</u>	<u>3,114,092</u>

#### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the financial year	764,395	423,215
Dividends	(764,000)	(423,000)
	<u>395</u>	<u>215</u>
Shareholders' funds at 1st December 1993	3,443,220	3,443,005
Shareholders' funds at 30th November 1994	<u>3,443,615</u>	<u>3,443,220</u>
Represented by:-		
Equity interests	3,443,615	3,443,220
	<u>3,443,615</u>	<u>3,443,220</u>

#### 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>	1994 £	1993 £
Expiry date:		
After five years	<u>166,100</u>	<u>166,100</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.

#### 20. CONTINGENT LIABILITIES

The company's bankers have given a guarantee of £100,000 (1993 - £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.

LESLIE WISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1994

21. ULTIMATE PARENT COMPANY

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 346 St. Saviours Road, Leicester LE5 4HJ.