

Registration number 02134049

# Ashby & Thornton Plc

Directors' Report and Financial Statements

for the year ended 30 June 2012

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**Ashby & Thornton Plc**  
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**Ashby & Thornton Plc**  
**Company Information**

<b>Directors</b>	Mrs V J Thornton Mr J D Thornton
<b>Company secretary</b>	Mr J D Thornton
<b>Registered office</b>	3 Castle Gate Castle Street Hertford Herts SG14 1HD
<b>Bankers</b>	Lloyds Bank Plc 1 Bircherley Street Hertford Hertfordshire SG14 1BU
<b>Auditors</b>	Wilkins Kennedy LLP Statutory Auditor & Chartered Accountants 5 Yeomans Court Ware Road Hertford Hertfordshire SG13 7HJ

**Ashby & Thornton Plc**  
**Directors' Report for the Year Ended 30 June 2012**

The directors present their report and the financial statements for the year ended 30 June 2012

**Directors of the company**

The directors who held office during the year were as follows

Mrs V J Thornton

Mr J D Thornton

**Principal activity**

The principal activity of the company is that of property investment and management

**Business review**

***Fair Review of the business***

During the year the property at 40 Castle Street remained fully let. Negotiations at Heritage Court did not lead to any payment, but agreement was reached in principle. Following the year end work began on site, after payment of the overage. Property Management services continue to be provided, as well as consultancy for Leasehold Valuation Tribunal applications, and these activities are ongoing and increasing.

The online Newspaper based on electoral wards was discontinued in June 2011, but the website remains live for future development.

***Development and performance of the business***

	2012	2011	2010	2009	2008
Turnover growth	-19%	-31%	-5%	-9%	145%
Turnover	£56,052	£68,945	£104,899	£152,893	£160,975
Gross profit margin	99%	99%	100%	100%	59%
Gross profit before tax	£16,482	£27,259	£17,429	£109,963	£19,176

**Policy on the payment of creditors**

The company's policy is to pay creditors on or before the due date. If for any reason payment cannot be made the creditor is advised accordingly.

**Financial risk**

***Price risk, credit risk, liquidity risk and cash flow risk.***

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**Ashby & Thornton Plc**  
**Directors' Report for the Year Ended 30 June 2012**

*..... continued*

Loans comprise loans from the directors. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

**Charitable donations**

During the year the company made charitable donations of £13,782. Individual donations were

	£
Thornton Trust	13,550
East Herts People	<u>232</u>

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Wilkins Kennedy LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 20/12/12 and signed on its behalf by

  
Mr. J. D. Thornton  
Company secretary

**Ashby & Thornton Plc**  
**Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

## **Independent Auditor's Report to the Members of Ashby & Thornton Plc**

We have audited the financial statements of Ashby & Thornton Plc for the year ended 30 June 2012, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB'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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of  
Ashby & Thornton Plc**

*..... continued*

**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

*Wilkins Kennedy LLP*

Mandy Wilson FCA (Senior Statutory Auditor)  
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

5 Yeomans Court  
Ware Road  
Hertford  
Hertfordshire  
SG13 7HJ

Date *20 December 2012*



**Ashby & Thornton Plc**  
**Profit and Loss Account for the Year Ended 30 June 2012**

	Note	2012 £	2011 £
Turnover	2	56,052	68,945
Cost of sales		<u>(116)</u>	<u>(393)</u>
Gross profit		55,936	68,552
Administrative expenses		<u>(28,508)</u>	<u>(29,397)</u>
Operating profit	3	27,428	39,155
Interest payable and similar charges	7	<u>(12,337)</u>	<u>(11,896)</u>
Profit on ordinary activities before taxation		15,091	27,259
Tax on profit on ordinary activities	8	<u>(3,802)</u>	<u>(5,222)</u>
Profit for the financial year	16	<u><u>11,289</u></u>	<u><u>22,037</u></u>


Turnover and operating profit derive wholly from continuing operations

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

**Ashby & Thornton Plc**  
**(Registration number: 02134049)**  
**Balance Sheet at 30 June 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible fixed assets	9	414,768	417,086
Investments	10	<u>150</u>	<u>150</u>
		<u>414,918</u>	<u>417,236</u>
<b>Current assets</b>			
Debtors	11	18,494	39,451
Cash at bank and in hand		<u>4,689</u>	<u>3,959</u>
		23,183	43,410
Creditors Amounts falling due within one year	12	<u>(353,809)</u>	<u>(327,190)</u>
Net current liabilities		<u>(330,626)</u>	<u>(283,780)</u>
Total assets less current liabilities		84,292	133,456
Creditors Amounts falling due after more than one year	13	(810,782)	(870,736)
Provisions for liabilities	14	<u>(463)</u>	<u>(962)</u>
Net liabilities		<u>(726,953)</u>	<u>(738,242)</u>
<b>Capital and reserves</b>			
Called up share capital	15	250,000	250,000
Profit and loss account	16	<u>(976,953)</u>	<u>(988,242)</u>
Shareholders' deficit	17	<u>(726,953)</u>	<u>(738,242)</u>

