

**NOVELFILE LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**31ST MARCH 2000**

**Company number: 02487826**

**HORWATH CLARK WHITEHILL**  
**CHARTERED ACCOUNTANTS**

**Bradford**



**NOVELFILE LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**for the year ended 31st March 2000**

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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 2000.

**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  
25 October 2000

**Horwath Clark Whitehill**  
Registered Auditors  
Chartered Accountants

**NOVELFILE LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**at 31st March 2000**

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	2	4,073,707	6,180,239
<b>Current assets</b>			
Debtors		79,401	76,464
Cash at bank and in hand		44,004	102,265
		<u>123,405</u>	<u>178,729</u>
<b>Creditors:</b> amounts falling due within one year		<u>(1,206,777)</u>	<u>(255,372)</u>
<b>Net current liabilities</b>		<u>(1,083,372)</u>	<u>(76,643)</u>
<b>Total assets less current liabilities</b>		<u>2,990,335</u>	<u>6,103,596</u>
<b>Creditors:</b> amounts falling due after more than one year	3	(310,000)	(3,209,909)
<b>Provision for liabilities and charges</b>		<u>(411,687)</u>	<u>(772,725)</u>
		<u>2,268,648</u>	<u>2,120,962</u>
<b>Capital and reserves</b>			
Called up share capital	4	50,000	50,000
Revaluation reserve		881,639	1,744,297
Profit and loss account		1,337,009	326,665
<b>Total shareholders' funds</b>		<u>2,268,648</u>	<u>2,120,962</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 20 October 2000 and signed on its behalf by:



Mr L E Smith  
 Director

## NOVELFILE LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31st March 2000

**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 income derived from the rental of commercial property after the deduction of 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:

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

Completed investment properties are stated at open market value as determined by the directors. Surpluses or deficits arising on the revaluation are dealt with through the revaluation reserve (except that in the event of a permanent diminution in value of an investment property below its cost the deficit is written off in the profit and loss account).

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. This treatment is a departure from the requirement of the Companies Act 1985 that depreciation is charged to write off the value of the investment properties, less any estimated residual value, systematically over the period of the asset's useful economic life. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary for the financial statements to give a true and fair view.

**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 2000

## 2 Fixed assets

<b>Cost or valuation</b>	<b>Tangible fixed assets £</b>
1st April 1999	6,279,354
Additions	1,054,791
Disposals	(3,161,154)
	<hr/>
31st March 2000	4,172,991
	<hr/>
<b>Depreciation</b>	
1st April 1999	99,115
Charge for year	169
	<hr/>
31st March 2000	99,284
	<hr/>
<b>Net book amount</b>	
31st March 2000	4,073,707
	<hr/>
1st April 1999	6,180,239
	<hr/>
<b>Tangible fixed assets</b>	

Investment properties were revalued at 31 March 2000 by the directors at an open market value of £4,073,637 and the surplus of £1,259,487 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 2000

## 3 Creditors:

2000	1999
£	£

Creditors include the following amounts:

Amounts falling due  
after more than five years:

Bank loans	-	2,384,898
Other loans	<u>310,000</u>	<u>825,011</u>

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

## 4 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<b>Allotted called up and fully paid</b>				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>