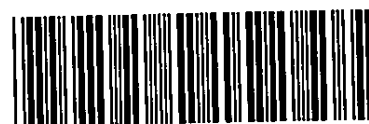


PARENT ACCOUNTS
MILLBROOK (UK) LTD
01728009

**MILLBROOK INDUSTRIES LIMITED
& SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Company Registration Number 03517453

TUESDAY



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**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

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**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements of the group for the year ended 30 June 2013

Principal activities and business review

The Group has several operating units

Millbrook Healthcare operates Community Equipment Service, Wheelchair and similar contracts for NHS Primary Care Trusts and local Councils

Millbrook Painting Services Limited paints and maintains vehicles

Millbrook Furnishing renovates furniture and mattresses

Ultimate Care Group Limited supplies, delivers and maintains mobility and pressure care products to the NHS, businesses and private individuals

Millbrook (UK) Limited (formerly Millbrook Beds Limited) manufactures high quality hand-made pocket sprung beds

The Directors are pleased to report that the Group made a profit before tax and amortisation of goodwill of £2,143,000 (2012 - £2,045,000)

The amortisation of goodwill relates to a restructuring in the period ended June 1999 and is not a cash item that reflects upon the Group's trading. Due to the size of this charge, the Directors have presented a supplementary Profit and Loss Account on page 7 which, while not subject to the auditor's opinion, the reader may find useful in understanding the Group's performance

Millbrook Healthcare, Millbrook Furnishing, Ultimate Care Group Limited and Millbrook Painting Services Limited continue to perform strongly

Millbrook (UK) Limited (formerly Millbrook Beds Limited) continued to suffer the effects of the economic downturn and recorded a loss but work continues to restore it back to profitability

Results and dividends

The profit for the year amounted to £1,269,000 (2012 - £1,684,000). Particulars of dividends paid and proposed are detailed in note 10 to the financial statements

Financial risk management objectives and policies

The Group is exposed to various risks, namely interest rates, bad debts and foreign exchange movements

The Group has a natural partial hedge against US dollar fluctuations as both sales and purchases are made by Group companies in that currency

Bad debts are not insured. Typically, the debts upon which insurance would be desirable are un-insurable and vice versa. The Board has taken the view that the benefits do not justify the costs

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2013

Directors

The directors who served the company during the year were as follows

C Croll
M E Croll
P A J Croll

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2013

Employee involvement

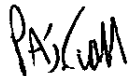
The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group

Auditor

On 1 October 2013, RSM Tenon Audit Limited changed its name to Baker Tilly Audit Limited

Baker Tilly Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



P A J Croll

Director

Approved by the directors on 12 DECEMBER 2013

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY COMPANIES**

YEAR ENDED 30 JUNE 2013

We have audited the group's profit and loss account, the group's statement of total recognised gains and losses, the group's and company's balance sheet, the group's cash flow statement and associated notes of Millbrook Industries Limited & Subsidiary Companies year ended 30 June 2013. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY COMPANIES (continued)**

YEAR ENDED 30 JUNE 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Brookes, Senior Statutory Auditor
For and on behalf of

Baker Tilly Audit Limited
Statutory Auditor
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date - 12 December 2013

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2013

		Year ended 30 June 2013			2012
	Note	Excluding amortisation £000	Amortisation of goodwill £000	Total £000	Total £000
Group turnover	2	60,502	-	60,502	55,537
Cost of sales		(47,755)	-	(47,755)	(44,291)
Gross profit		<u>12,747</u>	<u>-</u>	<u>12,747</u>	<u>11,246</u>
Amortisation of goodwill		-	(534)	(534)	(534)
Depreciation		(1,068)	-	(1,068)	(975)
Other administrative expenses		(8,101)	-	(8,101)	(6,865)
Total administrative expenses		<u>(9,169)</u>	<u>(534)</u>	<u>(9,703)</u>	<u>(8,374)</u>
Distribution costs		(1,518)	-	(1,518)	(1,444)
Other operating income	3	<u>193</u>	<u>-</u>	<u>193</u>	<u>216</u>
Net operating expenses	4	<u>(10,494)</u>	<u>(534)</u>	<u>(11,028)</u>	<u>(9,602)</u>
Operating profit		2,253	(534)	1,719	1,644
Interest payable and similar charges	7	<u>(110)</u>	<u>-</u>	<u>(110)</u>	<u>(133)</u>
Profit on ordinary activities before taxation		<u>2,143</u>	<u>(534)</u>	1,609	1,511
Tax on profit on ordinary activities	8			<u>(340)</u>	173
Profit for the financial year	9			<u>1,269</u>	<u>1,684</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 11 to 25 form part of these financial statements

