

REGISTERED NUMBER: 1497069 (England and Wales)

**ABBREVIATED AUDITED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010**

**FOR**

**NOVA OF LONDON LIMITED**

THURSDAY



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**NOVA OF LONDON LIMITED**

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**FOR THE YEAR ENDED 30 JUNE 2010**

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**NOVA OF LONDON LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**DIRECTORS:**

A P S Chawla  
S S Chawla

**SECRETARY**

S S Chawla

**REGISTERED OFFICE.**

27 Cambridge Park  
Wanstead  
London  
E11 2PU

**REGISTERED NUMBER:**

1497069 (England and Wales)

**AUDITOR**

M J Churchill  
Statutory Auditor  
5 Bracken Dell  
Rayleigh  
Essex  
SS6 8LP

## **NOVA OF LONDON LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 30 JUNE 2010**

The directors present their report with the accounts of the company for the year ended 30 June 2010

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Import, Export and Wholesale of ladies clothing

#### **REVIEW OF BUSINESS**

The company was able to increase its turnover from £18,215,499 to £19,101,949

The gross profit margin increased during the year to 21.87% (2009 14.96%)

Control of costs has been difficult in the current climate. However, the provision for doubtful debts fell from the previous year.

The market conditions are expected to continue to be very competitive but the directors are optimistic that the company will be able to maintain its current performance and possibly improve upon it in 2011.

The directors are continuously monitoring the potential risks and uncertainty to the business in order to take the necessary mitigating steps to maintain the company's competitive edge.

#### **DIVIDENDS**

The directors have recommended interim dividends totalling £4,200 per share. No final dividend is proposed.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2009 to the date of this report.

A P S Chawla  
S S Chawla

#### **CHARITABLE CONTRIBUTIONS**

Charitable donations of £2,945 were made during the year to Redbridge Hockey Club, Help the Aged, Children's Safety Education, Fashion Peddlars and other charitable organisations.

#### **INTRODUCTION OF THE EURO**

The directors are of the view that the introduction of the Euro will not impact on the company as its computer systems on which it relies will have the capacity to account for the transactions at the appropriate time.

#### **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,
- 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.

**NOVA OF LONDON LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**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 auditor is 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 auditor is aware of that information

**AUDITOR**

The auditor, M J Churchill, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



S S Chawla - Secretary

Date

28 March 2011

**REPORT OF THE INDEPENDENT AUDITOR TO**  
**NOVA OF LONDON LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

I have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of Nova of London Limited for the year ended 30 June 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. My work has been undertaken so that I might state to the company those matters I am required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company, for my work, for this report, or for the opinions I have formed.

**Respective responsibilities of directors and auditor**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report my opinion to you.

**Basis of opinion**

I conducted my work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

MJ Churchill (Statutory Auditor)  
for and on behalf of M J Churchill  
Statutory Auditor  
5 Bracken Dell  
Rayleigh  
Essex  
SS6 8LP

Date 31 May 2011

**NOVA OF LONDON LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	19,101,949	18,215,449
Cost of sales and other operating income		(14,937,370)	(15,451,274)
		<hr/> 4,164,579	<hr/> 2,764,175
Administrative expenses		<hr/> 1,302,399	<hr/> 1,214,104
<b>OPERATING PROFIT</b>	4	<hr/> 2,862,180	<hr/> 1,550,071
Interest receivable and similar income		<hr/> 9,117	<hr/> 6,106
		<hr/> 2,871,297	<hr/> 1,556,177
Interest payable and similar charges	5	<hr/> 8,274	<hr/> 8,553
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<hr/> 2,863,023	<hr/> 1,547,624
Tax on profit on ordinary activities	6	<hr/> 807,952	<hr/> 440,834
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<hr/> <hr/> 2,055,071	<hr/> <hr/> 1,106,790

**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

The notes form part of these abbreviated accounts

**NOVA OF LONDON LIMITED**

**ABBREVIATED BALANCE SHEET**  
**30 JUNE 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	8	431,248	452,445
Investments	9	636,220	134,413
		<u>1,067,468</u>	<u>586,858</u>
<b>CURRENT ASSETS</b>			
Stocks	10	693,962	638,055
Debtors	11	5,174,868	3,164,421
Investments	12	14,935	14,935
Cash at bank and in hand		219,239	374,940
		<u>6,103,004</u>	<u>4,192,351</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	1,989,903	1,233,711
<b>NET CURRENT ASSETS</b>		<u>4,113,101</u>	<u>2,958,640</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,180,569</u>	<u>3,545,498</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100	100
Profit and loss account	18	5,180,469	3,545,398
<b>SHAREHOLDERS' FUNDS</b>	20	<u>5,180,569</u>	<u>3,545,498</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on its behalf by

