

**The Franklyn Group Limited and its
subsidiary undertaking**

**Report of the Directors and
Consolidated Financial Statements**

Year Ended 30 June 2013



Jolliffe Cork LLP
Chartered Accountants & Statutory Auditor
33 George Street
Wakefield
West Yorkshire
WF1 1LX

The Franklyn Group Limited and its subsidiary undertaking

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for the year ended 30 June 2013**

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The Franklyn Group Limited and its subsidiary undertaking

**Company Information
for the year ended 30 June 2013**

DIRECTORS:	Mr R A Fleming Mrs S A MacArthur
SECRETARY:	Mr R A Fleming
REGISTERED OFFICE:	33 George Street Wakefield West Yorkshire WF1 1LX
REGISTERED NUMBER:	04340639 (England and Wales)
AUDITORS:	Jolliffe Cork LLP Chartered Accountants & Statutory Auditor 33 George Street Wakefield West Yorkshire WF1 1LX
BANKERS:	Bank of Ireland Level 10 Marsden Street Manchester Lancashire M2 1HW

The Franklyn Group Limited and its subsidiary undertaking

Report of the Directors for the year ended 30 June 2013

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2013

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of care homes, care home agents and property developers

REVIEW OF BUSINESS

The Directors are delighted to report that the previously established trend of success and increased trading has been maintained for another year in the Care business of The Franklyn Group Ltd

The financial pressures placed upon the business remain constant and unchanged. The industry as a whole continues to be constrained by reduced levels of funding, increased costs and the introduction of further compliance measures by legislative bodies.

Competition is a major factor with the Group Homes all being susceptible to new homes being commissioned within individual geographical areas.

The Company is committed to investing in the staff with the result being low staff turnover. The refurbishment and enhancement of its properties representing pleasant, attractive surroundings at sensible rates are key to the success of the business.

Homes like these in The Franklyn Group Ltd have a valuable niche market in the Care Sector.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2012 to the date of this report.

Mr R A Fleming
Mrs S A MacArthur

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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Franklyn Group Limited and its subsidiary undertaking

**Report of the Directors
for the year ended 30 June 2013**

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 group'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 group's auditors are aware of that information

AUDITORS

The auditors, Jolliffe Cork LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



Mr R A Fleming - Secretary

31 January 2014

Report of the Independent Auditors to the Members of The Franklyn Group Limited and its subsidiary undertaking

We have audited the financial statements of The Franklyn Group Limited and its subsidiary undertaking for the year ended 30 June 2013 on pages six 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 two, 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 group's and the parent 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 Report of the Directors 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 group's and of the parent company's affairs as at 30 June 2013 and of the group's 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
The Franklyn Group Limited and its subsidiary undertaking**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Adam Perkin FCA (Senior Statutory Auditor)
for and on behalf of Jolliffe Cork LLP
Chartered Accountants & Statutory Auditor
33 George Street
Wakefield
West Yorkshire
WF1 1LX

31 January 2014

The Franklyn Group Limited and its subsidiary undertaking

**Consolidated Profit and Loss Account
for the year ended 30 June 2013**

	Notes	2013 £	2012 £
TURNOVER		2,378,653	2,542,557
Continuing operations		2,378,653	2,100,246
Acquisitions		-	442,311
		<u>2,378,653</u>	<u>2,542,557</u>
Cost of sales	2	<u>159,041</u>	<u>154,744</u>
GROSS PROFIT	2	2,219,612	2,387,813
Net operating expenses	2	<u>1,979,246</u>	<u>2,108,559</u>
OPERATING PROFIT	4	240,366	279,254
Continuing operations		240,366	307,014
Acquisitions		-	(27,760)
		<u>240,366</u>	<u>279,254</u>
Profit/(loss) on disposal of interest in subsidiary undertaking	5	-	50,000
Impairment of goodwill	5	-	(732,395)
		<u>240,366</u>	<u>(403,141)</u>
Interest receivable and similar income		<u>5</u>	<u>8</u>
		<u>240,371</u>	<u>(403,133)</u>
Interest payable and similar charges	6	<u>62,972</u>	<u>69,288</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		177,399	(472,421)
Tax on profit/(loss) on ordinary activities	7	<u>32,380</u>	<u>73,782</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		145,019	(546,203)
Minority interest - equity		<u>7,449</u>	<u>(7,449)</u>
RETAINED PROFIT/(DEFICIT) FOR THE GROUP CARRIED FORWARD		<u>137,570</u>	<u>(538,754)</u>

