

REGISTERED NUMBER: 03943652 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

For The Year Ended 31 July 2015

for

AJ & CO. (DEVON) LTD

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For The Year Ended 31 JULY 2015

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AJ & CO. (DEVON) LTD

Company Information
For The Year Ended 31 JULY 2015

DIRECTORS: Mrs G M Smallridge
D J Smallridge

SECRETARY: D J Smallridge

REGISTERED OFFICE: Ludbrook House
Ludbrook
Ivybridge
Devon
PL21 0LL

REGISTERED NUMBER: 03943652 (England and Wales)

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

Strategic Report
For The Year Ended 31 JULY 2015

The directors present their strategic report for the year ended 31 July 2015.

REVIEW OF BUSINESS

AJ & CO. (Devon) Ltd runs Meadowside and St Francis Residential and Nursing Home which provides a total of 69 beds in the South Devon area. In June 2015 the company purchased Merafield Nursing Home a home in Plymouth with 40 beds. It is hoped that the business will benefit through economies of scale and the sharing of expertise.

During the year turnover increased by 3.7% at Meadowside and St Francis to £2,433,459 and resulted in a net profit before tax of £104,058. Two months of trading at Merafield resulted in a turnover of £201,117 and a profit before tax of £2,261.

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 80 or over is projected to increase from 3,000,000 in 2012 to 6,100,000 in 2037.

The company's growth strategy is to develop and update its existing facilities and improve the care levels it offers.

Where possible the company seeks to employ well qualified and experienced staff.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties are considered to relate to competition from other residential and nursing homes, low local authority fees, staff retention, compliance with care standards and interest rate rises.

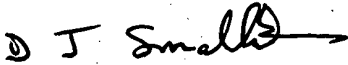
In order to mitigate these risks, the company: maintains its property to a high standard, endeavours to maintain a healthy dialogue with the local authorities, seeks to engage well trained and experienced staff, and has long term finance in place.

**Strategic Report
for the Year Ended 31 JULY 2015**

KEY PERFORMANCE INDICATORS ("KPIS")

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:



.....
D J Smallridge - Director

Date: 27/4/2016

Report of the Directors
For The Year Ended 31 JULY 2015

The directors present their report with the financial statements of the company for the year ended 31 July 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of a Nursing and Residential Home.

DIVIDENDS

Interim dividends totalling £84,851 were paid to the ordinary shareholder, Mr David Smallridge.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2014 to the date of this report.

Mrs G M Smallridge
D J 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.

**Report of the Directors
for the Year Ended 31 JULY 2015**

AUDITORS

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

ON BEHALF OF THE BOARD:

.....

D J Smallridge - Director

Date: 27/4/2016.....

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

We have audited the financial statements of AJ & Co. (Devon) Ltd for the year ended 31 July 2015 on pages eight to twenty five. 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 four, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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

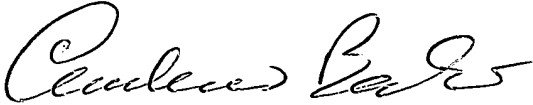
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
AJ & 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

Date: 28/4/2016

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Profit and Loss Account
For The Year Ended 31 JULY 2015

	Notes	2015 £	2014 £
TURNOVER		2,634,576	2,345,959
Continuing operations		2,433,459	2,345,959
Acquisitions		201,117	-
		<u>2,634,576</u>	<u>2,345,959</u>
Cost of sales	2	1,920,778	1,689,317
GROSS PROFIT	2	713,798	656,642
Net operating expenses	2	575,059	551,657
OPERATING PROFIT	4	138,739	104,985
Continuing operations		129,223	104,985
Acquisitions		9,516	-
		<u>138,739</u>	<u>104,985</u>
Interest payable and similar charges	5	32,420	22,687
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,319	82,298
Tax on profit on ordinary activities	6	(36,288)	17,019
PROFIT FOR THE FINANCIAL YEAR		142,607	65,279
Retained profit brought forward		345,317	391,338
		487,924	456,617
Dividends	7	(84,851)	(111,300)
RETAINED PROFIT CARRIED FORWARD		<u>403,073</u>	<u>345,317</u>

The notes form part of these financial statements

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Profit and Loss Account
For The Year Ended 31 JULY 2015