Approved by the Board on 20/12/12 and signed on its behalf by

  
Mr. D Thornton  
Director

**Ashby & Thornton Plc**  
**Cash Flow Statement for the Year Ended 30 June 2012**

**Reconciliation of operating profit to net cash flow from operating activities**

	2012 £	2011 £
Operating profit	27,428	39,155
Depreciation, amortisation and impairment charges	2,318	2,318
Decrease/(increase) in debtors	20,957	(400)
Decrease in creditors	(30,411)	(30,509)
Net cash inflow from operating activities	<u>20,292</u>	<u>10,564</u>

**Cash flow statement**

	2012 £	2011 £
Net cash inflow from operating activities	20,292	10,564
<b>Returns on investments and servicing of finance</b>		
Interest paid	(12,337)	(11,896)
Taxation paid	(7,225)	(1,543)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	-	(815)
<b>Acquisitions and disposals</b>		
Acquisition of investments in subsidiary undertakings	-	(150)
Net cash inflow/(outflow) before management of liquid resources and financing	<u>730</u>	<u>(3,840)</u>
Increase/(decrease) in cash	<u>730</u>	<u>(3,840)</u>

**Reconciliation of net cash flow to movement in net debt**

	Note	2012 £	2011 £
Increase/(decrease) in cash		<u>730</u>	<u>(3,840)</u>
Movement in net debt	18	730	(3,840)
Net funds at 1 July	18	<u>3,959</u>	<u>7,799</u>
Net funds at 30 June	18	<u>4,689</u>	<u>3,959</u>

**Ashby & Thornton Plc**  
**Notes to the Financial Statements for the Year Ended 30 June 2012**

**1 Accounting policies**

**Basis of preparation**

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

**Going concern**

The financial statements have been prepared on a going concern basis. At 30 June 2012 the company's liabilities exceeded its assets by £726,953 (2011 - £738,242). The company continues to trade because the directors are of the opinion that all long term creditors are due to the directors and companies in which the directors have a material interest. The directors will continue to offer their financial support to the company.

**Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Other tangibles	25% straight line basis

**Investment properties**

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, whereby no depreciation is provided against such properties.

This treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

**Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

## Ashby & Thornton Plc

### Notes to the Financial Statements for the Year Ended 30 June 2012

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#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### 2 Turnover

An analysis of turnover by geographical location is given below

	2012 £	2011 £
Sales - UK	56,052	68,945

An analysis of turnover by class of business is given below

	2012 £	2011 £
UK Sales	42,000	57,042
UK Rental	14,007	11,648
UK Other Income	45	255
	56,052	68,945

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

### 3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned assets	2,318	2,318
Auditor's remuneration	<u>2,515</u>	<u>2,300</u>

### 4 Auditor's remuneration

	2012 £	2011 £
Audit of the financial statements	<u>2,515</u>	<u>2,300</u>

### 5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2012 No	2011 No.
Administration and support	<u>1</u>	<u>2</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	6,000	16,121
Social security costs	-	37
Staff pensions	<u>1,200</u>	<u>1,200</u>
	<u>7,200</u>	<u>17,358</u>

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

### 6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration	6,000	6,000
Company contributions paid to money purchase schemes	<u>1,200</u>	<u>1,200</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

### 7 Interest payable and similar charges

	2012 £	2011 £
Interest on other loans	11,166	11,842
Other interest payable	<u>1,171</u>	<u>54</u>
	<u>12,337</u>	<u>11,896</u>

### 8 Taxation

#### Tax on profit on ordinary activities

	2012 £	2011 £
<b>Current tax</b>		
Corporation tax charge	3,482	6,407
Adjustments in respect of previous years	<u>819</u>	<u>(687)</u>
UK Corporation tax	4,301	5,720
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(499)</u>	<u>(498)</u>
Total tax on profit on ordinary activities	<u>3,802</u>	<u>5,222</u>

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

### Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 20.75%)

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	15,091	27,259
Corporation tax at standard rate	3,018	5,656
Expenses not deductible for tax purposes	464	751
Total current tax	3,482	6,407

### 9 Tangible fixed assets

	Investment properties £	Other tangibles £	Total £
<b>Cost or valuation</b>			
At 1 July 2011	482,106	9,271	491,377
<b>Depreciation</b>			
At 1 July 2011	69,655	4,636	74,291
Charge for the year	-	2,318	2,318
At 30 June 2012	69,655	6,954	76,609
<b>Net book value</b>			
At 30 June 2012	412,451	2,317	414,768
At 30 June 2011	412,451	4,635	417,086

### Revaluations

The Investment properties class of fixed assets was revalued on 26 August 2009 by Jonathan Campbell Chartered Surveyor, MRICS at £260,000 who is external to the company. The basis of this valuation was the estimated market value for which the property should exchange on the date of the valuation (26 August 2009). This class of assets has a current value of £300,000 (2011 - £300,000).

