



Financial statements

J A Jones & Sons(Churchtown) Limited

For the year ended 30 September 2009



Company No 1697442

Company information

Company registration number	1697442
Registered office	99 Bankfield Lane Southport Merseyside PR9 7NT
Directors	C I Hesketh N C Aubrey S A Jones M G Vickers
Secretary	S Trebble
Bankers	National Westminster Bank plc PO Box 54 35 Fishergate Preston Lancs PR1 2BY
Solicitors	Hammonds LLP Trinity Court 16 John Dalton Street Manchester M60 8HS
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS

Index

Report of the directors	3 - 4
Report of the chartered accountants	5
Principal accounting policies	6 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 20

Report of the directors

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2009

Principal activities

The company is principally engaged in the production and wholesale distribution of hardy nursery stock.

Business review

Based in the North of England, J A Jones & Sons is generally regarded throughout the industry as a well established wholesale supplier of a large range of trees and shrubs, and a company which prides itself on the quality of its product and on its ability to supply to tight deadlines

For most businesses, especially those associated with the building trade, this has been one of the most difficult years that they have ever experienced. The recession in the Property Development Market coupled with decline of the Pound against the Euro, has left most businesses in the nursery trade struggling. Some have retired or gone out of business and most are recording losses this year.

The Directors have, over the last ten years, established a sound, professional and experienced sales, marketing, IT and finance team. They have built up a dedicated team of field workers backed by continued investment in machinery and equipment. They feel that their investment in the company, and in market place expansion and development, in spite of strong competition, has helped the company survive through this difficult period.

The company made an operating profit of £12,132 (2008 £177,662) and a post tax loss of £53,814 (2008 profit £73,085).

The Directors intend to continue to progress and develop the company and are confident that their commitment in the past, has allowed the company to maintain the respected position that it currently enjoys within the horticultural market.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Report of the directors

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 22 to the financial statements

Directors

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

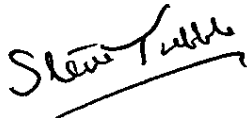
C I Hesketh
N C Aubrey
S A Jones
M G Vickers

Donations

During the year the company made the following contributions

	2009	2008
	£	£
Charitable	<u>60</u>	<u>260</u>

BY ORDER OF THE BOARD



S Trebble
Secretary

22 12 2009



Chartered accountants' report to the board of directors on the unaudited financial statements of J A Jones & Sons (Churchtown) Limited

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 September 2009 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

A large, stylized handwritten signature in black ink that reads "Grant Thornton UK LLP".

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
LIVERPOOL

21 January 2010

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold buildings	4% reducing balance
Greenhouse and equipment	15% reducing balance
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Freehold land and Land option	not depreciated

Stocks

Stocks are valued at the lower of cost and net realisable value

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

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

Principal accounting policies

Contributions to pension schemes

The company operates a self administered money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

The company also operates a group personal pension plan, which is a defined contribution scheme, available to all employees and to which the company can, at its discretion, make voluntary contributions.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. 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.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Principal accounting policies

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	3,544,425	4,430,107
Cost of sales		2,631,146	3,324,190
Gross profit		913,279	1,105,917
Other operating charges		908,247	937,055
Other operating income	3	(7,100)	(8,800)
Operating profit		12,132	177,662
(Loss)/profit on disposal of fixed assets	5	(588)	11,706
Interest payable and similar charges	6	77,012	112,812
(Loss)/profit on ordinary activities before taxation		(65,468)	76,556
Tax on (loss)/profit on ordinary activities	7	11,654	(3,471)
(Loss)/profit for the financial year	20	(53,814)	73,085

