

NOVELFILE LIMITED
ABBREVIATED ACCOUNTS

For the year ended
31 December 2004



HORWATH CLARK WHITEHILL (YORKSHIRE) LLP

Chartered Accountants & Registered Auditors

Pelican House
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Bradford
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NOVELFILE LIMITED
ABBREVIATED ACCOUNTS
Year ended 31 December 2004

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NOVELFILE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 2004 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 4 are properly prepared in accordance with those provisions.

Horwath Clark Whitehill (Yorkshire) LLP

Bradford
27 October 2005

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

NOVELFILE LIMITED
ABBREVIATED BALANCE SHEET
31 December 2004

	Note	2004 £	£	2003 £	£
Fixed assets					
Investments	2		640,000		640,000
Current assets					
Debtors		4,407,744		4,619,046	
Cash at bank and in hand		1,631		27,729	
		<u>4,409,375</u>		<u>4,646,775</u>	
Creditors: Amounts falling due within one year		<u>310,532</u>		<u>199,368</u>	
Net current assets			<u>4,098,843</u>		<u>4,447,407</u>
Total assets less current liabilities			<u>4,738,843</u>		<u>5,087,407</u>
Creditors: Amounts falling due after more than one year			<u>505,840</u>		<u>505,840</u>
			<u><u>4,233,003</u></u>		<u><u>4,581,567</u></u>
Capital and reserves					
Called-up equity share capital	3		50,000		50,000
Profit and loss account			<u>4,183,003</u>		<u>4,531,567</u>
Shareholders' funds			<u><u>4,233,003</u></u>		<u><u>4,581,567</u></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 27 October 2005 and are signed on their behalf by:



L E Smith
Director

The notes on pages 3 to 4 form part of these abbreviated accounts.

NOVELFILE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2004

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, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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.

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.

NOVELFILE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 31 December 2004

2. Fixed assets

	Investment £
Cost	
At 1 January 2004 and 31 December 2004	<u>640,000</u>
Depreciation	<u>—</u>
Net book value	
At 31 December 2004	<u>640,000</u>
At 31 December 2003	<u>640,000</u>

The investment represents redeemable preference shares which were issued by Oceanic Estates Limited on 10 May 2001. The coupon rate is a floating 7% above the bank base rate of the Bank of Scotland plc. To 31 December 2004 no dividends have been received.

3. Share capital

Authorised share capital:

	2004 £	2003 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

4. Contingencies

During 2003 the company entered into a tax planning strategy, known as the Granville Strategy. It is expected that this strategy will be successful in sheltering capital gains tax on the gains arising on the disposal of properties in 2003. If the strategy is not successful there would be an increase of £719,393 in the tax liability due for the year ended 31 December 2003. The company would receive a reimbursement of the cost incurred in entering the Granville Strategy totalling £95,919.