

REGISTERED NUMBER: 03943652 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 July 2014

for

AJ & CO, (DEVON) LTD

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for the Year Ended 31 JULY 2014**

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AJ & CO. (DEVON) LTD

**Company Information
for the Year Ended 31 JULY 2014**

DIRECTORS: Mrs G M Smallridge
D J Smallridge

SECRETARY: D J Smallridge

REGISTERED OFFICE: Ludbrook House
Ludbrook
Ivybridge
Devon
PL21 0LL

REGISTERED NUMBER: 03943652 (England and Wales)

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

**Strategic Report
for the Year Ended 31 JULY 2014**

The directors present their strategic report for the year ended 31 July 2014.

REVIEW OF BUSINESS

AJ & CO. (Devon) Ltd runs Meadowside and St Francis Residential and Nursing Home with its shares being owned by DJ Smallridge. The business provides a total of 69 beds in a home operating in the South Devon area.

During the year turnover increased slightly at Meadowside and St Francis to £2,345,959 and resulted in a net profit of £82,298. It is however somewhat difficult to compare these results to the previous year, which for 7 months also included the income and profits from Pendruccombe Residential and Nursing Home, which left the company on the 28th February 2013 following a demerger.

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 80 or over is projected to increase from 3,000,000 in 2012 to 6,100,000 in 2037.

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

Where possible the company seeks to employ well qualified and experienced staff.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties are considered to relate to competition from other residential and nursing homes, low local authority fees, staff retention, compliance with care standards and interest rate rises.

In order to mitigate these risks, the company: maintains its property to a high standard, endeavours to maintain a healthy dialogue with the local authorities, seeks to engage well trained and experienced staff, and has long term finance in place.

AJ & CO. (DEVON) LTD

**Strategic Report
for the Year Ended 31 JULY 2014**

KEY PERFORMANCE INDICATORS ("KPIS")

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:

D J Smallridge

.....
D J Smallridge - Director

Date: *20/4/2015*

**Report of the Directors
for the Year Ended 31 JULY 2014**

The directors present their report with the financial statements of the company for the year ended 31 July 2014.

PRINCIPAL ACTIVITY

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

DIVIDENDS

Interim dividends totalling £111,300 were paid to the ordinary £1 shareholder, Mr David Smallridge.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2013 to the date of this report.

Mrs G M Smallridge
D J 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.

AJ & CO. (DEVON) LTD

**Report of the Directors
for the Year Ended 31 JULY 2014**

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.

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
D J Smallridge - Director

Date: 20/4/2015

Report of the Independent Auditors to the Members of AJ & Co. (Devon) Ltd

We have audited the financial statements of AJ & Co. (Devon) Ltd for the year ended 31 July 2014 on pages eight to twenty six. 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 four, 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

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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

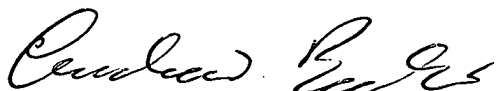
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
AJ & 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

Date:22/4/2015.....

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

**Profit and Loss Account
for the Year Ended 31 JULY 2014**

	Notes	2014 £	2013 £
TURNOVER		2,345,959	3,138,305
Continuing operations		2,345,959	2,343,410
Discontinued operations		-	794,895
		<u>2,345,959</u>	<u>2,343,410</u>
Cost of sales	2	1,689,317	2,254,364
GROSS PROFIT	2	656,642	883,941
Net operating expenses	2	551,657	664,315
OPERATING PROFIT	4	104,985	219,626
Continuing operations		104,985	198,199
Discontinued operations		-	21,427
		<u>104,985</u>	<u>198,199</u>
Profit/loss on sale of intangible fixed assets		-	(9,269)
Profit/loss on sale of tangible fixed assets		-	33,052
		<u>104,985</u>	<u>243,409</u>
Interest payable and similar charges	5	22,687	23,844
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		82,298	219,565
Tax on profit on ordinary activities	6	17,019	41,655
PROFIT FOR THE FINANCIAL YEAR		65,279	177,910
Retained profit brought forward		391,338	1,232,193
		<u>456,617</u>	<u>1,410,103</u>
Dividends	7	(111,300)	(2,373,257)
Revaluation		-	1,354,492
		<u>(111,300)</u>	<u>1,354,492</u>

