

REGISTERED NUMBER: 32795

**THE MILL COMPANY LIMITED
REPORT & ACCOUNTS**

YEAR ENDED : 31 MARCH 2006

THURSDAY



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COMPANIES HOUSE

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 2006

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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 2006.

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.

Rental income and work done both increased, producing a rise in total income of 6½%.

The rise in operating expenses was limited to 4½% with the result that operating profit improved by 14%.

Profit after tax also rose by 14%.

The company still suffered from rental arrears and it is likely that a major tenant will go out of business during the following year. However an area of the mill which has been vacant for two years has now been re-let and this will largely compensate for it.

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

DIVIDENDS

Two interim dividends totalling 40p per share were paid during the 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>31.03.06</u>	<u>31.03.05</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 P F Baldwin and Mr C D Proctor-Smith 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,

A handwritten signature in black ink, appearing to read 'P F Baldwin', with a long horizontal flourish extending to the right.

P F BALDWIN

Secretary

25 October 2006

THE MILL COMPANY LIMITED
PROFIT & LOSS ACCOUNT
YEAR ENDED : 31 MARCH 2006

<u>2005</u> £		<u>Note</u>	£	£
61,052	TURNOVER	2		65,086
25,032	Establishment expenses		26,955	
<u>22,619</u>	Administrative expenses		<u>22,831</u>	
(47,651)				(49,786)
13,401	OPERATING PROFIT	3		15,300
572	Profit on disposal of investments			188
	Investment income			
6,785	From listed investments		7,924	
<u>327</u>	Deposit interest		<u>490</u>	
<u>7,112</u>				<u>8,414</u>
	PROFIT on ordinary activities before taxation			23,902
21,085				
(3,071)	TAXATION	5		(3,347)
	PROFIT on ordinary activities after taxation			20,555
18,014				
	DIVIDENDS			
7,222	1 st interim dividend paid of 25p per share		7,222	
<u>7,223</u>	2 nd interim dividend paid of 15p per share		<u>4,334</u>	
(14,445)				(11,556)
3,569	RETAINED PROFIT FOR THE YEAR			8,999
224,951	RETAINED PROFITS brought forward			228,520
<hr/>				<hr/>
228,520	RETAINED PROFITS carried forward			237,519
<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>2006</u> £	<u>2005</u> £
Profit for the financial year	8,999	3,569
Unrealised surplus on revaluation of property	<u>-</u>	<u>223,467</u>
Total gains and losses recognised since last annual report	<u>8,999</u>	<u>227,036</u>

THE MILL COMPANY LIMITED

BALANCE SHEET

AS AT : 31 MARCH 2006

<u>2005</u> £		<u>Note</u>	£	£
	FIXED ASSETS			
429,229	Tangible assets	6	428,300	
<u>27,832</u>	Investments	7	<u>29,039</u>	457,339
457,061				
	CURRENT ASSETS			
530	Stock		480	
114,552	Debtors	8	112,636	
<u>31,191</u>	Cash at bank		<u>42,075</u>	
146,273			155,191	
	CREDITORS: amounts falling due			
(10,083)	within one year	9	<u>(9,923)</u>	
<u>136,190</u>	NET CURRENT ASSETS			<u>145,268</u>
593,251	TOTAL ASSETS LESS CURRENT LIABILITIES			602,607
	PROVISION FOR LIABILITIES & CHARGES			
(8,613)	Deferred Taxation	10		<u>(8,970)</u>
<u>584,638</u>	NET ASSETS			<u>593,637</u>
	CAPITAL & RESERVES			
14,445	Called-up share capital	11		14,445
341,673	Revaluation reserve	12		341,673
<u>228,520</u>	Profit and loss account			<u>237,519</u>
<u>584,638</u>	SHAREHOLDERS' FUNDS	13		<u>593,637</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 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2006 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 January 2005).

