

REGISTERED NUMBER: 1497069 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

FOR

NOVA OF LONDON LIMITED



NOVA OF LONDON LIMITED

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FOR THE YEAR ENDED 30 JUNE 2003

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NOVA OF LONDON LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2003

DIRECTORS:

Mr A P S Chawla
Mr S S Chawla

SECRETARY:

Mr S S Chawla

REGISTERED OFFICE:

27 Cambridge Park
Wanstead
London
E11 2PU

REGISTERED NUMBER:

1497069 (England and Wales)

AUDITOR:

A J Press FCCA
19 Cambridge Park
Wanstead
London
E11 2PU

NOVA OF LONDON LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 JUNE 2003**

The directors present their report with the financial statements of the company for the year ended 30 June 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of wholesalers and retailers of ladies and children clothing.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £2,000 per share.

The total distribution of dividends for the year ended 30 June 2003 will be £200,000.

DIRECTORS

The directors during the year under review were:

Mr A P S Chawla
Mr S S Chawla

The beneficial interests of the directors holding office on 30 June 2003 in the issued share capital of the company were as follows:

	30.6.03	1.7.02
Ordinary £1 shares		
Mr A P S Chawla	9	10
Mr S S Chawla	24	24

POLITICAL AND CHARITABLE DONATIONS

During the year, the company paid £940 charitable donations to which the following are over £200 :-

The Manjula & Madhu Jain Foundation - £250

Khukhrain Charity - £300

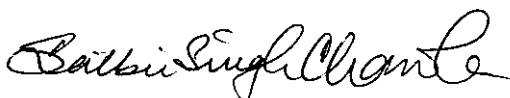
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

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.

ON BEHALF OF THE BOARD:



Mr S S Chawla - Secretary

Date: 17.2.04

REPORT OF THE INDEPENDENT AUDITOR TO
NOVA OF LONDON LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts on pages four to thirteen, together with the full financial statements of the company for the year ended 30 June 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report my opinion to you.

Basis of opinion

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. The scope of my work for the purpose of this report did not include examining or dealing with events after the date of my report on the full financial statements.

Opinion

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages four to thirteen are properly prepared in accordance with that provision.

A J Press, FCCA
19 Cambridge Park
Wanstead
London
E11 2PU

Date: 20-2-04

NOVA OF LONDON LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2003

		2003	2002
	Notes	£	£
GROSS PROFIT		1,367,277	1,077,854
Administrative expenses		586,303	466,482
OPERATING PROFIT	3	780,974	611,372
Interest receivable and similar income		731	66
		781,705	611,438
Interest payable and similar charges	4	11,181	14,428
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		770,524	597,010
Tax on profit on ordinary activities	5	225,494	182,739
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		545,030	414,271
Dividends	6	200,000	200,000
RETAINED PROFIT FOR THE YEAR		345,030	214,271

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

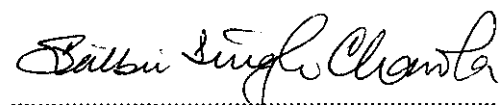
NOVA OF LONDON LIMITED**ABBREVIATED BALANCE SHEET****30 JUNE 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		418,154		434,132
CURRENT ASSETS					
Stocks	8	613,344		612,520	
Debtors	9	1,249,206		1,392,236	
Cash at bank and in hand		214,263		34,216	
		2,076,813		2,038,972	
CREDITORS					
Amounts falling due within one year	10	813,551		1,136,718	
NET CURRENT ASSETS			1,263,262		902,254
TOTAL ASSETS LESS CURRENT LIABILITIES			1,681,416		1,336,386
CAPITAL AND RESERVES					
Called up share capital ¹⁴			100		100
Profit and loss account ¹⁵			1,681,316		1,336,286
SHAREHOLDERS' FUNDS	17		1,681,416		1,336,386

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

.....
Mr A P S Chawla - Director



.....
Mr S S Chawla - Director

Approved by the Board on17.2.04.....

NOVA OF LONDON LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30 JUNE 2003

		2003	2002
	Notes	£	£
Net cash inflow from operating activities	1	928,816	258,752
Returns on investments and servicing of finance	2	(10,450)	(14,362)
Taxation		(201,324)	(71,605)
Capital expenditure	2	(28,666)	(305)
Equity dividends paid		(200,000)	(200,000)
Increase/(Decrease) in cash in the period		<u>488,376</u>	<u>(27,520)</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase/(Decrease) in cash in the period		<u>488,376</u>	<u>(27,520)</u>
Change in net debt resulting from cash flows		<u>488,376</u>	<u>(27,520)</u>
Movement in net debt in the period		488,376	(27,520)
Net debt at 1 July		<u>(274,113)</u>	<u>(246,593)</u>
Net funds/(debt) at 30 June		<u>214,263</u>	<u>(274,113)</u>

NOVA OF LONDON LIMITED**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30 JUNE 2003**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003 £	2002 £
Operating profit	780,974	611,372
Depreciation charges	44,644	43,271
(Increase)/Decrease in stocks	(824)	44,686
Decrease/(Increase) in debtors	142,221	(576,809)
(Decrease)/Increase in creditors	(38,199)	136,232
Net cash inflow from operating activities	928,816	258,752

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	731	66
Interest paid	(11,181)	(14,428)
Net cash outflow for returns on investments and servicing of finance	(10,450)	(14,362)
 Capital expenditure		
Purchase of tangible fixed assets	(28,666)	(305)
Net cash outflow for capital expenditure	(28,666)	(305)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.02 £	Cash flow £	At 30.6.03 £
Net cash:			
Cash at bank and in hand	34,216	180,047	214,263
Bank overdraft	(308,329)	308,329	-
	<u>(274,113)</u>	<u>488,376</u>	<u>214,263</u>
 Total	<u>(274,113)</u>	<u>488,376</u>	<u>214,263</u>

NOVA OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **FOR THE YEAR ENDED 30 JUNE 2003**

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.

