

**NOVELFILE LIMITED**  
**ABBREVIATED ACCOUNTS**

**For the year ended**  
**31 December 2003**



**HORWATH CLARK WHITEHILL (YORKSHIRE) LLP**  
Chartered Accountants & Registered Auditors  
Pelican House  
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Bradford  
BD1 5BA

**NOVELFILE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**Year ended 31 December 2003**

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# NOVELFILE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE COMPANY

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

#### **Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 financial statements.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

*Horwath Clark Whitehill (Yorkshire) LLP*

Bradford  
29 December 2004

**HORWATH CLARK WHITEHILL  
(YORKSHIRE) LLP**  
Chartered Accountants  
& Registered Auditors

**NOVELFILE LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 December 2003**

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>	<b>2</b>				
Tangible assets			-	5,336,165	
Investments			<u>640,000</u>	<u>640,000</u>	
			<b>640,000</b>	<b>5,976,165</b>	
<b>Current assets</b>					
Debtors		<b>4,619,046</b>		1,217,902	
Cash at bank and in hand		<u>27,729</u>		<u>93,571</u>	
		<b>4,646,775</b>		<b>1,311,473</b>	
<b>Creditors: Amounts falling due within one year</b>	<b>3</b>	<u><b>199,368</b></u>		<u>813,017</u>	
<b>Net current assets</b>			<b>4,447,407</b>		<b>498,456</b>
<b>Total assets less current liabilities</b>			<u><b>5,087,407</b></u>		<u><b>6,474,621</b></u>
<b>Creditors: Amounts falling due after more than one year</b>	<b>4</b>		<b>505,840</b>		<b>1,634,198</b>
<b>Provisions for liabilities and charges</b>			-		<b>42,635</b>
			<u><b>4,581,567</b></u>		<u><b>4,797,788</b></u>
<b>Capital and reserves</b>					
Called-up equity share capital	<b>5</b>		<b>50,000</b>		<b>50,000</b>
Revaluation reserve			-		<b>3,009,949</b>
Profit and loss account			<u><b>4,531,567</b></u>		<u><b>1,737,839</b></u>
<b>Shareholders' funds</b>			<u><b>4,581,567</b></u>		<u><b>4,797,788</b></u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 21 December 2004 and are signed on their behalf by:

L E Smith  
Director



The notes on pages 3 to 5 form part of these abbreviated accounts.

**NOVELFILE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**Year ended 31 December 2003**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

Turnover represents the income derived from the rental of commercial property after the deduction of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery            -    15% on cost

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.

**Investment properties**

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.

**NOVELFILE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**Year ended 31 December 2003**

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**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, 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.

**2. Fixed assets**

	<b>Tangible Assets £</b>	<b>Investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2003	5,436,143	640,000	6,076,143
Disposals	(5,436,143)	—	(5,436,143)
<b>At 31 December 2003</b>	<u>—</u>	<u>640,000</u>	<u>640,000</u>
<b>Depreciation</b>			
At 1 January 2003	99,978	—	99,978
On disposals	(99,978)	—	(99,978)
<b>At 31 December 2003</b>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net book value</b>			
<b>At 31 December 2003</b>	<u>—</u>	<u>640,000</u>	<u>640,000</u>
At 31 December 2002	<u>5,336,165</u>	<u>640,000</u>	<u>5,976,165</u>

**NOVELFILE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**Year ended 31 December 2003**

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**3. Creditors: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	-	<u>256,500</u>

**4. Creditors: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	-	<u>1,078,358</u>

Included within creditors falling due after more than one year is an amount of £Nil (2002 - £204,142) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

**5. Share capital**

**Authorised share capital:**

	2003 £	2002 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**Allotted, called up and fully paid:**

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>