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MILL HOMES LIMITED



MILL HOMES LIMITED

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31.12.94

Directors:

The following served as a director during the year under review:-

Keith John PARKER

Activities:

The principal activity of the company continues to be that of property investment.

Business Review:

The results for the year and the financial position at the end of the year were satisfactory in the light of the current recessionary climate and profitability is expected to improve in the coming trading period.

Appropriation of Profit:

The director does not recommend the payment of a dividend.

The balance of retained profit for the year amounting to £5,251 is to be added to reserves.

Fixed Assets:

There were no changes to Fixed Assets during the year.

Valuation of Land & Buildings:

The land and buildings of the company represent a freehold residential investment property. This is included in the financial statements at historical cost (i.e. purchase cost). This constitutes a departure from SSAP No. 19 which requires that such properties be stated at their open market value.

In the opinion of the director, historical cost is considered the more appropriate basis of presenting the assets in the balance sheet. This conclusion is on the basis that there is little point in commissioning a valuation and the cost is not justified as the company is owned by the director and his wife and valuations in the current climate of the property market are groundless unless a willing buyer is found for the willing seller.

Director's Interests:

The director had the following beneficial interests (including family interests) in the shares of the Company:-

	1994	1993
	<u>Ordinary Shares of £1 each</u>	
Mr K.J. Parker	100	100

There were no changes in these interests in the period up to 30th October 1995.

MILL HOMES LIMITED

Close Company Status:

The company is a close company by virtue of Section 414 of the Income and Corporation Taxes Act 1988.

Signed On Behalf Of The Board


.....
Mrs H. Parker
Secretary

MILL HOMES LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31.12.94

The accounting policies that have been adopted for the preparation of these accounts are stated below and are consistent with those used in previous years.

1. BASIS OF PREPARATION OF ACCOUNTS:

The accounts have been prepared under the historical cost convention and on a going concern basis and in accordance with applicable Accounting Standards and Financial Reporting Standards.

2. TURNOVER:

Turnover is derived from ordinary activities of the company and is stated exclusive of trade discounts and V.A.T.

3. INVESTMENT PROPERTIES:

Land and Buildings represent freehold land held as investment properties and are stated at historical cost. This constitutes a departure from SSAP 19 under which investment properties must be stated in the balance sheet at open market value.

Under the Companies Act 1985, it is a requirement to depreciate fixed assets, which category includes investment property. However, such properties are not held for consumption but for investment and the director considers that systematic annual depreciation would be inappropriate and would not result in the presentation of a true and fair view. The effect of this departure from the Companies Act is not considered to be material.

4. DEFERRED TAXATION:

No provision is made for deferred taxation as the director considers that there is no likelihood of any liability crystallising in the foreseeable future.

5. CASH FLOW STATEMENT:

In accordance with FRS1 the company is exempt under Section 247 to 249 of the Companies Act 1985 from preparing a cash flow statement.

MILL HOMES LIMITED

BALANCE SHEET AS AT 31.12.94

	Notes	£	1994	£	£	1993	£
TANGIBLE FIXED ASSETS: 1			158,314			158,314	
CURRENT ASSETS:							
Balance at Bank & in Hand		2,160			18		
		----			--		
		2,160			18		
Deduct: Creditors falling due within 1 year 2		27,535			87,644		
		-----			-----		
NET CURRENT (LIABILITIES):			(25,375)			(87,626)	
			-----			-----	
Total Assets Less Current Liabilities			132,939			70,688	
DEDUCT: Amounts falling due after more than 1 year 3			(107,000)			(50,000)	
			-----			-----	
			25,939			20,688	
			=====			=====	
CAPITAL & RESERVES							
CALLED-UP							
SHARE CAPITAL: 4			100			100	
PROFIT AND							
LOSS ACCOUNT:			25,839			20,588	
			-----			-----	
SHAREHOLDERS' FUNDS: 5			25,939			20,688	
			=====			=====	

The director confirms that for the year to 31st December 1994:

- the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 (Audit Exemption) Regulations 1994 (SI 1994/5);
- no notice from the members of the company has been deposited under Section 249 B(2) of the Companies Act 1985 (Audit exemption) Regulations 1994 (SI 1994/95) in relation to the company's accounts for the year to 31st December 1994.
- The director acknowledges his responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the financial year, in accordance with the requirements of Section 226 CA 1985 and which otherwise comply with this Act relating to the accounts, so far as applicable to the company.

