

AE Rodda & Son Limited

Abbreviated accounts

For the year ended 31 March 2009

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 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities and review of the business

The principal activity of the business continued to be manufacturing and wholesaling clotted cream and associated dairy products.

The increase in the company's gross profit was largely matched by the increase in the overhead expenses with the result that there was a modest improvement in the company's profit for the year.

The directors consider this to be a satisfactory result given the difficult trading conditions that prevailed in the year, arising largely from the significant increases in UK food prices and from the changing trading conditions emanating from the global economic crisis. Despite those difficult trading conditions, the company has demonstrated a continued commitment to investing for the future by incurring in the year a significant level of capital expenditure.

The company has largely completed the latest stage of the major improvements to the creamery and the directors therefore believe that the company is well placed to take advantage of opportunities arising in the marketplace in the future.

The principal risk to the company continues to be the sustainability of its luxury products in a time of economic uncertainty. This being so, the directors are committed to exploring the possibility of introducing new product lines to minimise the company's risk through diversification of its product range.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 April 2008:

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 2009

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

14 August 2009

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 4 to 18, together with the financial statements of AE Rodda & Son Limited for the year ended 31 March 2009 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 auditors' 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 sections 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
7 December 2009

AE Rodda & Son Limited

Abbreviated profit and loss account

For the year ended 31 March 2009

	Notes	2009 £	2008 £
Gross profit		6,109,378	5,708,907
Distribution costs		(3,484,888)	(3,323,300)
Administrative expenses		(1,602,184)	(1,342,210)
Other operating income		201,605	226,334
Operating profit	3	1,223,911	1,269,731
Other interest receivable and similar income		3,050	-
Interest payable and similar charges	5	(129,404)	(185,059)
Profit on ordinary activities before taxation		1,097,557	1,084,672
Tax on profit on ordinary activities	6	(320,234)	(383,054)
Profit on ordinary activities after taxation	17	777,323	701,618

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 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	8		7,452,339		6,571,219
Current assets					
Stocks	9	562,680		603,220	
Debtors	10	2,188,248		2,984,699	
Cash at bank and in hand		842,270		1,163,594	
			3,593,198	4,751,513	
Creditors: amounts falling due within one year	11	(3,468,303)		(4,187,756)	
Net current assets			124,895		563,757
Total assets less current liabilities			7,577,234		7,134,976
Creditors: amounts falling due after more than one year	12		(1,434,336)		(1,749,386)
Provisions for liabilities and charges	13		(324,000)		(275,000)
Accruals and deferred income	14		(2,082,620)		(2,151,635)
			3,736,278		2,958,955
Capital and reserves					
Called up share capital	16		10,000		10,000
Profit and loss account	17		3,726,278		2,948,955
Shareholders' funds	18		3,736,278		2,958,955

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 14th August 2009 and were signed on its behalf by:



PE Rodda
Director

AE Rodda & Son Limited

Cash flow statement

For the year ended 31 March 2009

	2009	2008
	£	£
Net cash inflow from operating activities	2,570,748	1,846,563
Returns on investments and servicing of finance		
Interest received	3,050	-
Interest paid	(48,264)	(59,903)
Net cash outflow for returns on investments and servicing of finance	(45,214)	(59,903)
Taxation	(209,544)	(247,144)
Capital expenditure		
Payments to acquire tangible assets	(1,711,721)	(1,616,053)
Net cash outflow for capital expenditure	(1,711,721)	(1,616,053)
Net cash inflow/(outflow) before management of liquid resources and financing	604,269	(76,537)
Financing		
New debenture loan	-	140,526
New long term chattel mortgages	-	474,520
New short term chattel mortgages	-	300,716
Government grant received	132,440	670,577
Repayment of short term chattel mortgages	(266,304)	(130,542)
Capital element of chattel mortgages	-	(775,236)
Net cash (outflow)/inflow from financing	(133,864)	680,559
Increase in cash in the year	470,405	604,022

