

# Mildren Construction Limited

Directors' Report and Abbreviated Accounts  
for the Year Ended 30 June 2010

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**Mildren Construction Limited**  
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# **Mildren Construction Limited**

## **Directors' Report for the Year Ended 30 June 2010**

The directors present their report and the audited financial statements for the year ended 30 June 2010

### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

### **Principal activity**

The principal activity of the company is that of civil engineering and building contractors.

### **Business review**

#### ***Fair review of the business***

This year has seen reasonable performance against a backdrop of challenging market conditions. Turnover levels have been sustained despite these conditions, standing as testimony to the diverse nature of our operating markets and the strength of our core client base which continues to provide repeat business. Our ongoing participation in public sector frameworks has contributed to provide strong baseline activity during the whole year. Rigorous management systems and robust cost controls have also played their part in our maintained profitability. Looking forward we see a mixed picture. The expected return to confidence in the commercial construction sector has not yet arrived and future downward pressure on public expenditure may produce negative impacts. Conversely the water industry's expenditure will start to rise over the coming period as the AMP5 investment cycle matures in what is a traditionally strong market for the Company. We retain a confidence during the coming year that our excellent reputation and long term client relationships will continue to provide robust and sustainable project opportunities.

#### ***Development and performance of the business***

	2010	2009	2008	2007	2006
Turnover	£14,451,636	£12,775,204	£14,297,229	£13,958,741	£12,267,049
Turnover growth	13%	(11)%	2%	14%	7%
Gross profit margin	11%	11%	14%	13%	11%
Profit before tax	£88,539	£72,102	£263,481	£257,979	(£63,379)

#### ***Position of the business***

At the end of the year, the net assets totalled £994,510.

**Mildren Construction Limited**  
**Directors' Report for the Year Ended 30 June 2010**

*continued*

**Financial risk**

***Price risk, credit risk, liquidity risk and cash flow risk***

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

**Charitable donations**

During the year the company made charitable donations of £7,805. Individual donations were:

	<b>2010 £</b>
Other charitable	705
WaterAid	<u>7,100</u>

**Directors**

The directors who held office during the year were as follows:

- C S Wingham
- A R Swinger
- M J Valentine

Approved by the Board and signed on its behalf by

M J Valentine  
Director

Date

24/09/10

**Independent Auditors' Report to  
Mildren Construction Limited  
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts of Mildren Construction Limited, set out on pages 4 to 16, together with the financial statements of the company for the year ended 30 June 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with the regulations made under that section.

*M A Johns*

**M A Johns ACA FCCA  
Senior Statutory Auditor**

for and on behalf of  
Princetown Willis LLP, Statutory Auditor

Towngate House  
2-8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

28 September 2010

**Mildren Construction Limited**  
**Abbreviated Profit and Loss Account for the Year Ended 30 June 2010**

	Note	2010 £	2009 £
Turnover		<u>14,451,636</u>	<u>12,775,204</u>
<b>Gross profit</b>		1,529,448	1,438,965
Administrative expenses		(1,441,258)	(1,382,991)
<b>Operating profit</b>	2	<u>88,190</u>	<u>55,974</u>
Other interest receivable and similar income		355	16,128
Interest payable and similar charges	5	(6)	-
<b>Profit on ordinary activities before taxation</b>		<u>88,539</u>	<u>72,102</u>
Tax on profit on ordinary activities	6	(19,958)	(12,565)
<b>Profit for the financial year</b>	14	<u>68,581</u>	<u>59,537</u>
<b>Profit and loss reserve brought forward</b>		902,419	842,882
<b>Profit and loss reserve carried forward</b>		<u>971,000</u>	<u>902,419</u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

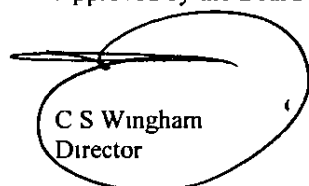
The notes on pages 7 to 16 form an integral part of these financial statements