The notes form part of these financial statements

The Franklyn Group Limited and its subsidiary undertaking

**Consolidated Statement of Total Recognised Gains and Losses
for the year ended 30 June 2013**

	2013	2012
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	137,570	(538,754)
Unrealised surplus/(deficit) on revaluation of properties	148,422	(366,727)
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>285,992</u>	<u>(905,481)</u>

The notes form part of these financial statements

The Franklyn Group Limited and its subsidiary undertaking (Registered number: 04340639)

Consolidated Balance Sheet
30 June 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	40,416	45,417
Tangible assets	10	5,733,075	5,679,656
Investments	11	-	-
		<u>5,773,491</u>	<u>5,725,073</u>
CURRENT ASSETS			
Stocks	12	5,059	5,419
Debtors	13	133,724	106,392
Cash at bank and in hand		<u>156,231</u>	<u>163,765</u>
		295,014	275,576
CREDITORS			
Amounts falling due within one year	14	<u>365,146</u>	<u>442,140</u>
NET CURRENT LIABILITIES		<u>(70,132)</u>	<u>(166,564)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,703,359	5,558,509
CREDITORS			
Amounts falling due after more than one year	15	(2,838,124)	(2,991,419)
PROVISIONS FOR LIABILITIES	19	(17,029)	(12,325)
MINORITY INTERESTS	20	-	7,449
NET ASSETS		<u>2,848,206</u>	<u>2,562,214</u>

The notes form part of these financial statements

The Franklyn Group Limited and its subsidiary undertaking (Registered number: 04340639)

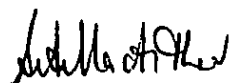
Consolidated Balance Sheet - continued
30 June 2013

		2013	2012
	Notes	£	£
CAPITAL AND RESERVES			
Called up share capital	21	201,000	201,000
Revaluation reserve	22	1,990,747	1,464,041
Profit and loss account	22	<u>656,459</u>	<u>897,173</u>
SHAREHOLDERS' FUNDS	24	<u><u>2,848,206</u></u>	<u><u>2,562,214</u></u>

The financial statements were approved by the Board of Directors on 31 January 2014 and were signed on its behalf by



Mr R A Fleming - Director



Mrs S A MacArthur - Director

The notes form part of these financial statements

The Franklyn Group Limited and its subsidiary undertaking (Registered number: 04340639)

**Company Balance Sheet
30 June 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	416	5,417
Tangible assets	10	5,695,706	5,613,342
Investments	11	<u>40,000</u>	<u>40,000</u>
		5,736,122	5,658,759
CURRENT ASSETS			
Stocks	12	4,350	4,830
Debtors	13	256,489	84,565
Cash at bank and in hand		<u>152,971</u>	<u>101,301</u>
		413,810	190,696
CREDITORS			
Amounts falling due within one year	14	<u>321,543</u>	<u>362,115</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>92,267</u>	<u>(171,419)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,828,389	5,487,340
CREDITORS			
Amounts falling due after more than one year	15	(2,838,124)	(2,991,419)
PROVISIONS FOR LIABILITIES	19	<u>(17,029)</u>	<u>(12,325)</u>
NET ASSETS		<u>2,973,236</u>	<u>2,483,596</u>

The notes form part of these financial statements

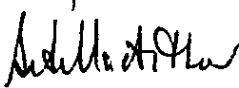
The Franklyn Group Limited and its subsidiary undertaking (Registered number: 04340639)

Company Balance Sheet - continued
30 June 2013

	Notes	2013 £	2012 £
CAPITAL AND RESERVES			
Called up share capital	21	201,000	201,000
Revaluation reserve	22	1,990,747	1,464,041
Profit and loss account	22	<u>781,489</u>	<u>818,555</u>
SHAREHOLDERS' FUNDS	24	<u><u>2,973,236</u></u>	<u><u>2,483,596</u></u>

The financial statements were approved by the Board of Directors on 31 January 2014 and were signed on its behalf by


Mr R A Fleming - Director


Mrs S A MacArthur - Director

The notes form part of these financial statements

The Franklyn Group Limited and its subsidiary undertaking

Notes to the Consolidated Financial Statements for the year ended 30 June 2013

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

The turnover shown in the profit and loss account represents amounts invoiced during the year

Goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 10% straight line

Tangible fixed assets

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

Freehold property	- 1% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on cost