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NON-STATUTORY PROFORMA GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2013

	2013 £000	2012 £000
Group turnover	60,502	55,537
Cost of sales	(47,755)	(44,291)
Gross profit	<u>12,747</u>	<u>11,246</u>
Administrative expenses (excluding depreciation and amortisation)	(8,101)	(6,865)
Distribution costs	(1,518)	(1,444)
Other operating income	<u>193</u>	<u>216</u>
Earnings before interest, tax, depreciation and amortisation	3,321	3,153
Depreciation	(1,068)	(975)
Net interest payable	<u>(110)</u>	<u>(133)</u>
Profit before amortisation of goodwill	2,143	2,045
Amortisation of goodwill	<u>(534)</u>	<u>(534)</u>
Profit before tax	1,609	1,511
Tax on profit on ordinary activities	(340)	173
Profit for the financial year	<u><u>1,269</u></u>	<u><u>1,684</u></u>

This non-statutory pro forma group profit and loss account is presented as supplementary information. It has been prepared using the recognition and measurement principles but not the presentation requirements of the Companies Act 2006 and Financial Reporting Standard 3. It does not form part of the group's audited financial statements.

The notes on pages 11 to 25 form part of these financial statements

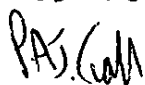
**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

GROUP BALANCE SHEET

30 JUNE 2013

	Note	£000	2013 £000	2012 £000
Fixed assets				
Intangible assets	11		2,581	3,115
Tangible assets	12		7,703	7,446
			<u>10,284</u>	<u>10,561</u>
Current assets				
Stocks	14	4,375		3,421
Debtors	15	11,339		8,744
Cash in hand		694		778
		<u>16,408</u>		<u>12,943</u>
Creditors: Amounts falling due within one year	17	<u>(12,464)</u>		<u>(9,394)</u>
Net current assets			3,944	3,549
Total assets less current liabilities			<u>14,228</u>	<u>14,110</u>
Creditors: Amounts falling due after more than one year	18		(1,781)	(2,629)
Provisions for liabilities				
Provisions for liabilities	21		(23)	(11)
			<u>12,424</u>	<u>11,470</u>
Capital and reserves				
Called-up share capital	27		2,803	2,803
Revaluation reserve	28		1,424	1,424
Other reserves	28		1,455	1,455
Profit and loss account	28		6,742	5,788
Shareholders' funds	29		<u>12,424</u>	<u>11,470</u>

These financial statements were approved by the directors and authorised for issue on 12 December 2013 and are signed on their behalf by


P A J Croll
Director

The notes on pages 11 to 25 form part of these financial statements

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

Registered Number 03517453

BALANCE SHEET

30 JUNE 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	12		5,496		5,535
Investments	13		13,824		13,824
			<u>19,320</u>		<u>19,359</u>
Current assets					
Debtors	15	2,606		1,748	
Cash in hand		5		-	
		<u>2,611</u>		<u>1,748</u>	
Creditors. Amounts falling due within one year	17	<u>(3,765)</u>		<u>(3,680)</u>	
Net current liabilities			<u>(1,154)</u>		<u>(1,932)</u>
Total assets less current liabilities			<u>18,166</u>		<u>17,427</u>
Creditors: Amounts falling due after more than one year	18		<u>(1,552)</u>		<u>(2,357)</u>
			<u>16,614</u>		<u>15,070</u>
Capital and reserves					
Called-up share capital	27		2,803		2,803
Other reserves	28		1,455		1,455
Profit and loss account	28		12,356		10,812
Shareholders' funds			<u>16,614</u>		<u>15,070</u>

These financial statements were approved by the directors and authorised for issue on 12 DECEMBER 2013, and are signed on their behalf by