The notes form part of these financial statements

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

**Profit and Loss Account
for the Year Ended 31 JULY 2014**

	Notes	2014	2013
		£	£
RETAINED PROFIT CARRIED FORWARD		<u>345,317</u>	<u>391,338</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

**Balance Sheet
31 JULY 2014**

	Notes	2014	2013
		£	£
FIXED ASSETS			
Intangible assets	8	247,187	273,437
Tangible assets	9	3,483,678	3,503,709
		<hr/>	<hr/>
		3,730,865	3,777,146
CURRENT ASSETS			
Stocks	10	19,235	17,648
Debtors	11	398,741	513,728
Cash at bank and in hand		1,798	1,125
		<hr/>	<hr/>
		419,774	532,501
CREDITORS			
Amounts falling due within one year	12	482,760	464,583
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		(62,986)	67,918
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,667,879	3,845,064
CREDITORS			
Amounts falling due after more than one year	13	(786,364)	(915,929)
PROVISIONS FOR LIABILITIES	17	(10,642)	(12,241)
		<hr/>	<hr/>
NET ASSETS		2,870,873	2,916,894
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

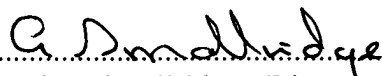
Balance Sheet - continued
31 JULY 2014

		2014		2013	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	18		375,013		375,013
Share premium	19		133,170		133,170
Revaluation reserve	19		1,623,458		1,623,458
Capital redemption reserve	19		393,915		393,915
Profit and loss account			345,317		391,338
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	23		<u>2,870,873</u>		<u>2,916,894</u>

The financial statements were approved by the Board of Directors on
and were signed on its behalf by:

20/4/2015


D J Smallridge - Director


Mrs G M Smallridge - Director

**Cash Flow Statement
for the Year Ended 31 JULY 2014**

		2014		2013	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		308,243		273,530
Returns on investments and servicing of finance	2		(22,687)		(23,844)
Taxation			(53,769)		(20,151)
Capital expenditure	2		(7,440)		(27,850)
Acquisitions and disposals	2		-		(3,464)
Equity dividends paid			<u>(111,300)</u>		<u>(380,664)</u>
			113,047		(182,443)
Financing	2		<u>(133,928)</u>		<u>99,570</u>
Decrease in cash in the period			<u><u>(20,881)</u></u>		<u><u>(82,873)</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(20,881)		(82,873)	
Cash outflow from decrease in debt and lease financing		<u>133,427</u>		<u>132,390</u>	
Change in net debt resulting from cash flows			<u>112,546</u>		<u>49,517</u>
Movement in net debt in the period			112,546		49,517
Net debt at 1 August			<u>(1,131,379)</u>		<u>(1,180,896)</u>
Net debt at 31 July			<u><u>(1,018,833)</u></u>		<u><u>(1,131,379)</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 JULY 2014**

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

Year ended 31 July 2014

	Continuing £	Discontinued £	Total £
Operating profit	104,985	-	104,985
Depreciation charges	53,721	-	53,721
Increase in stocks	(1,587)	-	(1,587)
Decrease in debtors	115,488	-	115,488
Increase/(decrease) in creditors	35,636	-	35,636
	<hr/>	<hr/>	<hr/>
Net cash inflow from continuing operating activities	308,243		
Net cash inflow from discontinued operating activities		-	
	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities			308,243
			<hr/>

Year ended 31 July 2013

	Continuing £	Discontinued £	Total £
Operating profit	198,199	21,427	219,626
Depreciation charges	58,726	8,242	66,968
Decrease in stocks	505	3,619	4,124
Decrease in debtors	5,355	32,130	37,485
Increase/(decrease) in creditors	27,064	(81,737)	(54,673)
	<hr/>	<hr/>	<hr/>
Net cash inflow from continuing operating activities	289,849		
Net cash outflow from discontinued operating activities		(16,319)	
	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities			273,530
			<hr/>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 JULY 2014**

