

THE MILL COMPANY LIMITED
REPORT & ACCOUNTS

YEAR ENDED : 31 MARCH 2005



THE MILL COMPANY LIMITED

Directors

L P Smith
P F Baldwin
C D Proctor-Smith
J S Vorley
K A Vorley

Secretary

P F Baldwin

Registered Office

1 Carr Road
Nelson

Registered Number

00032795

REPORT and ACCOUNTS

YEAR ENDED : 31 MARCH 2005

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THE MILL COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the accounts for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company is the letting of its premises. In addition the company's maintenance staff carry out building work for other organisations.

REVIEW OF BUSINESS

A summary of the results of the year is given on page 3 of the accounts.

Total income fell by 6% as a result of losing a major tenant at the start of the year and subsequently not being able to re-let the premises.

Operating expenses remained broadly the same as the previous year but the charge for taxation increased due to the imposition of a less favourable tax regime.

Profit after tax fell by 21%.

Rental arrears continue to be a problem as some of the company's tenants suffer difficult trading conditions. Action is being taken to prevent the problem escalating and to try to improve the situation.

The building remains uninsured because the insurance premium required is too high to pass on to tenants.

DIVIDENDS

Two interim dividends totalling 50p per share were paid during the year, maintaining the level of the previous year.

The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors and the number of shares in which they were interested, including family interests, during the year are as follows:

	<u>31.03.05</u>	<u>31.03.04</u>
L P Smith	8,098	8,098
P F Baldwin	45	45
C D Proctor-Smith	200	200
K A Vorley	4,309	4,309
J S Vorley	500	500

The directors retiring by rotation are Mr L P Smith and Rev K A Vorley who, being eligible, offer themselves for re-election.

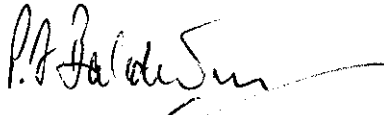
THE MILL COMPANY LIMITED

REPORT OF THE DIRECTORS cont. 1

CLOSE COMPANY

The company falls within the definition of a close company under the Income and Corporation Taxes Act 1988.

On behalf of the Board,



P F BALDWIN

Secretary

5 December 2005

THE MILL COMPANY LIMITED

PROFIT & LOSS ACCOUNT

YEAR ENDED : 31 MARCH 2005

<u>2004</u> £		<u>Note</u>	£	£
64,901	TURNOVER	2		61,052
24,864	Establishment expenses		25,032	
<u>22,950</u>	Administrative expenses		<u>22,619</u>	
<u>(47,814)</u>				<u>(47,651)</u>
17,087	OPERATING PROFIT	3		13,401
168	Profit on disposal of investments			572
<u>7,127</u>	Income from fixed asset investments			<u>7,112</u>
	PROFIT on ordinary activities before taxation			
24,382				21,085
<u>(1,678)</u>	TAXATION	5		<u>(3,071)</u>
	PROFIT on ordinary activities after taxation			
22,704				18,014
	DIVIDENDS			
8,667	1 st interim dividend paid of 25p per share		7,222	
<u>5,778</u>	2 nd interim dividend paid of 25p per share		<u>7,223</u>	
<u>(14,445)</u>				<u>(14,445)</u>
8,259	RETAINED PROFIT FOR THE YEAR			3,569
216,692	RETAINED PROFITS brought forward			224,951
<hr/>				<hr/>
224,951	RETAINED PROFITS carried forward			228,520
<hr/>				<hr/>

CONTINUING OPERATIONS

None of the company's activities were acquired
or discontinued during the two financial years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2005</u> £	<u>2004</u> £
Profit for the financial year	3,569	8,259
Unrealised surplus on revaluation of property	<u>223,467</u>	
Total gains and losses recognised since last annual report	<u>227,036</u>	<u>8,259</u>

THE MILL COMPANY LIMITED

BALANCE SHEET

AS AT : 31 MARCH 2005

<u>2004</u> £		<u>Note</u>	£	£
	FIXED ASSETS			
201,610	Tangible assets	6	429,229	
<u>26,996</u>	Investments	7	<u>27,832</u>	
228,606				457,061
	CURRENT ASSETS			
565	Stock		530	
116,780	Debtors	8	114,552	
<u>31,793</u>	Cash at bank		<u>31,191</u>	
149,138			146,273	
	CREDITORS: amounts falling due within one year			
(12,312)		9	(10,083)	
<u>136,826</u>	NET CURRENT ASSETS			<u>136,190</u>
365,432	TOTAL ASSETS LESS CURRENT LIABILITIES			593,251
	PROVISION FOR LIABILITIES & CHARGES			
(7,830)	Deferred Taxation	10		(8,613)
<u>357,602</u>	NET ASSETS			<u>584,638</u>
	CAPITAL & RESERVES			
14,445	Called-up share capital	11		14,445
118,206	Revaluation reserve	12		341,673
224,951	Profit and loss account			228,520
<u>357,602</u>	SHAREHOLDERS' FUNDS	13		<u>584,638</u>

cont.

THE MILL COMPANY LIMITED**BALANCE SHEET cont. 1**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2005


The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2005 in accordance with Section 249(B) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the board of directors,



L P SMITH

Director

Approved by the board : 5 December 2005

THE MILL COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED : 31 MARCH 2005

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Tangible Fixed Assets

Depreciation is not provided on freehold land and buildings which have been revalued, on the basis of existing tenancies, in accordance with the provisions of Statement of Standard Accounting Practice No. 19.

