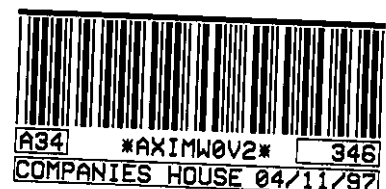


Company number : 2487826

Key

NOVELFILE LIMITED
Abbreviated Accounts
Year ended 31st March 1997

Clark Whitehill Josolyne
Chartered Accountants
Bradford



NOVELFILE LIMITED
Abbreviated accounts
Year ended 31st March 1997

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Auditors' report to the directors of

Novelfile Limited

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of Novelfile Limited for the year ended 31st March 1997.

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on the balance sheet and that the abbreviated accounts have been properly prepared from the full accounts. In reporting to you, the Companies Act 1985 requires us to reproduce our report to the members on those full accounts. The full text of that report, which was signed on 15th September 1997 was as follows:

"We have audited the accounts on pages 4 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

(continued overleaf)

Auditors' report to the directors of

Novelfile Limited

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

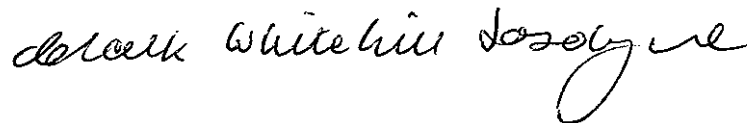
(full text of audit report to Novelfile Limited continued)

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Opinion on the abbreviated accounts

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st March 1997, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.



15th September 1997

Bradford

Clark Whitehill Josolyne

Chartered Accountants and
Registered Auditor

NOVELFILE LIMITED

Abbreviated balance sheet at

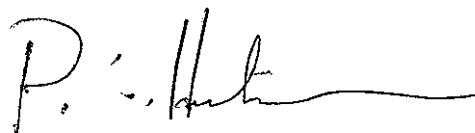
31st March 1997

	Notes	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	2		3,804,091		3,211,539
Current assets					
Debtors		108,986		49,746	
Cash at bank		42,351		72,806	
		<u>151,337</u>		<u>122,552</u>	
Current liabilities					
Creditors (amounts falling due within one year)		<u>162,213</u>		<u>204,363</u>	
Net current liabilities			(10,876)		(81,811)
Total assets less current liabilities			<u>3,793,215</u>		<u>3,129,728</u>
Creditors (amounts falling due after more than one year)	3		2,212,285		1,732,450
Provisions for liabilities and charges					
Deferred taxation			367,880		367,880
Net assets			<u>1,213,050</u>		<u>1,029,398</u>
Capital and reserves					
Called up share capital	4		50,000		50,000
Investment revaluation reserve			963,605		842,098
Profit and loss account			199,445		137,300
Shareholders' funds			<u>1,213,050</u>		<u>1,029,398</u>

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is a small company.

The accounts on pages 3 to 6 were approved by the board of directors on 15th September 1997 and signed on its behalf by:

Mr P.J. Hutchinson



Mr L.E. Smith



} Directors

NOVELFILE LIMITED

Notes to the abbreviated accounts

Year ended 31st March 1997

1. Accounting policies

The company has adopted the following principal accounting policies which should be read in conjunction with the accounts set out on pages 3 to 6.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

b) Fixed assets and depreciation

Depreciation is provided on all tangible assets in use, other than investment properties at rates calculated to write off the cost or valuation, less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% on cost
Motor vehicles	25% on written down value

c) Deferred taxation

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise in the foreseeable future.

d) Investment properties

Properties held for their investment potential, any income being negotiated at arm's length, are not subject to periodic charges for depreciation. They are included in the balance sheet at their open market value. Changes in their value are included as a movement on the investment revaluation reserve. Any net deficit which arises is charged to the profit and loss account if it exceeds the previous years' surpluses.

NOVELFILE LIMITED

Notes to the abbreviated accounts

Year ended 31st March 1997

2. Tangible fixed assets

	Investment property £	Plant and machinery £	Motor vehicles £	Total £
<u>Cost or valuation</u>				
1st April 1996	3,160,299	99,354	15,975	3,275,628
Additions	488,194	–	–	488,194
Surplus on revaluation	121,507	–	–	121,507
	<hr/>	<hr/>	<hr/>	<hr/>
31st March 1997	3,770,000	99,354	15,975	3,885,329
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
1st April 1996	–	57,100	6,989	64,089
Charge for the year	–	14,903	2,246	17,149
	<hr/>	<hr/>	<hr/>	<hr/>
31st March 1997	–	72,003	9,235	81,238
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net book value</u>				
31st March 1997	3,770,000	27,351	6,740	3,804,091
	<hr/>	<hr/>	<hr/>	<hr/>
31st March 1996	3,160,299	42,254	8,986	3,211,539
	<hr/>	<hr/>	<hr/>	<hr/>
Cost or valuation at 31st March 1997 is represented by:–				
Cost	2,446,395	99,354	15,975	2,561,724
Valuation	1,323,605	–	–	1,323,605
	<hr/>	<hr/>	<hr/>	<hr/>
	3,770,000	99,354	15,975	3,885,329
	<hr/>	<hr/>	<hr/>	<hr/>

NOVELFILE LIMITED

Notes to the abbreviated accounts

Year ended 31st March 1997

	1997 £	1996 £
3. Creditors		
Amounts falling due after more than one year:		
Directors' loans	846,180	831,345
Bank loan	1,366,105	901,105
	<u>2,212,285</u>	<u>1,732,450</u>

The bank loans and overdraft are secured by fixed charges over the assets of the company.

	1997 £	1996 £
4. Called up share capital		
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

5. Transactions with directors

Included in the creditors due within one year and creditors due after one year there are loans from the directors of the company. The loans are at an interest rate of 10% and have no fixed date of repayment.