AE Rodda & Son Limited

Notes to the cash flow statement

For the year ended 31 March 2009

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

	2009 £	2008 £
Operating profit	1,223,911	1,269,731
Depreciation of tangible assets	830,601	672,524
Decrease/(increase) in stocks	40,540	(243,602)
Decrease/(increase) in debtors	796,451	(824,683)
Increase in creditors within one year	(119,300)	1,198,627
Movement on grant provision	(201,455)	(226,034)
Net cash inflow from operating activities	2,570,748	1,846,563

2 Analysis of net debt

	1 April 2008 £	Cash flow £	Other non-cash changes £	31 March 2009 £
Net cash:				
Cash at bank and in hand	1,163,594	(321,324)	-	842,270
Bank overdrafts	(791,729)	791,729	-	-
	<u>371,865</u>	<u>470,405</u>	<u>-</u>	<u>842,270</u>
Debt:				
Debts falling due within one year	(253,211)	(48,746)	-	(301,957)
Debts falling due after one year	(1,749,386)	315,050	-	(1,434,336)
	<u>(2,002,597)</u>	<u>266,304</u>	<u>-</u>	<u>(1,736,293)</u>
Net debt	(1,630,732)	736,709	-	(894,023)

AE Rodda & Son Limited

Notes to the cash flow statement(CONTINUED)

For the year ended 31 March 2009

3 Reconciliation of net cash flow to movement in net debt

	2009	2008
	£	£
Increase in cash in the year	470,405	604,022
Cash outflow/(inflow) from decrease/(increase) in debt	266,304	(785,218)
Movement in net debt in the year	736,709	(181,196)
Opening net debt	(1,630,732)	(1,449,536)
Closing net debt	(894,023)	(1,630,732)

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 revenue recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods and services and excludes value added tax.

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
Plant and machinery	15% to 33 1/3% per annum on net book value and 7% to 15% per annum on cost less estimated residual value
Motor vehicles	33 1/3% per annum

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 0.06% of turnover (2008: 0.29%).

3 Operating profit

	2009 £	2008 £
Operating profit is stated after charging:		
Depreciation of tangible assets	830,601	672,524
Operating lease rentals		
- Plant and machinery	127,122	89,916
- Other assets	60,000	60,000
Auditors' remuneration	9,750	9,400
and after crediting:		
Government grants	201,455	226,034
	<u>201,455</u>	<u>226,034</u>

4 Other interest receivable and similar income

	2009 £	2008 £
Bank interest	3,024	-
Other interest	26	-
	<u>3,050</u>	<u>-</u>

5 Interest payable

	2009 £	2008 £
On bank loans and overdrafts	2,136	12,068
On other loans wholly repayable within 5 years	46,128	47,835
On debenture loans	81,140	124,518
On overdue tax	-	638
	<u>129,404</u>	<u>185,059</u>

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

6 Taxation

	2009 £	2008 £
Domestic current year tax		
U.K. corporation tax	281,600	218,500
Adjustment for prior years	(10,366)	1,054
Current tax charge	271,234	219,554
Deferred tax		
Deferred tax charge/credit current year	49,000	163,500
	320,234	383,054
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,097,557	1,084,672
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.19% (2008: 27.54%)	298,426	298,719
Effects of:		
Non deductible expenses	2,999	341
Depreciation	225,840	185,213
Capital allowances	(191,195)	(220,646)
Adjustments to previous periods	(10,366)	1,054
Other tax adjustments	(54,470)	(45,127)
	(27,192)	(79,165)
Current tax charge	271,234	219,554

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2008 & at 31 March 2009	900,000
Amortisation	
At 1 April 2008 & at 31 March 2009	900,000
Net book value	
At 31 March 2009	-
At 31 March 2008	-

