

AE Rodda & Son Limited

Abbreviated accounts

For the year ended 31 March 2008

Company registration number 3833628

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AE Rodda & Son Limited

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AE Rodda & Son Limited

Directors' report

For the year ended 31 March 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and wholesale of clotted cream and associated dairy products.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

During the year the company continued the major improvement and expansion project to the creamery which will be completed in 2008.

The principal risks that affect the company remain the weather, the fluctuating costs of purchasing milk and the price achieved for selling skimmed milk. The company with the assistance of the improvement and expansion project continues to change and adapt its facilities to meet the requirements of its customers. The directors look forward to testing the results of the changes on the company's income during the key trading periods over the next couple of years.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 April 2007:

ET Rodda
AJ Rodda
PE Rodda
RN Morriss
JW Pengelly
AS Rodda
NL Rodda

Charitable donations

During the year the company made charitable donations of £2,110 (2007: £2,831)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Robinson Reed Layton be reappointed as auditors of the company will be put to the Annual General Meeting.

AE Rodda & Son Limited

Directors' report

For the year ended 31 March 2008

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business


The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board


PE Rodda
DIRECTOR

AE Rodda & Son Limited

Independent auditors' report to AE Rodda & Son Limited

pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 0 to 18, together with the financial statements of AE Rodda & Son Limited for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

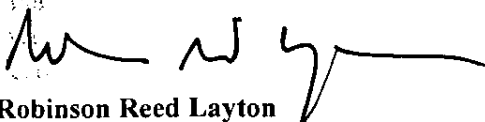
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Robinson Reed Layton
Chartered Accountants
Registered Auditors

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP
23 January 2009

AE Rodda & Son Limited

Abbreviated profit and loss account

For the year ended 31 March 2008

	Notes	2008 £	2007 £
Gross profit		5,708,907	4,132,935
Distribution costs		(3,323,300)	(2,114,558)
Administrative expenses		(1,342,210)	(1,159,468)
Other operating income		<u>226,334</u>	<u>169,696</u>
Operating profit	3	1,269,731	1,028,605
Other interest receivable and similar income		-	1,057
Interest payable and similar charges	5	<u>(185,059)</u>	<u>(86,468)</u>
Profit on ordinary activities before taxation		1,084,672	943,194
Tax on profit on ordinary activities	6	<u>(383,054)</u>	<u>(326,451)</u>
Profit on ordinary activities after taxation	17	<u>701,618</u>	<u>616,743</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AE Rodda & Son Limited

Abbreviated balance sheet

As at 31 March 2008

	Notes	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	8		6,571,219		4,852,454
Current assets					
Stocks	9	603,220		359,618	
Debtors	10	2,984,699		2,160,016	
Cash at bank and in hand		1,163,594		635,450	
		4,751,513		3,155,084	
Creditors: amounts falling due within one year	11	(3,369,964)		(2,797,267)	
Net current assets			1,381,549		357,817
Total assets less current liabilities			7,952,768		5,210,271
Creditors: amounts falling due after more than one year	12		(2,567,178)		(1,134,342)
Provisions for liabilities and charges	13		(275,000)		(111,500)
Accruals and deferred income	14		(2,151,635)		(1,707,092)
			2,958,955		2,257,337
Capital and reserves					
Called up share capital	16		10,000		10,000
Profit and loss account	17		2,948,955		2,247,337
Shareholders' funds	18		2,958,955		2,257,337

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the Board on 21 January 2009 and were signed on its behalf by:


PE Rodda
DIRECTOR

AE Rodda & Son Limited

Cash flow statement

For the year ended 31 March 2008

	2008	2007
	£	£
Net cash inflow from operating activities	1,028,771	1,593,051
Returns on investments and servicing of finance		
Interest received	-	1,057
Interest paid	(59,903)	(30,346)
Net cash outflow for returns on investments and servicing of finance	(59,903)	(29,289)
Taxation	(247,144)	(187,108)
Capital expenditure		
Payments to acquire tangible assets	(1,616,053)	(2,521,261)
Net cash outflow for capital expenditure	(1,616,053)	(2,521,261)
Net cash outflow before management of liquid resources and financing	(894,329)	(1,144,607)
Financing		
New debenture loan	958,316	193,281
New long term bank loan	474,520	424,251
Other new short term loans	300,716	83,037
Government grant received	670,577	960,967
Repayment of long term bank loan	-	(49,385)
Repayment of other short term loans	(130,542)	-
Capital element of chattel mortgages	(775,236)	-
Net cash inflow from financing	1,498,351	1,612,151
Increase in cash in the year	604,022	467,544