All of the activities of the company are classed as continuing

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

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	9	<u>297,359</u>	<u>346,873</u>
Current assets			
Stocks	10	1,670,548	1,666,236
Debtors	11	513,589	584,935
Cash in hand		589	—
		<u>2,184,726</u>	<u>2,251,171</u>
Creditors: amounts falling due within one year	12	<u>1,501,644</u>	<u>1,569,067</u>
Net current assets		<u>683,082</u>	<u>682,104</u>
Total assets less current liabilities		<u>980,441</u>	<u>1,028,977</u>
Creditors: amounts falling due after more than one year	13	<u>421,833</u>	<u>401,061</u>
		<u>558,608</u>	<u>627,916</u>
Provisions for liabilities			
Deferred taxation	14	9,061	14,555
		<u>549,547</u>	<u>613,361</u>
Capital and reserves			
Called-up equity share capital	18	550,000	550,000
Profit and loss account	19	(453)	63,361
Shareholders' funds	20	<u>549,547</u>	<u>613,361</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements were approved by the directors and authorised for issue on 22 12 2009 and are signed on their behalf by

N C Aubrey 

Director

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the company's principal activity which was carried out wholly in the United Kingdom

The profit on ordinary activities before taxation is stated after

	2009 £	2008 £
Depreciation		
Tangible fixed assets owned	29,006	23,126
Tangible fixed assets held under finance leases and hire purchase contracts	27,720	40,168
Operating lease rentals		
Land and buildings	70,990	61,904
Plant and equipment	904	1,062
	<u>7,100</u>	<u>8,800</u>
Other operating income includes		
Rent receivable	<u>7,100</u>	<u>8,800</u>

2 Other operating charges

	2009 £	2008 £
Distribution costs	226,491	255,292
Administrative expenses	681,756	681,763
	<u>908,247</u>	<u>937,055</u>

3 Other operating income

	2009 £	2008 £
Rent receivable	<u>7,100</u>	<u>8,800</u>

4 Directors and employees

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

	2009	2008
	No	No
Average number of staff	<u>61</u>	<u>61</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	1,172,780	1,203,249
Social security costs	115,897	116,480
	<u>1,288,677</u>	<u>1,319,729</u>

Staff costs include remuneration in respect of directors, as follows

	2009	2008
	£	£
Emoluments receivable	152,294	147,836
Value of company pension contributions to money purchase schemes	3,722	4,982
	<u>156,016</u>	<u>152,818</u>

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

	2009	2008
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5 Loss/profit on disposal of fixed assets

	2009	2008
	£	£
(Loss)/profit on disposal of fixed assets	<u>(588)</u>	<u>11,706</u>

6 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	32,113	40,489
Finance charges payable under hire purchase agreements	10,464	11,190
Interest on other loans	34,435	61,133
	<u>77,012</u>	<u>112,812</u>

7 Taxation on ordinary activities

Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2008 - 20 50%)	<u>(6,160)</u>	<u>11,762</u>
Total current tax	<u>(6,160)</u>	<u>11,762</u>
Deferred tax		
Origination and reversal of timing differences	<u>(5,494)</u>	<u>(8,291)</u>
Tax on (loss)/profit on ordinary activities	<u>(11,654)</u>	<u>3,471</u>

8 Dividends

Dividends on shares classed as equity

	2009 £	2008 £
Paid during the year		
Preference dividend of 2p per share (2008 4p)	<u>10,000</u>	<u>20,000</u>

9 Tangible fixed assets

	Freehold buildings including option £	Plant and machinery £	Greenhouses and equipment £	Motor vehicles £	Land £	Total £
Cost						
At 1 Oct 2008	76,020	510,082	257,813	166,495	15,000	1,025,410
Additions	4,300	—	—	4,900	—	9,200
Disposals	—	(24,615)	—	—	—	(24,615)
At 30 Sep 2009	<u>80,320</u>	<u>485,467</u>	<u>257,813</u>	<u>171,395</u>	<u>15,000</u>	<u>1,009,995</u>
Depreciation						
At 1 Oct 2008	4,326	340,730	229,381	104,100	—	678,537
Charge for the year	976	33,689	4,264	17,797	—	56,726
On disposals	—	(22,627)	—	—	—	(22,627)
At 30 Sep 2009	<u>5,302</u>	<u>351,792</u>	<u>233,645</u>	<u>121,897</u>	<u>—</u>	<u>712,636</u>
Net book value						
At 30 Sep 2009	<u>75,018</u>	<u>133,675</u>	<u>24,168</u>	<u>49,498</u>	<u>15,000</u>	<u>297,359</u>
At 30 Sep 2008	<u>71,694</u>	<u>169,352</u>	<u>28,432</u>	<u>62,395</u>	<u>15,000</u>	<u>346,873</u>

