

REGISTERED NUMBER: 3943652 (England and Wales)

Abbreviated Accounts

For The Year Ended 31st July 2007

for

A J & CO. (DEVON) LTD

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COMPANIES HOUSE

A J & CO. (DEVON) LTD

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For The Year Ended 31ST JULY 2007

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A J & CO. (DEVON) LTD

Company Information
For The Year Ended 31ST JULY 2007

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: 3943652 (England and Wales)

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

A J & CO. (DEVON) LTD

Report of the Directors **For The Year Ended 31ST JULY 2007**

The directors present their report with the accounts of the company for the year ended 31st July 2007

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 results for the year and financial position of the company are as shown in the annexed accounts.

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

An interim dividend of 1.6p per share was paid on 31st July 2007. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st July 2007 will be £10,702.

A J & CO. (DEVON) LTD

Report of the Directors
For The Year Ended 31ST JULY 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2006 to the date of this report.

R W Smallridge
D J Smallridge
Mrs N A Smallridge

Other changes in directors holding office are as follows:

Mrs C M Smallridge - resigned 17th April 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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) The financial statements are required by law to 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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 234ZA of the Companies Act 1985) 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

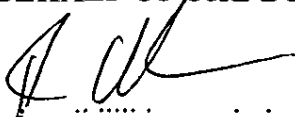
A J & CO. (DEVON) LTD

Report of the Directors
For The Year Ended 31ST JULY 2007

AUDITORS

The auditors, Potter Baker, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



R W Smallridge - Director

Date: 12/5/08

Report of the Independent Auditors to
A J & Co. (Devon) Ltd
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages six to twenty one, together with the financial statements of A J & Co (Devon) Ltd for the year ended 31st July 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision


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

Date 21ST MAY 2008

A J & CO. (DEVON) LTD

Abbreviated Profit and Loss Account
For The Year Ended 31ST JULY 2007

	Notes	2007 £	2006 £
GROSS PROFIT		762,043	745,953
Administrative expenses		567,684	507,144
OPERATING PROFIT	3	194,359	238,809
Interest receivable and similar income		3,438	2,724
		197,797	241,533
Interest payable and similar charges	4	114,876	110,617
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		82,921	130,916
Tax on profit on ordinary activities	5	653	173
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		82,268	130,743

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 abbreviated accounts

A J & CO. (DEVON) LTD

Statement of Total Recognised Gains and Losses
For The Year Ended 31ST JULY 2007

	2007 £	2006 £
PROFIT FOR THE FINANCIAL YEAR	82,268	130,743
Revaluation of Pendruccombe House		
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>82,268</u>	<u>130,743</u>

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD**Abbreviated Balance Sheet**
31ST JULY 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	7	447,187	474,687
Tangible assets	8	3,088,992	3,095,892
		<u>3,536,179</u>	<u>3,570,579</u>
CURRENT ASSETS			
Stocks	9	14,915	12,680
Debtors	10	205,095	113,736
Cash at bank and in hand		3,299	92,560
		<u>223,309</u>	<u>218,976</u>
CREDITORS			
Amounts falling due within one year	11	205,607	189,188
NET CURRENT ASSETS		<u>17,702</u>	<u>29,788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,553,881</u>	<u>3,600,367</u>
CREDITORS			
Amounts falling due after more than one year	12	1,571,391	1,689,443
NET ASSETS		<u><u>1,982,490</u></u>	<u><u>1,910,924</u></u>

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD

Abbreviated Balance Sheet - continued
31ST JULY 2007

	Notes	2007 £	£	2006 £	£
CAPITAL AND RESERVES					
Called up share capital	15		686,543		686,543
Share premium	16		215,555		215,555
Revaluation reserve	16		716,700		716,700
Profit and loss account	16		363,692		292,126
SHAREHOLDERS' FUNDS	18		<u>1,982,490</u>		<u>1,910,924</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

