

REGISTERED NUMBER: 03943652 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 July 2016

for

AJ & CO. (DEVON) LTD

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for the Year Ended 31 JULY 2016**

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AJ & CO. (DEVON) LTD

**Company Information
for the Year Ended 31 JULY 2016**

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 2016**

The directors present their strategic report for the year ended 31 July 2016.

REVIEW OF BUSINESS

AJ & CO. (Devon) Ltd runs Meadowside and St Francis Residential and Nursing Home as well as Merafield Nursing Home which provide a total of 69 beds and 40 beds respectively in the South Devon area. The Company purchased Merafield Nursing Home in June 2015 in the hope that the business will eventually benefit through economies of scale and the sharing of expertise.

During the year turnover increased by 8.5% at Meadowside and St Francis to £2,640,962 and resulted in a net profit before tax of £84,659. The twelve month period for Merafield Nursing Home to 31st July 2016 resulted in a turnover of £1,211,031 and a net loss £60,114. This is not comparable to only two months of trading activity to 31st July 2015.

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 2016**

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: 25TH APRIL 2017

**Report of the Directors
for the Year Ended 31 JULY 2016**

The directors present their report with the financial statements of the company for the year ended 31 July 2016.

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 £128,078 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 2015 to the date of this report.

Mrs G M Smallridge
D J Smallridge

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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

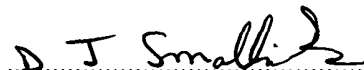
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware 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 2016**

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: 25TH APRIL 2017

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 2016 on pages eight to twenty nine. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 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

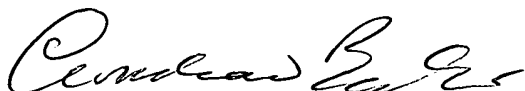
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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: 26TH APRIL 2017

**Income Statement
for the Year Ended 31 JULY 2016**

	Notes	2016 £	2015 £
TURNOVER		3,851,993	2,634,576
Cost of sales		2,980,639	1,920,778
GROSS PROFIT		871,354	713,798
Administrative expenses		757,311	575,059
OPERATING PROFIT	3	114,043	138,739
Interest receivable and similar income		123	-
		114,166	138,739
Interest payable and similar charges	4	89,621	32,420
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,545	106,319
Tax on profit on ordinary activities	5	5,796	(36,288)
PROFIT FOR THE FINANCIAL YEAR		18,749	142,607

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 JULY 2016**

	2016	2015
Notes	£	£
PROFIT FOR THE YEAR	18,749	142,607
OTHER COMPREHENSIVE INCOME		
Deferred Tax re property valuation	-	(173,047)
Income tax relating to other comprehensive income	-	-
	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>-</u>	<u>(173,047)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>18,749</u></u>	<u><u>(30,440)</u></u>

The notes form part of these financial statements

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

**Balance Sheet
31 JULY 2016**

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		327,187		368,437
Tangible assets	8		4,621,890		4,615,391
			<u>4,949,077</u>		<u>4,983,828</u>
CURRENT ASSETS					
Stocks	9	19,038		21,866	
Debtors	10	446,684		425,255	
Cash at bank and in hand		2,072		917	
		<u>467,794</u>		<u>448,038</u>	
CREDITORS					
Amounts falling due within one year	11	467,053		301,698	
NET CURRENT ASSETS			<u>741</u>		<u>146,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,949,818		5,130,168
CREDITORS					
Amounts falling due after more than one year	12		(2,131,750)		(2,208,567)
PROVISIONS FOR LIABILITIES	16		<u>(171,815)</u>		<u>(166,019)</u>
NET ASSETS			<u><u>2,646,253</u></u>		<u><u>2,755,582</u></u>

The notes form part of these financial statements

Balance Sheet - continued
31 JULY 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	17	375,013	375,013
Share premium	18	133,170	133,170
Revaluation reserve	18	1,450,411	1,450,411
Capital redemption reserve	18	393,915	393,915
Retained earnings	18	293,744	403,073
SHAREHOLDERS' FUNDS		<u>2,646,253</u>	<u>2,755,582</u>