AE Rodda & Son Limited

Notes to the cash flow statement

For the year ended 31 March 2008

1 Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	1,269,731	1,028,605
Depreciation of tangible assets	672,524	451,874
Increase in stocks	(243,602)	(66,927)
Increase in debtors	(824,683)	(59,230)
Increase in creditors within one year	380,835	382,176
Movement on grant provision	(226,034)	(143,447)
Net cash inflow from operating activities	1,028,771	1,593,051

2 Analysis of net debt

	1 April 2007 £	Cash flow £	Other non- cash changes £	31 March 2008 £
Net cash:				
Cash at bank and in hand	635,450	528,144	-	1,163,594
Bank overdrafts	(867,607)	75,878	-	(791,729)
	<u>(232,157)</u>	<u>604,022</u>	<u>-</u>	<u>371,865</u>
Debt:				
Debts falling due within one year	(83,037)	(170,174)	-	(253,211)
Debts falling due after one year	(1,134,342)	(1,432,836)	-	(2,567,178)
	<u>(1,217,379)</u>	<u>(1,603,010)</u>	<u>-</u>	<u>(2,820,389)</u>
Net debt	<u>(1,449,536)</u>	<u>(998,988)</u>	<u>-</u>	<u>(2,448,524)</u>

AE Rodda & Son Limited

Notes to the cash flow statement(CONTINUED)

For the year ended 31 March 2008

3 Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
Increase in cash in the year	604,022	467,544
Cash inflow from increase in debt	(1,603,010)	(651,184)
Movement in net debt in the year	(998,988)	(183,640)
Opening net debt	(1,449,536)	(1,265,896)
Closing net debt	(2,448,524)	(1,449,536)

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10% to 15% per annum on cost
Plant and machinery	15% to 33 1/3% per annum on net book value and 7% to 15% per annum on cost
Motor vehicles	33 1/3% per annum on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Non UK sales amounted to 0.29% of turnover (2007: 0.56%).

3 Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	672,524	451,874
Operating lease rentals		
- Plant and machinery	89,916	84,474
- Other assets	60,000	60,000
Auditors' remuneration	9,400	9,000
and after crediting:		
Government grants	226,034	169,396
	<u>226,034</u>	<u>169,396</u>

4 Other interest receivable and similar income

	2008 £	2007 £
Bank interest	-	1,057
	<u>-</u>	<u>1,057</u>

5 Interest payable

	2008 £	2007 £
On bank loans and overdrafts	12,068	12,513
On other loans wholly repayable within 5 years	47,835	17,833
On debenture loans	124,518	56,122
On overdue tax	638	-
	<u>185,059</u>	<u>86,468</u>

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

6 Taxation

	2008 £	2007 £
Domestic current year tax		
U.K. corporation tax	218,500	247,500
Adjustment for prior years	1,054	24,451
Current tax charge	219,554	271,951
Deferred tax		
Deferred tax charge/credit current year	163,500	54,500
	383,054	326,451
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,084,672	943,194
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.54% (2007: 28.07%)	298,719	264,755
Effects of:		
Non deductible expenses	341	900
Depreciation	185,213	126,841
Capital allowances	(220,646)	(105,048)
Adjustments to previous periods	1,054	24,451
Other tax adjustments	(45,127)	(39,947)
	(79,165)	7,197
Current tax charge	219,554	271,951

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2007 & at 31 March 2008	900,000
Amortisation	
At 1 April 2007 & at 31 March 2008	900,000
Net book value	
At 31 March 2008	-
At 31 March 2007	-

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At 1 April 2007	3,939,016	1,836,067	19,841	5,794,924
Additions	398,101	1,993,188	-	2,391,289
At 31 March 2008	4,337,117	3,829,255	19,841	8,186,213
<i>Depreciation</i>				
At 1 April 2007	444,898	477,731	19,841	942,470
Charge for the year	294,905	377,619	-	672,524
At 31 March 2008	739,803	855,350	19,841	1,614,994
<i>Net book value</i>				
At 31 March 2008	3,597,314	2,973,905	-	6,571,219
At 31 March 2007	3,494,118	1,358,336	-	4,852,454