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

12TH MAY 2008



R W Smallridge - Director



D J Smallridge - Director

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD**Cash Flow Statement
For The Year Ended 31ST JULY 2007**

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	134,083	267,669
Returns on investments and servicing of finance	2	(111,438)	(107,893)
Taxation		(611)	438
Capital expenditure	2	(12,318)	(9,406)
Equity dividends paid		(10,702)	-
		(986)	150,808
Financing	2	(116,948)	(186,045)
Decrease in cash in the period		(117,934)	(35,237)
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(117,934)	(35,237)
Cash outflow from decrease in debt		116,948	166,455
Change in net debt resulting from cash flows		(986)	131,218
Movement in net debt in the period		(986)	131,218
Net debt at 1st August		(1,614,050)	(1,745,268)
Net debt at 31st July		(1,615,036)	(1,614,050)

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD

Notes to the Cash Flow Statement
For The Year Ended 31ST JULY 2007

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

	2007	2006
	£	£
Operating profit	194,359	238,809
Depreciation charges	46,718	48,487
Increase in stocks	(2,235)	(5,067)
(Increase)/Decrease in debtors	(91,359)	4,521
Decrease in creditors	(13,400)	(19,081)
Net cash inflow from operating activities	134,083	267,669

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

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	3,438	2,724
Interest paid	(114,876)	(110,617)
Net cash outflow for returns on investments and servicing of finance	(111,438)	(107,893)
Capital expenditure		
Purchase of tangible fixed assets	(12,318)	(9,406)
Net cash outflow for capital expenditure	(12,318)	(9,406)
Financing		
Loan repayments in year	(116,948)	(166,453)
Amount introduced by directors	4,898	-
Amount withdrawn by directors	(4,898)	(19,592)
Net cash outflow from financing	(116,948)	(186,045)

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD

Notes to the Cash Flow Statement
For The Year Ended 31ST JULY 2007

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 8 06 £	Cash flow £	At 31 7 07 £
Net cash			
Cash at bank and in hand	92,560	(89,261)	3,299
Bank overdraft	-	(28,673)	(28,673)
	<u>92,560</u>	<u>(117,934)</u>	<u>(25,374)</u>
Debt			
Debts falling due within one year	(17,167)	(1,104)	(18,271)
Debts falling due after one year	<u>(1,689,443)</u>	<u>118,052</u>	<u>(1,571,391)</u>
	<u>(1,706,610)</u>	<u>116,948</u>	<u>(1,589,662)</u>
Total	<u>(1,614,050)</u>	<u>(986)</u>	<u>(1,615,036)</u>

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts **For The Year Ended 31ST JULY 2007**

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 it's 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

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.

2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	1,748,911	1,569,315
Social security costs	116,651	109,414
	<u>1,865,562</u>	<u>1,678,729</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

2 STAFF COSTS - continued

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

2007	2006
175	171

3 OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Depreciation - owned assets	19,218	20,987
Goodwill amortisation	27,500	27,500
Auditors' remuneration	4,406	4,406
	<u>84,000</u>	<u>90,000</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	3,033	655
Bank loan interest	111,843	109,962
	<u>114,876</u>	<u>110,617</u>

5 TAXATION

Analysis of the tax charge

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

	2007	2006
	£	£
Current tax:		
UK corporation tax	653	173
	<u>653</u>	<u>173</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

6. DIVIDENDS

	2007	2006
	£	£
Ordinary shares of £1 each		
Interim	<u>10,702</u>	<u>-</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st August 2006 and 31st July 2007	<u>549,999</u>
AMORTISATION	
At 1st August 2006	75,312
Amortisation for year	<u>27,500</u>
At 31st July 2007	<u>102,812</u>
NET BOOK VALUE	
At 31st July 2007	<u>447,187</u>
At 31st July 2006	<u>474,687</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