Fixed assets are initially recorded at cost

No depreciation is provided on freehold land

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

Pension costs and other post-retirement benefits

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

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

2 ANALYSIS OF OPERATIONS

	Continuing £	2013 Acquisitions £	Total £
Cost of sales	<u>159,041</u>	<u>-</u>	<u>159,041</u>
Gross profit	<u>2,219,612</u>	<u>-</u>	<u>2,219,612</u>
Net operating expenses			
Administrative expenses	1,999,345	-	1,999,345
Other operating income	<u>(20,099)</u>	<u>-</u>	<u>(20,099)</u>
	<u>1,979,246</u>	<u>-</u>	<u>1,979,246</u>
	Continuing £	2012 Acquisitions £	Total £
Cost of sales	<u>154,744</u>	<u>-</u>	<u>154,744</u>
Gross profit	<u>1,945,502</u>	<u>442,311</u>	<u>2,387,813</u>
Net operating expenses			
Administrative expenses	1,643,988	470,071	2,114,059
Other operating income	<u>(5,500)</u>	<u>-</u>	<u>(5,500)</u>
	<u>1,638,488</u>	<u>470,071</u>	<u>2,108,559</u>

3 STAFF COSTS

	2013 £	2012 £
Wages and salaries	1,338,793	1,299,836
Social security costs	83,249	109,040
Other pension costs	<u>3,600</u>	<u>4,004</u>
	<u>1,425,642</u>	<u>1,412,880</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

3 STAFF COSTS - continued

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

	2013	2012
Management	5	5
Care home staff	90	89
Administration	4	6
	<u>99</u>	<u>100</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation - owned assets	48,052	90,878
(Profit)/loss on disposal of fixed assets	(44,688)	13,514
Goodwill amortisation	5,001	10,000
Auditors' remuneration	<u>6,300</u>	<u>6,300</u>
Directors' remuneration	133,533	95,420
Directors' pension contributions to money purchase schemes	<u>3,600</u>	<u>4,004</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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In addition to remuneration for the audit, the auditors have also levied the following fees

	2013	2012
	£	£
Audit of subsidiary undertaking	2,500	2,500
Tax advisory services	1,005	1,005
Other services	<u>500</u>	<u>500</u>
	<u>4,005</u>	<u>4,005</u>

The Franklyn Group Limited and its subsidiary undertaking

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

5 EXCEPTIONAL ITEMS

Profit/(loss) on sale of subsidiary undertaking

On 31 July 2007 the group agreed to sell the shares of its wholly owned subsidiary The Franklyn (Developments) Limited to The Franklyn (Long Term Care) Limited in the sum of £1,500,000. This amount was payable £250,000 upon completion and £1,250,000 as deferred consideration.

Subsequent to this agreement, the business of The Franklyn (Developments) Limited has suffered significantly in the current recession and consequently the directors of The Franklyn Group Limited have agreed to a reduction in the value of the deferred consideration in the sum of £850,000 and this was reflected in the 30 June 2009 financial statements.

On the 15 August 2011 the directors of The Franklyn Group Limited have agreed to a further reduction in the value of the deferred consideration in the sum of £400,000 and then re-acquired the share capital of The Franklyn (Developments) Limited. This transaction was accounted for in the financial statements for the year ended 30 June 2011 where it was deemed necessary to write off the remaining amount due from The Franklyn (Long Term Care) Limited in the sum of £400,050.

The directors consider the market value of The Franklyn (Developments) Limited at the point of acquisition to be £50,000 and it has therefore been necessary in these financial statements to put through a write back in that sum.

Impairment of goodwill on consolidation

The directors are of the opinion that the market value of the company is £50,000 and have therefore considered it appropriate to immediately impair the goodwill to that value.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	56,478	69,288
Interest on other loans	<u>6,494</u>	<u>-</u>
	<u>62,972</u>	<u>69,288</u>

7 TAXATION

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax		
UK corporation tax	27,676	61,457
Deferred tax	<u>4,704</u>	<u>12,325</u>
Tax on profit/(loss) on ordinary activities	<u>32,380</u>	<u>73,782</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

7 TAXATION - continued

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

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	<u>177,399</u>	<u>(472,421)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 26%)	40,802	(122,829)
Effects of		
Expenses not deductible for tax purposes	132	3,704
Capital allowances in excess of depreciation	(12,529)	-
Depreciation in excess of capital allowances	-	4,179
Marginal relief	(1,655)	(200)
Losses carried forward	-	964
Change of rates	926	(1,784)
Impairment of consolidated goodwill	-	190,423
Exceptional item	<u>-</u>	<u>(13,000)</u>
Current tax charge	<u>27,676</u>	<u>61,457</u>

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £341,218 (2012 - £(617,372) loss)

