

N D A (NOTTINGHAM) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009

Company Registration Number 3095250

RSM Tenon Limited
Accountants & Business Advisers
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

SATURDAY



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N D A (NOTTINGHAM) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

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N D A (NOTTINGHAM) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2009

The board of directors	K R W Riley P C Riley
Company secretary	P C Riley
Business address	Rufford Hall Trent Lane Nottingham NG2 4DS
Registered office	Rufford Hall Trent Lane Nottingham NG2 4DS
Auditor	RSM Tenon Audit Limited The Poynt 45 Wollaton Street Nottingham NG1 5FW
Accountants	RSM Tenon Limited Accountants & Business Advisers The Poynt 45 Wollaton Street Nottingham NG1 5FW
Bankers	National Westminster Bank plc 148-149 Victoria Centre Nottingham NG1 3QT
Solicitors	Young and Pearce 58 Talbot Street Nottingham NG1 5GL

N D A (NOTTINGHAM) LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 JANUARY 2009

The directors present their report and the financial statements of the company for the year ended 31 January 2009

Principal activities

The principal activity of the company during the year continued to be that of the operation of a national interior design academy

Directors

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

K R W Riley
P C Riley

Directors' responsibilities

The directors are responsible for preparing the Annual Report 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). The financial statements are required by law to 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, 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 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

A resolution to reappoint RSM Tenon Audit Limited as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

N D A (NOTTINGHAM) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JANUARY 2009

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'P C Riley', with a long horizontal stroke extending to the right.

P C Riley

Secretary

Approved by the directors on 20 May 2010

N D A (NOTTINGHAM) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF N D A
(NOTTINGHAM) LIMITED****YEAR ENDED 31 JANUARY 2009**

We have audited the financial statements of N D A (Nottingham) Limited on pages 6 to 13 for the year ended 31 January 2009. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF N D A
(NOTTINGHAM) LIMITED (continued)****YEAR ENDED 31 JANUARY 2009**

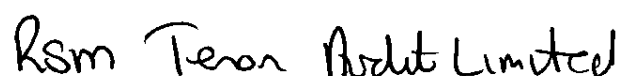
Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2009 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Emphasis of matter - going concern

In forming our opinion which is not qualified, we have considered the adequacy of disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. At 31 January 2009 the company's balance sheet reported net assets of £49,582 which includes an amount of £221,893 due from Riley (Holdings) Limited, the company's parent company for which there are no fixed repayment terms and settlement of which will be dependant upon sufficient funds being generated by the sale of properties being developed by Riley (Holdings) Limited after the repayment of secured borrowings on those properties. In addition, the company has guaranteed the bank borrowings of other group companies including Riley (Holdings) Limited, which amounted to £36,308,119 at 31 January 2009 of which no provision has been made in these financial statements. The gross assets of Riley (Holdings) Limited at 31 January 2008 (being the last available audited accounts) were £44,565,526 and the net assets at that date were £6,724,713. These conditions along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



RSM Tenon Audit Limited
Registered Auditor
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

21 May 2010

N D A (NOTTINGHAM) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2009

	Note	2009 £	2008 £
Turnover		1,775,477	1,120,060
Cost of sales		(363,219)	(301,691)
Gross profit		<u>1,412,258</u>	<u>818,369</u>
Administrative expenses		(559,125)	(361,891)
Operating profit	2	<u>853,133</u>	<u>456,478</u>
Interest receivable		–	151
Interest payable and similar charges		–	(336)
Profit on ordinary activities before taxation		<u>853,133</u>	<u>456,293</u>
Tax on profit on ordinary activities	3	(157,535)	(68,402)
Profit for the financial year		<u><u>695,598</u></u>	<u><u>387,891</u></u>

The notes on page 6 form part of these financial statements

N D A (NOTTINGHAM) LIMITED

Registered Number 3095250

BALANCE SHEET**31 JANUARY 2009**

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	5		29,264		42,131
Investments	6		100		—
			<u>29,364</u>		<u>42,131</u>
Current assets					
Stocks		26,223		23,072	
Debtors	7	1,028,684		3,521,296	
Cash at bank and in hand		91,944		20,683	
		<u>1,146,851</u>		<u>3,565,051</u>	
Creditors: amounts falling due within one year	9	<u>(1,126,633)</u>		<u>(943,873)</u>	
Net current assets			20,218		2,621,178
Total assets less current liabilities			<u>49,582</u>		<u>2,663,309</u>
Creditors: amounts falling due after more than one year	10		—		(9,325)
			<u>49,582</u>		<u>2,653,984</u>
Capital and reserves					
Called-up share capital	13		100		100
Profit and loss account	14		49,482		2,653,884
Shareholder's funds			<u>49,582</u>		<u>2,653,984</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors and authorised for issue on 20 May 2010, and are signed on their behalf by



K R W Riley
Director

The notes on page 7 form part of these financial statements

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Cash flow statement

The company has adopted the Financial Reporting Standard For Smaller Entities (2007) and is consequently exempt from the requirement to include a cash flow statement in the financial statements

Turnover

Turnover, which is stated net of VAT, represents revenue and fees earned in respect of services provided during the year. Where amounts have been earned but not invoiced during the year the amount included in revenue is the proportion of of the anticipated net sales value earned to date. A corresponding value is recognised in receivables as accrued income as appropriate.

Where revenue is directly linked to special achievements, such as the payments in respect of learner registration and assessments, this revenue is only recognised when the specific achievement is met.