Signed on behalf of the board of directors,



L P SMITH

Director

Approved by the board : 25 October 2006

THE MILL COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED : 31 MARCH 2006

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 January 2005).

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>2006</u>	<u>2005</u>
	£	£
Rents receivable	48,951	46,673
Work done	<u>16,135</u>	<u>14,379</u>
	<u>65,086</u>	<u>61,052</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation	929	(152)
Staff costs (note 4)	<u>27,136</u>	<u>26,777</u>

THE MILL COMPANY LIMITED

NOTES cont. 1

4. STAFF COSTS

	<u>2006</u>	<u>2005</u>
	£	£
Directors' remuneration	12,300	12,300
Other salaries and wages	13,475	12,915
Social security costs	<u>1,361</u>	<u>1,562</u>
	<u>27,136</u>	<u>26,777</u>

The average number of employees including directors was 6 (2005 6).

5. TAXATION

Corporation tax payable on the profit for the year at 19% (2005 19%)	2,990	2,288
Deferred taxation charge	<u>357</u>	<u>783</u>
	<u>3,347</u>	<u>3,071</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 2005/2006	<u>425,000</u>	<u>30,148</u>	<u>4,500</u>	<u>459,648</u>
Depreciation				
At 31 March 2005		30,119	300	30,419
Provided in the year		<u>29</u>	<u>900</u>	<u>929</u>
At 31 March 2006		<u>30,148</u>	<u>1,200</u>	<u>31,348</u>
Net Book Value				
2006	<u>425,000</u>	<u>-</u>	<u>3,300</u>	<u>428,300</u>
2005	<u>425,000</u>	<u>29</u>	<u>4,200</u>	<u>429,229</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 (2005 £83,327).

The potential tax liability arising on the revaluation surplus is £29,400 (2005 £30,600)

THE MILL COMPANY LIMITED

NOTES cont. 2

7. INVESTMENTS

	<u>2006</u> £	<u>2005</u> £
Investments listed on a recognised stock exchange, at cost	24,044	22,837
Ground rents, at cost	<u>4,995</u>	<u>4,995</u>
	29,039	27,832
	<hr/>	<hr/>
Market value of listed investments	280,924	230,964
	<hr/>	<hr/>
Potential tax liability on market value	40,000	31,100
	<hr/>	<hr/>

8. DEBTORS

Due within one year:

Trade debtors	111,888	113,819
Prepayments	<u>748</u>	<u>733</u>
	112,636	114,552
	<hr/>	<hr/>

9. CREDITORS

Amounts falling due within one year:

Trade creditors	1,599	2,022
Social security and other taxes	5,724	6,149
Taxation	<u>2,600</u>	<u>1,912</u>
	9,923	10,083
	<hr/>	<hr/>

10. DEFERRED TAXATION

Balance at 31 March 2005	8,613	7,830
Charge for the year	<u>357</u>	<u>783</u>
Balance at 31 March 2006	8,970	8,613
	<hr/>	<hr/>

THE MILL COMPANY LIMITED

NOTES cont. 3

11. CALLED-UP SHARE CAPITAL

	<u>2006</u> £	<u>2005</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
	<u>=====</u>	<u>=====</u>
Allotted, issued and fully paid		
28,890 ordinary shares of 50p each	14,445	14,445
	<u>=====</u>	<u>=====</u>

12. REVALUATION RESERVE

At 31 March 2005/2006	341,673	341,673
	<u>=====</u>	<u>=====</u>

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Profit for the financial year after taxation	20,555	18,014
Dividends	<u>(11,556)</u>	<u>(14,445)</u>
	8,999	3,569
		223,467
Surplus on revaluation of property		
Opening shareholders' funds		
at 31 March 2005	<u>584,638</u>	<u>357,602</u>
Closing shareholders' funds		
at 31 March 2006	<u>593,637</u>	<u>584,638</u>
	<u>=====</u>	<u>=====</u>

14. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2006 (2005 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:-

2006	£4,700
2005	£4,700