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

9 INTANGIBLE FIXED ASSETS

Group

**Goodwill
£**

COST

At 1 July 2012
and 30 June 2013

140,000

AMORTISATION

At 1 July 2012
Amortisation for year

94,583

5,001

At 30 June 2013

99,584

NET BOOK VALUE

At 30 June 2013

40,416

At 30 June 2012

45,417

Company

**Goodwill
£**

COST

At 1 July 2012
and 30 June 2013

100,000

AMORTISATION

At 1 July 2012
Amortisation for year

94,583

5,001

At 30 June 2013

99,584

NET BOOK VALUE

At 30 June 2013

416

At 30 June 2012

5,417

The Franklyn Group Limited and its subsidiary undertaking

Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013

10 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 July 2012	5,500,000	96,514	122,802	55,490	5,774,806
Additions	36,456	33,297	-	-	69,753
Disposals	(109,831)	-	(15,298)	-	(125,129)
Revaluations	148,423	-	-	-	148,423
At 30 June 2013	<u>5,575,048</u>	<u>129,811</u>	<u>107,504</u>	<u>55,490</u>	<u>5,867,853</u>
DEPRECIATION					
At 1 July 2012	-	26,214	50,418	18,518	95,150
Charge for year	-	17,913	15,737	14,402	48,052
Eliminated on disposal	-	-	(8,424)	-	(8,424)
At 30 June 2013	<u>-</u>	<u>44,127</u>	<u>57,731</u>	<u>32,920</u>	<u>134,778</u>
NET BOOK VALUE					
At 30 June 2013	<u>5,575,048</u>	<u>85,684</u>	<u>49,773</u>	<u>22,570</u>	<u>5,733,075</u>
At 30 June 2012	<u>5,500,000</u>	<u>70,300</u>	<u>72,384</u>	<u>36,972</u>	<u>5,679,656</u>

The property was valued in November 2013 on a Market Value basis by Edward Symmons. The directors are of the opinion that this represents the fair value of the property at the balance sheet date.

The historical cost of the revalued assets is £3,569,919 (2012: £4,021,578).

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

10 TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 July 2012	5,500,000	88,705	87,084	1,894	5,677,683
Additions	36,456	33,297	-	-	69,753
Disposals	(109,831)	-	-	-	(109,831)
Revaluations	148,423	-	-	-	148,423
At 30 June 2013	<u>5,575,048</u>	<u>122,002</u>	<u>87,084</u>	<u>1,894</u>	<u>5,786,028</u>
DEPRECIATION					
At 1 July 2012	-	20,522	42,444	1,375	64,341
Charge for year	-	15,795	9,965	221	25,981
At 30 June 2013	-	<u>36,317</u>	<u>52,409</u>	<u>1,596</u>	<u>90,322</u>
NET BOOK VALUE					
At 30 June 2013	<u>5,575,048</u>	<u>85,685</u>	<u>34,675</u>	<u>298</u>	<u>5,695,706</u>
At 30 June 2012	<u>5,500,000</u>	<u>68,183</u>	<u>44,640</u>	<u>519</u>	<u>5,613,342</u>

The property was valued in November 2013 on a Market Value basis by Edward Symmons. The directors are of the opinion that this represents the fair value of the property at the balance sheet date.

The historical cost of the revalued assets is £3,569,919 (2012: £4,021,578).

11 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2012 and 30 June 2013	<u>40,000</u>
NET BOOK VALUE	
At 30 June 2013	<u>40,000</u>
At 30 June 2012	<u>40,000</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

11 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

The Franklyn (Developments) Limited

Nature of business Property Agents

Class of shares	% holding	2013 £	2012 £
Ordinary	80.00		
Aggregate capital and reserves		(965,840)	(769,641)
Loss for the year		<u>(196,199)</u>	<u>(37,246)</u>

12 STOCKS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Stocks	<u>5,059</u>	<u>5,419</u>	<u>4,350</u>	<u>4,830</u>

13 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	67,488	38,270	66,039	38,015
Amounts owed by group undertakings	-	-	145,661	100
Prepayments and accrued income	<u>66,236</u>	<u>68,122</u>	<u>44,789</u>	<u>46,450</u>
	<u>133,724</u>	<u>106,392</u>	<u>256,489</u>	<u>84,565</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts (see note 16)	153,322	150,289	153,335	150,289
Trade creditors	71,465	88,503	53,580	68,794
Tax	27,676	61,457	27,676	61,457
Social security and other taxes	29,043	45,714	21,601	25,846
VAT	8,168	31,387	-	-
Other creditors	20,911	13,727	20,467	12,937
Accruals and deferred income	54,561	51,063	44,884	42,792
	<u>365,146</u>	<u>442,140</u>	<u>321,543</u>	<u>362,115</u>

