

Registration number: 02134049

Ashby & Thornton Plc

Directors' Report and Financial Statements

for the Year Ended 30 June 2009

P R Hornsby & Company Limited
Statutory Auditor & Chartered Accountants
The Old Mustard Pot
99 High Road
Broxbourne
Herts
EN10 7BN

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Ashby & Thornton Plc

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

Detailed profit and loss account	19 to 20
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Ashby & Thornton Plc
Company Information

Directors	Mr JD Thornton Mrs VJ Thornton
Secretary	Mr JD Thornton
Registered office	3 Castle Gate Castle Street Hertford Hertfordshire SG14 1HD
Bank	Lloyds Bank Plc Hertford 1 Bircherley Street Hertford Hertfordshire SG14 1BU
Auditors	P R Hornsby & Company Limited Statutory Auditor & Chartered Accountants The Old Mustard Pot 99 High Road Broxbourne Herts EN10 7BN

Ashby & Thornton Plc

Directors' Report for the Year Ended 30 June 2009

The directors present their report and the audited financial statements for the year ended 30 June 2009.

Directors' responsibilities

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

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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.

Principal activity

The principal activity of the company is that of property investment and management. There have been no significant changes in these activities during the year.

Business review

Fair review of the business

During the year the development at 40 Castle Street was substantially completed following lengthy problems with the external drains, the electricity supply and the Highways Department.

There is a possibility of some further development at Heritage Court in Glastonbury and negotiations are continuing.

The company has provided management services to several companies during the year and these activities are ongoing and increasing.

Development and performance of the business

	2009	2008	2007	2006	2005
Turnover growth	(5)%	(9)%	145%	5%	42%
Turnover	£152,893	£160,975	£176,480	£71,979	£68,880
Gross profit margin	100%	59%	92%	82%	95%
Profit before tax	£109,963	£19,176	£141,670	£52,001	£58,299

Ashby & Thornton Plc
Directors' Report for the Year Ended 30 June 2009

..... continued

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.

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

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Charitable donations

During the year the company made charitable donations of £3,000. Individual donations were:

	2009 £
Thornton Trust	3,000

Directors

The directors who held office during the year were as follows:

- Mr JD Thornton
- Mrs VJ Thornton

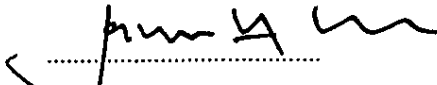
Auditors

The auditors, P R Hornsby & Company Limited, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006.

Ashby & Thornton Plc
Directors' Report for the Year Ended 30 June 2009

..... *continued*

Approved by the Board on 23 December 2009 and signed on its behalf by:


.....
Mr D Thornton
Company Secretary

Independent Auditors' Report to the Members of Ashby & Thornton Plc

We have audited the financial statements of Ashby & Thornton Plc for the year ended 30 June 2009, 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 Sections 495 and 496 of the Companies Act 2006. Our 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 auditors' 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 Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/uknp.

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 30 June 2009 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.

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.

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

..... *continued*

Mandy Wilson
Senior Statutory Auditor

for and on behalf of: *P. R. Hornsby & Company Limited*
P R Hornsby & Company Limited, Statutory Auditor

The Old Mustard Pot
99 High Road
Broxbourne
Herts
EN10 7BN

23 December 2009

Ashby & Thornton Plc
Profit and Loss Account for the Year Ended 30 June 2009

	Note	2009 £	2008 £
Turnover	2	152,893	160,976
Cost of sales		(358)	(65,436)
Gross profit		<u>152,535</u>	<u>95,540</u>
Administrative expenses		(42,688)	(11,541)
Other operating income	3	75	-
Operating profit	4	<u>109,922</u>	<u>83,999</u>
Other interest receivable and similar income		41	177
Amounts written off investments		-	(65,000)
Profit on ordinary activities before taxation		<u>109,963</u>	<u>19,176</u>
Tax on profit on ordinary activities	8	(29,231)	(21,385)
Profit/(loss) for the financial year	16	<u>80,732</u>	<u>(2,209)</u>
Profit and loss reserve brought forward		(1,105,524)	(1,103,315)
Profit and loss reserve carried forward		<u><u>(1,024,792)</u></u>	<u><u>(1,105,524)</u></u>

Turnover and operating profit derive wholly from continuing operations.

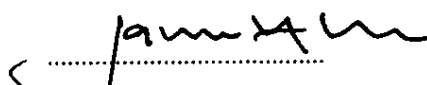
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 10 to 18 form an integral part of these financial statements.