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2008	4,337,117	3,829,255	19,841	8,186,213
Additions	90,465	1,621,256	-	1,711,721
At 31 March 2009	4,427,582	5,450,511	19,841	9,897,934
Depreciation				
At 1 April 2008	739,803	855,350	19,841	1,614,994
Charge for the year	300,940	529,661	-	830,601
At 31 March 2009	1,040,743	1,385,011	19,841	2,445,595
Net book value				
At 31 March 2009	3,386,839	4,065,500	-	7,452,339
At 31 March 2008	3,597,314	2,973,905	-	6,571,219

9 Stocks

	2009 £	2008 £
Raw materials and consumables	35,230	23,500
Finished goods and goods for resale	527,450	579,720
	562,680	603,220

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

10 Debtors

	2009 £	2008 £
Trade debtors	2,001,321	2,724,491
Other debtors	172,347	246,313
Prepayments and accrued income	14,580	13,895
	<u>2,188,248</u>	<u>2,984,699</u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	301,957	1,044,940
Trade creditors	2,278,383	2,401,755
Corporation tax	281,600	219,910
Other taxes and social security costs	150,285	140,690
Other creditors	40,000	-
Accruals and deferred income	416,078	380,461
	<u>3,468,303</u>	<u>4,187,756</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

	2009 £	2008 £
Debenture loans	900,000	900,000
Bank loans (see note 11)	534,336	849,386
	<u>1,434,336</u>	<u>1,749,386</u>
<i>Analysis of loans</i>		
Not wholly repayable within five years by instalments	900,000	915,601
Wholly repayable within five years	836,293	1,086,996
	<u>1,736,293</u>	<u>2,002,597</u>
Included in current liabilities	(301,957)	(253,211)
	<u>1,434,336</u>	<u>1,749,386</u>
<i>Loan maturity analysis</i>		
In more than one year but not more than two years	265,595	267,658
In more than two years but not more than five years	268,741	566,127
In more than five years	900,000	915,601
	<u>900,000</u>	<u>915,601</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.

The bank loans carry interest 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 2008	275,000
Profit and loss account	49,000
	<hr/>
Balance at 31 March 2009	324,000
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The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	324,000	275,000
	<hr/>	<hr/>

14 Accruals and deferred income

	Government grants £
Balance at 1 April 2008	2,151,635
Grants receivable during the year	132,440
Released to the profit and loss account in the year	(201,455)
	<hr/>
Balance at 31 March 2009	2,082,620
	<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

	2009 £	2008 £
Contributions made payable by the company for the year	16,104	12,232
	<hr/>	<hr/>

AE Rodda & Son Limited

Notes

(forming part of the abbreviated accounts)

16 Share capital

	2009 £	2008 £
<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 2008	2,948,955
Retained profit for the year	<u>777,323</u>
Balance at 31 March 2009	<u>3,726,278</u>

18 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	777,323	701,618
Opening shareholders' funds	<u>2,958,955</u>	<u>2,257,337</u>
Closing shareholders' funds	<u>3,736,278</u>	<u>2,958,955</u>

19 Financial commitments

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009 £	2008 £
Expiry date:		
Within one year	<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	2009	2008
	£	£
At 31 March 2009 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	46,800	291,000
21 Directors' emoluments	2009	2008
	£	£
Emoluments for qualifying services	239,310	274,130
Company pension contributions to money purchase schemes	49,500	-
	288,810	274,130
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	62,500	50,000
22 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was:		
	2009	2008
	Number	Number
Production	90	92
Office & administration	16	14
Sales & marketing	3	2
	109	108
Employment costs		
	£	£
Wages and salaries	1,932,286	1,745,661
Social security costs	159,230	152,429
Other pension costs	65,604	12,232
	2,157,120	1,910,322

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 £2,358,000 (2008: £2,384,860) on normal commercial terms. This included rental of £60,000 per annum (2008: £60,000) for land and buildings and £48,000 (2008: £48,000) for the hire of plant and equipment. At the year end the company owed AE Rodda & Son £950,584 (2008: £817,792).

At the year end the company owed the directors' wives £900,000 (2008: £900,000). Interest of £81,140 (2008: £124,518) was charged on these loans during the year.