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

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Balance Sheet
31 JULY 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	368,437	247,187
Tangible assets	9	4,615,391	3,483,678
		<u>4,983,828</u>	<u>3,730,865</u>
CURRENT ASSETS			
Stocks	10	21,866	19,235
Debtors	11	432,283	398,741
Cash at bank and in hand		917	1,798
		<u>455,066</u>	<u>419,774</u>
CREDITORS			
Amounts falling due within one year	12	301,698	482,760
NET CURRENT ASSETS/(LIABILITIES)		<u>153,368</u>	<u>(62,986)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,137,196</u>	<u>3,667,879</u>
CREDITORS			
Amounts falling due after more than one year	13	(2,208,567)	(786,364)
PROVISIONS FOR LIABILITIES	17	-	(10,642)
NET ASSETS		<u><u>2,928,629</u></u>	<u><u>2,870,873</u></u>

The notes form part of these financial statements

Balance Sheet - continued
31 JULY 2015

	Notes	2015 £	2014 £
CAPITAL AND RESERVES			
Called up share capital	18	375,013	375,013
Share premium	19	133,170	133,170
Revaluation reserve	19	1,623,458	1,623,458
Capital redemption reserve	19	393,915	393,915
Profit and loss account		403,073	345,317
SHAREHOLDERS' FUNDS	23	<u>2,928,629</u>	<u>2,870,873</u>

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

27/4/2016

D J Smallridge
D J Smallridge - Director

G M Smallridge
Mrs G M Smallridge - Director

The notes form part of these financial statements

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Cash Flow Statement
For The Year Ended 31 JULY 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	110,505	308,243
Returns on investments and servicing of finance	2	(32,420)	(22,687)
Taxation		(125)	(53,769)
Capital expenditure	2	(1,319,059)	(7,440)
Equity dividends paid		(84,851)	(111,300)
		<u>(1,325,950)</u>	<u>113,047</u>
Financing	2	1,471,673	(133,928)
Increase/(decrease) in cash in the period		<u>145,723</u>	<u>(20,881)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		145,723	(20,881)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(1,471,673)</u>	<u>133,427</u>
Change in net debt resulting from cash flows		<u>(1,325,950)</u>	<u>112,546</u>
Movement in net debt in the period		<u>(1,325,950)</u>	<u>112,546</u>
Net debt at 1 August		<u>(1,018,833)</u>	<u>(1,131,379)</u>
Net debt at 31 July		<u>(2,344,783)</u>	<u>(1,018,833)</u>

The notes form part of these financial statements

AJ & CO. (DEVON) LTD (REGISTERED NUMBER: 03943652)

Notes to the Cash Flow Statement
For The Year Ended 31 JULY 2015

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

	2015	2014
	£	£
Operating profit	138,739	104,985
Depreciation charges	66,097	53,721
Increase in stocks	(2,631)	(1,587)
(Increase)/decrease in debtors	(26,515)	115,488
(Decrease)/increase in creditors	(65,185)	35,636
	<hr/>	<hr/>
Net cash inflow from operating activities	110,505	308,243
	<hr/>	<hr/>

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest paid	(32,397)	(22,265)
Interest element of finance lease payments	(23)	(422)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(32,420)	(22,687)
	<hr/>	<hr/>
Capital expenditure		
Purchase of intangible fixed assets	(150,000)	-
Purchase of tangible fixed assets	(1,169,059)	(7,440)
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(1,319,059)	(7,440)
	<hr/>	<hr/>
Financing		
New loans in year	2,300,000	-
Loan repayments in year	(826,931)	(128,168)
Capital repayments in year	(1,397)	(5,259)
Amount introduced by directors	1	-
Amount withdrawn by directors	-	(501)
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing	1,471,673	(133,928)
	<hr/>	<hr/>

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31 JULY 2015

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/8/14 £	Cash flow £	At 31/7/15 £
Net cash:			
Cash at bank and in hand	1,798	(881)	917
Bank overdrafts	(205,256)	146,604	(58,652)
	<u>(203,458)</u>	<u>145,723</u>	<u>(57,735)</u>
Debt:			
Finance leases	(1,397)	1,397	-
Debts falling due within one year	(27,614)	(50,867)	(78,481)
Debts falling due after one year	(786,364)	(1,422,203)	(2,208,567)
	<u>(815,375)</u>	<u>(1,471,673)</u>	<u>(2,287,048)</u>
Total	<u>(1,018,833)</u>	<u>(1,325,950)</u>	<u>(2,344,783)</u>

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 JULY 2015

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 the purchase of Meadowside and St Francis in 2004 is being amortised evenly over its estimated useful life of twenty years.