Ashby & Thornton Plc
Balance Sheet as at 30 June 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		414,543		300,000
Current assets					
Stocks	10	-		11,522	
Debtors	11	66,415		9,403	
Cash at bank and in hand		<u>3,743</u>		<u>3,985</u>	
		70,158		24,910	
Creditors: Amounts falling due within one year	12	<u>(258,454)</u>		<u>(109,761)</u>	
Net current liabilities			<u>(188,296)</u>		<u>(84,851)</u>
Total assets less current liabilities			226,247		215,149
Creditors: Amounts falling due after more than one year	13		<u>(1,001,039)</u>		<u>(1,070,673)</u>
Net liabilities			<u>(774,792)</u>		<u>(855,524)</u>
Capital and reserves					
Called up share capital	15		250,000		250,000
Profit and loss reserve	16		<u>(1,024,792)</u>		<u>(1,105,524)</u>
Shareholders' deficit	17		<u>(774,792)</u>		<u>(855,524)</u>

Approved by the Board on 23 December 2009 and signed on its behalf by:



 Mr. JD Thornton
 Director

The notes on pages 10 to 18 form an integral part of these financial statements.

Ashby & Thornton Plc
Cash Flow Statement for the Year Ended 30 June 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	18	129,259	148,857
Returns on investment and servicing of finance	19	41	177
Taxation	19	(15,001)	(18,905)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(114,542)	-
		(114,542)	-
Cash (outflow)/inflow before management of liquid resources and financing		(243)	130,129
Financing	19	-	(130,623)
Decrease in cash		(242)	(494)

Reconciliation of net cash flow to movement in net funds

		2009	2008
	Note	£	£
Decrease in cash in the year	20	(242)	(494)
Change in net funds resulting from cash flows		(242)	(494)
Net funds at the start of the year	20	3,985	4,479
Net funds at the end of the year	20	3,743	3,985

The notes on pages 10 to 18 form an integral part of these financial statements.

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

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

At 30th June 2009 the company's liabilities exceeded its assets by £774,792 (2008 - £855,524). The company continues to trade because the directors are of the opinion that all long term creditors are due to the directors and 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:

Plant and machinery	25% straight line basis
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Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

This treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning the 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.

Work in progress

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

The assets of the pension scheme are held separately from those of the company.

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.

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

Investment properties - valuation

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

2 Turnover

An analysis of turnover by segment is given below:

	2009 £	2008 £
United Kingdom sales	139,185	148,903
United Kingdom rental income	13,708	12,073
	<u>152,893</u>	<u>160,976</u>

3 Other operating income

	2009 £	2008 £
Other income	<u>75</u>	<u>-</u>

4 Operating profit

Operating profit is stated after charging:

	2009 £	2008 £
The audit of the company's annual accounts	2,337	1,400
Auditors' remuneration - non audit services	<u>788</u>	<u>1,200</u>

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

5 Particulars of employees

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

	2009 No.	2008 No.
Administration	2	-
Management	1	1
	<u>3</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	26,276	5,000
Social security costs	8	-
Other pension costs	1,200	400
	<u>27,484</u>	<u>5,400</u>

6 Directors' remuneration

The directors' remuneration for the year are as follows:

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	5,500	5,000
Directors' money purchase schemes	1,200	400
	<u>6,700</u>	<u>5,400</u>

7 Amounts written off investments

	2009 £	2008 £
Amounts written off investments	-	65,000

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

8 Taxation

Analysis of current period tax charge

	2009 £	2008 £
Current tax		
Corporation tax charge	29,642	21,385
(Over)/under provision in previous year	(411)	-
UK Corporation tax	<u>29,231</u>	<u>21,385</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2008 - higher than) the standard rate of corporation tax in the UK of 28% (2008 - 28%).

The differences are reconciled below:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>109,963</u>	<u>19,176</u>
Standard rate corporation tax charge	30,790	5,369
Expenses not deductible for tax purposes (including goods)	660	18,200
Non-taxable income	(21)	(28)
Overprovision re previous year	(411)	411
Marginal rate relief	(1,787)	(3,826)
30% tax rate for 9 months of year	-	1,259
Total current tax for the year	<u>29,231</u>	<u>21,385</u>

Ashby & Thornton Plc
Notes to the Financial Statements for the Year Ended 30 June 2009

..... *continued*

9 Tangible fixed assets

	Freehold investment properties £
Cost	
As at 1 July 2008	365,000
Additions	<u>114,543</u>
As at 30 June 2009	<u>479,543</u>
Depreciation	
As at 1 July 2008 and 30 June 2009	<u>65,000</u>
Net book value	
As at 30 June 2009	<u>414,543</u>
As at 30 June 2008	<u>300,000</u>

10 Stocks and work in progress

	2009 £	2008 £
Work in progress	<u>-</u>	<u>11,522</u>

11 Debtors

	2009 £	2008 £
Trade debtors	66,340	4,403
Other debtors	<u>75</u>	<u>5,000</u>
	<u>66,415</u>	<u>9,403</u>

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

12 Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	34,878	65,889
Corporation tax	35,616	21,385
Taxation and social security	9,121	3,115
Other creditors	176,174	17,394
Accruals and deferred income	2,665	1,978
	<u>258,454</u>	<u>109,761</u>

13 Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Director current accounts	<u>1,001,039</u>	<u>1,070,673</u>

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

	2009 £	2008 £
Directors loan account	<u>1,001,039</u>	<u>1,070,673</u>

The loan from the directors is not payable 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.

