

Reg

NOVELFILE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST MARCH 1999

Company number: 02487826



HORWATH CLARK WHITEHILL
CHARTERED ACCOUNTANTS
Bradford

NOVELFILE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st March 1999

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NOVELFILE LIMITED**Auditors' report to
Novelfile Limited
on the abbreviated financial statements**

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of Novelfile Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1999.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the registrar of companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our limited responsibilities set out above. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion on the abbreviated financial statements

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with those provisions.

Horwath Clark Whitehill

Bradford
9th June 1999

Horwath Clark Whitehill
Registered Auditors
Chartered Accountants

NOVELFILE LIMITED
ABBREVIATED BALANCE SHEET
at 31st March 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	2	6,180,239	4,847,283
Current assets			
Debtors		76,464	198,137
Cash at bank and in hand		102,265	1
		<u>178,729</u>	<u>198,138</u>
Creditors: amounts falling due within one year		<u>(255,372)</u>	<u>(241,032)</u>
Net current liabilities		<u>(76,643)</u>	<u>(42,894)</u>
Total assets less current liabilities		<u>6,103,596</u>	<u>4,804,389</u>
Creditors: amounts falling due after more than one year	3	(3,209,909)	(2,901,493)
Provision for liabilities and charges		<u>(772,725)</u>	<u>(375,876)</u>
		<u>2,120,962</u>	<u>1,527,020</u>
Capital and reserves			
Called up share capital	4	50,000	50,000
Revaluation reserve		1,744,297	1,176,347
Profit and loss account		326,665	300,673
Total shareholders' funds		<u>2,120,962</u>	<u>1,527,020</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 3rd June 1999 and signed on its behalf by:

L E Smith
Director



P J Hutchinson
Director



NOVELFILE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31st March 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	nil
Freehold buildings	nil
Plant and machinery	15% on cost
Motor vehicles	25% on written down value

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

NOVELFILE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31st March 1999

2 Fixed assets

Cost or valuation	Tangible fixed assets £
1st April 1998	4,939,228
Additions	421,777
Disposals	(37,158)
Surplus on revaluation	955,507
31st March 1999	<u>6,279,354</u>
Depreciation	
1st April 1998	91,945
Charge for year	12,210
Disposals	(7,875)
31st March 1999	<u>99,115</u>
Net book amount	
31st March 1999	<u><u>6,180,239</u></u>
1st April 1998	<u><u>4,847,283</u></u>
Cost or valuation at 31 st March 1999 is represented by :	
Cost	3,787,500
Valuation	2,491,854
	<u><u>6,279,354</u></u>

Tangible fixed assets

Investment properties were revalued at 31 March 1999 by the directors at an open market value of £6,180,000 and the surplus of £955,507 less deferred tax of £387,557 has been credited to the investment revaluation reserve.

In accordance with Statement of Standard Accounting Practice number 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Depreciation is not provided in respect of freehold investment properties and leasehold investment properties where the unexpired period of the lease is more than 20 years. This is a departure from the requirements of the Companies Act 1985 which requires assets which have a finite useful life to be depreciated where their cost (or valuation) is greater than their residual value (as assessed at the date of acquisition or valuation). The directors consider that following the reasoning in Statement of Standard Accounting Practice number 19, depreciating the assets would not give a true and fair view because they are held for investment and not consumption. Consequently the current value of these investments, and changes in that current value, are of prime importance in assessing the financial position rather than a calculation of systematic annual depreciation and therefore the accounting policy adopted results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified and quantified.

NOVELFILE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31st March 1999

3 Creditors:

	1999	1998
	£	£

Creditors include the following amounts:

**Amounts falling due
after more than five years:**

Bank loans	2,384,898	2,059,898
Other loans	825,011	841,595

The bank loans are interest only at a rate of 2.25% over the base rate, and there is no fixed repayment date. The bank loans and overdraft are secured by fixed charges over the assets of the company.

4 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Allotted called up and fully paid				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

5 Related parties

Directors' loans

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% per annum and have no fixed date of repayment. The balance outstanding at 31st March 1999 was £847,388.

Directors' interests

The company uses Hutchinsons Commercial Limited to manage its commercial property. Mr P. J. Hutchinson has an interest in these transactions by virtue of being a director of both companies. The company paid Hutchinsons Commercial Limited £20,982 for its services during the year.