Goodwill, being the amount paid in connection with the purchase of Merafield in 2015 is being amortised evenly over its estimated useful life of 10 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. ANALYSIS OF OPERATIONS

	Continuing £	2015 Acquisitions £	Total £
Cost of sales	<u>1,779,600</u>	<u>141,178</u>	<u>1,920,778</u>
Gross profit	<u>653,859</u>	<u>59,939</u>	<u>713,798</u>
Net operating expenses:			
Administrative expenses	<u>524,636</u>	<u>50,423</u>	<u>575,059</u>

	Continuing £	2014 Acquisitions £	Total £
Cost of sales	<u>1,689,317</u>	<u>-</u>	<u>1,689,317</u>
Gross profit	<u>656,642</u>	<u>-</u>	<u>656,642</u>
Net operating expenses:			
Administrative expenses	<u>551,657</u>	<u>-</u>	<u>551,657</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	1,750,319	1,506,128
Social security costs	109,990	93,890
Other pension costs	8,522	22,750
	<u>1,868,831</u>	<u>1,622,768</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

3. STAFF COSTS - continued

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

	2015	2014
Nursing, Catering and Cleaners	131	119
Administrative	5	5
	<u>136</u>	<u>124</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	35,871	25,628
Depreciation - assets on finance leases	1,475	1,843
Goodwill amortisation	28,750	26,250
Auditors' remuneration	7,300	5,400
Taxation compliance services	2,000	1,500
Other non- audit services	9,900	6,900
	<u>65,000</u>	<u>65,000</u>
Directors' remuneration	-	20,000
Directors' pension contributions to money purchase schemes	-	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	5,321	5,076
Bank loan interest	27,076	17,189
Leasing	23	422
	<u>32,420</u>	<u>22,687</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	(18,618)	18,618
Deferred tax	(17,670)	(1,599)
Tax on profit on ordinary activities	<u>(36,288)</u>	<u>17,019</u>

Factors affecting the tax (credit)/charge

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

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>106,319</u>	<u>82,298</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 21% (2014 - 21%)	22,327	17,283
Effects of:		
Capital allowances in excess of depreciation	(40,602)	-
Depreciation in excess of capital allowances	-	1,838
Expenses not deductible for tax purposes	720	644
capital allowances		
Small Companies Rate of Taxation	<u>(1,063)</u>	<u>(1,147)</u>
Current tax (credit)/charge	<u>(18,618)</u>	<u>18,618</u>

7. DIVIDENDS

Dividends of £84,851 were paid to D Smallridge a director of this company.

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2014	525,000
Additions	150,000
	<hr/>
At 31 July 2015	675,000
	<hr/>
AMORTISATION	
At 1 August 2014	277,813
Amortisation for year	28,750
	<hr/>
At 31 July 2015	306,563
	<hr/>
NET BOOK VALUE	
At 31 July 2015	368,437
	<hr/>
At 31 July 2014	247,187
	<hr/>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 August 2014	3,375,000	318,824	11,832	8,438	3,714,094
Additions	1,015,955	152,294	-	810	1,169,059
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2015	4,390,955	471,118	11,832	9,248	4,883,153
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 August 2014	-	216,934	8,213	5,269	230,416
Charge for year	-	35,646	904	796	37,346
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2015	-	252,580	9,117	6,065	267,762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 July 2015	4,390,955	218,538	2,715	3,183	4,615,391
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2014	3,375,000	101,890	3,619	3,169	3,483,678
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 July 2015 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2012	3,375,000	-	-	-	3,375,000
Cost	1,015,955	471,118	11,832	9,248	1,508,153
	<u>4,390,955</u>	<u>471,118</u>	<u>11,832</u>	<u>9,248</u>	<u>4,883,153</u>

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

	2015 £	2014 £
Cost	<u>1,748,964</u>	<u>1,748,964</u>

Freehold Land and Buildings were valued on an open market basis on 30 June 2012 by Jones Lang LaSalle.

