

**REGISTERED NUMBER: 03943652 (England and Wales)**

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 July 2010  
for  
A J & CO. (DEVON) LTD**

THURSDAY



A24 \*AHTXKTVP\* 166  
05/05/2011  
COMPANIES HOUSE

**Contents of the Financial Statements  
for the Year Ended 31 JULY 2010**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>1</b>
	<b>1</b>
<b>Notes to the Cash Flow Statement</b>	<b>1</b>
	<b>2</b>
<b>Notes to the Financial Statements</b>	<b>1</b>
	<b>4</b>

**A J & CO. (DEVON) LTD**

**Company Information  
for the Year Ended 31 JULY 2010**

**DIRECTORS:** R W Smallridge  
D J Smallridge  
Mrs N A Smallridge

**SECRETARY:** Mrs N A Smallridge

**REGISTERED OFFICE:** Lewhill Barn  
Ashford  
Kingsbridge  
Devon  
TQ7 4NB

**REGISTERED NUMBER:** 03943652 (England and Wales)

**AUDITORS:** Potter Baker  
Registered Auditors  
Chartered Accountants  
20 Western Road  
Launceston  
Cornwall  
PL15 7BA

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Report of the Directors  
for the Year Ended 31 JULY 2010**

The directors present their report with the financial statements of the company for the year ended 31 July 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the operation of Nursing and Residential Homes

**REVIEW OF BUSINESS**

The directors are satisfied with the company's result and the company maintains a strong balance sheet with adequate reserves

The company operates under the trading names of Pendruccombe House and Meadowside and St Francis Care Home. The business provides a total 71 Nursing Beds and 49 Residential Rooms spread across the 2 homes it operates in and around the North of Cornwall and South Devon area.

The Company has a significant number of private paying residents, in addition to this, a number are funded by local authorities. The company is in constant dialogue regarding the negotiation of funding levels from local authorities

The measures the company use to monitor its progress against its objectives are

- \* Occupancy rates,
- \* Fee Levels
- \* Margin
- \* Staff and Agency Costs

The business is supported by strong future demand based on the demographics of the UK population. The segment of the UK population aged 85 or over is projected to increase from 1,100,000 in 2005 to 1,800,000 in 2021

The company's growth strategy is to develop and update its existing facilities and improve the care levels it offers

Where possible the company looks to employ local UK residents. However, in recent years due to a shortage of appropriate qualified people it has needed to recruit nurses and senior carers from overseas

**DIVIDENDS**

No dividends will be distributed for the year ended 31 July 2010.

**Report of the Directors  
for the Year Ended 31 JULY 2010**

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2009 to the date of this report

R W Smallridge  
D J Smallridge  
Mrs N A Smallridge

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Report of the Directors  
for the Year Ended 31 JULY 2010**

**AUDITORS**

The auditors, Potter Baker, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



R W Smallridge - Director

Date 28<sup>TH</sup> APRIL 2011

**Report of the Independent Auditors to the Shareholders of  
A J & Co. (Devon) Ltd**

We have audited the financial statements of A J & Co (Devon) Ltd for the year ended 31 July 2010 on pages seven to twenty four. 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its 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 matter prescribed by the Companies Act 2006**


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

**Report of the Independent Auditors to the Shareholders of  
A J & Co. (Devon) Ltd**

**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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Andrew Baker FCA (Senior Statutory Auditor)  
for and on behalf of Potter Baker  
Registered Auditors  
Chartered Accountants  
20 Western Road  
Launceston  
Cornwall  
PL15 7BA