P A J Croll
Director

The notes on pages 11 to 25 form part of these financial statements

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

GROUP CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2013

	Note	£000	2013 £000	£000	2012 £000
Net cash inflow from operating activities	30		1,320		4,411
Returns on investments and Servicing of finance					
Interest paid		(92)		(128)	
Interest element of hire purchase		(18)		(5)	
Net cash outflow from returns on investments and servicing of finance			(110)		(133)
Taxation			(39)		-
Capital expenditure					
Payments to acquire tangible fixed assets		(1,216)		(823)	
Receipts from sale of fixed assets		13		38	
Net cash outflow from capital expenditure			(1,203)		(785)
Equity dividends paid			(315)		(314)
Cash (outflow)/inflow before financing			(347)		3,179
Financing					
Repayment of other loans		(28)		(27)	
Repayment of bank loans		(763)		(741)	
Repayment of hire purchase		(140)		(70)	
Net cash outflow from financing			(931)		(838)
(Decrease)/increase in cash	30		(1,278)		2,341

The notes on pages 11 to 25 form part of these financial statements

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 June 2013. Profits or losses on intra-group transactions are eliminated in full.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life of 20 years.

Turnover

Turnover is the amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

Revenue from the sale of goods is recognised when the group has transferred the significant risks and rewards of ownership of the goods to the buyer, which is generally considered to be when the customer has taken undisputed delivery of the goods. Revenue from the sale of services is recognised when services have been provided and the right to consideration has been earned.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill - 20 years

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation or valuation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Property	- 2.5% straight line
Leasehold Property	- 2% straight line
Plant & Machinery	- 10% straight line
Fixtures & Fittings	- 10%-33% straight line
Tools & Equipment	- 10%-33% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

1 Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire Purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a sum of the digits basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

1 Accounting policies *(continued)*

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit. Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

Investments

Investments in subsidiary undertakings are included at cost, being purchase price, less any provision for diminution in value.

2. Turnover

The group has supplied the following geographical markets

	2013	2012
	£000	£000
European Union	55,411	47,565
Middle East	5,091	7,972
	<u>60,502</u>	<u>55,537</u>

Turnover is attributable to the activities of the group as follows

	2013	2012
	£000	£000
Healthcare mobility contracts and healthcare goods sales	43,932	37,296
Renovation and refurbishment contracts	12,719	13,389
Manufacture of beds	3,851	4,852
	<u>60,502</u>	<u>55,537</u>

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

3. Other operating income

	2013	2012
	£000	£000
Rent receivable	180	186
Other operating income	13	30
	<u>193</u>	<u>216</u>

4. Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	£000	£000
Amortisation of intangible assets	534	534
Depreciation of owned fixed assets	931	951
Depreciation of assets held under hire purchase agreements	137	24
Loss/(profit) on disposal of fixed assets	15	(4)
Auditor's remuneration		
- as auditor	20	4
- as auditor of subsidiary companies	-	28
- for taxation services	15	15
Operating lease costs		
-Plant and machinery	425	1,041
-Land & buildings	847	711
Net (profit)/loss on foreign currency translation	<u>28</u>	<u>(44)</u>

5 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2013	2012
	No	No
Average number of employees	<u>467</u>	<u>418</u>

The aggregate payroll costs of the above were

	2013	2012
	£000	£000
Wages and salaries	11,470	10,608
Social security costs	984	898
Other pension costs	250	235
	<u>12,704</u>	<u>11,741</u>

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£000	£000
Remuneration receivable	439	402
Value of company pension contributions to money purchase schemes	40	29
	<u>479</u>	<u>431</u>

Remuneration of highest paid director

	2013	2012
	£000	£000
Total remuneration (excluding pension contributions)	<u>216</u>	<u>216</u>

The number of directors accruing benefits under company pension schemes was as follows

	2013	2012
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

7. Interest payable and similar charges

	2013	2012
	£000	£000
Interest payable on bank borrowing	92	128
Finance charges	18	5
	<u>110</u>	<u>133</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013	2012
	£000	£000
UK Corporation tax	396	25
Under provision in prior years	-	25
	<u>396</u>	<u>50</u>
Deferred tax		
Origination and reversal of timing differences	(56)	(223)
Tax on profit on ordinary activities	<u>340</u>	<u>(173)</u>