Signed on behalf of the Board

.....
K.J. Parker
Director

Approved by the Board on

30th October 95
.....
(Date)

MILL HOMES LIMITED

NOTES TO THE BALANCE SHEET AS AT 31.12.94

1. TANGIBLE FIXED ASSETS:	1 1 94	31 12 94
Investment Properties at cost:	£	£
Land & Buildings:		
Freehold	158,314	158,314
	=====	=====

Please refer to accounting policy note 3 in respect of revaluation and depreciation.

Once the sinking fund (see note 3) has been paid off, the director is of the opinion that the value of the freehold properties will not be less than cost.

	1994	1993
	£	£
2. CREDITORS FALLING DUE WITHIN 1 YEAR:		
Corporation Tax	5,370	3,505
Accruals	350	1,900
Other Taxation & Social Security	293	667
Director's Loan	18,522	21,572
Sinking Fund	3,000	60,000
	-----	-----
	27,535	87,644
	=====	=====
3. CREDITORS FALLING DUE AFTER MORE THAN 1 YEAR:		
Sinking Fund	107,000	50,000
	=====	=====

The sinking fund was set up by Mr K.J. Parker in conjunction with the National Westminster Bank Plc. After the deposit of £40,000 paid in December 1993 there was no fixed repayment schedule although when the fund was set up in 1993, the intention was to repay sums as they became available to the company over the following two years. This has not been possible. As a result, on 30th August 1995 the company and its bankers agreed a revised schedule of payments which is that the company would pay 12 monthly instalments of £750 each commencing September 1995, and that the repayment of the balance then remaining in September 1996 would be subject to review. There is no interest accumulating and the consideration for the payments is the release of a mortgage charged to one of the properties (43 to 45 Cross Road, Croydon) which in fact amounted to £180,000 or more at the time of renegotiation.

The current portion of the fund is shown as current liabilities per note 2 above.

4. CALLED-UP SHARE CAPITAL:		
Authorised, Allotted & Fully Paid:		
100 Ordinary Shares of £1 each	100	100
	===	===

MILL HOMES LIMITED

NOTES TO THE BALANCE SHEET AS AT 31.12.94

	1994 £	1993 £
5. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS:		
Shareholders Funds at 1.1.94	20,688	9,976
Net Retained profit for year	5,251	10,712
	-----	-----
Shareholders Funds at 31.12.94	25,939	20,688
	=====	=====

MILL HOMES LIMITED**PROFIT & LOSS ACCOUNT**
FOR THE YEAR ENDED 31.12.94

	Notes	1994 £	1993 £
TURNOVER - All from continuing activities:			
Ground Rent Received		1,200	1,200
Commission Received		-	605
Rental Received		8,200	14,890
		-----	-----
		9,400	16,695
 DEDUCT EXPENSES:			
External Costs	1	1,943	3,177
		-----	-----
		7,457	13,518
OTHER INCOME:	2	27	779
		-----	-----
Profit on ordinary activities		7,484	14,297
 DEDUCT TAXATION:	3	(2,233)	(3,585)
		-----	-----
RETAINED PROFIT FOR THE YEAR			
AFTER TAXATION (Balance Sheet note 5)		5,251	10,712
		=====	=====

There were no recognised gains during the year apart from those dealt with above.

MILL HOMES LIMITED

NOTES TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31.12.94

	1994	1993
	£	£
1. EXTERNAL COSTS:		
General Expenses	1,943	3,177
	-----	-----
	1,943	3,177
	=====	=====
2. OTHER INCOME:		
Interest Received - gross	27	779
	==	===
3. TAXATION:		
Corporation Tax @ 25% on results for year	1,871	3,585
Underprovision in respect of prior years	362	-
	-----	-----
	2,233	3,585
	=====	=====