15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans (see note 16)	2,588,399	2,741,694	2,588,399	2,741,694
Directors loan account	249,725	249,725	249,725	249,725
	<u>2,838,124</u>	<u>2,991,419</u>	<u>2,838,124</u>	<u>2,991,419</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
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16 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	-	-	13	-
Bank loans	<u>153,322</u>	<u>150,289</u>	<u>153,322</u>	<u>150,289</u>
	<u>153,322</u>	<u>150,289</u>	<u>153,335</u>	<u>150,289</u>
Amounts falling due between one and two years				
Bank loans	<u>156,417</u>	<u>153,323</u>	<u>156,417</u>	<u>153,323</u>
Amounts falling due between two and five years				
Bank loans	<u>488,450</u>	<u>478,788</u>	<u>488,450</u>	<u>478,788</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans	<u>1,943,532</u>	<u>2,109,583</u>	<u>1,943,532</u>	<u>2,109,583</u>

17 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings	
	2013	2012
	£	£
Expiring		
In more than five years	<u>35,906</u>	<u>35,906</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

18 SECURED DEBTS

The following secured debts are included within creditors

	Company	
	2013	2012
	£	£
Bank overdraft	13	-
Bank loans	<u>2,741,721</u>	<u>2,891,983</u>
	<u>2,741,734</u>	<u>2,891,983</u>

Security is held by way of a cross guarantee from each of The Franklyn (Developments) Limited and The Franklyn (Long Term Care) Limited and a floating debenture dated 28 June 2002, in conjunction with a first legal charge over the the companys freehold property Stobars Hall, Kirkby Hall, Cumbria, Kirkwood, 35 Moorfield Road, Ben Rhydding, The Gatehouse, 9 Manor Road, Harrogate

19 PROVISIONS FOR LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Deferred tax	<u>17,029</u>	<u>12,325</u>	<u>17,029</u>	<u>12,325</u>
Group				
				Deferred tax
				£
Balance at 1 July 2012				12,325
Accelerated capital allowances				<u>4,704</u>
Balance at 30 June 2013				<u>17,029</u>
Company				
				Deferred tax
				£
Balance at 1 July 2012				12,325
Accelerated capital allowances				<u>4,704</u>
Balance at 30 June 2013				<u>17,029</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

20 MINORITY INTERESTS

	2013 £	2012 £
At 1 July 2012	(7,449)	-
Minority share of (loss)/profit for period	(39,240)	(7,449)
Provision	<u>46,689</u>	<u>-</u>
At 30 June 2013	<u>-</u>	<u>(7,449)</u>

21 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2013 £	2012 £
201,000	Ordinary		<u>201,000</u>	<u>201,000</u>

22 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2012	897,173	1,464,041	2,361,214
Profit for the year	137,570		137,570
Revaluation of fixed assets	-	148,422	148,422
Transfer	<u>(378,284)</u>	<u>378,284</u>	<u>-</u>
At 30 June 2013	<u>656,459</u>	<u>1,990,747</u>	<u>2,647,206</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2012	818,555	1,464,041	2,282,596
Profit for the year	341,218		341,218
Revaluation of fixed assets	-	148,422	148,422
Transfer	<u>(378,284)</u>	<u>378,284</u>	<u>-</u>
At 30 June 2013	<u>781,489</u>	<u>1,990,747</u>	<u>2,772,236</u>

The Franklyn Group Limited and its subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

23 RELATED PARTY DISCLOSURES

The group was under the control of Mr R A Fleming throughout the current year and previous year

On 14 September 2011 the group sold its freehold property for £500,000 to a business in which a director, Mr R A Fleming, is a partner. The property was then leased back to The Franklyn (Developments) Limited and during the year the company has paid rent in the sum of £35,906 (2012 £28,426)

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013	2012
	£	£
Profit/(loss) for the financial year	137,570	(538,754)
Other recognised gains and losses relating to the year (net)	148,422	(366,727)
New share capital subscribed	-	200,000
Net addition/(reduction) to shareholders' funds	285,992	(705,481)
Opening shareholders' funds	<u>2,562,214</u>	<u>3,267,695</u>
Closing shareholders' funds	<u>2,848,206</u>	<u>2,562,214</u>

Company

	2013	2012
	£	£
Profit/(loss) for the financial year	341,218	(617,372)
Other recognised gains and losses relating to the year (net)	148,422	(366,727)
New share capital subscribed	-	200,000
Net addition/(reduction) to shareholders' funds	489,640	(784,099)
Opening shareholders' funds	<u>2,483,596</u>	<u>3,267,695</u>
Closing shareholders' funds	<u>2,973,236</u>	<u>2,483,596</u>