9 Stocks

	2008 £	2007 £
Raw materials and consumables	23,500	21,518
Finished goods and goods for resale	579,720	338,100
	603,220	359,618

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

10 Debtors

	2008 £	2007 £
Trade debtors	2,724,491	1,803,802
Other debtors	246,313	341,121
Prepayments and accrued income	13,895	15,093
	<u>2,984,699</u>	<u>2,160,016</u>

11 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	1,044,940	950,644
Trade creditors	1,583,963	1,114,425
Corporation tax	219,910	247,500
Other taxes and social security costs	140,690	-
Accruals and deferred income	380,461	484,698
	<u>3,369,964</u>	<u>2,797,267</u>

The bank borrowings are secured by a charge over the company's assets.

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

12 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Debenture loans	1,717,792	759,476
Bank loans (see note 11)	849,386	374,866
	<u>2,567,178</u>	<u>1,134,342</u>
<i>Analysis of loans</i>		
Not wholly repayable within five years by instalments	497,367	192,230
Wholly repayable within five years	2,323,022	1,025,149
	<u>2,820,389</u>	<u>1,217,379</u>
Included in current liabilities	(253,211)	(83,037)
	<u>2,567,178</u>	<u>1,134,342</u>
<i>Loan maturity analysis</i>		
In more than one year but not more than two years	267,658	88,452
In more than two years but not more than five years	1,257,059	1,001,939
In more than five years	15,601	43,951
	<u>1,530,318</u>	<u>1,134,342</u>

The debenture loans carry interest at a rate of 2% over the bank base rate per annum. They carry no fixed repayment terms and are secured by a mortgage over leasehold property and by a floating charge over the company's other assets and undertakings.

Two of the bank loans are repayable by instalments falling due after more than 5 years. Interest is charged at a rate of 1% above the bank base rate per annum.

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2007	111,500
Profit and loss account	163,500
	<hr/>
Balance at 31 March 2008	275,000
	<hr/>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	275,000	111,500
	<hr/>	<hr/>

14 Accruals and deferred income

	Government grants £
Balance at 1 April 2007	1,707,092
Grants receivable during the year	670,577
Released to the profit and loss account in the year	(226,034)
	<hr/>
Balance at 31 March 2008	2,151,635
	<hr/>

15 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Defined contribution

	2008 £	2007 £
Contributions made payable by the company for the year	12,232	10,564
	<hr/>	<hr/>

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

16 Share capital

	2008 £	2007 £
<i>Authorised</i>		
10,000 Ordinary Share of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary Share of £1 each	<u>10,000</u>	<u>10,000</u>

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2007	2,247,337
Retained profit for the year	701,618
Balance at 31 March 2008	<u>2,948,955</u>

18 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	701,618	616,743
Opening shareholders' funds	<u>2,257,337</u>	<u>1,640,594</u>
Closing shareholders' funds	<u>2,958,955</u>	<u>2,257,337</u>

19 Financial commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Expiry date:				
Within one year	<u>60,000</u>	<u>60,000</u>	<u>48,000</u>	<u>48,000</u>

On 1st April 2002 the company entered into a contract to purchase a fixed regular quantity of milk at a fixed price. The contract does not have a termination date but can be varied by mutual agreement following at least one months notice.

If the parties cannot mutually agree to a change in the terms of contract, it can be terminated by giving two months notice in writing.

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

20 Capital commitments	2008	2007
	£	£
At 31 March 2008 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	291,000	500,000
21 Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	274,130	270,540
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	50,000	50,000
22 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was:		
	2008	2007
	Number	Number
Production	92	72
Office & administration	14	14
Sales & marketing	2	2
	108	88
Employment costs		
	£	£
Wages and salaries	1,745,661	1,602,119
Social security costs	152,429	130,092
Other pension costs	12,232	10,564
	1,910,322	1,742,775

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

23 Related party transactions

The 7 directors of the company are the partners in the business AE Rodda & Son.

During the year AE Rodda & Son Ltd purchased services from AE Rodda & Son amounting to £2,384,860 (2007: £1,368,000) on normal commercial terms. This included rental of £60,000 per annum (2007: £60,000) for land and buildings and £48,000 (2007: £48,000) for the hire of plant and equipment.

At the year end the company owed the directors' wives £1,717,792 (2007: £759,475), interest of £124,518 (2007: £55,084) was charged on these loans during the year.