

ABBREVIATED AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
ROTHER VALLEY TIMBER LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008

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ROTHER VALLEY TIMBER LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008

DIRECTORS:

Mr R G Wells
Mr R B M Odds

SECRETARY:

Mr R B M Odds

REGISTERED OFFICE:

Station Yard
ROLVENDEN
Kent
TN17 4JP

REGISTERED NUMBER:

01106184 (England and Wales)

AUDITORS:

McCabe Ford Williams
Registered Auditors
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

ROTHER VALLEY TIMBER LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report with the accounts of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of timber merchants.

REVIEW OF BUSINESS

During the year the company waived its rights to the 8.5% cumulative preference share dividends up to and including those which relate to the year ended 31 December 2008.

DIVIDENDS

No interim dividend was paid during the year.

A final dividend of £160 per share was paid on 31 December 2008, a total distribution of £160,000 for the year.

DIRECTORS

The directors during the year under review were:

Mr R G Wells
Mr R B M Odds

The beneficial interests of the directors holding office on 31 December 2008 in the issued share capital of the company were as follows:

	31.12.08	1.1.08
Ordinary £1 shares		
Mr R G Wells	500	500
Mr R B M Odds	128	500

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ROTHER VALLEY TIMBER LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



~~Mr~~ R B M Odds - Director

29 June 2009

REPORT OF THE INDEPENDENT AUDITORS TO
ROTHER VALLEY TIMBER LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages five to eighteen, together with the financial statements of Rother Valley Timber Limited for the year ended 31 December 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 it in a special auditors' report 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 are properly prepared.

Opinion

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

McCabe Ford Williams
Registered Auditors
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

A large, stylized handwritten signature in black ink, appearing to read 'MFW', followed by a long, wavy horizontal line extending to the right.

29 June 2009

ROTHER VALLEY TIMBER LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	31.12.08 £	31.12.07 £
GROSS PROFIT		1,415,971	2,319,481
Administrative expenses		1,190,839	1,305,211
OPERATING PROFIT	3	225,132	1,014,270
Interest receivable and similar income		39,669	1,915
		264,801	1,016,185
Interest payable and similar charges	4	8,242	132,620
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		256,559	883,565
Tax on profit on ordinary activities	5	78,552	287,701
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		178,007	595,864

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

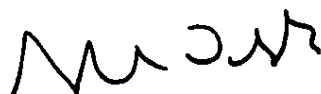
The notes form part of these abbreviated accounts

ROTHER VALLEY TIMBER LIMITED**ABBREVIATED BALANCE SHEET**
31 DECEMBER 2008

	Notes	31.12.08 £	£	31.12.07 £	£
FIXED ASSETS					
Tangible assets	7		587,467		551,365
Investments	8		260,000		260,000
			<u>847,467</u>		<u>811,365</u>
CURRENT ASSETS					
Stocks	9	1,061,621		1,851,260	
Debtors	10	1,562,856		1,581,592	
Cash at bank		52,623		-	
		<u>2,677,100</u>		<u>3,432,852</u>	
CREDITORS					
Amounts falling due within one year	11	600,942		1,324,426	
		<u>600,942</u>		<u>1,324,426</u>	
NET CURRENT ASSETS			<u>2,076,158</u>		<u>2,108,426</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,923,625</u>		<u>2,919,791</u>
PROVISIONS FOR LIABILITIES	15		-		14,173
NET ASSETS			<u><u>2,923,625</u></u>		<u><u>2,905,618</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		1,000		1,000
Profit and Loss Account	17		2,922,625		2,904,618
			<u>2,923,625</u>		<u>2,905,618</u>
SHAREHOLDERS' FUNDS	18		<u><u>2,923,625</u></u>		<u><u>2,905,618</u></u>

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.

The financial statements were approved by the Board of Directors on 29 June 2009 and were signed on its behalf by:



Mr R B M Odds - Director

The notes form part of these abbreviated accounts

ROTHER VALLEY TIMBER LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	31.12.08 £	£	31.12.07 £	£
Net cash inflow from operating activities	1		1,208,920		1,193,815
Returns on investments and servicing of finance	2		31,427		(130,705)
Taxation			(245,325)		(253,315)
Capital expenditure	2		(224,699)		(143,017)
Equity dividends paid			(160,000)		(450,000)
			610,323		216,778
Management of liquid resources	2		(425,000)		(275,000)
Financing	2		(60,000)		(90,507)
Increase/(Decrease) in cash in the period			125,323		(148,729)
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		125,323		(148,729)	
Cash inflow from decrease in liquid resources		-		(225,000)	
Cash outflow from decrease in debt		-		104,107	
Change in net debt resulting from cash flows			125,323		(269,622)
Movement in net debt in the period			125,323		(269,622)
Net (debt)/funds at 1 January			(72,700)		196,922
Net funds/(debt) at 31 December			52,623		(72,700)