28 MARCH 2011

and were signed on

  
S S Chawla - Director

The notes form part of these abbreviated accounts



**NOVA OF LONDON LIMITED****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 £	2009 £
<b>Net cash inflow from operating activities</b>	1	1,346,160	1,528,242
<b>Returns on investments and servicing of finance</b>	2	843	(2,447)
<b>Taxation</b>		(453,953)	(385,184)
<b>Capital expenditure and financial investment</b>	2	(570,343)	(345,679)
<b>Equity dividends paid</b>		(420,000)	(440,000)
		(97,293)	354,932
<b>Management of liquid resources</b>	2	-	(14,935)
<b>Financing</b>	2	(58,408)	(20,179)
<b>(Decrease)/Increase in cash in the period</b>		<u>(155,701)</u>	<u>319,818</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/Increase in cash in the period		(155,701)	319,818
Cash outflow from decrease in debt and lease financing		<u>8,408</u>	<u>20,179</u>
Change in net funds resulting from cash flows		(147,293)	339,997
<b>Movement in net funds in the period</b>		(147,293)	339,997
<b>Net funds at 1 July</b>		<u>366,532</u>	<u>26,535</u>
<b>Net funds at 30 June</b>		<u>219,239</u>	<u>366,532</u>

The notes form part of these abbreviated accounts

**NOVA OF LONDON LIMITED****NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010****1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating profit	2,862,180	1,550,071
Depreciation charges	89,731	99,676
Loss on disposal of fixed assets	-	1,882
Increase in stocks	(55,907)	(59,758)
(Increase)/Decrease in debtors	(2,004,595)	276,943
Increase/(Decrease) in creditors	454,751	(340,572)
<b>Net cash inflow from operating activities</b>	<b>1,346,160</b>	<b>1,528,242</b>

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

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	9,117	6,106
Interest paid	(8,197)	(7,373)
Interest element of hire purchase payments	(77)	(1,180)
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<b>843</b>	<b>(2,447)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(68,536)	(226,461)
Purchase of fixed asset investments	(501,807)	(134,413)
Sale of tangible fixed assets	-	15,195
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(570,343)</b>	<b>(345,679)</b>
<b>Management of liquid resources</b>		
Current asset investment	-	(14,935)
<b>Net cash outflow from management of liquid resources</b>	<b>-</b>	<b>(14,935)</b>
<b>Financing</b>		
Capital repayments in year	(8,408)	(20,179)
Amount withdrawn by directors	(50,000)	-
<b>Net cash outflow from financing</b>	<b>(58,408)</b>	<b>(20,179)</b>

The notes form part of these abbreviated accounts

**NOVA OF LONDON LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 7 09 £	Cash flow £	At 30 6 10 £
Net cash			
Cash at bank and in hand	374,940	(155,701)	219,239
	<u>374,940</u>	<u>(155,701)</u>	<u>219,239</u>
Debt			
Hire purchase	(8,408)	8,408	-
	<u>(8,408)</u>	<u>8,408</u>	<u>-</u>
Total	<u>366,532</u>	<u>(147,293)</u>	<u>219,239</u>

The notes form part of these abbreviated accounts

## **NOVA OF LONDON LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS** **FOR THE YEAR ENDED 30 JUNE 2010**

#### **1 ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention

##### **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 or, if held under a finance lease, over the lease term, whichever is the shorter

Short leasehold	- Straight line over twenty eight years
Fixtures and fittings	- 15% on reducing balance
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**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted 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**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

**NOVA OF LONDON LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2010****2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2010 £	2009 £
UK Sales	11,835,921	11,564,689
EEC Sales	5,393,809	5,300,104
Non EEC Sales	1,872,219	1,350,656
	<u>19,101,949</u>	<u>18,215,449</u>

**3 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	385,872	383,728
Social security costs	43,519	53,056
	<u>429,391</u>	<u>436,784</u>

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

	2010	2009
Selling and distribution	31	29
Administration	3	3
	<u>34</u>	<u>32</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Hire of plant and machinery	390	-
Depreciation - owned assets	83,160	90,915
Depreciation - assets on hire purchase contracts	6,571	8,762
Loss on disposal of fixed assets	-	1,882
Auditors' remuneration	4,375	3,825
Foreign exchange differences	(3,996)	(3,642)
	<u>41,600</u>	<u>41,600</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	2,432	7,373
Interest on overdue tax	5,765	-
Hire purchase	77	1,180
	<u>8,274</u>	<u>8,553</u>

**NOVA OF LONDON LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 30 JUNE 2010****6 TAXATION****Analysis of the tax charge**

