

MILLS AND SONS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

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Company number: 2677607 (England and Wales)

MILLS AND SONS LIMITED

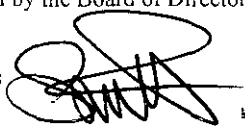
BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005	2004
FIXED ASSETS			
Tangible assets	2	131,293	117,462
CURRENT ASSETS			
Stock		95,866	107,152
Debtors	3	364,738	328,111
Cash at bank and in hand		197,182	134,102
		<u>657,786</u>	<u>569,365</u>
CREDITORS: Amounts falling due within one year		<u>(337,966)</u>	<u>(315,767)</u>
NET CURRENT ASSETS		319,820	253,598
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>451,113</u>	<u>371,060</u>
CREDITORS: Amounts falling due after more than one year		(3,501)	-
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		(10,384)	(9,651)
NET ASSETS		<u>£ 437,228</u>	<u>£ 361,409</u>
CAPITAL AND RESERVES			
Called up share capital	4	1,000	1,000
Profit and loss account		436,228	360,409
SHAREHOLDERS FUNDS		<u>£ 437,228</u>	<u>£ 361,409</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Members have not required the Company, under section 249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31 December 2005. The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the Company as at 31 December 2005 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the Company. 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 25 October 2006 and signed on its behalf by:

S R Mills
Director



MILLS AND SONS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

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 January 2005).

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

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

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 2005

2. TANGIBLE FIXED ASSETS

	Total
Cost:	
At 1 January 2005	308,570
Additions	38,026
At 31 December 2005	346,596
Depreciation:	
At 1 January 2005	191,108
Charge for the year	24,195
At 31 December 2005	215,303
Net book value:	
At 31 December 2004	£ 117,462
At 31 December 2005	£ 131,293

3. DEBTORS

Included in debtors is a loan to Mr S R Mills, a director, of £32,757 (2004: £26,904). The loan is interest free and repayable on demand. The maximum amount outstanding during the year was £32,757 (2004: £26,904).

	2005	2004
4. SHARE CAPITAL		
Authorized:		
Ordinary shares of £1 each	100,000	100,000
Issued, allotted and fully paid:		
Ordinary shares of £1 each	1,000	1,000

5. TRANSACTIONS WITH DIRECTORS

During the year the Company paid rent of £10,000 (2004: £10,000) for land and buildings to Mr S R Mills and £10,000 (2004: £10,000) to the estate of Mr R E C Mills deceased.

Mrs E A Mills is entitled to the income from the estate.

Mr S R Mills and Mrs E A Mills control ATS Machinery Limited from which the Company bought goods and services to the value of £1,293 (2004: £1,812). Charges to ATS Machinery Limited were £20,000 for rent (2004: £20,000) and £29,000 (2004: £29,000) for a proportion of shared overheads.

All transactions took place under normal commercial terms at an arms length basis.

The Company also provided loans, interest free and repayable on demand, to ATS Machinery Limited.

At the balance sheet date the total outstanding was £103,544 (2004: £134,194).