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

25TH APRIL 2017

D J Smallridge
D J Smallridge - Director

G M Smallridge
Mrs G M Smallridge - Director

**Statement of Changes in Equity
for the Year Ended 31 JULY 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 August 2014	375,013	345,317	133,170
Changes in equity			
Dividends	-	(84,851)	-
Total comprehensive income	-	142,607	-
Balance at 31 July 2015	<u>375,013</u>	<u>403,073</u>	<u>133,170</u>
Changes in equity			
Dividends	-	(128,078)	-
Total comprehensive income	-	18,749	-
Balance at 31 July 2016	<u>375,013</u>	<u>293,744</u>	<u>133,170</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 August 2014	1,623,458	393,915	2,870,873
Changes in equity			
Dividends	-	-	(84,851)
Total comprehensive income	(173,047)	-	(30,440)
Balance at 31 July 2015	<u>1,450,411</u>	<u>393,915</u>	<u>2,755,582</u>
Changes in equity			
Dividends	-	-	(128,078)
Total comprehensive income	-	-	18,749
Balance at 31 July 2016	<u>1,450,411</u>	<u>393,915</u>	<u>2,646,253</u>

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 JULY 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	242,764	110,505
Interest paid		(89,285)	(32,397)
Interest element of hire purchase payments paid		(336)	(23)
Tax paid		5,000	(125)
Net cash from operating activities		<u>158,143</u>	<u>77,960</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(150,000)
Purchase of tangible fixed assets		(64,402)	(1,169,059)
Interest received		123	-
Net cash from investing activities		<u>(64,279)</u>	<u>(1,319,059)</u>
Cash flows from financing activities			
New loans in year		-	2,300,000
Loan repayments in year		(78,836)	(826,931)
Capital repayments in year		8,356	(1,396)
Amount withdrawn by directors		(20,000)	-
Equity dividends paid		(128,078)	(84,851)
Net cash from financing activities		<u>(218,558)</u>	<u>1,386,822</u>
(Decrease)/increase in cash and cash equivalents		<u>(124,694)</u>	<u>145,723</u>
Cash and cash equivalents at beginning of year	2	(57,735)	(203,458)
Cash and cash equivalents at end of year	2	<u><u>(182,429)</u></u>	<u><u>(57,735)</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 JULY 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	24,545	106,319
Depreciation charges	99,154	66,097
Finance costs	89,621	32,420
Finance income	(123)	-
	<u>213,197</u>	<u>204,836</u>
Decrease/(increase) in stocks	2,828	(2,631)
Increase in trade and other debtors	(1,429)	(26,515)
Increase/(decrease) in trade and other creditors	28,168	(65,185)
	<u>242,764</u>	<u>110,505</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2016

	31.7.16	1.8.15
	£	£
Cash and cash equivalents	2,072	917
Bank overdrafts	(184,501)	(58,652)
	<u>(182,429)</u>	<u>(57,735)</u>

Year ended 31 July 2015

	31.7.15	1.8.14
	£	£
Cash and cash equivalents	917	1,798
Bank overdrafts	(58,652)	(205,256)
	<u>(57,735)</u>	<u>(203,458)</u>

**Notes to the Financial Statements
for the Year Ended 31 JULY 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. 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. The company's property known as Meadowside/St Francis was revalued in 2012 and this is now regarded as "deemed historic cost" under FRS102.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016**

1. ACCOUNTING POLICIES - continued

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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 profit or loss in the period to which they relate.

2. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	2,463,298	1,750,319
Social security costs	150,060	109,990
Other pension costs	12,033	8,522
	<u>2,625,391</u>	<u>1,868,831</u>

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

	2016	2015
Nursing, Catering and Cleaners	177	131
Administrative	7	5
	<u>184</u>	<u>136</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	54,578	35,871
Depreciation - assets on hire purchase contracts	3,325	1,475
Goodwill amortisation	41,250	28,750
Auditors' remuneration	7,500	7,300
Taxation compliance services	2,200	2,000
Other non- audit services	7,050	9,900
	<u>7,050</u>	<u>9,900</u>

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

3. **OPERATING PROFIT - continued**

Directors' remuneration	71,154	65,000
	<u> </u>	<u> </u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Bank interest	3,386	5,321
Bank loan interest	85,899	27,076
Hire purchase	336	-
Leasing	-	23
	<u> </u>	<u> </u>
	89,621	32,420
	<u> </u>	<u> </u>

5. **TAXATION**

Analysis of the tax charge/(credit)

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	-	(18,618)
Deferred tax	5,796	(17,670)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	5,796	(36,288)
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

5. **TAXATION - continued**

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2016 £	2015 £
Profit on ordinary activities before tax	24,545	106,319
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	4,909	22,327
Effects of:		
Capital allowances in excess of depreciation	(5,677)	(40,602)
Expenses not deductible for tax purposes capital allowances	768	720
Small Companies Rate of Taxation	-	(1,063)
Deferred Tax	5,796	(17,670)
Total tax charge/(credit)	5,796	(36,288)

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 July 2016.

