

Company Number : 00032795

**THE MILL COMPANY LIMITED
REPORT & ACCOUNTS**

YEAR ENDED : 31 MARCH 2003



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 2003

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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 2003.

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.

Although total income rose slightly this was more than off set by an increase in expenses of 7%, resulting in a reduction in operating profit of 10%.

Pre-tax profits fell by 5%.

Some of the company's tenants have suffered difficult trading conditions causing rental arrears however it is hoped that the position will improve during the following year.

The building continued to be uninsured because the insurance premium required was too high to pass on to tenants.

DIVIDENDS

Two interim dividends totalling 50p per share were paid during the year, an increase of 11% on 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>31.3.03</u>	<u>31.3.02</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 C D Proctor-Smith and Rev K A Vorley who, being eligible, offer themselves for re-election.

THE MILL COMPANY LIMITED**REPORT OF THE DIRECTORS** cont. 1**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

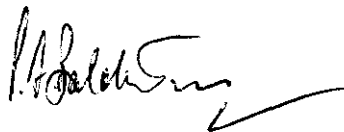
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the board : 21 November 2003

THE MILL COMPANY LIMITED

PROFIT & LOSS ACCOUNT

YEAR ENDED : 31 MARCH 2003

<u>2002</u> £		<u>Note</u>	£	£
58,352	TURNOVER	2		59,505
23,414	Establishment expenses		23,800	
<u>17,239</u>	Administrative expenses		<u>19,785</u>	
(40,653)				(43,585)
17,699	OPERATING PROFIT	3		15,920
220	Profit on disposal of investments			66
<u>6,222</u>	Income from fixed asset investments			<u>6,975</u>
	PROFIT on ordinary activities before taxation			
24,141				22,961
(1,856)	TAXATION	5		(1,403)
	PROFIT on ordinary activities after taxation			
22,285				21,558
	DIVIDENDS			
4,334	1 st interim dividend paid of 20p per share		5,778	
<u>8,667</u>	2 nd interim dividend paid of 30p per share		<u>8,667</u>	
(13,001)				(14,445)
9,284				7,113
200,295	RETAINED PROFITS brought forward			209,579
<hr/>				<hr/>
209,579	RETAINED PROFITS carried forward			216,692
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CONTINUING OPERATIONS

There were no acquired or discontinued operations during the current or preceding year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

9,284	Profit for the financial year		7,113
(6,705)	Prior year adjustment	10	—
2,579	Total gains and losses recognised since last annual report		7,113
<hr/>			<hr/>

THE MILL COMPANY LIMITED

BALANCE SHEET

AS AT : 31 MARCH 2003

<u>2002</u> £		<u>Note</u>	£	£
	FIXED ASSETS			
202,292	Tangible assets	6	201,658	
<u>24,950</u>	Investments	7	<u>26,022</u>	
227,242				227,680
	CURRENT ASSETS			
375	Stock		350	
119,199	Debtors	8	116,977	
<u>20,812</u>	Cash at bank		<u>21,145</u>	
140,386			138,472	
	CREDITORS: amounts falling due			
(18,223)	within one year	9	(9,515)	
<u>122,163</u>	NET CURRENT ASSETS			<u>128,957</u>
349,405	TOTAL ASSETS LESS CURRENT LIABILITIES			356,637
	PROVISION FOR LIABILITIES & CHARGES			
(7,175)	Deferred Taxation	10		(7,294)
<u>342,230</u>	NET ASSETS			<u>349,343</u>
	CAPITAL & RESERVES			
14,445	Called-up share capital	11		14,445
118,206	Revaluation reserve	12		118,206
<u>209,579</u>	Profit and loss account			<u>216,692</u>
<u>342,230</u>	SHAREHOLDERS' FUNDS	13		<u>349,343</u>

cont.

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

For the financial year ended 31 March 2003, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, 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 relating to small companies.

Signed on behalf of the board of directors,



L P SMITH

Director

Approved by the board : 21 November 2003

THE MILL COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED : 31 MARCH 2003

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.