**Mildren Construction Limited**  
**Abbreviated Balance Sheet as at 30 June 2010**

		2010	2009
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	7	121,345	131,966
Investments	8	<u>25,000</u>	<u>-</u>
		146,345	131,966
<b>Current assets</b>			
Stocks	9	522,926	515,477
Debtors	10	3,021,592	3,314,184
Cash at bank and in hand		<u>27,748</u>	<u>3,644</u>
		3,572,266	3,833,305
<b>Creditors: Amounts falling due within one year</b>	11	<u>(2,719,867)</u>	<u>(3,037,796)</u>
<b>Net current assets</b>		852,399	795,509
<b>Total assets less current liabilities</b>		998,744	927,475
<b>Provisions for liabilities</b>	12	<u>(4,234)</u>	<u>(1,546)</u>
<b>Net assets</b>		<u>994,510</u>	<u>925,929</u>
<b>Capital and reserves</b>			
Called up share capital	13	20	20
Share premium reserve	14	23,410	23,410
Other reserves	14	80	80
Profit and loss reserve	14	<u>971,000</u>	<u>902,419</u>
<b>Shareholders' funds</b>	15	<u>994,510</u>	<u>925,929</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies

Approved by the Board on 24/9/10 and signed on its behalf by

  
C S Wingham  
Director

The notes on pages 7 to 16 form an integral part of these financial statements

**Mildren Construction Limited**  
**Cash Flow Statement for the Year Ended 30 June 2010**

		2010	2009
	Note	£	£
Net cash flow from operating activities	18	521,599	(544,550)
Returns on investment and servicing of finance	19	348	16,128
Taxation	19	(19,500)	(63,145)
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets		(25,000)	-
Purchase of tangible fixed assets		(33,427)	(14,723)
Sale of tangible fixed assets		2,500	10,525
		<u>(55,927)</u>	<u>(4,198)</u>
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		446,520	(595,765)
<b>Financing</b>			
Issue of equity shares		-	23,410
Redemption of shares		-	-
		<u>-</u>	<u>23,410</u>
<b>Increase/(decrease) in cash</b>		<u>446,520</u>	<u>(572,357)</u>

**Reconciliation of net cash flow to movement in net funds**

		2010	2009
	Note	£	£
Increase/(decrease) in cash in the year	20	446,520	(572,357)
Change in net funds resulting from cash flows		446,520	(572,357)
 Net (debt)/funds at the start of the year	 20	 <u>(418,772)</u>	 <u>153,584</u>
<b>Net funds/(debt) at the end of the year</b>	<b>20</b>	<b><u>27,748</u></b>	<b><u>(418,772)</u></b>

The notes on pages 7 to 16 form an integral part of these financial statements



## **Mildren Construction Limited**

### **Notes to the abbreviated accounts for the Year Ended 30 June 2010**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	20% per annum, reducing balance basis
Fixtures and fittings	15% per annum, reducing balance basis
Motor vehicles	33 3% per annum, reducing balance basis
Office equipment	33 3% per annum, reducing balance basis
Portacabins	50% per annum, straight line basis
Computer equipment	33 3% straight line basis

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value

##### **Work in Progress**

Where it is considered that the outcome of work in progress can be assessed with reasonable certainty before its conclusion, attributable profit is recognised in the profit and loss account. Where the outcome of work in progress can not be assessed with reasonable certainty it is valued at the lower of cost and net realisable value.

##### **Retentions Provision**

It is the company's policy to include a provision against retentions receivable on the basis that these can be long term and are often not settled in full. The provision has been agreed with H M Revenue and Customs at 30%. The resulting gain or loss in each year is recognised in the profit and loss account.