Long 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.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	210,685	195,055
Social security costs	16,827	12,858
	<u>227,512</u>	<u>207,913</u>

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

	2003	2002
Selling and distribution	19	17
Administration	3	3
	<u>22</u>	<u>20</u>

NOVA OF LONDON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
FOR THE YEAR ENDED 30 JUNE 2003**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	44,644	43,271
Auditors remuneration	6,525	5,045
Foreign exchange differences	9,112	(2,187)
	<u>71,238</u>	<u>50,451</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	9,315	13,972
Interest on overdue tax	1,866	456
	<u>11,181</u>	<u>14,428</u>

5. TAXATION**Analysis of the tax charge**

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

	2003	2002
	£	£
Current tax:		
UK corporation tax	224,685	182,574
Deferred taxation	809	165
Tax on profit on ordinary activities	<u>225,494</u>	<u>182,739</u>

UK corporation tax has been charged at 30% (2002 - 30%).

NOVA OF LONDON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
FOR THE YEAR ENDED 30 JUNE 2003**5. TAXATION - continued****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:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>770,524</u>	<u>597,010</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	231,157	179,103
Effects of:		
Depreciation in excess of capital allowance	6,028	6,672
Disallowable expenses	-	137
Marginal relief 30 June 2000	-	(3,338)
ACT overprovision	<u>(12,500)</u>	<u>-</u>
Current tax charge	<u>224,685</u>	<u>182,574</u>

6. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Final	<u>200,000</u>	<u>200,000</u>

7. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST:				
At 1 July 2002	636,742	73,527	170,861	881,130
Additions	-	9,966	18,700	28,666
At 30 June 2003	<u>636,742</u>	<u>83,493</u>	<u>189,561</u>	<u>909,796</u>
DEPRECIATION:				
At 1 July 2002	272,656	55,256	119,086	446,998
Charge for year	22,789	4,236	17,619	44,644
At 30 June 2003	<u>295,445</u>	<u>59,492</u>	<u>136,705</u>	<u>491,642</u>
NET BOOK VALUE:				
At 30 June 2003	<u>341,297</u>	<u>24,001</u>	<u>52,856</u>	<u>418,154</u>
At 30 June 2002	<u>364,086</u>	<u>18,271</u>	<u>51,775</u>	<u>434,132</u>

NOVA OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003

8. STOCKS

	2003 £	2002 £
Stocks	<u>613,344</u>	<u>612,520</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	1,104,047	1,238,528
VAT	85,835	98,747
Deferred tax asset	7,364	8,173
Prepayments	51,960	46,788
	<u>1,249,206</u>	<u>1,392,236</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (see note 11)	-	308,329
Trade creditors	564,877	600,920
Taxation	237,185	213,824
Social security and other taxes	5,964	5,975
Net wages control account	25	2,770
Accrued expenses	5,500	4,900
	<u>813,551</u>	<u>1,136,718</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>308,329</u>

NOVA OF LONDON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
FOR THE YEAR ENDED 30 JUNE 2003**12. SECURED DEBTS**

The following secured debts are included within creditors:

	2003 £	2002 £
Bank overdraft	-	308,329
	<u> </u>	<u> </u>

The bank provides overdraft and credit facilities which are repayable on demand.

The facilities are secured:-

(a) On a residential property belonging to a minority shareholder; market value on 18 November 1991 estimated to be around £128,000.

(b) On the lease of the business premises of Nova of London Ltd, market value on 1 June 1996 estimated to be around £550,000.

(c) By unlimited personal guarantee by the directors.

13. PROVISION FOR LIABILITIES AND CHARGES

	Deferred tax £
Balance at 1 July 2002	(8,173)
Movement	809
	<u> </u>
Balance at 30 June 2003	<u>(7,364)</u>

14. CALLED UP SHARE CAPITAL

Authorised:			2003	2002
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:			2003	2002
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

15. RESERVES

	Profit and loss account £
At 1 July 2002	1,336,286
Retained profit for the year	<u>345,030</u>
At 30 June 2003	<u>1,681,316</u>

NOVA OF LONDON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
FOR THE YEAR ENDED 30 JUNE 2003**16. CAPITAL COMMITMENTS**

	2003 £	2002 £
Contracted but not provided for in the financial statements	300	-

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	545,030	414,271
Dividends	(200,000)	(200,000)
Net addition to shareholders' funds	345,030	214,271
Opening shareholders' funds	1,336,386	1,122,115
Closing shareholders' funds	1,681,416	1,336,386
Equity interests	1,681,416	1,336,386

18. CONTROL

During the year, the company was controlled by the directors and members of the directors' families.