

REGISTERED NUMBER: 03943652 (England and Wales)

Report of the Directors and

Financial Statements

For The Year Ended 31 July 2011

for

A J & CO. (DEVON) LTD

SATURDAY



RM

R17SFSG2

28/04/2012

#161

COMPANIES HOUSE

Contents of the Financial Statements
For The Year Ended 31 JULY 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	13

A J & CO. (DEVON) LTD

Company Information
For The Year Ended 31 JULY 2011

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: 03943652 (England and Wales)

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

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Report of the Directors
For The Year Ended 31 JULY 2011

The directors present their report with the financial statements of the company for the year ended 31 July 2011.

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 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 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

No dividends will be distributed for the year ended 31 July 2011

Report of the Directors
For The Year Ended 31 JULY 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2010 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 Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Report of the Directors
For The Year Ended 31 JULY 2011

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
R W Smallridge - Director

Date 24/4/2012

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

We have audited the financial statements of A J & Co. (Devon) Ltd for the year ended 31 July 2011 on pages seven to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Andrew Baker FCA (Senior Statutory Auditor)
for and on behalf of Potter Baker
Registered Auditors
Chartered Accountants
20 Western Road
Launceston
Cornwall
PL15 7BA

26 April 2012

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Profit and Loss Account
For The Year Ended 31 JULY 2011

	Notes	2011 £	2010 £
TURNOVER		3,594,589	3,297,043
Cost of sales		<u>2,702,739</u>	<u>2,355,633</u>
GROSS PROFIT		891,850	941,410
Administrative expenses		<u>666,478</u>	<u>644,683</u>
OPERATING PROFIT	3	225,372	296,727
Interest receivable and similar income		<u>1,569</u>	<u>1</u>
		226,941	296,728
Interest payable and similar charges	4	<u>29,792</u>	<u>31,699</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197,149	265,029
Tax on profit on ordinary activities	5	<u>23,528</u>	<u>42,082</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>173,621</u></u>	<u><u>222,947</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Balance Sheet
31 JULY 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	337,187	364,687
Tangible assets	7	5,325,517	5,268,295
		<u>5,662,704</u>	<u>5,632,982</u>
CURRENT ASSETS			
Stocks	8	19,916	16,955
Debtors	9	745,907	771,018
Cash at bank and in hand		1,514	1,582
		<u>767,337</u>	<u>789,555</u>
CREDITORS			
Amounts falling due within one year	10	483,827	519,196
		<u>483,827</u>	<u>519,196</u>
NET CURRENT ASSETS		<u>283,510</u>	<u>270,359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,946,214</u>	<u>5,903,341</u>
CREDITORS			
Amounts falling due after more than one year	11	1,081,752	1,212,500
		<u>1,081,752</u>	<u>1,212,500</u>
NET ASSETS		<u><u>4,864,462</u></u>	<u><u>4,690,841</u></u>

The notes form part of these financial statements

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Balance Sheet - continued
31 JULY 2011

	Notes	2011 £	2010 £
CAPITAL AND RESERVES			
Called up share capital	15	686,543	686,543
Share premium	16	215,555	215,555
Revaluation reserve	16	2,817,736	2,817,736
Profit and loss account	16	1,144,628	971,007
SHAREHOLDERS' FUNDS	19	<u>4,864,462</u>	<u>4,690,841</u>

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

24 April 2012



R W Smallridge - Director



D J Smallridge - Director

The notes form part of these financial statements

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Cash Flow Statement
For The Year Ended 31 JULY 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	517,257	216,150
Returns on investments and servicing of finance	2	(28,223)	(31,698)
Taxation		(69,108)	(22,157)
Capital expenditure	2	(112,658)	(70,438)
		307,268	91,857
Financing	2	(187,003)	(311,569)
Increase/(Decrease) in cash in the period		120,265	(219,712)
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		120,265	(219,712)
Cash outflow from decrease in debt and lease financing		130,425	126,553
Change in net debt resulting from cash flows		250,690	(93,159)
New finance leases		-	(19,727)
Movement in net debt in the period		250,690	(112,886)
Net debt at 1 August		(1,489,608)	(1,376,722)
Net debt at 31 July		(1,238,918)	(1,489,608)

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31 JULY 2011

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

	2011 £	2010 £
Operating profit	225,372	296,727
Depreciation charges	81,755	66,593
Loss on disposal of fixed assets	1,181	-
Increase in stocks	(2,961)	(1,225)
Decrease/(Increase) in debtors	81,689	(135,586)
Increase/(Decrease) in creditors	130,221	(10,359)
Net cash inflow from operating activities	517,257	216,150