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

	Fixtures and fittings £
COST OR VALUATION	
At 1 August 2014 and 31 July 2015	<u>22,503</u>
DEPRECIATION	
At 1 August 2014	15,130
Charge for year	<u>1,475</u>
At 31 July 2015	<u>16,605</u>
NET BOOK VALUE	
At 31 July 2015	<u>5,898</u>
At 31 July 2014	<u>7,373</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

10. STOCKS

	2015	2014
	£	£
Stocks	<u>21,866</u>	<u>19,235</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	101,269	97,047
Other debtors	80,817	66,699
Directors' current accounts	234,994	234,995
Deferred tax asset	7,028	-
Prepayments and accrued income	8,175	-
	<u>432,283</u>	<u>398,741</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts (see note 14)	137,133	232,870
Finance leases (see note 15)	-	1,397
Trade creditors	51,719	46,476
Tax	-	18,743
Social security and other taxes	37,838	23,239
Other creditors	63,759	153,130
Accrued expenses	11,249	6,905
	<u>301,698</u>	<u>482,760</u>

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

	2015	2014
	£	£
Bank loans (see note 14)	<u>2,208,567</u>	<u>786,364</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

14. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Bank overdrafts	58,652	205,256
Bank loans	78,481	27,614
	<u>137,133</u>	<u>232,870</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>81,499</u>	<u>27,614</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>263,834</u>	<u>82,841</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,863,234</u>	<u>675,909</u>

15. OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2015 £	2014 £
Gross obligations repayable:		
Within one year	<u>-</u>	<u>1,420</u>
Finance charges repayable:		
Within one year	<u>-</u>	<u>23</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>1,397</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

16. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank overdrafts	58,652	205,256
Bank loans	2,287,048	813,978
	<u>2,345,700</u>	<u>1,019,234</u>

The above debts are secured by a 1st legal charge dated 8/1/04 over the freehold property of Meadowside and St Francis, Plymbridge Road, Plympton and a 1st legal charge dated 29/05/2015 over the freehold property of Merafield View Nursing Home, Underlane, Plympton.

The debts are also secured against an unlimited debenture dated 19/7/00 incorporating a fixed and floating charge and the right of set off.

17. PROVISIONS FOR LIABILITIES

	2014
	£
Deferred tax	<u>10,642</u>
	Deferred tax
	£
Balance at 1 August 2014	10,642
Capital allowances	<u>(17,670)</u>
Balance at 31 July 2015	<u>(7,028)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
375,013	Ordinary	£1	<u>375,013</u>	<u>375,013</u>

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

19. RESERVES

	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 August 2014	133,170	1,623,458	393,915	2,150,543
At 31 July 2015	133,170	1,623,458	393,915	2,150,543

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2015 and 31 July 2014:

	2015 £	2014 £
D J Smallridge		
Balance outstanding at start of year	234,995	234,494
Amounts advanced	-	501
Amounts repaid	-	-
Balance outstanding at end of year	234,995	234,995

During the year the company operated loan accounts with a Director.

£55,000 of the loan to Mr D Smallridge relates to a loan to the directors farming business. The loan is interest free, and repayable on demand.

21. RELATED PARTY DISCLOSURES

Garden maintenance services were provided to Meadowside during the year amounting to £6,606 by a business trading as Premier Garden Services run by Mr and Mrs D Smallridge.

Eggs were supplied to both Meadowside and Merafield homes during the year amounting to £4,737 and £181 respectively from 'Ludbrook Ladies'. These were provided by a farming business run by Mr D Smallridge.

Meat was supplied to both Meadowside and Merafield homes during the year amounting to £9,060 and £1,269 respectively from 'Ludbrook Butchers'. This was supplied by a business run by Mr B Smallridge, the son of director Mr D Smallridge.

The above transactions were all completed on an arm's length basis.

Notes to the Financial Statements - continued
For The Year Ended 31 JULY 2015

22. ULTIMATE CONTROLLING PARTY

The controlling party is D J Smallridge.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	142,607	65,279
Dividends	(84,851)	(111,300)
Revaluation		
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	57,756	(46,021)
Opening shareholders' funds	2,870,873	2,916,894
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,928,629</u>	<u>2,870,873</u>

24. REVALUATION

The land and buildings known as Meadowside and St Francis were revalued during the year ended 31st July 2012 to £3,375,000. If disposed of at this valuation, the corporation tax arising would be approximately £182,000.