3 May 2011



**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Profit and Loss Account  
for the Year Ended 31 JULY 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>		3,297,043	3,205,722
Cost of sales		<u>2,355,633</u>	<u>2,285,226</u>
<b>GROSS PROFIT</b>		941,410	920,496
Administrative expenses		<u>644,683</u>	<u>587,235</u>
<b>OPERATING PROFIT</b>	3	296,727	333,261
Interest receivable and similar income		<u>1</u>	<u>494</u>
		296,728	333,755
Interest payable and similar charges	4	<u>31,699</u>	<u>56,024</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		265,029	277,731
Tax on profit on ordinary activities	5	<u>42,082</u>	<u>30,027</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>222,947</u>	<u>247,704</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Statement of Total Recognised Gains and Losses  
for the Year Ended 31 JULY 2010**

	2010 £	2009 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	222,947	247,704
Revaluation	<u>-</u>	<u>2,101,036</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>222,947</u>	<u>2,348,740</u>

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Balance Sheet  
31 JULY 2010**

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7		364,687		392,187
Tangible assets	8		<u>5,268,295</u>		<u>5,217,224</u>
			5,632,982		5,609,411
<b>CURRENT ASSETS</b>					
Stocks	9	16,955		15,730	
Debtors	10	771,018		450,415	
Cash at bank and in hand		<u>1,582</u>		<u>49,178</u>	
			789,555		515,323
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>519,196</u>		<u>329,219</u>	
<b>NET CURRENT ASSETS</b>			<u>270,359</u>		<u>186,104</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,903,341		5,795,515
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<u>1,212,500</u>		<u>1,327,621</u>
<b>NET ASSETS</b>			<u><u>4,690,841</u></u>		<u><u>4,467,894</u></u>

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Balance Sheet - continued  
31 JULY 2010**

	Notes	2010 £	2009 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	686,543	686,543
Share premium	17	215,555	215,555
Revaluation reserve	17	2,817,736	2,817,736
Profit and loss account	17	<u>971,007</u>	<u>748,060</u>
<b>SHAREHOLDERS' FUNDS</b>	<b>19</b>	<u><b>4,690,841</b></u>	<u><b>4,467,894</b></u>

The financial statements were approved by the Board of Directors on *28<sup>TH</sup> APRIL 2011*  
and were signed on its behalf by:



R W Smallridge - Director



D J Smallridge - Director

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Cash Flow Statement  
for the Year Ended 31 JULY 2010**

	Notes	2010 £	2009 £
<b>Net cash inflow from operating activities</b>	1	216,150	340,934
<b>Returns on investments and servicing of finance</b>	2	(31,698)	(55,530)
<b>Taxation</b>		(22,157)	44,243
<b>Capital expenditure</b>	2	(70,438)	(45,973)
<b>Equity dividends paid</b>		<u>-</u>	<u>(21,403)</u>
		91,857	262,271
<b>Financing</b>	2	<u>(311,569)</u>	<u>(312,519)</u>
<b>Decrease in cash in the period</b>		<u>(219,712)</u>	<u>(50,248)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Decrease in cash in the period		(219,712)	(50,248)
Cash outflow from decrease in debt		<u>126,553</u>	<u>122,252</u>
Change in net debt resulting from cash flows		(93,159)	72,004
New finance leases		<u>(19,727)</u>	<u>-</u>
<b>Movement in net debt in the period</b>		(112,886)	72,004
<b>Net debt at 1 August</b>		<u>(1,376,722)</u>	<u>(1,448,726)</u>
<b>Net debt at 31 July</b>		<u>(1,489,608)</u>	<u>(1,376,722)</u>

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Cash Flow Statement  
for the Year Ended 31 JULY 2010**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating profit	296,727	333,261
Depreciation charges	66,593	54,336
(Increase)/Decrease in stocks	(1,225)	68
Increase in debtors	(135,586)	(40,415)
Decrease in creditors	<u>(10,359)</u>	<u>(6,316)</u>
<b>Net cash inflow from operating activities</b>	<b><u>216,150</u></b>	<b><u>340,934</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1	494
Interest paid	(30,191)	(56,024)
Interest element of finance lease payments	<u>(1,508)</u>	<u>-</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(31,698)</u></b>	<b><u>(55,530)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<u>(70,438)</u>	<u>(45,973)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(70,438)</u></b>	<b><u>(45,973)</u></b>
<b>Financing</b>		
Loan repayments in year	(126,552)	(122,253)
Amount withdrawn by directors	<u>(185,017)</u>	<u>(190,266)</u>
<b>Net cash outflow from financing</b>	<b><u>(311,569)</u></b>	<b><u>(312,519)</u></b>