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,569	1
Interest paid	(28,080)	(30,191)
Interest element of finance lease payments	(1,712)	(1,508)
Net cash outflow for returns on investments and servicing of finance	(28,223)	(31,698)
Capital expenditure		
Purchase of tangible fixed assets	(112,658)	(70,438)
Net cash outflow for capital expenditure	(112,658)	(70,438)
Financing		
Loan repayments in year	(126,517)	(126,552)
Capital repayments in year	(3,908)	-
Amount introduced by directors	6,800	-
Amount withdrawn by directors	(63,378)	(185,017)
Net cash outflow from financing	(187,003)	(311,569)

The notes form part of these financial statements

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Cash Flow Statement
For The Year Ended 31 JULY 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/8/10 £	Cash flow £	At 31/7/11 £
Net cash			
Cash at bank and in hand	1,582	(68)	1,514
Bank overdraft	(248,145)	120,333	(127,812)
	<u>(246,563)</u>	<u>120,265</u>	<u>(126,298)</u>
Debt			
Finance leases	(19,727)	3,908	(15,819)
Debts falling due within one year	(26,636)	117	(26,519)
Debts falling due after one year	(1,196,682)	126,400	(1,070,282)
	<u>(1,243,045)</u>	<u>130,425</u>	<u>(1,112,620)</u>
Total	<u>(1,489,608)</u>	<u>250,690</u>	<u>(1,238,918)</u>

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 JULY 2011

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. It is the Company's policy to regularly revalue its properties

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is not recognised as no material liability is expected to arise in the foreseeable future

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	2,284,207	2,084,144
Social security costs	156,088	141,634
	<u>2,440,295</u>	<u>2,225,778</u>

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

	2011	2010
Employees	<u>194</u>	<u>193</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	50,654	34,593
Depreciation - assets on finance leases	3,601	4,501
Loss on disposal of fixed assets	1,181	-
Goodwill amortisation	27,500	27,500
Auditors' remuneration	6,000	5,415
Other services supplied pursuant to such legislation	7,500	5,941
Other services relating to taxation	1,200	650
	<u>98,572</u>	<u>97,119</u>
Directors' remuneration	<u>98,572</u>	<u>97,119</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	2,723	1,396
Bank loan interest	25,357	27,664
Other interest	-	1,131
Leasing	1,712	1,508
	<u>29,792</u>	<u>31,699</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

5 TAXATION

Analysis of the tax charge

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

	2011 £	2010 £
Current tax		
UK corporation tax	23,528	42,082
	<u>23,528</u>	<u>42,082</u>
Tax on profit on ordinary activities	<u>23,528</u>	<u>42,082</u>

Factors affecting the tax charge

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>197,149</u>	<u>265,029</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	51,259	74,208
Effects of		
Excess Capital Allowances (mainly re integral fixtures)	(15,617)	(11,067)
Small Companies Rate of Taxation	(5,341)	(14,027)
Disallowed expenses	52	317
Meadowside goodwill	(6,825)	(7,349)
	<u>23,528</u>	<u>42,082</u>
Current tax charge	<u>23,528</u>	<u>42,082</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

6 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2010 and 31 July 2011	549,999
AMORTISATION	
At 1 August 2010	185,312
Amortisation for year	27,500
At 31 July 2011	212,812
NET BOOK VALUE	
At 31 July 2011	337,187
At 31 July 2010	364,687

7 TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST OR VALUATION			
At 1 August 2010	5,100,000	14,785	328,900
Additions	-	-	99,826
At 31 July 2011	5,100,000	14,785	428,726
DEPRECIATION			
At 1 August 2010	-	-	189,692
Charge for year	-	-	47,807
Eliminated on disposal	-	-	-
At 31 July 2011	-	-	237,499
NET BOOK VALUE			
At 31 July 2011	5,100,000	14,785	191,227
At 31 July 2010	5,100,000	14,785	139,208

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

7 TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 August 2010	19,785	10,784	5,474,254
Additions	11,832	1,000	112,658
Disposals	(2,100)	-	(2,100)
	<hr/>	<hr/>	<hr/>
At 31 July 2011	29,517	11,784	5,584,812
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 August 2010	11,201	5,066	205,959
Charge for year	5,104	1,344	54,255
Eliminated on disposal	(919)	-	(919)
	<hr/>	<hr/>	<hr/>
At 31 July 2011	15,386	6,410	259,295
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 July 2011	14,131	5,374	5,325,517
	<hr/>	<hr/>	<hr/>
At 31 July 2010	8,584	5,718	5,268,295
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 July 2011 is represented by

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2009	5,100,000	-	-
Cost	-	14,785	428,726
	<hr/>	<hr/>	<hr/>
	5,100,000	14,785	428,726
	<hr/>	<hr/>	<hr/>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2009	-	-	5,100,000
Cost	29,517	11,784	484,812
	<hr/>	<hr/>	<hr/>
	29,517	11,784	5,584,812
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

7 TANGIBLE FIXED ASSETS - continued

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

	2011 £	2010 £
Cost	<u>2,282,264</u>	<u>2,282,264</u>

Freehold Land and Buildings were valued on an open market basis on 18 March 2010 by King Sturge LLP (Chartered Surveyors)