The directors consider the reduction in market value of the property to that below the original cost to be a temporary fall in value and have therefore not amended the financial statements in this respect. The directors believe that the market value of such properties are likely to appreciate over time.



# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

### 10 Investments held as fixed assets

	2012 £	2011 £
Shares in group undertakings and participating interests	<u>150</u>	<u>150</u>

### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 July 2011	<u>150</u>	<u>150</u>
At 30 June 2012	<u>150</u>	<u>150</u>
<b>Net book value</b>		
At 30 June 2012	<u>150</u>	<u>150</u>
At 30 June 2011	<u>150</u>	<u>150</u>

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
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### Subsidiary undertakings

Ward Times Limited	Ordinary	100%	Online Newspaper
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The financial period end of Ward Times Limited is 31 March The profit for the financial period of Ward Times Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £150

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

### 11 Debtors

	2012 £	2011 £
Trade debtors	11,409	39,451
Other debtors	7,003	-
Prepayments and accrued income	82	-
	<u>18,494</u>	<u>39,451</u>

### 12 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	134	60
Corporation tax	3,482	6,406
Other taxes and social security	-	5,002
Other creditors	338,901	294,812
Directors' current accounts	8,037	-
Accruals and deferred income	3,255	20,910
	<u>353,809</u>	<u>327,190</u>

### 13 Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Directors' current accounts	<u>810,782</u>	<u>870,736</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2012 £	2011 £
Directors loan account	<u>810,782</u>	<u>870,736</u>

The loan from the directors is not repayable by instalments, nor is any interest accruing on the loan. The loan will be repaid when the company has sufficient capital to do so.

The creditors are secured by means of a debenture dated 26 February 2007 which gives a fixed and floating charge over the company's assets.

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

### 14 Provisions

	Deferred tax £	Total £
At 1 July 2011	962	962
Credited to the profit and loss account	(499)	(499)
At 30 June 2012	<u>463</u>	<u>463</u>

### Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>742</u>	<u>962</u>
	<u>742</u>	<u>962</u>

### 15 Share capital

#### Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

### 16 Reserves

	Profit and loss account £	Total £
At 1 July 2011	(988,242)	(988,242)
Profit for the year	<u>11,289</u>	<u>11,289</u>
At 30 June 2012	<u>(976,953)</u>	<u>(976,953)</u>

# Ashby & Thornton Plc

## Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

### 17 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	11,289	22,037
Net addition to shareholders' funds	11,289	22,037
Shareholders' deficit at 1 July	(738,242)	(760,279)
Shareholders' deficit at 30 June	(726,953)	(738,242)

### 18 Analysis of net debt

	At 1 July 2011 £	Cash flow £	At 30 June 2012 £
Cash at bank and in hand	3,959	730	4,689
Net funds	3,959	730	4,689

### 19 Related party transactions

The directors, Mr J D Thornton and Mrs V J Thornton, have material interests in the share capital of Ashby & Horner Limited (AHL), Hurford Salvi Carr Property Management Limited (HSCPML), Saracen Investments Limited (SIL) and Heritage Court Management Limited (HCML) and London Debt Collectors (LDCL) Church Home Group Resources (CHGR)

The company made sales to the value of £42,000 (2011 - £57,041), and purchased goods and services to the value of £318 (2011 - £2,332) from related parties. These transactions were made on normal commercial terms.

At 30 June 2011 the company was owed £7,947 (2011 - £5,497) by CHGR, £nil (2011 - £1,550) by HCML and £nil (2011 - £30,442) by SIL. The company also owed £19,756 (2011 - £19,765) to AHL, £15,316 (2011 - £10,433) to HCML, £100,018 (2011 - £85,718) to HSCPML, £61,000 (2011 - £21,272) to SIL and £51,446 (2011 - £65,362) to LDCL.

### Directors' advances and credits

	2012 Advance/ Credit £	2012 Repaid £	2011 Advance/ Credit £	2011 Repaid £
Mr J.D. Thornton				
Loan from/(to) director	818,818	51,918	870,736	73,037

### 20 Control

The company is controlled by the directors who own 100% of the called up share capital.