

Company Registration No. 00552229 (England and Wales)

BANKS MILLS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
PAGES FOR FILING WITH REGISTRAR



BANKS MILLS LIMITED

COMPANY INFORMATION

Directors	M C Banks OBE R L Banks
Secretary	G L Carney
Company number	00552229
Registered office	29 St Neots Road Sandy Beds SG19 1LE
Accountants	Ensors Accountants LLP Warwick House Ermine Business Park Spitfire Close Huntingdon Cambs PE29 6XY

BANKS MILLS LIMITED

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BANKS MILLS LIMITED

BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3	120,881		129,810	
Investment properties	4	12,633,587		12,914,758	
		<u>12,754,468</u>		<u>13,044,568</u>	
Current assets					
Debtors falling due within one year	5	299,488	218,059		
Debtors falling due after one year	5	852,227	936,678		
Cash at bank and in hand		1,516,036	1,007,071		
		<u>2,667,751</u>	<u>2,161,808</u>		
Creditors: amounts falling due within one year	6	<u>(5,784,431)</u>	<u>(6,169,493)</u>		
Net current liabilities		<u>(3,116,680)</u>		<u>(4,007,685)</u>	
Total assets less current liabilities		<u>9,637,788</u>		<u>9,036,883</u>	
Provisions for liabilities	8	<u>(466,210)</u>		<u>(520,649)</u>	
Net assets		<u>9,171,578</u>		<u>8,516,234</u>	
Capital and reserves					
Called up share capital	9	300	300		
Profit and loss reserves	10	9,171,278	8,515,934		
Total equity		<u>9,171,578</u>	<u>8,516,234</u>		

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

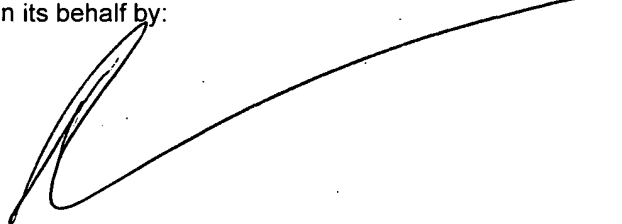
BANKS MILLS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2016

The financial statements were approved by the board of directors and authorised for issue on 25 April 2017 and are signed on its behalf by:

R L Banks
Director

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Company Registration No. 00552229

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

Company information

Banks Mills Limited is a private company limited by shares incorporated in England and Wales. The registered office is 29 St Neots Road, Sandy, Beds, SG19 1LE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 July 2016 are the first financial statements of Banks Mills Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

1.2 Going concern

The directors have considered the trading and cash flows for a period 12 months from the signing of the financial statements. These show that with the continued support of the group, the company can meet its liabilities as they fall due for the foreseeable future. Therefore the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Turnover represents amounts derived from ordinary activities, and is stated net of VAT and trade discounts. Turnover is measured at the fair value of the consideration due, and is derived from two primary sources:

1. Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2. Developed property sales

Revenue from developed property sales is recognised on completion of contract.

The company does not undertake sales under long-term contracts or contracts for on-going services.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2-10% straight line
Plant and machinery	10-33% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different to those in which they are recognised in the financial statements.

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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Group relief

It is the group's policy to charge for tax losses surrendered by way of group relief at the rate prevailing at the end of the financial period in respect of which relief is given.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2015 and 31 July 2016	154,817	127,325	282,142
Depreciation and impairment			
At 1 August 2015	47,252	105,080	152,332
Depreciation charged in the year	2,460	6,469	8,929
At 31 July 2016	49,712	111,549	161,261
Carrying amount			
At 31 July 2016	105,105	15,776	120,881
At 31 July 2015	107,565	22,245	129,810

4 Investment property

	2016 £
Fair value	
At 1 August 2015	12,914,758
Additions	388,039
Disposals	(669,210)
At 31 July 2016	12,633,587

The valuations of the investment properties were made as at 31 July 2016 by the directors of the company. The directors valued the properties on an open market value for existing use basis, based on their knowledge of the local property market and the return an investor would expect to receive from commercial let property.