The notes form part of these financial statements

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Cash Flow Statement  
for the Year Ended 31 JULY 2010**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 8 09 £	Cash flow £	Other non-cash changes £	At 31 7 10 £
Net cash				
Cash at bank and in hand	49,178	(47,596)		1,582
Bank overdraft	<u>(76,029)</u>	<u>(172,116)</u>		<u>(248,145)</u>
	<u>(26,851)</u>	<u>(219,712)</u>		<u>(246,563)</u>
Debt				
Finance leases	-	-	(19,727)	(19,727)
Debts falling due within one year	(22,250)	(4,386)	-	(26,636)
Debts falling due after one year	<u>(1,327,621)</u>	<u>130,939</u>	<u>-</u>	<u>(1,196,682)</u>
	<u>(1,349,871)</u>	<u>126,553</u>	<u>(19,727)</u>	<u>(1,243,045)</u>
Total	<u>(1,376,722)</u>	<u>(93,159)</u>	<u>(19,727)</u>	<u>(1,489,608)</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 JULY 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

**Turnover**

Turnover represents gross income from residents and sundry services. The company is not VAT registered

**Goodwill**

Goodwill, being the amount paid in connection with acquisition of a business in 2000 and subsequent purchase of a further business in 2004, being written off evenly over its estimated useful life of twenty years

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures, Fittings etc                      - 20% on reducing balance

Motor Vehicles                                - 25% on reducing balance

No depreciation is charged on the company's properties as depreciation is deemed to be immaterial. The buildings are expected to have long economic lives and very high residual values. It is the Company's policy to regularly revalue its properties

**Stocks**

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

**Deferred tax**

Deferred tax is not recognised as no material liability is expected to arise in the foreseeable future

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.



**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**2 STAFF COSTS**

	2010	2009
	£	£
Wages and salaries	2,084,144	2,041,755
Social security costs	<u>141,634</u>	<u>136,904</u>
	<u>2,225,778</u>	<u>2,178,659</u>

The average monthly number of employees during the year was as follows

2010	2009
<u>193</u>	<u>182</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2010	2009
	£	£
Depreciation - owned assets	34,593	26,836
Depreciation - assets on finance leases	4,501	-
Goodwill amortisation	27,500	27,500
Auditors' remuneration	5,415	5,175
Other services supplied pursuant to such legislation	5,941	3,450
Other services relating to taxation	<u>650</u>	<u>575</u>
Directors' remuneration	<u>97,119</u>	<u>91,359</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010	2009
	£	£
Bank interest	1,396	2,206
Bank loan interest	27,664	53,818
Other interest	1,131	-
Leasing	<u>1,508</u>	<u>-</u>
	<u>31,699</u>	<u>56,024</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2010 £	2009 £
Current tax		
UK corporation tax	<u>42,082</u>	<u>30,027</u>
Tax on profit on ordinary activities	<u>42,082</u>	<u>30,027</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>265,029</u>	<u>277,731</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	74,208	77,765
Effects of		
Losses brought forward	-	(18,335)
Excess Capital Allowances (mainly re integral fixtures)	(11,067)	(9,033)
Small Companies Rate of Taxation previous periods	(14,027)	(13,021)
Disallowed expenses	317	-
Meadowside goodwill	<u>(7,349)</u>	<u>(7,349)</u>
Current tax charge	<u>42,082</u>	<u>30,027</u>