Goodwill

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	- 12.5% - 25% on cost
---------------------	-----------------------

Stocks

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

Cost is calculated using the first-in first-out method and includes the normal cost of transporting stock to its present location and condition.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

1. Accounting policies (continued)

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 tax, or a right to pay less tax, or a right to receive repayments of tax

Deferred tax assets are recognised only to the extent that the directors consider it 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 assets and liabilities recognised have been discounted.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Consolidation

The company is exempt from preparing consolidated accounts on the basis the group is small.

Going concern

At 31 January 2009 the company's balance sheet reported net assets of £49,582. This includes an amount of £221,893 due from Riley (Holdings) Limited, the company's parent company, for which there are no fixed repayment terms and settlement of which will be dependent upon sufficient funds being generated by the sale of properties being developed by that company after the repayment of secured borrowings on those properties. In addition, the company has guaranteed the bank borrowings of other group companies, including Riley (Holdings) Limited, which amounted to £36,308,119 at 31 January 2009 of which no provision has been made in these financial statements. The gross assets of Riley (Holdings) Limited at 31 January 2008 (being the last available audited accounts) were £44,565,526 and the net assets at that date were £6,724,713. The company is therefore dependent upon the ability of its parent company to repay the debt and meet its continuing obligations to its bankers in order to continue in business. The director is confident that these conditions will be satisfied for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

2. Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	1,806	11,619
Depreciation of assets held under hire purchase agreements	15,688	6,034
Auditor's fees	—	4,500
	<u> </u>	<u> </u>

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

3. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
UK Corporation tax	156,603	-
Over/under provision in prior year	-	71,066
	<u>156,603</u>	<u>71,066</u>
Deferred tax		
Origination and reversal of timing differences	932	(2,664)
Tax on profit on ordinary activities	<u>157,535</u>	<u>68,402</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 - 30%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>853,133</u>	<u>456,293</u>
Profit on ordinary activities by rate of tax	179,176	136,888
Effects of		
Capital allowances for period in excess of depreciation	(111)	2,731
Adjustments to tax charge in respect of previous periods	-	1,766
Group relief	(179,891)	(70,319)
Group relief paid for by group companies	156,603	-
Sundry tax adjusting items	826	-
Total current tax (note 3(a))	<u>156,603</u>	<u>71,066</u>

4. Dividends

Equity dividends

	2009 £	2008 £
Paid during the year		
Ordinary shares	<u>3,300,000</u>	<u>-</u>

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

5. Tangible fixed assets

	Plant and machinery etc. £
Cost	
At 1 February 2008	152,327
Additions	<u>4,627</u>
At 31 January 2009	<u>156,954</u>
Depreciation	
At 1 February 2008	110,196
Charge for the year	<u>17,494</u>
At 31 January 2009	<u>127,690</u>
Net book value	
At 31 January 2009	<u>29,264</u>
At 31 January 2008	<u>42,131</u>

Hire purchase agreements

Included within the net book value of £29,264 is £14,481 (2008 - £24,135) 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 £15,688 (2008 - £6,034)

6. Investments

	£
Cost	
Additions	100
At 31 January 2009	<u>100</u>
Net book value	
At 31 January 2009	<u>100</u>
At 31 January 2008	<u>-</u>

The investment represents a 100% ordinary holding in the companies sole subsidiary NDA Private Clients Limited, a company who provides interior design consultancy services

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

7. Debtors

	2009	2008
	£	£
Trade debtors	191,466	—
Amounts owed by group undertakings	221,893	2,840,361
Other debtors	615,325	680,003
Deferred taxation (note 8)	—	932
	<u>1,028,684</u>	<u>3,521,296</u>

8. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2009	2008
	£	£
Included in debtors (note 7)	—	932

The movement in the deferred taxation account during the year was

	2009	2008
	£	£
At 1 February 2008	932	(1,732)
Profit and loss account movement arising during the year	(932)	2,664
At 31 January 2009	<u>—</u>	<u>932</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of depreciation over taxation allowances	—	932
	<u>—</u>	<u>932</u>

9. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	332,650	419,276
Amounts owed to group undertakings	157,835	7,229
Corporation tax	74,302	6,305
Other taxation and social security	134,618	29,399
Hire purchase agreements	7,248	26,124
Other creditors	419,980	455,540
	<u>1,126,633</u>	<u>943,873</u>

10. Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Hire purchase agreements	—	9,325

N D A (NOTTINGHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2009

11. Contingencies

The company has guaranteed bank borrowings of other group companies. At 31 January 2009 other group companies had borrowings of £36,308,119 (2008 £32,834,415). The gross assets of Riley (Holdings) Limited, the parent company, at 31 January 2008 (being the last available audited accounts) were £44,565,526 and the net assets at that date were £6,724,713.

12. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard For Smaller Entities (2007).

13. Share capital

Authorised share capital:

	2009	2008
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14. Profit and loss account

	2009	2008
	£	£
Balance brought forward	2,653,884	2,265,993
Profit for the financial year	695,598	387,891
Equity dividends	(3,300,000)	—
Balance carried forward	<u>49,482</u>	<u>2,653,884</u>

15. Ultimate parent company

The company is a wholly owned subsidiary of Riley (Holdings) Limited, a company registered in England and Wales. The company is ultimately controlled by K R W Riley who owns the entire share capital of Riley (Holdings) Limited.