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

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

	31.12.08	31.12.07
	£	£
Operating profit	225,132	1,014,270
Depreciation charges	203,493	221,374
Profit on disposal of fixed assets	(14,898)	(11,048)
Decrease in stocks	789,639	275,492
Decrease in debtors	443,736	21,980
Decrease in creditors	(438,182)	(328,253)
Net cash inflow from operating activities	1,208,920	1,193,815

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

	31.12.08	31.12.07
	£	£
Returns on investments and servicing of finance		
Interest received	39,669	1,915
Interest paid	(8,242)	(132,620)
Net cash inflow/(outflow) for returns on investments and servicing of finance	31,427	(130,705)
Capital expenditure		
Purchase of tangible fixed assets	(239,599)	(154,068)
Sale of tangible fixed assets	14,900	11,051
Net cash outflow for capital expenditure	(224,699)	(143,017)
Management of liquid resources		
Change in Intercompany Loan Balance	(425,000)	(275,000)
Net cash outflow from management of liquid resources	(425,000)	(275,000)
Financing		
Loan repayments in year	-	(104,107)
Amount introduced by directors	-	13,600
Amount withdrawn by directors	(60,000)	-
Net cash outflow from financing	(60,000)	(90,507)

The notes form part of these abbreviated accounts

ROTHER VALLEY TIMBER LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.08 £	Cash flow £	At 31.12.08 £
Net cash:			
Cash at bank	-	52,623	52,623
Bank overdraft	(72,700)	72,700	-
	<u>(72,700)</u>	<u>125,323</u>	<u>52,623</u>
Total	<u>(72,700)</u>	<u>125,323</u>	<u>52,623</u>

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Plant and Machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Office and Computer Equipment	- 20% on cost

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

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Fixed asset investments

In accordance with FRS 25, investment income in respect of the Company's holding of 260,000 8.5% Cumulative Preference Shares is recognised as interest receivable.

During the year the company waived its rights to the 8.5% cumulative preference share dividends up to and including those which relate to the year ended 31 December 2008.

2. STAFF COSTS

	31.12.08	31.12.07
	£	£
Wages and salaries	1,387,219	1,579,753
Social security costs	139,764	149,098
Other pension costs	93,679	87,588
	<u>1,620,662</u>	<u>1,816,439</u>

ROTHER VALLEY TIMBER LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2008**2. STAFF COSTS - continued**

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

	31.12.08	31.12.07
Sales and distribution	62	71
Administration	8	8
	<u>70</u>	<u>79</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.08	31.12.07
	£	£
Depreciation - owned assets	203,493	221,374
Profit on disposal of fixed assets	(14,898)	(11,048)
Auditors Remuneration	13,400	11,600
Operating lease payments in respect of land and buildings	87,500	87,500
	<u>91,100</u>	<u>151,100</u>
Directors' emoluments	58,000	50,900
Directors' pension contributions to money purchase schemes	<u>58,000</u>	<u>50,900</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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4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.08	31.12.07
	£	£
Bank Interest	8,242	33,974
Bank Loan Interest	-	(92)
Loan Interest	-	10,338
8.5% cumulative preference dividend income written back	-	88,400
	<u>8,242</u>	<u>132,620</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

5. TAXATION

Analysis of the tax charge

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

	31.12.08 £	31.12.07 £
Current tax:		
UK corporation tax	88,468	301,070
Corporation Tax Interest	4,255	(5,196)
Total current tax	92,723	295,874
Deferred Taxation	(14,171)	(8,173)
Tax on profit on ordinary activities	<u>78,552</u>	<u>287,701</u>

Factors affecting the tax charge

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

	31.12.08 £	31.12.07 £
Profit on ordinary activities before tax	<u>256,559</u>	<u>883,565</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	71,837	265,070
Effects of:		
Income and Expenses not deductible for tax purposes	1,926	91,177
Capital Allowances	16,539	(55,176)
Corporation Tax interest	4,255	(5,197)
Effects of Marginal Relief	(3,437)	-
Effects of the change in the standard rate of corporation tax	1,603	-
Current tax charge	<u>92,723</u>	<u>295,874</u>

6. DIVIDENDS

	31.12.08 £	31.12.07 £
Ordinary shares of £1 each		
Final	<u>160,000</u>	<u>450,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