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

	2010 £	2009 £
Current tax		
UK corporation tax	813,802	453,954
Deferred tax	(5,850)	(13,120)
Tax on profit on ordinary activities	<u>807,952</u>	<u>440,834</u>

UK corporation tax has been charged at 28% (2009 - 28%)

**Factors affecting the tax charge**

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

	2010 £	2009 £
Profit on ordinary activities before tax	<u>2,863,023</u>	<u>1,547,624</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	801,646	433,335
Effects of		
Depreciation in excess of capital allowance	5,850	13,120
Disallowable expenses	6,306	7,251
Marginal relief	-	248
Current tax charge	<u>813,802</u>	<u>453,954</u>

**7 DIVIDENDS**

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	<u>420,000</u>	<u>440,000</u>

**NOVA OF LONDON LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**8 TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 July 2009	638,742	68,838	320,599	1,028,179
Additions	40,893	27,643	-	68,536
At 30 June 2010	679,635	96,481	320,599	1,096,715
<b>DEPRECIATION</b>				
At 1 July 2009	432,369	35,946	107,421	575,736
Charge for year	27,356	9,080	53,295	89,731
At 30 June 2010	459,725	45,026	160,716	665,467
<b>NET BOOK VALUE</b>				
At 30 June 2010	219,910	51,455	159,883	431,248
At 30 June 2009	206,373	32,892	213,178	452,443

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
<b>COST</b>	
At 1 July 2009	62,305
Transfer to ownership	(62,305)
At 30 June 2010	-
<b>DEPRECIATION</b>	
At 1 July 2009	36,020
Charge for year	6,571
Transfer to ownership	(42,591)
At 30 June 2010	-
<b>NET BOOK VALUE</b>	
At 30 June 2010	-
At 30 June 2009	26,285

**NOVA OF LONDON LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**9 FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 July 2009	134,413
Additions	501,807
	<hr/>
At 30 June 2010	636,220
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 June 2010	636,220
	<hr/>
At 30 June 2009	134,413
	<hr/>

**10 STOCKS**

	2010 £	2009 £
Finished goods and goods for resale	693,962	638,055
	<hr/>	<hr/>

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade debtors	4,714,423	2,964,154
Other debtors	336,782	14,879
VAT	36,337	104,371
Deferred tax asset	22,475	16,625
Prepayments and accrued income	64,851	64,392
	<hr/>	<hr/>
	5,174,868	3,164,421
	<hr/>	<hr/>

The deferred tax asset is recognised on the basis of future profits anticipated being reduced by available capital allowances

**12 CURRENT ASSET INVESTMENTS**

	2010 £	2009 £
Loan	14,935	14,935
	<hr/>	<hr/>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Hire purchase contracts (see note 14)	-	8,408
Trade creditors	818,537	554,670
Tax	827,968	468,119
Social security and other taxes	12,599	10,289
Net wages control account	4,508	4,296
Other creditors	155,197	96,639
Directors' current accounts	-	50,000
Accrued expenses	171,094	41,290
	<hr/>	<hr/>
	1,989,903	1,233,711
	<hr/>	<hr/>



**NOVA OF LONDON LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2010	2009
	£	£
Net obligations repayable		
Within one year	-	8,408

**15 SECURED DEBTS**

The following secured debts are included within creditors

	2010	2009
	£	£
Hire purchase contracts	-	8,408
Factor account	106,507	-
	<u>106,507</u>	<u>8,408</u>

Included in other creditors is the factoring account of £106,507 secured on debts

**16 DEFERRED TAX**

	£
Balance at 1 July 2009	(16,625)
Movement	(5,850)
Balance at 30 June 2010	<u>(22,475)</u>

**17 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

**18 RESERVES**

	Profit and loss account £
At 1 July 2009	3,545,398
Profit for the year	2,055,071
Dividends	(420,000)
At 30 June 2010	<u>5,180,469</u>

**19 TRANSACTIONS WITH DIRECTORS**

Mr SS Chawla has a beneficial interest in the company and £210,000 (2009 £200,000) was received by way of dividends by him and his family

Mr SS Chawla had an interest in, and was a director of Silver Shadow Investments Limited, the entity to which the investments by way of loans were made by the company. The loans are interest bearing at a commercial rate and is repayable within 10 years from the balance sheet date

**NOVA OF LONDON LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010	2009
	£	£
Profit for the financial year	2,055,071	1,106,790
Dividends	(420,000)	(440,000)
<b>Net addition to shareholders' funds</b>	<b>1,635,071</b>	<b>666,790</b>
Opening shareholders' funds	3,545,498	2,878,708
<b>Closing shareholders' funds</b>	<b>5,180,569</b>	<b>3,545,498</b>

**21 CONTROL**

During the year, the company was controlled by the directors