9 Tangible fixed assets (continued)

Included within the net book value of £297,359 is £113,725 (2008 - £174,493) 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 £27,720 (2008 - £40,168)

10 Stocks

	2009	2008
	£	£
Trees and shrubs	1,623,577	1,633,372
Pots, containers and consumables	46,971	32,864
	<u>1,670,548</u>	<u>1,666,236</u>

11 Debtors

	2009	2008
	£	£
Trade debtors	503,239	572,785
Other debtors	10,350	12,150
	<u>513,589</u>	<u>584,935</u>

Part of the trade debtors are subject to a factoring agreement with a debt factoring company. All debts subject to the factoring agreement are secured.

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank loan and overdraft	716,570	748,985
Trade creditors	558,758	607,075
Corporation tax	5,602	11,762
Other taxation and social security	90,651	53,560
Amounts due under hire purchase agreements	33,128	51,502
Other creditors	—	4,000
Directors current account	77,400	58,000
Accruals and deferred income	19,535	34,183
	<u>1,501,644</u>	<u>1,569,067</u>

The directors current account by agreement with the company's Board is unsecured, non interest bearing and repayable at the discretion of the director.

13 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Finance leases	31,833	65,061
Bank loan	140,000	86,000
Redeemable preference shares (note 12)	250,000	250,000
	<u>421,833</u>	<u>401,061</u>

Obligations under finance leases are repayable as follows

	2009 £	2008 £
Between one and two years	22,946	33,229
Between two and five years	8,887	31,832
	<u>31,833</u>	<u>65,061</u>

All external borrowings (excluding preference share redemption obligations and directors current accounts) are repayable as follows

	2009 £	2008 £
Within one year	749,698	886,487
Between one and two years	162,946	33,229
Between two and five years	8,887	31,832
	<u>921,531</u>	<u>951,548</u>

All bank and other borrowing is secured by a fixed and floating charge over the assets of the company

The bank overdraft and loan are also partly secured by limited personal guarantees made by certain directors

The bank loan is repayable by monthly instalments of £6,000

Interest is charged on the bank loan at 3.65% per annum over the bank's base rate

The obligations under finance leases are secured on the finance lease assets included under tangible assets

14 Deferred taxation

The movement in the deferred taxation provision during the year was

	2009	2008
	£	£
Provision brought forward	14,555	22,846
Profit and loss account movement arising during the year	(5,494)	(8,291)
Provision carried forward	<u>9,061</u>	<u>14,555</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>9,061</u>	<u>14,555</u>

15 Leasing commitments

At 30 September 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	22,380	-	24,255	-
Within 2 to 5 years	-	960	-	1,062
After more than 5 years	48,610	-	48,610	-
	<u>70,990</u>	<u>960</u>	<u>72,865</u>	<u>1,062</u>

16 Contingent liabilities

As of 30 September 2009 there was a £10,000 contingent liability regarding the payment of dividends on preference shareholdings. This amount is contingent on future distributable reserves from which the dividend will be paid.

17 Transactions involving directors and related parties

The company leases from the following directors and other related parties, the under mentioned land and property, used as growing sites at the annual rentals shown

	2009 £	2008 £
N C Aubrey Land at 144 Southport Road, Tarleton	11,544	10,784
S A Jones Land at 99 Bankfield Lane, Southport	5,772	5,392
Churchtown Estates Limited, a company in which C I Hesketh is a principal shareholder and director	<u>17,602</u>	<u>16,574</u>

During the year the company had the following transactions with J A Jones & Sons (Churchtown) Limited Retirement Benefit Scheme

	2009 £	2008 £
Rent payable in respect of land at Gravel Lane, Banks	<u>9,000</u>	<u>9,000</u>

At 30 September 2009 £10,350 was due from the company pension scheme and is included in other debtors. N C Aubrey and S A Jones are trustees of the J A Jones & Sons (Churchtown) Limited Retirement Benefit Scheme. During the year the company paid Meols Hall Events Limited, of which C I Hesketh is a director, an amount of £11,000 in respect of land management consultancy fees, and J Gildert, the wife of a deceased former shareholder, £4,300 in respect of a property option.