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest paid	(22,265)	(22,941)
Interest element of finance lease payments	(422)	(903)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	<u>(22,687)</u>	<u>(23,844)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(7,440)	(27,850)
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	<u>(7,440)</u>	<u>(27,850)</u>
 Acquisitions and disposals		
Stock	-	(3,464)
	<u> </u>	<u> </u>
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(3,464)</u>
 Financing		
Loan repayments in year	(128,168)	(127,611)
Capital repayments in year	(5,259)	(4,778)
Amount introduced by directors	-	271,958
Amount withdrawn by directors	(501)	(39,999)
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from financing	<u>(133,928)</u>	<u>99,570</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 JULY 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.13 £	Cash flow £	At 31.7.14 £
Net cash:			
Cash at bank and in hand	1,125	673	1,798
Bank overdraft	(183,702)	(21,554)	(205,256)
	<u>(182,577)</u>	<u>(20,881)</u>	<u>(203,458)</u>
 Debt:			
Finance leases	(6,656)	5,259	(1,397)
Debts falling due within one year	(27,614)	-	(27,614)
Debts falling due after one year	(914,532)	128,168	(786,364)
	<u>(948,802)</u>	<u>133,427</u>	<u>(815,375)</u>
 Total	<u><u>(1,131,379)</u></u>	<u><u>112,546</u></u>	<u><u>(1,018,833)</u></u>

**Notes to the Financial Statements
for the Year Ended 31 JULY 2014**

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 2004 is 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

2. ANALYSIS OF OPERATIONS

	Continuing £	2014 Discontinued £	Total £
Cost of sales	<u>1,689,317</u>	<u>-</u>	<u>1,689,317</u>
Gross profit	<u>656,642</u>	<u>-</u>	<u>656,642</u>
Net operating expenses:			
Administrative expenses	<u>551,657</u>	<u>-</u>	<u>551,657</u>

	Continuing £	2013 Discontinued £	Total £
Cost of sales	<u>1,687,836</u>	<u>566,528</u>	<u>2,254,364</u>
Gross profit	<u>655,574</u>	<u>228,367</u>	<u>883,941</u>
Net operating expenses:			
Administrative expenses	<u>457,375</u>	<u>206,940</u>	<u>664,315</u>

3. STAFF COSTS

	2014 £	2013 £
Wages and salaries	1,506,128	1,977,436
Social security costs	93,890	123,316
Other pension costs	22,750	-
	<u>1,622,768</u>	<u>2,100,752</u>

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

	2014	2013
Employees	<u>124</u>	<u>171</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	25,628	37,685
Depreciation - assets on finance leases	1,843	2,304
Goodwill amortisation	26,250	26,980
Auditors' remuneration	5,400	8,800
Taxation compliance services	1,500	1,500
Other non-audit services	6,900	23,390
	<u> </u>	<u> </u>
Directors' remuneration	65,000	86,738
Directors' pension contributions to money purchase schemes	20,000	-
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	5,076	2,902
Bank loan interest	17,189	20,039
Leasing	422	903
	<u> </u>	<u> </u>
	22,687	23,844
	<u> </u>	<u> </u>

6. TAXATION

Analysis of the tax charge

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

	2014	2013
	£	£
Current tax:		
UK corporation tax	18,618	44,007
Deferred tax	(1,599)	(2,352)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	17,019	41,655
	<u> </u>	<u> </u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

6. TAXATION - continued

Factors affecting the tax charge

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

	2014 £	2013 £
Profit on ordinary activities before tax	<u>82,298</u>	<u>219,565</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	17,283	50,500
Effects of:		
Expenses not deductible for tax purposes	644	247
Depreciation in excess of capital allowances	1,838	(153)
Small Companies Rate of Taxation	<u>(1,147)</u>	<u>(6,587)</u>
Current tax charge	<u>18,618</u>	<u>44,007</u>

7. DIVIDENDS

Dividends of £111,300 were paid to D Smallridge a director of this company.

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2013 and 31 July 2014	<u>525,000</u>
AMORTISATION	
At 1 August 2013	251,563
Amortisation for year	<u>26,250</u>
At 31 July 2014	<u>277,813</u>
NET BOOK VALUE	
At 31 July 2014	<u>247,187</u>
At 31 July 2013	<u>273,437</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 August 2013	3,375,000	311,384	11,832	8,438	3,706,654
Additions	-	7,440	-	-	7,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2014	3,375,000	318,824	11,832	8,438	3,714,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 August 2013	-	191,462	7,006	4,477	202,945
Charge for year	-	25,472	1,207	792	27,471
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2014	-	216,934	8,213	5,269	230,416
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 July 2014	3,375,000	101,890	3,619	3,169	3,483,678
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2013	3,375,000	119,922	4,826	3,961	3,503,709
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 July 2014 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2012	3,375,000	-	-	-	3,375,000
Cost	-	318,824	11,832	8,438	339,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,375,000	318,824	11,832	8,438	3,714,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

	2014 £	2013 £
Cost	1,748,964	1,748,964
	<hr/>	<hr/>

Freehold Land and Buildings were valued on an open market basis on 30 June 2012 by Jones Lang LaSalle.