If the investment properties were not stated on a fair value basis, they would have been included on the historical cost basis at £8,241,044 (2015 - £8,178,090).

The directors review the investment property valuations annually, and consider that the valuations in the accounts are not significantly different from open market value.

All investment properties are held for use in operating leases.

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	99,634	101,367
Corporation tax recoverable	95,358	-
Amounts due from group undertakings	2,908	-
Other debtors	101,588	116,692
	<u>299,488</u>	<u>218,059</u>
Amounts falling due after more than one year:		
Other debtors	<u>852,227</u>	<u>936,678</u>
Total debtors	<u>1,151,715</u>	<u>1,154,737</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	14,468	8,542
Amounts due to group undertakings	5,465,425	5,713,198
Corporation tax	67,271	263,663
Other taxation and social security	41,883	24,066
Other creditors	195,384	160,024
	<u>5,784,431</u>	<u>6,169,493</u>

7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	466,210	520,649
	<u>466,210</u>	<u>520,649</u>

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

8 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	126,265	135,380
Investment property	339,945	385,269
	<u>466,210</u>	<u>520,649</u>
Movements in the year:		2016 £
Liability at 1 August 2015		520,649
Credit to profit or loss		(54,439)
Liability at 31 July 2016		<u>466,210</u>

The deferred tax liability set out above that is expected to reverse within 12 months is that relating to accelerated capital allowances that are expected to mature within the same period.

9 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
300 Ordinary shares of £1 each	<u>300</u>	<u>300</u>

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

10 Profit and loss reserves

	2016 £	2015 £
At the beginning of the year	4,164,535	2,528,653
Effect of transition to FRS 102	(385,269)	(178,331)
Effect of transition to FRS 102 - Transfer of revaluation reserve	4,736,668	4,237,880
As restated	8,515,934	6,588,202
Profit for the year	655,344	1,927,732
At the end of the year	9,171,278	8,515,934

Included within retained earnings are non distributable reserves of £4,052,598 (2015 - £4,351,399).

11 Financial commitments, guarantees and contingent liabilities

The company has a cross guarantee with the other group companies. At 31 July 2016 the potential liability was £nil (2015 - £nil).

In the current year the company provided security to the SCB Holdings (Sandy) Limited Pension Fund up to a maximum of £3,000,000 (2015 - £3,000,000). This amount has been secured against specific investment properties of the company.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2016 £	2015 £
228,325	246,470

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of tangible fixed assets	-	360,000

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

14 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

The bank overdraft is secured by a cross guarantee with the group companies subject to a limit of £2,000,000.

No guarantees have been given or received.

15 Parent company

The immediate parent undertaking is SCB Holdings (Sandy) Limited.

The ultimate holding company and controlling related party is Sanwalton Limited, a company registered in England and Wales.

16 Reconciliations on adoption of FRS 102

This is the first year that the company has presented its financial statements in accordance with FRS 102. For the financial years up to and including 31 July 2015 the company prepared its financial statements in accordance with old UK GAAP. This note sets out the changes to the accounting policies and the transitional adjustments that are required to be made for first time transition to FRS 102. The company's opening equity position and its previously published financial statements have been restated from old UK GAAP.

Reconciliation of equity

	Notes	1 st August 2014 £	31 st July 2015 £
Equity as reported under previous UK GAAP		6,766,833	8,901,503
Adjustments arising from transition to FRS 102:			
Deferred tax on investment properties	(ii)	(178,331)	(385,269)
Equity reported under FRS 102		<u>6,588,502</u>	<u>8,516,234</u>

BANKS MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

16 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		1,009,182
Adjustments arising from transition to FRS 102:		
Revaluation gain on investment property previously in RR	(i)	1,125,488
Deferred tax on investment properties	(ii)	(206,938)
Profit reported under FRS 102		<u>1,927,732</u>

Notes to reconciliations on adoption of FRS 102

(i) - Investment property revaluation

Previously the revaluation gain on investment properties was included in the revaluation reserve so was not included in the profit and loss account.

(ii) - Deferred tax

As required by FRS 102 deferred tax has been provided for the potential capital gains that would arise if the investment properties were to be disposed of at the balance sheet date.