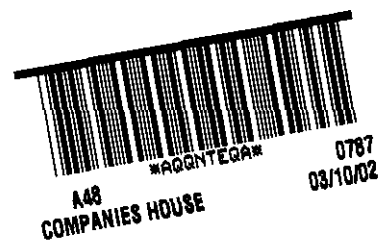


MILLS AND SONS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>PAGE</u>
BALANCE SHEET	2
NOTES TO THE ACCOUNTS	3-4
AUDITORS REPORT	5



MILLS AND SONS LIMITED

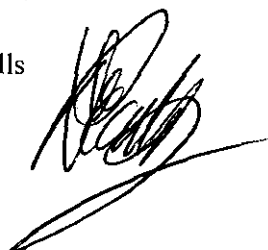
BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001	2000
FIXED ASSETS			
Tangible assets	2	158,477	146,020
CURRENT ASSETS			
Stock		133,732	149,664
Debtors	3	235,403	239,159
Cash at bank and in hand		4,298	17,004
		<u>373,433</u>	<u>405,827</u>
CREDITORS: Amounts falling due within one year	4	297,074	322,616
		<u>76,359</u>	<u>83,211</u>
NET CURRENT LIABILITIES			
		<u>234,836</u>	<u>229,231</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	4	1,903	2,535
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		13,308	10,941
		<u>£ 219,625</u>	<u>£ 215,755</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	5	1,000	1,000
Profit and loss account		218,625	214,755
		<u>£ 219,625</u>	<u>£ 215,755</u>
SHAREHOLDERS FUNDS			

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

Approved by the Board of Directors on 15 August 2002 and signed on its behalf by:

R E C Mills
Director



MILLS AND SONS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of preparation of accounts

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvements	10% per annum, straight line basis
Plant and equipment	15% per annum, reducing balance basis
Motor vehicles	25% per annum, 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 held 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 of rental obligations is charged to profit and loss account in proportion to the net obligation outstanding in each period.

Stock

Stock and work in progress are valued at the lower of cost and net realizable value.

Deferred taxation

Provision is made at current rates for 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.

Pension costs

The Company operates a defined contribution pension scheme, Mills Pension Fund, for the directors and contributions are charged to the profit and loss account for the year in which they are payable. The scheme is a small self-administered pension scheme.

MILLS AND SONS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2001

2. TANGIBLE FIXED ASSETS

	Total
Cost:	
At 1 January 2001	276,186
Additions	45,821
Disposals	(8,441)
	<u>313,566</u>
At 31 December 2001	<u>313,566</u>
Depreciation:	
At 1 January 2001	130,166
Charge for the year	31,076
No longer required	(6,153)
	<u>155,089</u>
At 31 December 2001	<u>155,089</u>
Net book value:	
At 31 December 2000	£ 146,020
	<u>£ 146,020</u>
At 31 December 2001	£ 158,477
	<u>£ 158,477</u>

3. DEBTORS

Included in debtors is a loan to Mr S R Mills, a director, of £9,782. The loan is interest free and the maximum amount outstanding during the year was £9,782.

4. CREDITORS

Creditors include the following:

	2001	2000
Secured creditors	£ 6,186	£ 17,320
	<u>£ 6,186</u>	<u>£ 17,320</u>

5. SHARE CAPITAL

Authorized:

Ordinary shares of £1 each	£ 100,000	£ 1,000
	<u>£ 100,000</u>	<u>£ 1,000</u>

Issued, allotted and fully paid:

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

6. TRANSACTIONS WITH DIRECTORS

During the period the Company paid rent of £12,000 (2000: £12,000) for land and buildings to Mr R E C Mills.

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

We have examined the abbreviated accounts set out on pages 2 to 4, together with the accounts of the Company for the year ended 31 December 2001 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 accounts, 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 accounts.

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 2 to 4 are properly prepared in accordance with those provisions.

Courtyard House
30 Worthing Road
Horsham
West Sussex
RH12 1SL



Spofforths

15 August 2002

Chartered Accountants
and Registered Auditor