##### **Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

##### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

##### **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

## Mildren Construction Limited

### Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

#### 2 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Hire of plant and machinery	874,064	1,287,378
Hire of other assets (Operating leases)	37,500	37,500
The audit of the company's annual accounts	7,575	7,425
Profit on sale of fixed assets	(41)	(1,863)
Depreciation of owned tangible fixed assets	<u>41,589</u>	<u>56,157</u>

#### 3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2010 No.	2009 No.
Production	50	46
Administration	6	6
Management	<u>6</u>	<u>6</u>
	<u>62</u>	<u>58</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	2,247,718	2,461,900
Social security costs	231,928	233,552
Other pension costs	<u>62,400</u>	<u>68,981</u>
	<u>2,542,046</u>	<u>2,764,433</u>

## Mildren Construction Limited

### Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

#### 4 Directors' remuneration

The directors' remuneration for the year are as follows

	2010 £	2009 £
Directors' remuneration (including benefits in kind)	246,096	247,516
Directors' money purchase schemes	22,780	25,527
Directors' life assurance and health insurance	3,802	5,271
	<u>272,678</u>	<u>278,314</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2010 No.	2009 No.
Money purchase	<u>3</u>	<u>3</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £114,711 (2009 - £116,013), and company pension contributions of £13,650 (2009 - £13,650) were made to a money purchase scheme on their behalf

#### 5 Interest payable and similar charges

	2010 £	2009 £
Other interest payable	<u>6</u>	<u>-</u>

# Mildren Construction Limited

## Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

### 6 Taxation

#### Analysis of current period tax charge

	2010 £	2009 £
<b>Current tax</b>		
Corporation tax charge	17,270	19,501
(Over)/under provision in previous year	-	(1,755)
UK Corporation tax	<u>17,270</u>	<u>17,746</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>2,688</u>	<u>(5,181)</u>
<b>Total tax on profit on ordinary activities</b>	<u>19,958</u>	<u>12,565</u>

#### Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK of 21.00% (2009 - 21.00%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>88,539</u>	<u>72,102</u>
Standard rate corporation tax charge	18,593	15,141
Under/(Over) provision in prior years	-	(1,755)
Expenses not deductible for tax purposes (including goods)	1,048	857
Accelerated capital allowances	<u>(2,371)</u>	<u>3,503</u>
Total current tax for the year	<u>17,270</u>	<u>17,746</u>

# Mildren Construction Limited

## Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
As at 1 July 2009	155,572	55,299	330,465	103,952	645,288
Additions	3,553	-	28,025	1,849	33,427
Disposals	-	-	(15,945)	-	(15,945)
As at 30 June 2010	<u>159,125</u>	<u>55,299</u>	<u>342,545</u>	<u>105,801</u>	<u>662,770</u>
<b>Depreciation</b>					
As at 1 July 2009	115,196	43,583	253,152	101,391	513,322
Eliminated on disposals	-	-	(13,486)	-	(13,486)
Charge for the year	8,482	2,777	27,564	2,766	41,589
As at 30 June 2010	<u>123,678</u>	<u>46,360</u>	<u>267,230</u>	<u>104,157</u>	<u>541,425</u>
<b>Net book value</b>					
As at 30 June 2010	<u>35,447</u>	<u>8,939</u>	<u>75,315</u>	<u>1,644</u>	<u>121,345</u>
As at 30 June 2009	<u>40,376</u>	<u>11,716</u>	<u>77,313</u>	<u>2,561</u>	<u>131,966</u>

**Mildren Construction Limited**  
**Notes to the abbreviated accounts for the Year Ended 30 June 2010**

*continued*

**8 Investments held as fixed assets**

	<b>Other investments £</b>
<b>Cost</b>	
Additions	<u>25,000</u>
<b>Net book value</b>	
As at 30 June 2010	<u><u>25,000</u></u>

The company holds 20% or more of the share capital of the following company

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class</b>	<b>%</b>	<b>Period end</b>
<b>Associated holdings</b>					
Tomicca Consultancy Limited	UK	Business & management consultancy	Ordinary	20	31 March 2010
			<b>Capital &amp; reserves £</b>		<b>Profit/(loss) for the period £</b>
<b>Associated holdings</b>					
Tomicca Consultancy Limited			(6,631)		(56,637)

**9 Stocks and work in progress**

	<b>2010 £</b>	<b>2009 £</b>
Work in progress	<u>522,926</u>	<u>515,477</u>

**10 Debtors**

	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	2,900,151	3,257,900
Other debtors	77,412	22,709
Director current accounts	2,500	-
Prepayments and accrued income	41,529	33,575
	<u><u>3,021,592</u></u>	<u><u>3,314,184</u></u>