14 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £1,200 (2008 - £400).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Ashby & Thornton Plc
Notes to the Financial Statements for the Year Ended 30 June 2009

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15 Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
Equity		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

16 Reserves

	Profit and loss reserve £
Balance at 1 July 2008	(1,105,524)
Transfer from profit and loss account for the year	<u>80,732</u>
Balance at 30 June 2009	<u>(1,024,792)</u>

17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit/(loss) attributable to members of the company	80,732	(2,209)
Opening shareholders' deficit (originally (£855,525) before adding prior year adjustment of £1)	<u>(855,524)</u>	<u>(853,315)</u>
Closing shareholders' deficit	<u>(774,792)</u>	<u>(855,524)</u>

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

18 Reconciliation of operating profit to operating cash flows

	2009 £	2008 £
Operating profit	109,922	83,999
Depreciation, amortisation and impairment charges	-	-
Decrease in stocks	11,522	53,914
(Increase)/decrease in debtors	(57,012)	4,672
Increase in creditors	64,827	6,272
Net cash inflow from operating activities	129,259	148,857

19 Analysis of cash flows

	2009 £	2008 £
Returns on investment and servicing of finance		
Interest received	41	177
Taxation		
Taxation paid	(15,001)	(18,905)
Financing		
Net inflow from other short term creditors	-	16,693
Repayment of directors long term loans	-	(147,316)
	-	(130,623)

20 Analysis of net funds

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	3,985	(242)	3,743

Ashby & Thornton Plc

Notes to the Financial Statements for the Year Ended 30 June 2009

..... continued

21 Related parties

Related party transactions

The directors, Mr J D Thornton and Mrs V J Thornton, are materially interested in the share capital of Ashby & Horner Limited (AHL), Hurford Salvi Carr Property Management Limited (HSCPML), Saracen Investments Limited (SIL), Heritage Court Management Limited (HCML) and London Debt Collectors Limited (LDCL).

The company made sales to the value of £139,185 (2008 - £73,842), and purchased goods and services to the value of £47,077 (2008 - £3,838), from related parties. These transactions were made on normal commercial terms.

At 30 June 2009 the company was owed £nil (2008 - £5000) by HCML, £881.75 (2008 - £nil) by HSCPML, £57,500 (2008 - £1,733) from SIL and £4,700 (2008 - £nil) by LDCL. The company also owed £20,690 (2008 - £32,003) to AHL, £5,030 (2008 - £30) to HCML, £72,730 (2008 - £23,758) to HSCPML and £19,058 (2008 - £7,667) to SIL.

Director's loan account

The following balance owed to the director was outstanding at the year end:

	Maximum Balance £	2009 £	2008 £
Mr J Thornton	1,082,359	1,001,039	1,070,673

No interest is charged in respect of this balance.

Ashby & Thornton Plc
Detailed Profit and Loss Account for the Year Ended 30 June 2009

	2009		2008
	£	£	£
Turnover			
Sales	139,185		148,903
Rental income - 40A Castle Street	<u>13,708</u>		<u>12,073</u>
		152,893	160,976
Cost of sales			
Opening work in progress	11,522		65,436
Purchases	96		11,522
Own work capitalised	(11,522)		-
Closing work in progress	-		(11,522)
Site running costs	<u>262</u>		<u>-</u>
		<u>(358)</u>	<u>(65,436)</u>
Gross profit		152,535	95,540
Administrative expenses (analysed below)			
Employment costs	27,484		5,400
Establishment costs	5,623		101
General administrative expenses	9,229		5,062
Finance charges	<u>352</u>		<u>978</u>
		(42,688)	(11,541)
Other operating income			
Other income		<u>75</u>	<u>-</u>
Operating profit		109,922	83,999
Other interest receivable and similar income			
Bank interest receivable		41	77
Other interest receivable		<u>-</u>	<u>100</u>
		41	177
Amounts written off investments			
Written off fixed asset investments		<u>-</u>	<u>(65,000)</u>
Profit on ordinary activities before taxation		<u>109,963</u>	<u>19,176</u>

This page does not form part of the statutory financial statements.

Ashby & Thornton Plc

Detailed Profit and Loss Account for the Year Ended 30 June 2009

..... continued

	2009 £	2008 £
Employment costs		
Wages and salaries	20,776	-
Directors remuneration	5,500	5,000
Directors NIC (Employers)	8	-
Directors pensions (Defined contribution)	1,200	400
	<u>27,484</u>	<u>5,400</u>
	2009 £	2008 £
Establishment costs		
Rent and rates	5,000	-
Insurance	623	101
	<u>5,623</u>	<u>101</u>
	2009 £	2008 £
General administrative expenses		
Trade subscriptions	35	-
Charitable donations	3,000	1,250
Sundry expenses	30	-
Accountancy fees	-	(600)
The audit of the company's annual accounts	2,337	1,400
Auditors' remuneration - non audit work	788	600
Consulting	-	600
Legal and professional fees	1,539	1,812
Bad debt provision	1,500	-
	<u>9,229</u>	<u>5,062</u>
	2009 £	2008 £
Finance charges		
Bank charges	<u>352</u>	<u>978</u>

This page does not form part of the statutory financial statements.