8 TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST OR VALUATION			
At 1st August 2006	2,998,964	13,684	173,760
Additions	-	-	12,318
At 31st July 2007	2,998,964	13,684	186,078
DEPRECIATION			
At 1st August 2006	-	-	93,729
Charge for year	-	-	18,470
At 31st July 2007	-	-	112,199
NET BOOK VALUE			
At 31st July 2007	2,998,964	13,684	73,879
At 31st July 2006	2,998,964	13,684	80,031
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1st August 2006	8,300	4,200	3,198,908
Additions	-	-	12,318
At 31st July 2007	8,300	4,200	3,211,226
DEPRECIATION			
At 1st August 2006	6,188	3,099	103,016
Charge for year	528	220	19,218
At 31st July 2007	6,716	3,319	122,234
NET BOOK VALUE			
At 31st July 2007	1,584	881	3,088,992
At 31st July 2006	2,112	1,101	3,095,892

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

8 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st July 2007 is represented by

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2003	1,250,000	-	-
Cost	1,748,964	13,684	186,078
	<u>2,998,964</u>	<u>13,684</u>	<u>186,078</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2003	-	-	1,250,000
Cost	8,300	4,200	1,961,226
	<u>8,300</u>	<u>4,200</u>	<u>3,211,226</u>

If Pendruccombe had not been revalued it would have been included at the following historical cost

	2007 £	2006 £
Cost	<u>533,300</u>	<u>533,300</u>

Pendruccombe House was valued on an open market basis on 30th September 2003 by H J James MRICS of Messrs King Sturge

9 STOCKS

	2007 £	2006 £
Stocks	<u>14,915</u>	<u>12,680</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	135,605	89,246
Other debtors	49,898	4,898
Directors' current accounts	19,592	19,592
	<u>205,095</u>	<u>113,736</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 13)	46,944	17,167
Trade creditors	64,371	50,395
Tax	653	611
Social security and other taxes	34,770	32,850
Other creditors	48,359	79,870
Accrued expenses	10,510	8,295
	<u>205,607</u>	<u>189,188</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 13)	<u>1,571,391</u>	<u>1,689,443</u>

13 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	28,673	-
Bank loans	18,271	17,167
	<u>46,944</u>	<u>17,167</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

13 LOANS - continued

	2007	2006
	£	£
Amounts falling due between one and two years.		
Bank loans - 1-2 years	<u>19,447</u>	<u>18,271</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>66,172</u>	<u>62,173</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,485,772</u>	<u>1,608,999</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	2007	2006
	£	£
Bank overdraft	28,172	-
Bank Loans	<u>1,589,662</u>	<u>1,706,610</u>
	<u>1,617,834</u>	<u>1,706,610</u>

The above debts are secured by a 1st legal charge dated 7/8/00 over the freehold property of Pendruccombe 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

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

15. CALLED UP SHARE CAPITAL

Authorised Number:	Class:	Nominal value £1	2007 £	2006 £
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2007 £	2006 £
686,543	Ordinary		<u>686,543</u>	<u>686,543</u>

16 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1st August 2006	292,126	215,555	716,700	1,224,381
Profit for the year	82,268			82,268
Dividends	(10,702)			(10,702)
At 31st July 2007	<u>363,692</u>	<u>215,555</u>	<u>716,700</u>	<u>1,295,947</u>

17 TRANSACTIONS WITH DIRECTORS

During the year the company operated a loan account with the three Directors. The maximum outstanding during the year was £19,592 and this remained outstanding at the year end. The loan was interest free

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	82,268	130,743
Dividends	(10,702)	-
Share Issue		
Net addition to shareholders' funds	<u>71,566</u>	<u>130,743</u>
Opening shareholders' funds	<u>1,910,924</u>	<u>1,780,181</u>
Closing shareholders' funds	<u>1,982,490</u>	<u>1,910,924</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2007

19 REVALUATION

Pendruccombe House has been revalued during the year ended 31st July 2004 to £1,250,000, and if disposed of at this valuation, the corporation tax arising would be approximately £160,000.