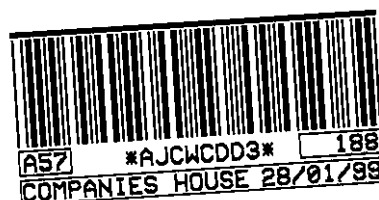


MILLS AND SONS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

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NOTES TO THE ACCOUNTS	4-5



Company number: 2677607 (England and Wales)

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 1998 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.

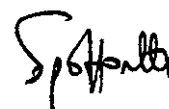
Basis of opinion

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 5 are properly prepared in accordance with those provisions.

Courtyard House
30 Worthing Road
Horsham
West Sussex
RH12 1SL



Date: 17 January 1999

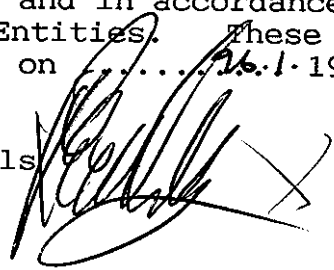
Spofforths
Chartered Accountants
and Registered Auditor

MILLS AND SONS LIMITEDBALANCE SHEETAS AT 31 MARCH 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS			
Tangible assets	2	106202	77915
CURRENT ASSETS			
Stock		88324	94253
Debtors		271687	268639
Cash at bank and in hand		2789	28729
		362800	391621
CREDITORS: Amounts falling due within one year	3	363144	375870
NET CURRENT ASSETS (LIABILITIES)		(344)	15751
TOTAL ASSETS LESS CURRENT LIABILITIES		105858	93666
CREDITORS: Amounts falling due after more than one year		(29570)	(44327)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation		(7477)	(4600)
NET ASSETS		£68811	£44739
CAPITAL AND RESERVES			
Called up share capital	4	1000	1000
Profit and loss account		67811	43739
SHAREHOLDERS FUNDS - EQUITY		£68811	£44739

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. These accounts were approved by the Board of Directors on 26.1.1999 and signed on its behalf by:

R E C Mills
Director



MILLS AND SONS LIMITEDNOTES TO THE ACCOUNTSYEAR ENDED 31 MARCH 1998

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 and work in progress are 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 1998

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
Cost:	
At 31 March 1997	128582
Additions	45859
Sales	1122
At 31 March 1998	173319
Depreciation	
At 31 March 1997	50667
Charge for year	17045
No longer required	595
At 31 March 1998	67117
Net book value	
31 March 1997	£77915
31 March 1998	£106202

The net book value of fixed assets includes £14017 (1997: £22917) in respect of motor vehicles held under hire purchase contracts. Depreciation amounting to £4672 (1997: £6883) was charged in respect of those assets.

3. CREDITORS: Amounts falling due within one year

The aggregate amount of secured liabilities at 31 March 1998 was £33580 (1997: £84128).

4. CALLED UP SHARE CAPITAL	<u>1998</u>	<u>1997</u>
Issued; Allotted and fully paid		
Ordinary shares £1 each	1000	1000
Authorized:		
Ordinary shares £1 each	1000	1000

5. TRANSACTIONS WITH DIRECTORS

During the year the Company paid rent of £12000 (1997: £12000) for land and buildings to Mr R E C Mills.