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

8. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.75% (2012 - 25.5%)

	2013	2012
	£000	£000
Profit on ordinary activities before taxation	<u>1,609</u>	<u>1,511</u>
Profit on ordinary activities by rate of tax	382	385
Effects of		
Non taxable income less expenses not deductible for tax purposes	(139)	(414)
Capital allowances for period in excess of depreciation	42	(4)
Utilisation of tax losses	(16)	(78)
Amounts in respect of prior years	-	25
Amortisation of goodwill	127	136
Total current tax (note 8(a))	<u>396</u>	<u>50</u>

9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,859,000 (2012 £1,724,000)

10 Dividends

Equity dividends

	2013	2012
	£000	£000
Paid during the year		
Equity dividends on ordinary shares	<u>315</u>	<u>314</u>

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
COMPANIES**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

11. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 July 2012 and 30 June 2013	10,722
Amortisation	
At 1 July 2012	7,607
Charge for the year	534
At 30 June 2013	8,141
Net book value	
At 30 June 2013	2,581
At 30 June 2012	3,115

12 Tangible fixed assets

Group	Freehold Property £000	Leasehold Property £000	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
Cost or valuation					
At 1 July 2012	5,565	946	3,200	1,894	11,605
Additions	5	562	305	481	1,353
Disposals	-	(18)	(30)	(7)	(55)
At 30 June 2013	5,570	1,490	3,475	2,368	12,903
Depreciation					
At 1 July 2012	63	411	2,364	1,321	4,159
Charge for the year	54	334	305	375	1,068
On disposals	-	(4)	(19)	(4)	(27)
At 30 June 2013	117	741	2,650	1,692	5,200
Net book value					
At 30 June 2013	5,453	749	825	676	7,703
At 30 June 2012	5,502	535	836	573	7,446

The freehold properties were revalued by Vail Williams LLP, a firm of qualified Chartered Surveyors, in December 2010 at open market value. The figures stated above for cost or valuation of freehold land and buildings comprise a 2010 valuation. In the opinion of the directors this represents open market value.

If freehold properties had not been revalued, they would have been included on the historical cost basis at the following amounts:

	£000
Cost	4,341
Accumulated depreciation	(765)
Net book value at 30 June 2013	3,576
Net book value at 30 June 2012	3,605

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YEAR ENDED 30 JUNE 2013

12 Tangible fixed assets (continued)

Hire purchase agreements

Included within the net book value of £7,703,000 is £422,000 (2012 - £422,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £137,000 (2012 - £24,000)

Company	Freehold Property £000	Fixtures & Fittings £000	Total £000
Cost or valuation			
At 1 July 2012	5,565	55	5,620
Additions	5	32	37
At 30 June 2013	<u>5,570</u>	<u>87</u>	<u>5,657</u>
Depreciation			
At 1 July 2012	63	22	85
Charge for the year	54	22	76
At 30 June 2013	<u>117</u>	<u>44</u>	<u>161</u>
Net book value			
At 30 June 2013	<u>5,453</u>	<u>43</u>	<u>5,496</u>
At 30 June 2012	<u>5,502</u>	<u>33</u>	<u>5,535</u>

13 Investments

Company	Group companies £000
Cost	
At 1 July 2012 and 30 June 2013	<u>13,824</u>
Net book value	
At 30 June 2013 and 30 June 2012	<u>13,824</u>

At 30 June 2013 the group held the entire allotted ordinary share capital of the following subsidiary undertakings, all of which are registered in England and Wales apart from Millbrook Painting Services Limited and Millbrook International Services Limited which are incorporated in Jersey

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13 Investments (continued)

Subsidiary undertakings	Principal activity
Millbrook (UK) Limited (formerly Millbrook Beds Limited)	Manufacture of beds and upholstered furniture
Millbrook Furnishing Industries Limited	Manufacture and renovation of furniture, metal furnishings, wheelchair and community equipment contracts
Ultimate Care Group Limited	Sale of healthcare goods
OEP Furniture Limited	Supply of furniture
Millbrook Painting Services Limited	Painting of vehicles
Millbrook International Services Limited	Painting of vehicles
Rise and Shine Limited	Dormant
Millbrook Industrial Contracts Limited	Dormant
Millbrook Healthcare Limited	Dormant
Beard Brothers Limited	Dormant
The Handmade Bed Company Limited *	Dormant
The Perfect Sleep Company	Dormant
The Original Sleep Company	Dormant
Ultimate Healthcare Limited *	Dormant
Millbrook Beds Limited (formerly Millbrook (UK) Limited)	Dormant