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.

d) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

2. TURNOVER

	<u>2003</u>	<u>2002</u>
	£	£
Rents receivable	47,426	47,245
Work done	<u>12,079</u>	<u>11,107</u>
	<u>59,505</u>	<u>58,352</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation	634	994
Staff costs (note 4)	<u>25,160</u>	<u>23,279</u>

THE MILL COMPANY LIMITED

NOTES cont. 1

4. STAFF COSTS

	<u>2003</u>	<u>2002</u>
	£	£
Directors' remuneration	12,300	10,970
Other salaries and wages	11,544	11,130
Social security costs	<u>1,316</u>	<u>1,179</u>
	<u>25,160</u>	<u>23,279</u>

The average number of employees including directors was 6 (2002 6).

5. TAXATION

	<u>2003</u>	<u>2002</u>
	£	£
Corporation tax payable on the profit for the year at 12.4% (2002 16.8%)	1,991	2,903
Advance corporation tax recovered	(707)	(1,517)
Deferred taxation charge	<u>119</u>	<u>470</u>
	<u>1,403</u>	<u>1,856</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 2002/2003	<u>201,533</u>	<u>30,148</u>	<u>3,300</u>	<u>234,981</u>
Depreciation				
At 31 March 2002		29,389	3,300	32,689
Provided in the year		<u>634</u>		<u>634</u>
At 31 March 2003		<u>30,023</u>	<u>3,300</u>	<u>33,323</u>
Net Book Value				
2003	<u>201,533</u>	<u>125</u>	<u>-</u>	<u>201,658</u>
2002	<u>201,533</u>	<u>759</u>	<u>-</u>	<u>202,292</u>

The valuation of freehold land and buildings was reviewed as at 31 March 2000 by an independent firm of chartered surveyors. In their opinion the total value of the company's premises was £200,000.

The historical cost of freehold land and buildings is £83,327 (2002 £83,327).

There is no potential tax liability arising on the revaluation surplus.

THE MILL COMPANY LIMITED

NOTES cont. 2

7. INVESTMENTS

	<u>2003</u> £	<u>2002</u> £
Investments listed on a recognised stock exchange, at cost	20,784	19,712
Ground rents, at cost	<u>5,238</u>	<u>5,238</u>
	26,022	24,950
	<hr/>	<hr/>
Market value of listed investments	166,354	236,504
	<hr/>	<hr/>
Potential tax liability on market value	19,800	35,000
	<hr/>	<hr/>

8. DEBTORS

Due within one year:		
Trade debtors	116,149	118,240
Prepayments	828	763
Taxation	<u>-</u>	<u>196</u>
	116,977	119,199
	<hr/>	<hr/>

9. CREDITORS

Amounts falling due within one year:		
Trade creditors	1,431	11,733
Social security and other taxes	7,167	5,238
Taxation	<u>917</u>	<u>1,252</u>
	9,515	18,223
	<hr/>	<hr/>

10. DEFERRED TAXATION

Balance at 31 March 2002	7,175	6,705
Charge for the year	<u>119</u>	<u>470</u>
Balance at 31 March 2003	7,294	7,175
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The prior year adjustment represents the deferred tax liability at 31 March 2002.

THE MILL COMPANY LIMITED

NOTES cont. 3

11. CALLED-UP SHARE CAPITAL

	<u>2003</u>	<u>2002</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	<u>14,445</u>	<u>14,445</u>
	<hr/>	<hr/>

12. REVALUATION RESERVE

At 31 March 2003/2002	118,206	118,206
	<hr/>	<hr/>

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Profit for the financial year after taxation	21,558	22,285
Dividends	<u>(14,445)</u>	<u>(13,001)</u>
	7,113	9,284
Opening shareholders' funds at 31 March 2002	342,230	332,946
	<hr/>	<hr/>
Closing shareholders' funds at 31 March 2003	<u>349,343</u>	<u>342,230</u>
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14. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2003 (2002 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:-

2003	£4,700
2002	£4,700