**6 DIVIDENDS**

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>21,403</u>

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**7 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 August 2009	
and 31 July 2010	<u>549,999</u>
<b>AMORTISATION</b>	
At 1 August 2009	157,812
Amortisation for year	<u>27,500</u>
At 31 July 2010	<u>185,312</u>
<b>NET BOOK VALUE</b>	
At 31 July 2010	<u>364,687</u>
At 31 July 2009	<u>392,187</u>

**8 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 August 2009	5,100,000	13,684	246,420
Additions	<u>-</u>	<u>1,101</u>	<u>82,480</u>
At 31 July 2010	<u>5,100,000</u>	<u>14,785</u>	<u>328,900</u>
<b>DEPRECIATION</b>			
At 1 August 2009	-	-	154,889
Charge for year	<u>-</u>	<u>-</u>	<u>34,803</u>
At 31 July 2010	<u>-</u>	<u>-</u>	<u>189,692</u>
<b>NET BOOK VALUE</b>			
At 31 July 2010	<u>5,100,000</u>	<u>14,785</u>	<u>139,208</u>
At 31 July 2009	<u>5,100,000</u>	<u>13,684</u>	<u>91,531</u>

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**8 TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 August 2009	19,785	4,200	5,384,089
Additions	<u>-</u>	<u>6,584</u>	<u>90,165</u>
At 31 July 2010	<u>19,785</u>	<u>10,784</u>	<u>5,474,254</u>
<b>DEPRECIATION</b>			
At 1 August 2009	8,340	3,636	166,865
Charge for year	<u>2,861</u>	<u>1,430</u>	<u>39,094</u>
At 31 July 2010	<u>11,201</u>	<u>5,066</u>	<u>205,959</u>
<b>NET BOOK VALUE</b>			
At 31 July 2010	<u>8,584</u>	<u>5,718</u>	<u>5,268,295</u>
At 31 July 2009	<u>11,445</u>	<u>564</u>	<u>5,217,224</u>

Cost or valuation at 31 July 2010 is represented by

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2009	5,100,000	-	-
Cost	<u>-</u>	<u>14,785</u>	<u>328,900</u>
	<u>5,100,000</u>	<u>14,785</u>	<u>328,900</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2009	-	-	5,100,000
Cost	<u>19,785</u>	<u>10,784</u>	<u>374,254</u>
	<u>19,785</u>	<u>10,784</u>	<u>5,474,254</u>

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**8 TANGIBLE FIXED ASSETS - continued**

If Freehold Land and Buildings had not been revalued they would have been included at the following historical cost

	2010	2009
	£	£
Cost	<u>2,282,264</u>	<u>2,282,264</u>

Freehold Land and Buildings were valued on an open market basis on 18 March 2010 by King Sturge LLP (Chartered Surveyors)

Fixed assets, included in the above, which are held under finance leases are as follows:

	Fixtures and fittings £
<b>COST OR VALUATION</b>	
Additions	<u>22,503</u>
At 31 July 2010	<u>22,503</u>
<b>DEPRECIATION</b>	
Charge for year	<u>4,501</u>
At 31 July 2010	<u>4,501</u>
<b>NET BOOK VALUE</b>	
At 31 July 2010	<u>18,002</u>

**9 STOCKS**

	2010	2009
	£	£
Stocks	<u>16,955</u>	<u>15,730</u>

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Trade debtors	220,029	149,059
Other debtors	156,114	91,498
Directors' current accounts	<u>394,875</u>	<u>209,858</u>
	<u>771,018</u>	<u>450,415</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Bank loans and overdrafts (see note 13)	274,781	98,279
Finance leases (see note 14)	3,909	-
Trade creditors	56,196	65,085
Tax	94,952	75,027
Social security and other taxes	39,113	40,031
Other creditors	39,345	40,847
Accrued expenses	<u>10,900</u>	<u>9,950</u>
	<u>519,196</u>	<u>329,219</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	2009
	£	£
Bank loans (see note 13)	1,196,682	1,327,621
Finance leases (see note 14)	<u>15,818</u>	<u>-</u>
	<u>1,212,500</u>	<u>1,327,621</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**13. LOANS**