Trendsinteriors Limited, a dormant subsidiary, was dissolved on 14 May 2013

Millbrook (UK) Limited (formerly Millbrook Beds Limited), Millbrook Furnishing Industries Limited, Ultimate Care Group Limited and OEP Furniture Limited are all exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of S 479A of the Companies Act 2006

* Held indirectly

14 Stocks

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Raw materials	3,044	2,600	-	-
Work in progress	180	126	-	-
Finished goods	1,151	695	-	-
	<u>4,375</u>	<u>3,421</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	9,015	6,878	-	-
Amounts owed by group undertakings	-	-	2,570	1,635
VAT recoverable	-	-	-	6
Other debtors	817	574	1	1
Deferred taxation (Note 16)	279	223	-	-
Prepayments and accrued income	1,228	1,069	35	106
	<u>11,339</u>	<u>8,744</u>	<u>2,606</u>	<u>1,748</u>

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16. Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Asset brought forward	223	-	-	-
Credit for the year	56	223	-	-
Asset carried forward	<u>279</u>	<u>223</u>	<u>-</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of depreciation over taxation allowances	275	8	223	(4)
Tax losses available	-	76	-	96
Other timing differences	4	3	-	2
	<u>279</u>	<u>87</u>	<u>223</u>	<u>94</u>

17. Creditors Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	30	28	30	28
Bank loans and overdrafts	2,240	1,034	440	492
Trade creditors	6,331	4,443	147	309
Amounts owed to group undertakings	-	-	2,997	2,748
Hire purchase agreements	147	107	-	-
Other creditors including taxation and social security				
Corporation tax	406	50	-	-
PAYE and social security	827	862	61	24
Other creditors	904	1,268	8	79
Accruals and deferred income	1,579	1,602	82	-
	<u>12,464</u>	<u>9,394</u>	<u>3,765</u>	<u>3,680</u>

The bank loan, overdrafts and hire purchase are secured as stated in note 18

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18. Creditors Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	58	88	58	88
Bank loans	1,494	2,269	1,494	2,269
Hire purchase agreements	229	272	-	-
	<u>1,781</u>	<u>2,629</u>	<u>1,552</u>	<u>2,357</u>

The bank loan is secured by a fixed charge over the group's freehold property and a floating charge over the group's other assets, and by an unlimited guarantee given by subsidiary undertakings. Hire purchase liabilities are secured on the assets to which they relate.

The bank loan is repayable in fixed monthly instalments and interest is charged at a margin over LIBOR.

Loan maturity analysis

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
In one year or less on demand	2,270	1,062	470	520
In more than 1 year but not more than 2 years	373	709	373	709
In more than 2 years but not more than 5 years	1,179	1,365	1,179	1,365
In more than 5 years	-	283	-	283
	<u>3,822</u>	<u>3,419</u>	<u>2,022</u>	<u>2,877</u>

19 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Amounts payable within 1 year	147	107	-	-
Amounts payable between 1 and 2 years	128	112	-	-
Amounts payable between 3 and 5 years	101	160	-	-
	<u>376</u>	<u>379</u>	<u>-</u>	<u>-</u>

20. Pensions

The group operates defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from the group. The pension costs for the year total £250,000 (2012 - £235,000). As at the year end the group owed £30,000 (2012 - £32,000) to the pension scheme.