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

	Fixtures and fittings £
COST OR VALUATION	
At 1 August 2010 and 31 July 2011	<u>22,503</u>
DEPRECIATION	
At 1 August 2010	4,501
Charge for year	<u>3,601</u>
At 31 July 2011	<u>8,102</u>
NET BOOK VALUE	
At 31 July 2011	<u>14,401</u>
At 31 July 2010	<u>18,002</u>

8 STOCKS

	2011 £	2010 £
Stocks	<u>19,916</u>	<u>16,955</u>

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	99,699	220,029
Other debtors	194,755	156,114
Directors' current accounts	451,453	394,875
	<u>745,907</u>	<u>771,018</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 12)	154,331	274,781
Finance leases (see note 13)	4,349	3,909
Trade creditors	79,144	56,196
Tax	49,372	94,952
Social security and other taxes	44,191	39,113
Other creditors	140,790	39,345
Accrued expenses	11,650	10,900
	<u>483,827</u>	<u>519,196</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans (see note 12)	1,070,282	1,196,682
Finance leases (see note 13)	11,470	15,818
	<u>1,081,752</u>	<u>1,212,500</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

12 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	127,812	248,145
Bank loans	26,519	26,636
	<u>154,331</u>	<u>274,781</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>26,519</u>	<u>26,636</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>79,556</u>	<u>79,908</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>964,207</u>	<u>1,090,138</u>

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

13 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2011 £	2010 £
Gross obligations repayable		
Within one year	5,681	5,621
Between one and five years	12,818	18,498
	<u>18,499</u>	<u>24,119</u>
Finance charges repayable		
Within one year	1,332	1,712
Between one and five years	1,348	2,680
	<u>2,680</u>	<u>4,392</u>
Net obligations repayable		
Within one year	4,349	3,909
Between one and five years	11,470	15,818
	<u>15,819</u>	<u>19,727</u>

14 SECURED DEBTS

The following secured debts are included within creditors:

	2011 £	2010 £
Bank overdrafts	127,812	248,145
Bank loans	1,096,801	1,223,318
	<u>1,224,613</u>	<u>1,471,463</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 (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class.	Nominal value £1	2011 £	2010 £
686,543	Ordinary		<u>686,543</u>	<u>686,543</u>

16 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 August 2010	971,007	215,555	2,817,736	4,004,298
Profit for the year	173,621			173,621
	<u>1,144,628</u>	<u>215,555</u>	<u>2,817,736</u>	<u>4,177,919</u>

17 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 July 2011 and 31 July 2010

	2011 £	2010 £
R W Smallridge		
Balance outstanding at start of year	120,880	105,164
Amounts advanced	43,228	15,716
Amounts repaid	-	-
Balance outstanding at end of year	<u>164,108</u>	<u>120,880</u>

D J Smallridge		
Balance outstanding at start of year	166,596	9,796
Amounts advanced	20,150	156,800
Amounts repaid	(6,800)	-
Balance outstanding at end of year	<u>179,946</u>	<u>166,596</u>

A J & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2011

17 TRANSACTIONS WITH DIRECTORS - continued

Mrs N A Smallridge

Balance outstanding at start of year	107,398	94,898
Amounts advanced	-	12,500
Amounts repaid	-	-
Balance outstanding at end of year	<u>107,398</u>	<u>107,398</u>

During the year the company operated loan accounts with the three Directors Interest has been charged on additional loans made during the year at an interest rate of 4% per annum

£102,500 of the loan to Mr R W Smallridge and £102,500 of the loan to Mrs N A Smallridge, relate to loans to Fusion 2 (now known as Coast Bar & Nightclub), a business run in Partnership with their daughter Miss L Smallridge

During the year the company loaned Ashbrook Investments an additional sum of £15,000 Ashbrook Investments is a property letting business owned by Mr & Mrs R W Smallridge and Mr D J Smallridge and owes the Company £63,000 at 31 July 2011

18 RELATED PARTY DISCLOSURES

Garden maintenance services were provided to Meadowside & St Francis during the year amounting to £3,395 This was provided on an arm's length basis by a business trading as Premier Garden Services run by Mr D Smallridge's son

Meat was provided to the Company amounting to £4,684 during the year on an arm's length basis from Mr DJ Smallridge

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	173,621	222,947
Revaluation		
Net addition to shareholders' funds	<u>173,621</u>	<u>222,947</u>
Opening shareholders' funds	4,690,841	4,467,894
Closing shareholders' funds	<u>4,864,462</u>	<u>4,690,841</u>

20 REVALUATION

The land and buildings held by the company were revalued during the year ended 31st July 2009 to £5,100,000 and if disposed of at this valuation, the corporation tax arising would be approximately £550,000.