

REGISTERED NUMBER: 3943652 (England and Wales)

Abbreviated Accounts

For The Year Ended 31st July 2008

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 2008

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A J & CO. (DEVON) LTD

Company Information
For The Year Ended 31ST JULY 2008

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 2008

The directors present their report with the accounts of the company for the year ended 31st July 2008.

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 Pendrucombe 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 its 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 it's 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 it's 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 2008. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st July 2008 will be £10,702.

A J & CO. (DEVON) LTD

Report of the Directors
For The Year Ended 31ST JULY 2008

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2007 to the date of this report.

R W Smallridge
D J Smallridge
Mrs N A Smallridge

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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.

A J & CO. (DEVON) LTD

Report of the Directors
For The Year Ended 31ST JULY 2008

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.

ON BEHALF OF THE BOARD:


.....

R W Smallridge - Director

Date: 14/5/09.....

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 2008 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

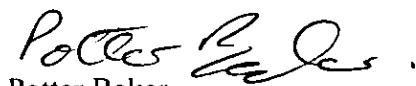
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of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

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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

26th May 2009

A J & CO. (DEVON) LTD

Abbreviated Profit and Loss Account
For The Year Ended 31ST JULY 2008

	Notes	2008 £	2007 £
GROSS PROFIT		844,049	762,043
Administrative expenses		568,295	567,684
OPERATING PROFIT	3	275,754	194,359
Interest receivable and similar income		3,725	3,438
		279,479	197,797
Interest payable and similar charges	4	110,616	114,876
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		168,863	82,921
Tax on profit on ordinary activities	5	94	653
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		168,769	82,268

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 2008

	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	168,769	82,268
Revaluation of Pendruccombe House	—	—
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>168,769</u>	<u>82,268</u>

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD**Abbreviated Balance Sheet**
31ST JULY 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		419,687		447,187
Tangible assets	8		3,097,050		3,088,992
			<hr/>		<hr/>
			3,516,737		3,536,179
CURRENT ASSETS					
Stocks	9	15,798		14,915	
Debtors	10	219,734		205,095	
Cash at bank and in hand		48,135		3,299	
		<hr/>		<hr/>	
		283,667		223,309	
CREDITORS					
Amounts falling due within one year	11	207,257		205,607	
		<hr/>		<hr/>	
NET CURRENT ASSETS			76,410		17,702
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,593,147		3,553,881
CREDITORS					
Amounts falling due after more than one year	12		1,452,590		1,571,391
			<hr/>		<hr/>
NET ASSETS			2,140,557		1,982,490
			<hr/>		<hr/>
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		521,759		363,692
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	18		2,140,557		1,982,490
			<hr/>		<hr/>

The notes form part of these abbreviated accounts

A J & CO. (DEVON) LTD

Abbreviated Balance Sheet - continued
31ST JULY 2008

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 14/05/2009
and were signed on its behalf by:



.....
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 2008**

	Notes	2008 £	2007 £
Net cash inflow from operating activities	1	313,627	134,083
Returns on investments and servicing of finance	2	(106,891)	(111,438)
Taxation		10	(611)
Capital expenditure	2	(29,734)	(12,318)
Equity dividends paid		(10,702)	(10,702)
		<u>166,310</u>	<u>(986)</u>
Financing	2	(117,539)	(116,948)
Increase/(Decrease) in cash in the period		<u>48,771</u>	<u>(117,934)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		48,771	(117,934)
Cash outflow from decrease in debt		<u>117,539</u>	<u>116,948</u>
Change in net debt resulting from cash flows		<u>166,310</u>	<u>(986)</u>
Movement in net debt in the period		166,310	(986)
Net debt at 1st August		<u>(1,615,036)</u>	<u>(1,614,050)</u>
Net debt at 31st July		<u>(1,448,726)</u>	<u>(1,615,036)</u>

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 2008

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

	2008	2007
	£	£
Operating profit	275,754	194,359
Depreciation charges	48,974	46,718
Loss on disposal of fixed assets	202	-
Increase in stocks	(883)	(2,235)
Increase in debtors	(14,639)	(91,359)
Increase/(Decrease) in creditors	4,219	(13,400)
Net cash inflow from operating activities	313,627	134,083

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

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	3,725	3,438
Interest paid	(110,616)	(114,876)
Net cash outflow for returns on investments and servicing of finance	(106,891)	(111,438)
Capital expenditure		
Purchase of tangible fixed assets	(30,154)	(12,318)
Sale of tangible fixed assets	420	-
Net cash outflow for capital expenditure	(29,734)	(12,318)
Financing		
Loan repayments in year	(117,539)	(116,948)
Amount introduced by directors	-	4,898
Amount withdrawn by directors	-	(4,898)
Net cash outflow from financing	(117,539)	(116,948)

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 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.07 £	Cash flow £	At 31.7.08 £
Net cash:			
Cash at bank and in hand	3,299	44,836	48,135
Bank overdraft	(28,673)	3,935	(24,738)
	<u>(25,374)</u>	<u>48,771</u>	<u>23,397</u>
Debt:			
Debts falling due within one year	(18,271)	(1,262)	(19,533)
Debts falling due after one year	(1,571,391)	118,801	(1,452,590)
	<u>(1,589,662)</u>	<u>117,539</u>	<u>(1,472,123)</u>
Total	<u>(1,615,036)</u>	<u>166,310</u>	<u>(1,448,726)</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 2008