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21. Provisions for liabilities

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Warranty provision:				
At 1 July 2012	11	47	-	-
Provided/(utilised) during the year	12	(36)	-	-
	<u>23</u>	<u>11</u>	<u>-</u>	<u>-</u>
Total at 30 June 2013				

22 Derivatives

During the financial year the group held financial instruments that qualified as derivatives in order to manage its interest rate risks arising from its operations

The group has two fixed rate loans, the interest paid on these loans is deemed not to be materially different to that charged on similar variable rate loans

23. Commitments under operating leases

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	2013		2012	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire				
Within 1 year	257	249	56	137
Within 2 to 5 years	381	188	574	270
	<u>638</u>	<u>437</u>	<u>630</u>	<u>407</u>

24 Contingencies

The company has provided an unlimited guarantee in respect of the bank borrowings of its subsidiary undertakings which at 30 June 2013 amounted to £1,383,000 (2012 - £nil)

25 Transactions with the directors

Dividends totalling £315,000 (2012 - £314,000) were paid to the directors during the year

At the year end C Croll owed the company £1,098 (2012 - £nil) and M Croll owed the company £nil (2012 - £1,040)

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26. Related party transactions

The company has taken advantage of the exemption conferred by FRS8, from disclosing details of transactions and outstanding balances with other group companies

27 Share capital

Allotted, called up and fully paid

	2013	£000	2012	£000
	No		No	
5,605,246 Ordinary shares of £0 50 each	<u>5,605,246</u>	<u>2,803</u>	<u>5,605,246</u>	<u>2,803</u>

28. Reserves

Group

	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
Balance brought forward	1,424	1,455	5,788
Profit for the year	-	-	1,269
Equity dividends	-	-	(315)
Balance carried forward	<u>1,424</u>	<u>1,455</u>	<u>6,742</u>

Company

	Capital redemption reserve £000	Profit and loss account £000
Balance brought forward	1,455	10,812
Profit for the year	-	1,859
Equity dividends	-	(315)
Balance carried forward	<u>1,455</u>	<u>12,356</u>

29 Reconciliation of movements in shareholders' funds

	2013	2012
	£000	£000
Profit for the financial year	1,269	1,684
Equity dividends	(315)	(314)
Net addition to shareholders' funds	<u>954</u>	<u>1,370</u>
Opening shareholders' funds	<u>11,470</u>	<u>10,100</u>
Closing shareholders' funds	<u>12,424</u>	<u>11,470</u>

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30 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£000	£000
Operating profit	1,719	1,644
Amortisation	534	534
Depreciation	1,068	975
Loss/(profit) on disposal of fixed assets	15	(4)
(Increase)/decrease in stocks	(954)	355
(Increase)/decrease in debtors	(2,540)	1,103
Increase/(decrease) in creditors	1,466	(160)
Increase/(decrease) in provisions	12	(36)
Net cash inflow from operating activities	<u>1,320</u>	<u>4,411</u>

Reconciliation of net cash flow to movement in net debt

	2013		2012	
	£000	£000	£000	£000
(Decrease)/increase in cash in the period	(1,278)		2,341	
Net cash outflow from other loans	28		27	
Net cash outflow from bank loans	763		741	
Cash outflow in respect of hire purchase	<u>140</u>		<u>70</u>	
Change in net debt		(347)		3,179
New hire purchase agreements		<u>(137)</u>		<u>(449)</u>
Net debt at 1 July 2012		(3,021)		(5,751)
Net debt at 30 June 2013		<u>(3,505)</u>		<u>(3,021)</u>

Analysis of changes in net debt

	At 1 July 2012 £000	Cash flows £000	Other movements £000	At 30 June 2013 £000
Net cash				
Cash in hand and at bank	778	(84)	-	694
Overdrafts	(586)	(1,194)	(20)	(1,800)
	<u>192</u>	<u>(1,278)</u>	<u>(20)</u>	<u>(1,106)</u>
Debt				
Debt due within 1 year	(477)	7	-	(470)
Debt due after 1 year	(2,357)	804	-	(1,553)
Hire purchase agreements	(379)	140	(137)	(376)
	<u>(3,213)</u>	<u>951</u>	<u>(137)</u>	<u>(2,399)</u>
Net debt	<u>(3,021)</u>	<u>(327)</u>	<u>(157)</u>	<u>(3,505)</u>

**MILLBROOK INDUSTRIES LIMITED & SUBSIDIARY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

30 Notes to the cash flow statement (*continued*)

During the year the group entered into hire purchase agreements with a total value at inception of £137,000

31. Ultimate controlling party

C Croll is the group's controlling related party by virtue of a majority holding in the ordinary shares