	Gross £	2015 Tax £	Net £
Deferred Tax Provision	(173,047)	-	(173,047)
	(173,047)	-	(173,047)

6. **DIVIDENDS**

Dividends of £128,078 were paid to D Smallridge a director of this company.

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2015 and 31 July 2016	675,000
AMORTISATION	
At 1 August 2015	306,563
Amortisation for year	41,250
At 31 July 2016	347,813
NET BOOK VALUE	
At 31 July 2016	327,187
At 31 July 2015	368,437

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 August 2015	4,390,955	471,118	11,832	9,248	4,883,153
Additions	-	38,474	-	25,928	64,402
At 31 July 2016	4,390,955	509,592	11,832	35,176	4,947,555
DEPRECIATION					
At 1 August 2015	-	252,580	9,117	6,065	267,762
Charge for year	-	51,402	679	5,822	57,903
At 31 July 2016	-	303,982	9,796	11,887	325,665
NET BOOK VALUE					
At 31 July 2016	4,390,955	205,610	2,036	23,289	4,621,890
At 31 July 2015	4,390,955	218,538	2,715	3,183	4,615,391

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 July 2016 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	509,592	11,832	35,176	1,572,555
	<u>4,390,955</u>	<u>509,592</u>	<u>11,832</u>	<u>35,176</u>	<u>4,947,555</u>

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

	2016 £	2015 £
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.

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £
COST OR VALUATION	
At 1 August 2015	22,503
Additions	10,732
	<hr/>
At 31 July 2016	33,235
	<hr/>
DEPRECIATION	
At 1 August 2015	16,605
Charge for year	3,325
	<hr/>
At 31 July 2016	19,930
	<hr/>
NET BOOK VALUE	
At 31 July 2016	13,305
	<hr/>
At 31 July 2015	5,898
	<hr/>

9. STOCKS

	2016 £	2015 £
Stocks	19,038	21,866
	<hr/>	<hr/>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	119,616	101,269
Other debtors	63,749	80,817
Directors' current accounts	254,994	234,994
Prepayments and accrued income	8,325	8,175
	<hr/>	<hr/>
	446,684	425,255
	<hr/>	<hr/>

**Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 13)	266,011	137,133
Hire purchase contracts (see note 14)	3,309	-
Trade creditors	82,523	51,719
Tax	5,000	-
Social security and other taxes	40,932	37,838
Other creditors	60,980	63,759
Accrued expenses	8,298	11,249
	<u>467,053</u>	<u>301,698</u>

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

	2016 £	2015 £
Bank loans (see note 13)	2,126,703	2,208,567
Hire purchase contracts (see note 14)	5,047	-
	<u>2,131,750</u>	<u>2,208,567</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	184,501	58,652
Bank loans	81,510	78,481
	<u>266,011</u>	<u>137,133</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>84,649</u>	<u>81,499</u>

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

13. **LOANS - continued**

	2016 £	2015 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>274,060</u>	<u>263,834</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,767,994</u>	<u>1,863,234</u>

14. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Net obligations repayable:		
Within one year	3,309	-
Between one and five years	<u>5,047</u>	<u>-</u>
	<u>8,356</u>	<u>-</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	184,501	58,652
Bank loans	<u>2,208,213</u>	<u>2,287,048</u>
	<u>2,392,714</u>	<u>2,345,700</u>

The above debts are secured by a 1st legal charge dated 08/01/2004 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 19/07/2000 incorporating a fixed and floating charge and the right of set off.

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

16. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>171,815</u>	<u>166,019</u>
		Deferred tax £
Balance at 1 August 2015		166,019
Capital allowances		5,839
Utilisation of Losses C/Fwd		(43)
Balance at 31 July 2016		<u>171,815</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2016 £	2015 £
Number:	Class:			
375,013	Ordinary		<u>375,013</u>	<u>375,013</u>

18. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 August 2015	403,073	133,170	1,450,411	393,915	2,380,569
Profit for the year	18,749				18,749
Dividends	(128,078)				(128,078)
At 31 July 2016	<u>293,744</u>	<u>133,170</u>	<u>1,450,411</u>	<u>393,915</u>	<u>2,271,240</u>

Notes to the Financial Statements - continued
for the Year Ended 31 JULY 2016

19. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 July 2016 and 31 July 2015:

	2016 £	2015 £
D J Smallridge		
Balance outstanding at start of year	234,995	234,995
Amounts advanced	20,000	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>254,995</u>	<u>234,995</u>

During the year the company operated a loan accounts with Mr D Smallridge a Director. The loan is interest free and repayable on demand.