18 Share capital

Authorised share capital

	2009 £	2008 £
600,000 Ordinary shares of £1 each	600,000	600,000
200,000 'A' 8% Redeemable Cumulative Preference shares of £1 each	200,000	200,000
50,000 'B' 8% Redeemable Cumulative Preference shares of £1 each	50,000	50,000
	<u>850,000</u>	<u>850,000</u>

Allotted, called up and fully paid

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	550,000	550,000	550,000	550,000
'A' 8% Redeemable Cumulative Preference shares of £1 each	200,000	200,000	200,000	200,000
'B' 8% Redeemable Cumulative Preference shares of £1 each	50,000	50,000	50,000	50,000
	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

18 Share capital (continued)

	2009	2008
	£	£
Amounts presented in equity		
Ordinary shares of £1 each	<u>550,000</u>	<u>550,000</u>
Amounts presented in liabilities		
'A' 8% Redeemable Cumulative Preference shares of £1 each	200,000	200,000
'B' 8% Redeemable Cumulative Preference shares of £1 each	<u>50,000</u>	<u>50,000</u>
	<u>250,000</u>	<u>250,000</u>

Summary of rights attaching to each class of share

Voting rights:

- Equity holders - one vote per share
- Preference holders - where dividend not paid within 28 days or redemption not occurred or abrogation of class rights when one vote per share

Dividend rights:

- "A" and "B" Redeemable Cumulative Preference shares - 8% fixed Cumulative Preferential dividend per annum
- Preferred Ordinary and Ordinary shares - Cumulative participating dividend equal to 20% of net profit, any further dividend to be paid pari passu

Priority and amounts receivable on a winding up:

- First - "B" Preference shares - dividend arrears
- Second - "B" Preference shares - issue price
- Third - "A" Preference shares - dividend arrears
- Fourth - "A" Preference shares - issue price
- Fifth - Preferred Ordinary shares - issue price
- Sixth - Ordinary shares - issue price
- Seventh - Preferred Ordinary and Ordinary shares - dividend arrears pari passu
- Eighth - Preferred Ordinary and Ordinary shares - balance pari passu

Redemption of Preference Shares:

- "A" Preference shares - At par any time on or after 30 June 2005 by the Company or on the request of the holders
- "B" Preference shares - Five annual sums of £10,000 commencing 1 August 2003 by the company or on the request of the holders

19 Reserves

	Profit and loss account
	£
At 1 October 2008	63,361
Loss for the year	(53,814)
Equity dividends	(10,000)
At 30 September 2009	<u>(453)</u>

20 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
(Loss)/Profit for the financial year	(53,814)	73,085
Equity dividends	(10,000)	(20,000)
Net (reduction)/addition to shareholders' funds	(63,814)	53,085
Opening shareholders' funds	613,361	560,276
Closing shareholders' funds	<u>549,547</u>	<u>613,361</u>

In November 2001 the company purchased as a share buy-in, and cancelled 1,562 ordinary £1 shares in the company for a consideration of £14,000

21 Capital commitments

The directors have confirmed that there were no capital commitments at 30 September 2009 or 30 September 2008

22 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being

- a to finance its operations,
- b to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- c for trading purposes

In addition, various financial instruments (eg trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Interest rate risk

During the year the company had no significant exposure to interest rate risk

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

23 Pensions

Defined contribution schemes

The company operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The company also operates a self administered scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension contribution for the year was £Nil (2008 £Nil)

Management information

The following pages do not form part of the statutory financial statements