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

Goodwill

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

Tangible fixed assets

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

Fixtures, Fittings etc. - 20% on reducing balance

Motor Vehicles - 25% on reducing balance

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

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

	2008	2007
	£	£
Wages and salaries	1,887,266	1,748,911
Social security costs	128,403	116,651
	<u>2,015,669</u>	<u>1,865,562</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

2. STAFF COSTS - continued

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

2008	2007
175	175
<u>175</u>	<u>175</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	21,474	19,218
Loss on disposal of fixed assets	202	-
Goodwill amortisation	27,500	27,500
Auditors' remuneration	4,626	4,406
	<u>84,000</u>	<u>84,000</u>
Directors' emoluments	<u>84,000</u>	<u>84,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Bank interest	3,019	3,033
Bank loan interest	107,597	111,843
	<u>110,616</u>	<u>114,876</u>

5. TAXATION

Analysis of the tax charge

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

	2008	2007
	£	£
Current tax:		
UK corporation tax	94	653
	<u>94</u>	<u>653</u>
Tax on profit on ordinary activities	<u>94</u>	<u>653</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

6. DIVIDENDS

	2008	2007
	£	£
Ordinary shares of £1 each		
Interim	<u>10,702</u>	<u>10,702</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st August 2007 and 31st July 2008	<u>549,999</u>
AMORTISATION	
At 1st August 2007	102,812
Amortisation for year	<u>27,500</u>
At 31st July 2008	<u>130,312</u>
NET BOOK VALUE	
At 31st July 2008	<u>419,687</u>
At 31st July 2007	<u>447,187</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST OR VALUATION			
At 1st August 2007	2,998,964	13,684	186,078
Additions	-	-	25,154
At 31st July 2008	2,998,964	13,684	211,232
DEPRECIATION			
At 1st August 2007	-	-	112,199
Charge for year	-	-	19,807
Eliminated on disposal	-	-	-
At 31st July 2008	-	-	132,006
NET BOOK VALUE			
At 31st July 2008	2,998,964	13,684	79,226
At 31st July 2007	2,998,964	13,684	73,879
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1st August 2007	8,300	4,200	3,211,226
Additions	5,000	-	30,154
Disposals	(4,300)	-	(4,300)
At 31st July 2008	9,000	4,200	3,237,080
DEPRECIATION			
At 1st August 2007	6,716	3,319	122,234
Charge for year	1,491	176	21,474
Eliminated on disposal	(3,678)	-	(3,678)
At 31st July 2008	4,529	3,495	140,030
NET BOOK VALUE			
At 31st July 2008	4,471	705	3,097,050
At 31st July 2007	1,584	881	3,088,992

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st July 2008 is represented by:

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2003	1,250,000	-	-
Cost	1,748,964	13,684	211,232
	<u>2,998,964</u>	<u>13,684</u>	<u>211,232</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2003	-	-	1,250,000
Cost	9,000	4,200	1,987,080
	<u>9,000</u>	<u>4,200</u>	<u>3,237,080</u>

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

	2008 £	2007 £
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

	2008 £	2007 £
Stocks	<u>15,798</u>	<u>14,915</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	164,565	135,605
Other debtors	35,577	49,898
Directors' current accounts	19,592	19,592
	<u>219,734</u>	<u>205,095</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 13)	44,271	46,944
Trade creditors	61,141	64,371
Tax	757	653
Social security and other taxes	37,216	34,770
Other creditors	53,272	48,359
Accrued expenses	10,600	10,510
	<u>207,257</u>	<u>205,607</u>

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

	2008	2007
	£	£
Bank loans (see note 13)	<u>1,452,590</u>	<u>1,571,391</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2008	2007
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	24,738	28,673
Bank loans	19,533	18,271
	<u>44,271</u>	<u>46,944</u>

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

13. LOANS - continued

	2008	2007
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>20,789</u>	<u>19,447</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>70,741</u>	<u>66,172</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,361,060</u>	<u>1,485,772</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2008	2007
	£	£
Bank overdraft	21,970	28,172
Bank Loans	<u>1,472,123</u>	<u>1,589,662</u>
	<u>1,494,093</u>	<u>1,617,834</u>

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

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

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2008 £	2007 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
686,543	Ordinary	£1	<u>686,543</u>	<u>686,543</u>

16. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1st August 2007	363,692	215,555	716,700	1,295,947
Profit for the year	168,769			168,769
Dividends	(10,702)			(10,702)
At 31st July 2008	<u>521,759</u>	<u>215,555</u>	<u>716,700</u>	<u>1,454,014</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. RELATED PARTY DISCLOSURES

During the year the company loaned Ashbrook Investments the sum of £30,000. Ashbrook Investments is a property letting business owned by Mr & Mrs R W Smallridge and Mr D J Smallridge.

A J & CO. (DEVON) LTD

Notes to the Abbreviated Accounts - continued
For The Year Ended 31ST JULY 2008

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	168,769	82,268
Dividends	(10,702)	(10,702)
Share Issue		
	<hr/>	<hr/>
Net addition to shareholders' funds	158,067	71,566
Opening shareholders' funds	1,982,490	1,910,924
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,140,557</u>	<u>1,982,490</u>

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.