

**Registration number 06952345**

**Novelty World Ltd.**  
**Director's report and financial statements**  
**for the year ended 31 August 2011**

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## **Novelty World Ltd.**

### **Company information**

|                   |   |
|-------------------|---|
| Director          | I P Malpas  |
| Company number    | 06952345  |
| Registered office | 6-8 Botanic Road<br>Churchtown<br>Southport<br>Merseyside<br>PR9 7NG                  |
| Accountants       | K A Farr & Co<br>6-8 Botanic Road<br>Churchtown<br>Southport<br>Merseyside<br>PR9 7NG |
| Business address  | 5 York Avenue<br>Birkdale<br>Southport<br>PR8 2AB                                     |
| Bankers           | National Westminster Bank Plc   |

## **Novelty World Ltd.**

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## **Novelty World Ltd.**

### **Director's report for the year ended 31 August 2011**

The director presents his report and the financial statements for the year ended 31 August 2011

#### **Principal activity**

The principal activity of the company during the period under review was that of the supply of vending machines and the sale of plush toys

#### **Director and his interests**

The director who served during the year and his interest in the company is stated below

|            | <b>Class of share</b> | <b>31/08/11</b> | <b>01/09/10</b> |
|------------|-----------------------|-----------------|-----------------|
| I P Malpas | Ordinary shares       | 1               | 1               |

#### **Statement of director's responsibilities**

The director is responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 year. In preparing these financial statements, the director is required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

#### **Accountants**

K A Farr & Co are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Novelty World Ltd.**

**Director's report  
for the year ended 31 August 2011**

continued

This report was approved by the Board on 13 December 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'I.P. Malpas', is written over a horizontal dotted line.

**I.P. Malpas  
Director**

**Novelty World Ltd.**

**Profit and loss account  
for the year ended 31 August 2011**

|  |              | <b>2011</b>          | <b>Period<br/>ended<br/>31/08/10</b> |
|--|--------------|----------------------|--------------------------------------|
|  | <b>Notes</b> | <b>£</b>             | <b>£</b>                             |
| <b>Turnover</b>  | <b>2</b>     | 343,250              | 249,928                              |
| Cost of sales  |              | (252,619)            | (160,700)                            |
| <b>Gross profit</b>                                      |              | <u>90,631</u>        | <u>89,228</u>                        |
| Distribution costs                                       |              | (31,394)             | (26,944)                             |
| Administrative expenses                                  |              | (40,685)             | (58,848)                             |
| <b>Operating profit</b>                                  | <b>3</b>     | <u>18,552</u>        | <u>3,436</u>                         |
| Interest payable and similar charges                     |              | (5,938)              | (2,676)                              |
| <b>Profit on ordinary<br/>activities before taxation</b> |              | 12,614               | 760                                  |
| Tax on profit on ordinary activities                     | <b>5</b>     | (2,039)              | -                                    |
| <b>Profit for the year</b>                               |              | <u>10,575</u>        | <u>760</u>                           |
| Retained profit brought forward                          |              | 760                  | -                                    |
| <b>Retained profit carried forward</b>                   |              | <u><u>11,335</u></u> | <u><u>760</u></u>                    |

**The notes on pages 6 to 9 form an integral part of these financial statements.**

**Novelty World Ltd.**

**Balance sheet  
as at 31 August 2011**

|   |              | <b>31/08/11</b>  |                      | <b>31/08/10</b>  |                   |
|---|--------------|------------------|----------------------|------------------|-------------------|
|   | <b>Notes</b> | <b>£</b>         | <b>£</b>             | <b>£</b>         | <b>£</b>          |
| <b>Fixed assets</b>                                   |              |                  |                      |                  |                   |
| Tangible assets                                       | <b>6</b>     |                  | 12,181               |                  | 10,005            |
| <b>Current assets</b>                                 |              |                  |                      |                  |                   |
| Stocks  |              | 152,112          |                      | 128,101          |                   |
| Debtors   | <b>7</b>     | 70,717           |                      | 24,191           |                   |
| Cash at bank and in hand                              |              | 537              |                      | 586              |                   |
|   |              | <u>223,366</u>   |                      | <u>152,878</u>   |                   |
| <b>Creditors: amounts falling due within one year</b> | <b>8</b>     | <u>(224,211)</u> |                      | <u>(162,122)</u> |                   |
| <b>Net current liabilities</b>                        |              |                  | <u>(845)</u>         |                  | <u>(9,244)</u>    |
| <b>Total assets less current liabilities</b>          |              |                  | <u>11,336</u>        |                  | <u>761</u>        |
| <b>Net assets</b>                                     |              |                  | <u><u>11,336</u></u> |                  | <u><u>761</u></u> |
| <b>Capital and reserves</b>                           |              |                  |                      |                  |                   |
| Called up share capital                               | <b>9</b>     |                  | 1                    |                  | 1                 |
| Profit and loss account                               | <b>10</b>    |                  | <u>11,335</u>        |                  | <u>760</u>        |
| <b>Shareholders' funds</b>                            |              |                  | <u><u>11,336</u></u> |                  | <u><u>761</u></u> |

The director's statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet

**The notes on pages 6 to 9 form an integral part of these financial statements.**

**Novelty World Ltd.**

**Balance sheet (continued)**


**Director's statements required by Sections 475(2) and (3)  
for the year ended 31 August 2011**

In approving these financial statements as director of the company I hereby confirm

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ,
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 August 2011 , and
- (c) that I acknowledge my responsibilities for
  - (1) ensuring that the company keeps accounting records which comply with Section 386 , and
  - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board on 13 December 2011 and signed on its behalf by



.....