An analysis of the maturity of loans is given below:

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	248,145	76,029
Bank loans	<u>26,636</u>	<u>22,250</u>
	<u>274,781</u>	<u>98,279</u>
 Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>26,636</u>	<u>22,250</u>
 Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>79,908</u>	<u>66,751</u>
 Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,090,138</u>	<u>1,238,620</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010

14 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2010	2009
	£	£
Gross obligations repayable		
Within one year	5,621	-
Between one and five years	<u>18,498</u>	<u>-</u>
	<u>24,119</u>	<u>-</u>
Finance charges repayable		
Within one year	1,712	-
Between one and five years	<u>2,680</u>	<u>-</u>
	<u>4,392</u>	<u>-</u>
Net obligations repayable.		
Within one year	3,909	-
Between one and five years	<u>15,818</u>	<u>-</u>
	<u>19,727</u>	<u>-</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2010	2009
	£	£
Bank overdrafts	248,145	76,029
Bank loans	<u>1,223,318</u>	<u>1,349,871</u>
	<u>1,471,463</u>	<u>1,425,900</u>

The above debts are secured by a 1st legal charge dated 7/8/00 over the freehold property of Pendrucombe House, 23 Tavistock Road, Launceston , and a 1st legal charge dated 8/1/04 over the freehold property of Meadowside and St Francis, Plymbridge Road, Plympton.

The debts are also secured against an unlimited debenture dated 19/7/00 which includes the right of set off



**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**16 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid		Nominal value £1	2010 £	2009 £
Number	Class			
686,543	Ordinary		<u>686,543</u>	<u>686,543</u>

**17 RESERVES**

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 August 2009	748,060	215,555	2,817,736	3,781,351
Profit for the year	<u>222,947</u>			<u>222,947</u>
At 31 July 2010	<u>971,007</u>	<u>215,555</u>	<u>2,817,736</u>	<u>4,004,298</u>

**18 TRANSACTIONS WITH DIRECTORS**

The following loans to directors subsisted during the years ended 31 July 2010 and 31 July 2009

	2010 £	2009 £
<b>R W Smallridge</b>		
Balance outstanding at start of year	105,164	4,898
Amounts advanced	15,716	100,266
Amounts repaid	-	-
Balance outstanding at end of year	<u>120,880</u>	<u>105,164</u>

<b>D J Smallridge</b>		
Balance outstanding at start of year	9,796	9,796
Amounts advanced	156,800	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>166,596</u>	<u>9,796</u>

**A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 JULY 2010**

**18 TRANSACTIONS WITH DIRECTORS - continued**

**Mrs N A Smallridge**

Balance outstanding at start of year	94,898	4,898
Amounts advanced	12,500	90,000
Amounts repaid	-	-
Balance outstanding at end of year	<u>107,398</u>	<u>94,898</u>

During the year the company operated loan accounts with the three Directors. The loans are interest free.

During the year the company loaned Ashbrook Investments the sum of £48,000. Ashbrook Investments is a property letting business owned by Mr & Mrs R W Smallridge and Mr D J Smallridge.

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010	2009
	£	£
Profit for the financial year	222,947	247,704
Dividends	<u>-</u>	<u>(21,403)</u>
	222,947	226,301
Other recognised gains and losses relating to the year (net)	-	2,101,036
Revaluation	<u>-</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	222,947	2,327,337
Opening shareholders' funds	<u>4,467,894</u>	<u>2,140,557</u>
<b>Closing shareholders' funds</b>	<u>4,690,841</u>	<u>4,467,894</u>

**20 REVALUATION**

The land and buildings held by the company have been revalued during the year ended 31st July 2009 to £5,100,000 and if disposed of at this valuation, the corporation tax arising would be approximately £630,000.