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

9. TANGIBLE FIXED ASSETS - continued

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

	Fixtures and fittings £
COST OR VALUATION	
At 1 August 2013 and 31 July 2014	22,503
DEPRECIATION	
At 1 August 2013	13,287
Charge for year	1,843
At 31 July 2014	15,130
NET BOOK VALUE	
At 31 July 2014	7,373
At 31 July 2013	9,216

10. STOCKS

	2014 £	2013 £
Stocks	19,235	17,648

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	97,047	117,349
Other debtors	66,699	161,106
Directors' current accounts	234,995	234,494
Prepayments and accrued income	-	779
	398,741	513,728

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts (see note 14)	232,870	211,316
Finance leases (see note 15)	1,397	5,259
Trade creditors	46,476	43,964
Tax	18,743	53,894
Social security and other taxes	23,239	24,797
Other creditors	153,130	119,360
Accrued expenses	6,905	5,993
	<u>482,760</u>	<u>464,583</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Bank loans (see note 14)	786,364	914,532
Finance leases (see note 15)	-	1,397
	<u>786,364</u>	<u>915,929</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank overdrafts	205,256	183,702
Bank loans	27,614	27,614
	<u>232,870</u>	<u>211,316</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>27,614</u>	<u>27,614</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>82,841</u>	<u>82,841</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

14. LOANS - continued

	2014	2013
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>675,909</u>	<u>804,077</u>

15. OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2014	2013
	£	£
Gross obligations repayable:		
Within one year	1,420	5,681
Between one and five years	<u>-</u>	<u>1,420</u>
	<u>1,420</u>	<u>7,101</u>
Finance charges repayable:		
Within one year	23	422
Between one and five years	<u>-</u>	<u>23</u>
	<u>23</u>	<u>445</u>
Net obligations repayable:		
Within one year	1,397	5,259
Between one and five years	<u>-</u>	<u>1,397</u>
	<u>1,397</u>	<u>6,656</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank overdrafts	205,256	183,702
Bank loans	813,978	942,146
	<u>1,019,234</u>	<u>1,125,848</u>

The above debts are secured by 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 incorporating a fixed and floating charge and the right of set off.

17. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax	<u>10,642</u>	<u>12,241</u>
		Deferred tax
		tax
		£
Balance at 1 August 2013		12,241
Capital allowances		<u>(1,599)</u>
Balance at 31 July 2014		<u>10,642</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
375,013	Ordinary	£1	<u>375,013</u>	<u>375,013</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

19. RESERVES

	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 August 2013	133,170	1,623,458	393,915	2,150,543
At 31 July 2014	133,170	1,623,458	393,915	2,150,543

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2014 and 31 July 2013:

	2014 £	2013 £
D J Smallridge		
Balance outstanding at start of year	234,494	194,946
Amounts advanced	501	40,000
Amounts repaid	-	(452)
Balance outstanding at end of year	234,995	234,494

During the year the company operated loan accounts with a Director.

£55,000 of the loan to Mr D Smallridge relates to a loan to the directors farming business. The loan is interest free, and repayable on demand.

As the start of the year Ashbrook Investments owed the company £13,800. This was repaid on 31st July 2014. Ashbrook Investments is owned by Mr & Mrs R W Smallridge and Mr D J Smallridge. The loan was interest free and repayable on demand.

21. RELATED PARTY DISCLOSURES

Garden maintenance services were provided to Meadowside & St Francis during the year amounting to £18,342. This was provided on an arm's length basis by a business trading as Premier Garden Services run by Mr and Mrs D Smallridge.

22. ULTIMATE CONTROLLING PARTY

The controlling party is D J Smallridge.

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2014**

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	65,279	177,910
Dividends	(111,300)	(2,373,257)
Revaluation		
	<hr/>	<hr/>
Net reduction of shareholders' funds	(46,021)	(2,195,347)
Opening shareholders' funds	2,916,894	5,112,241
	<hr/>	<hr/>
Closing shareholders' funds	2,870,873	2,916,894
	<hr/>	<hr/>

24. REVALUATION

The land and buildings held by the company were revalued during the year ended 31st July 2012 to £3,375,000. If disposed of at this valuation, the corporation tax arising would be approximately £196,000.