Depreciation is provided on a straight line basis to write off the cost of other assets over their estimated useful lives as follows:

Plant and equipment	:	20% p.a.
Motor vehicle	:	20% p.a.

c) Taxation

Deferred Taxation

Provision is made, at current rates, for taxation deferred in respect of all timing differences in accordance with FRS 19.

2. TURNOVER

	<u>2005</u>	<u>2004</u>
	£	£
Rents receivable	46,673	50,990
Work done	<u>14,379</u>	<u>13,911</u>
	<u>61,052</u>	<u>64,901</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation	(152)	48
Staff costs (note 4)	<u>26,777</u>	<u>25,687</u>

THE MILL COMPANY LIMITED

NOTES cont. 1

4. STAFF COSTS

	<u>2005</u>	<u>2004</u>
	£	£
Directors' remuneration	12,300	12,300
Other salaries and wages	12,915	11,917
Social security costs	<u>1,562</u>	<u>1,470</u>
	<u>26,777</u>	<u>25,687</u>

The average number of employees including directors was 6 (2004 6).

5. TAXATION

Corporation tax payable on the profit for the year at 19% (2004 12.9%)	2,288	2,077
Advance corporation tax recovered	-	(935)
Deferred taxation charge	<u>783</u>	<u>536</u>
	<u>3,071</u>	<u>1,678</u>

6. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Plant & Equipment</u>	<u>Motor Vehicle</u>	<u>Total</u>
Cost or Valuation	£	£	£	£
At 31 March 2004	201,533	30,148	3,300	234,981
Transfer revaluation reserve	223,467			223,467
Addition	-	-	4,500	4,500
Disposal	<u>-</u>	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
At 31 March 2005	<u>425,000</u>	<u>30,148</u>	<u>4,500</u>	<u>459,648</u>
Depreciation				
At 31 March 2004		30,071	3,300	33,371
Provided in the year		48	300	348
Disposal			<u>(3,300)</u>	<u>(3,300)</u>
At 31 March 2005		<u>30,119</u>	<u>300</u>	<u>30,419</u>
Net Book Value				
2005	<u>425,000</u>	<u>29</u>	<u>4,200</u>	<u>429,229</u>
2004	<u>201,533</u>	<u>77</u>	-	<u>201,610</u>

The valuation of freehold land and buildings was reviewed at 31 March 2005 by an independent firm of chartered surveyors, H W Petty & Co. In their opinion the total value of the company's premises was £425,000.

The historical cost of freehold land and buildings is £83,327 (2004 £83,327).

The potential tax liability arising on the revaluation surplus is £30,600 (2004 Nil)

THE MILL COMPANY LIMITED

NOTES cont. 2

7. INVESTMENTS

	<u>2005</u> £	<u>2004</u> £
Investments listed on a recognised stock exchange, at cost	22,837	21,758
Ground rents, at cost	<u>4,995</u>	<u>5,238</u>
	27,832	26,996
	<hr/>	<hr/>
Market value of listed investments	230,964	207,520
	<hr/>	<hr/>
Potential tax liability on market value	31,100	27,200
	<hr/>	<hr/>

8. DEBTORS

Due within one year:		
Trade debtors	113,819	115,895
Prepayments	<u>733</u>	<u>885</u>
	114,552	116,780
	<hr/>	<hr/>

9. CREDITORS

Amounts falling due within one year:		
Trade creditors	2,022	5,497
Social security and other taxes	6,149	6,014
Taxation	<u>1,912</u>	<u>801</u>
	10,083	12,312
	<hr/>	<hr/>

10. DEFERRED TAXATION

Balance at 31 March 2004	7,830	7,294
Charge for the year	<u>783</u>	<u>536</u>
Balance at 31 March 2005	8,613	7,830
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THE MILL COMPANY LIMITED

NOTES cont. 3

11. CALLED-UP SHARE CAPITAL

	<u>2005</u> £	<u>2004</u> £
Authorised		
1,110 ordinary shares of £1 each	1,110	1,110
57,780 ordinary shares of 50p each	<u>28,890</u>	<u>28,890</u>
	30,000	30,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
28,890 ordinary shares of 50p each	14,445	14,445
	<hr/>	<hr/>

12. REVALUATION RESERVE

At 31 March 2004	118,206	118,206
Transfer tangible fixed assets	<u>223,467</u>	<u>-</u>
At 31 March 2005	<u>341,673</u>	<u>118,206</u>

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Profit for the financial year after taxation	18,014	22,704
Dividends	<u>(14,445)</u>	<u>(14,445)</u>
	3,569	8,259
Surplus on revaluation of property	223,467	
Opening shareholders' funds		
at 31 March 2004	<u>357,602</u>	<u>349,343</u>
Closing shareholders' funds		
at 31 March 2005	<u>584,638</u>	<u>357,602</u>

14. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2005 (2004 Nil).

15. RELATED PARTY TRANSACTIONS

The company's accounting and secretarial functions were managed by Unity Chartered Accountants Nelson of whom Mr P F Baldwin is a partner.

The amount paid for the services on a normal commercial basis was:-

2005	£4,700
2004	£4,700