# Mildren Construction Limited

## Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

### 11 Creditors: Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	-	422,417
Trade creditors	2,098,192	1,324,104
Corporation tax	17,269	19,501
Social security and other taxes	123,450	179,509
Other creditors	308,864	887,625
Accruals and deferred income	172,092	204,640
	<u>2,719,867</u>	<u>3,037,796</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2010 £	2009 £
Overdraft	-	422,417

The bank hold a debenture over the fixed and floating assets of the company

### 12 Provisions for liabilities

	Deferred tax provision £
As at 1 July 2009	1,546
Deferred tax provision charged to the profit and loss account	2,688
Deferred tax provision utilised in the period	-
As at 30 June 2010	<u>4,234</u>

#### Deferred tax

Deferred tax is provided at 21.00% (2009 - 21.00%)

	2010 £	2009 £
Origination and reversal of timing differences	<u>2,688</u>	<u>1,546</u>

# Mildren Construction Limited

## Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

### 13 Share capital

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
410 Ordinary shares of 5 pence each	<u>20</u>	<u>20</u>

### 14 Reserves

	Share premium reserve £	Other reserves £	Profit and loss reserve £	Total £
Balance at 1 July 2009	23,410	80	902,419	925,909
Transfer from profit and loss account for the year	-	-	68,581	68,581
Balance at 30 June 2010	<u>23,410</u>	<u>80</u>	<u>971,000</u>	<u>994,490</u>

### 15 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit attributable to members of the company	68,581	59,537
New share capital subscribed	-	23,410
Net addition to shareholders' funds	<u>68,581</u>	<u>82,947</u>
Opening shareholders' funds	925,929	842,983
Closing shareholders' funds	<u>994,510</u>	<u>925,929</u>

### 16 Operating lease commitments

As at 30 June 2010 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire.

	Land and Buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Within two and five years	37,500	-	4,464	4,464
Over five years	-	37,500	-	-
	<u>37,500</u>	<u>37,500</u>	<u>4,464</u>	<u>4,464</u>



# Mildren Construction Limited

## Notes to the abbreviated accounts for the Year Ended 30 June 2010

*continued*

### 17 Pension scheme

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £62,400 (2009 - £68,981)

### 18 Reconciliation of operating profit to operating cash flows

	2010 £	2009 £
Operating profit	88,191	55,975
Depreciation, amortisation and impairment charges	41,590	56,157
Profit on disposal of fixed assets	(42)	(1,863)
Increase in stocks	(7,449)	(243,289)
Decrease/(increase) in debtors	292,592	(310,650)
Increase/(decrease) in creditors	106,717	(100,880)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>521,599</b>	<b>(544,550)</b>

### 19 Analysis of cash flows

	2010 £	2009 £
<b>Returns on investment and servicing of finance</b>		
Other interest paid	(7)	-
Interest received	355	16,128
	<b>348</b>	<b>16,128</b>
<b>Taxation</b>		
Taxation paid	(19,500)	(63,145)

### 20 Analysis of net funds/(debt)

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	3,645	24,103	27,748
Bank overdraft	(422,417)	422,417	-
Cash and bank net funds	<b>(418,772)</b>	<b>446,520</b>	<b>27,748</b>
<b>Net funds/(debt)</b>	<b>(418,772)</b>	<b>446,520</b>	<b>27,748</b>

**Mildren Construction Limited**  
**Notes to the abbreviated accounts for the Year Ended 30 June 2010**

*continued*

**21 Related parties**

**Controlling entity**

The company is controlled by the directors who own 100% of the called up share capital

**Directors' advances**

The following balance owed by the directors was outstanding at the year end

<b>Maximum Balance £</b>	<b>2010 £</b>	<b>2009 £</b>
<u>2,500</u>	<u>2,500</u>	<u>-</u>

No interest is charged in respect of this balance