

MILLS AND SONS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997

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Company number: 2677607 (England and Wales)

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AUDITORS REPORT TO MILLS AND SONS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 5 together with the financial statements of the Company for the year ended 31 March 1997 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and 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 to report our opinion to you.

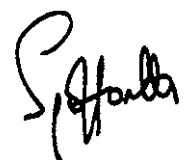
**Basis of opinion**

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 Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

Courtyard House  
30 Worthing Road  
Horsham  
West Sussex  
RH12 1SL



Date: 17 November 1997

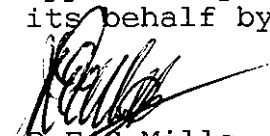
Spofforths  
Chartered Accountants  
and Registered Auditor

MILLS AND SONS LIMITEDBALANCE SHEETAS AT 31 MARCH 1997

|                                                         | <u>Note</u> | <u>1997</u>   | <u>1996</u>   |
|---------------------------------------------------------|-------------|---------------|---------------|
| FIXED ASSETS                                            |             |               |               |
| Tangible assets                                         | 2           | 77915         | 56237         |
| CURRENT ASSETS                                          |             |               |               |
| Stock                                                   |             | 94253         | 60000         |
| Debtors                                                 |             | 268639        | 170803        |
| Cash at bank and in hand                                |             | 28729         | 64            |
|                                                         |             | <u>391621</u> | <u>230867</u> |
| CREDITORS: Amounts falling due within one year          | 3           | <u>375870</u> | <u>269299</u> |
| NET CURRENT ASSETS (LIABILITIES)                        |             | 15751         | (38432)       |
|                                                         |             | <u>93666</u>  | <u>17805</u>  |
| CREDITORS: Amounts falling due after more than one year |             | (44327)       | (9325)        |
| PROVISIONS FOR LIABILITIES AND CHARGES                  |             |               |               |
| Deferred taxation                                       |             | (4600)        | (4869)        |
| NET ASSETS                                              |             | <u>£44739</u> | <u>£3611</u>  |
| CAPITAL AND RESERVES                                    |             |               |               |
| Called up share capital                                 | 4           | 1000          | 3             |
| Profit and loss account                                 |             | 43739         | 3608          |
| SHAREHOLDERS FUNDS - EQUITY                             |             | <u>£44739</u> | <u>£3611</u>  |

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 17 November 1997 and signed on its behalf by:

  
R E C Mills  
Director

MILLS AND SONS LIMITEDNOTES TO THE ACCOUNTSYEAR ENDED 31 MARCH 1997

## 1. ACCOUNTING POLICIES

## Basis of preparation of accounts

The accounts have been prepared under the historical cost convention and include the results of the Company's operations which are described in the directors report and all of which are continuing.

## Turnover

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

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided to write off the cost of fixed assets over their expected useful lives on the following bases:

|                                 |                              |
|---------------------------------|------------------------------|
| Leasehold property improvements | : 10% straight line basis    |
| Plant and equipment             | : 15% reducing balance basis |
| Motor vehicles                  | : 25% reducing balance basis |

## Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account over the lease term.

Assets acquired under finance leases and hire purchase contracts are capitalized and depreciated over their useful lives. The capital element of the corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element is charged to the profit and loss account over the period of the lease.

## Deferred taxation

Provision is made at current rates of taxation deferred as a result of material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

## Stock

Stock is valued at the lower of cost and net realisable value.

## Pension costs

The Company operates a money purchase pension scheme with defined contribution levels for one of its directors. Contributions to the scheme are independently administered by an insurance company and charged to the profit and loss account for the year in which they are payable.

MILLS AND SONS LIMITED  
NOTES TO THE ACCOUNTS  
YEAR ENDED 31 MARCH 1997

## 2. TANGIBLE FIXED ASSETS

|                  | <u>Total</u> |
|------------------|--------------|
| Cost:            |              |
| At 31 March 1996 | 90466        |
| Additions        | 38116        |
|                  | <hr/>        |
| At 31 March 1997 | 128582       |
|                  | <hr/>        |
| Depreciation:    |              |
| At 31 March 1996 | 34229        |
| Charge for year  | 16438        |
|                  | <hr/>        |
| At 31 March 1997 | 50667        |
|                  | <hr/>        |
| Net book value:  |              |
| 31 March 1996    | £56237       |
|                  | <hr/>        |
| 31 March 1997    | £77915       |
|                  | <hr/>        |

## 3. CREDITORS: Amounts falling due within one year

The aggregate amount of secured liabilities at 31 March 1997 was £50305 (1996: £68284).

## 4. CALLED UP SHARE CAPITAL

|                         | <u>1997</u> | <u>1996</u> |
|-------------------------|-------------|-------------|
| Issued:                 |             |             |
| Ordinary shares £1 each | 1000        | 3           |
|                         | <hr/>       | <hr/>       |
| Authorized:             |             |             |
| Ordinary shares £1 each | 1000        | 1000        |
|                         | <hr/>       | <hr/>       |

During the year 1997 ordinary shares of £1 each were allotted and fully paid for cash at par.

## 5. TRANSACTIONS WITH DIRECTORS

During the year the Company paid rent of £12000 (1996: £6000) for land and buildings to Mr R E C Mills.