£55,000 of the loan to Mr D Smallridge relates to a loan to the directors farming business.

20. **RELATED PARTY DISCLOSURES**

Eggs were supplied on an arms length basis to both Meadowside and Merafield homes during the year amounting to £5,565 and £1,262 respectively from 'Ludbrook Ladies'. These were provided by a farming business run by Mr D Smallridge, the director of the Company.

Meat was supplied on an arms length basis to both Meadowside and Merafield homes during the year amounting to £30,536 and £11,428 respectively from 'Ludbrook Butchers'. This was supplied by a business run by Mr B Smallridge, the son of director Mr D Smallridge.

21. **ULTIMATE CONTROLLING PARTY**

The controlling party is D J Smallridge.

22. **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 £173,047. This is now included within the deferred tax provision in accordance with FRS 102.

Reconciliation of Equity
1 AUGUST 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		247,187	-	247,187
Tangible assets		3,483,678	-	3,483,678
		<u>3,730,865</u>	<u>-</u>	<u>3,730,865</u>
CURRENT ASSETS				
Stocks		19,235	-	19,235
Debtors		398,741	-	398,741
Cash at bank and in hand		1,798	-	1,798
		<u>419,774</u>	<u>-</u>	<u>419,774</u>
CREDITORS				
Amounts falling due within one year		(482,760)	-	(482,760)
NET CURRENT LIABILITIES		<u>(62,986)</u>	<u>-</u>	<u>(62,986)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,667,879	-	3,667,879
CREDITORS				
Amounts falling due after more than one year		(786,364)	-	(786,364)
PROVISIONS FOR LIABILITIES		<u>(10,642)</u>	<u>(173,047)</u>	<u>(183,689)</u>
NET ASSETS		<u>2,870,873</u>	<u>(173,047)</u>	<u>2,697,826</u>
CAPITAL AND RESERVES				
Called up share capital		375,013	-	375,013
Share premium		133,170	-	133,170
Revaluation reserve		1,623,458	(173,047)	1,450,411
Capital redemption reserve		393,915	-	393,915
Other reserves		345,317	-	345,317
SHAREHOLDERS' FUNDS		<u>2,870,873</u>	<u>(173,047)</u>	<u>2,697,826</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
31 JULY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		368,437	-	368,437
Tangible assets		4,615,391	-	4,615,391
		<u>4,983,828</u>	<u>-</u>	<u>4,983,828</u>
CURRENT ASSETS				
Stocks		21,866	-	21,866
Debtors		432,283	(7,028)	425,255
Cash at bank and in hand		917	-	917
		<u>455,066</u>	<u>(7,028)</u>	<u>448,038</u>
CREDITORS				
Amounts falling due within one year		(301,698)	-	(301,698)
NET CURRENT ASSETS		<u>153,368</u>	<u>(7,028)</u>	<u>146,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,137,196	(7,028)	5,130,168
CREDITORS				
Amounts falling due after more than one year		(2,208,567)	-	(2,208,567)
PROVISIONS FOR LIABILITIES		<u>-</u>	<u>(166,019)</u>	<u>(166,019)</u>
NET ASSETS		<u>2,928,629</u>	<u>(173,047)</u>	<u>2,755,582</u>
CAPITAL AND RESERVES				
Called up share capital		375,013	-	375,013
Share premium		133,170	-	133,170
Revaluation reserve		1,623,458	(173,047)	1,450,411
Capital redemption reserve		393,915	-	393,915
Retained earnings		403,073	-	403,073
SHAREHOLDERS' FUNDS		<u>2,928,629</u>	<u>(173,047)</u>	<u>2,755,582</u>

The notes form part of these financial statements

**Reconciliation of Equity - continued
31 JULY 2015**

Notes to the reconciliation of equity

The transitional adjustment relates to a deferred tax provision required in relation to the revaluation of Meadowside and St Francis of £173,047.

**Reconciliation of Profit
for the Year Ended 31 JULY 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	2,634,576	-	2,634,576
Cost of sales	(1,920,778)	-	(1,920,778)
GROSS PROFIT	713,798	-	713,798
Administrative expenses	(575,059)	-	(575,059)
OPERATING PROFIT	138,739	-	138,739
Interest payable and similar charges	(32,420)	-	(32,420)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	106,319	-	106,319
Tax on profit on ordinary activities	36,288	-	36,288
PROFIT FOR THE FINANCIAL YEAR	142,607	-	142,607