**I.P. Malpas**  
**Director**

**Registration number 06952345**

**The notes on pages 6 to 9 form an integral part of these financial statements.**



## **Novelty World Ltd.**

### **Notes to the financial statements for the year ended 31 August 2011**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

|                                     |   |                            |
|-------------------------------------|---|----------------------------|
| Plant and machinery                 | - | 15% reducing balance basis |
| Fixtures, fittings<br>and equipment | - | 20% reducing balance basis |
| Motor vehicles                      | - | 25% reducing balance basis |

##### **1.4. Stock**

Stock is valued at the lower of cost and net realisable value

##### **1.5. 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

##### **1.6. Foreign currencies**

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

**Novelty World Ltd.**

**Notes to the financial statements  
for the year ended 31 August 2011**

continued

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

| <b>3. Operating profit</b>                                 | <b>2011</b>       | <b>Period<br/>ended<br/>31/08/10</b> |
|--|-------------------|--------------------------------------|
|  | <b>£</b>          | <b>£</b>                             |
| Operating profit is stated after charging                  |                   |                                      |
| Depreciation and other amounts written off tangible assets | 2,662             | 2,367                                |
|  | <u>          </u> | <u>          </u>                    |
| and after crediting  |                   |                                      |
| Net foreign exchange gain                                  | (31)              | 874                                  |
|  | <u>          </u> | <u>          </u>                    |

**4. Director's remuneration**

|                                 | <b>2011</b>       | <b>Period<br/>ended<br/>31/08/10</b> |
|---------------------------------|-------------------|--------------------------------------|
|                                 | <b>£</b>          | <b>£</b>                             |
| Remuneration and other benefits | 6,602             | 20,054                               |
|                                 | <u>          </u> | <u>          </u>                    |

**5. Tax on profit on ordinary activities**

| <b>Analysis of charge in period</b> | <b>Year<br/>ended<br/>31/08/11</b> | <b>Period<br/>ended<br/>31/08/10</b> |
|-------------------------------------|------------------------------------|--------------------------------------|
|                                     | <b>£</b>                           | <b>£</b>                             |
| <b>Current tax</b>                  |                                    |                                      |
| UK corporation tax                  | 2,039                              | -                                    |
|                                     | <u>          </u>                  | <u>          </u>                    |

**Novelty World Ltd.**

**Notes to the financial statements  
for the year ended 31 August 2011**

, continued

| 6. Tangible fixed assets | Fixtures,<br>Plant and fittings and<br>machinery equipment |       |       | Motor<br>vehicles | Total  |
|--------------------------|--|-------|-------|-------------------|--------|
|                          | £  | £     | £     |                   |        |
| <b>Cost</b>              |  |       |       |                   |        |
| At 1 September 2010      | 7,160  | 212   | 5,000 |                   | 12,372 |
| Additions                | 3,800  | 1,038 | -     |                   | 4,838  |
| At 31 August 2011        | 10,960   | 1,250 | 5,000 |                   | 17,210 |
| <b>Depreciation</b>      |  |       |       |                   |        |
| At 1 September 2010      | 1,074  | 43    | 1,250 |                   | 2,367  |
| Charge for the year      | 1,483  | 241   | 938   |                   | 2,662  |
| At 31 August 2011        | 2,557  | 284   | 2,188 |                   | 5,029  |
| <b>Net book values</b>   |  |       |       |                   |        |
| At 31 August 2011        | 8,403  | 966   | 2,812 |                   | 12,181 |
| At 31 August 2010        | 6,086  | 169   | 3,750 |                   | 10,005 |

| 7. Debtors    | 31/08/11 | 31/08/10 |
|---------------|----------|----------|
|               | £        | £        |
| Trade debtors | 45,460   | 18,051   |
| Other debtors | 25,257   | 6,140    |
|               | 70,717   | 24,191   |

| 8. Creditors: amounts falling due<br>within one year | 31/08/11 | 31/08/10 |
|--|----------|----------|
|  | £        | £        |
| Bank overdraft                                       | 149,654  | 115,542  |
| Trade creditors                                      | 10,558   | 18,373   |
| Corporation tax                                      | 2,039    | -        |
| Other taxes and social security costs                | 584      | 3,930    |
| Director's loan account                              | 48,612   | 17,457   |
| Other creditors                                      | 12,764   | 6,820    |
|  | 224,211  | 162,122  |

# Novelty World Ltd.

## Notes to the financial statements for the year ended 31 August 2011

continued

| 9.  | Share capital                             | 31/08/11<br>£                                | 31/08/10<br>£      |
|-----|---|--|--------------------|
|     | <b>Authorised</b>                         |  |                    |
|     | 1,000 Ordinary shares of £1 each          | <u>1,000</u>                                 | <u>1,000</u>       |
|     | <b>Allotted, called up and fully paid</b> |  |                    |
|     | 1 Ordinary shares of £1 each              | <u>1</u>                                     | <u>1</u>           |
| 10. | Reserves                                  | <b>Profit<br/>and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
|     | At 1 September 2010                       | 760  | 760                |
|     | Profit for the year                       | <u>10,575</u>                                | <u>10,575</u>      |
|     | At 31 August 2011                         | <u>11,335</u>                                | <u>11,335</u>      |

### 11. Controlling interest

The controlling party is I P Malpas by virtue of his ownership of 100% of the issued ordinary share capital in the company

### 12. Going concern

The director undertakes not to withdraw his director's loan account whilst the company requires that funding to maintain liquidity. The director considers that the company has adequate resources to continue in an operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.