7. TANGIBLE FIXED ASSETS

	Improvements to Property £	Plant and Machinery £	Fixtures and fittings £
COST			
At 1 January 2008	41,455	1,524,345	16,647
Additions	163,338	21,675	-
Disposals	-	(35,000)	-
At 31 December 2008	204,793	1,511,020	16,647
DEPRECIATION			
At 1 January 2008	7,776	1,201,550	16,522
Charge for year	6,879	118,198	48
Eliminated on disposal	-	(34,999)	-
At 31 December 2008	14,655	1,284,749	16,570
NET BOOK VALUE			
At 31 December 2008	190,138	226,271	77
At 31 December 2007	33,679	322,795	125
		Office and Computer Equipment £	Totals £
COST	Motor vehicles £		
At 1 January 2008	766,492	93,616	2,442,555
Additions	50,787	3,799	239,599
Disposals	(42,635)	-	(77,635)
At 31 December 2008	774,644	97,415	2,604,519
DEPRECIATION			
At 1 January 2008	585,989	79,355	1,891,192
Charge for year	73,338	5,030	203,493
Eliminated on disposal	(42,634)	-	(77,633)
At 31 December 2008	616,693	84,385	2,017,052
NET BOOK VALUE			
At 31 December 2008	157,951	13,030	587,467
At 31 December 2007	180,503	14,261	551,363

ROTHER VALLEY TIMBER LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2008**8. FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1 January 2008	
and 31 December 2008	260,000
NET BOOK VALUE	
At 31 December 2008	260,000
At 31 December 2007	260,000

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

Dover Trussed Roof Co. Ltd

Nature of business: Design and manufacture of trusses and beams.

Class of shares:	% holding
8.5% Cumulative Redeemable Preference	32.10

	30.9.08 £	30.9.07 £
Aggregate capital and reserves	190,732	137,393
Profit for the year	53,339	362,647

9. STOCKS

	31.12.08 £	31.12.07 £
Stocks	1,061,621	1,851,260

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08 £	31.12.07 £
Trade Debtors	590,307	1,024,815
W J Odds Limited	925,000	500,000
Other Debtors	71	1,672
Amounts due from associated undertakings	3,463	12,915
Prepayments	44,015	42,190
	1,562,856	1,581,592

ROTHER VALLEY TIMBER LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Bank loans and overdrafts (see note 12)	-	72,700
Trade Creditors	181,869	150,324
Taxation	8,468	161,070
Other Creditors	192,950	522,800
Other Taxes and PAYE	198,555	338,432
Directors' Current Accounts	19,100	79,100
	<u>600,942</u>	<u>1,324,426</u>

12. LOANS

An analysis of the maturity of loans is given below:

	31.12.08	31.12.07
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	72,700
	<u>-</u>	<u>72,700</u>

13. OPERATING LEASE COMMITMENTS

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

		Land and buildings
	31.12.08	31.12.07
	£	£
Expiring:		
Between one and five years	87,500	87,500
	<u>87,500</u>	<u>87,500</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.08	31.12.07
	£	£
Bank overdraft	-	72,700
	<u>-</u>	<u>72,700</u>

The Company's banker holds a mortgage debenture and First Legal Charge over Land and Buildings on the South Side of Rolvenden, Kent.

The Company's directors have also given a Guarantee for £700,000.

The company's directors have also given two guarantees to H M Revenue and Customs totalling £140,000.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

15. PROVISIONS FOR LIABILITIES

	31.12.08 £	31.12.07 £
Deferred tax		
Timing differences	-	14,173
		Deferred tax
		£
Balance at 1 January 2008		14,173
Accelerated Capital Allowances		(14,173)
Balance at 31 December 2008		-

As at 31 December 2008 there is a deferred tax asset of £17,720 relating to tax written down values in excess of net book values which has not been provided for in the financial statements as it is not expected to be realised in the foreseeable future.

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.08 £	31.12.07 £
1,000	Ordinary	£1	1,000	1,000

17. RESERVES

	Profit and Loss Account £
At 1 January 2008	2,904,618
Profit for the year	178,007
Dividends	(160,000)
At 31 December 2008	2,922,625

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

18. RELATED PARTY DISCLOSURES

During the year the company made sales, net of value added tax and under normal business terms, to the following related parties:

1. WACHER & Co LIMITED - £114,632 (2007:£149,167)
W J Odds Limited, which holds 100% of the issued share capital of Wacher & Co Limited, is controlled by R B M Odds and a member of his close family.
2. DOVER TRUSSED ROOF COMPANY LIMITED - £60,254 (2007: £62,080)
R B M Odds and R G Wells, directors of the company with a controlling interest, are also directors of Dover Trussed Roof Company Limited.
3. W J ODDS LIMITED - £306,460 (2007:£506,161)
R B M Odds, a director of the company, is a director and has a controlling interest in W J Odds Limited.
4. TRIAD TIMBER COMPONENTS LIMITED - £67,422 (2007:£82,306)
R B M Odds and R G Wells, directors of the company are also directors of Triad Timber Components Limited.
5. BATS BUILDING SUPPLIES LIMITED - £210,350 (2007: £236,632)
R B M Odds and a close member of his family are the directors of BATS Building Supplies Limited.

At 31 December 2008 the following amounts, all of which are receivable within one year, were due from related parties in respect of sales:

1. WACHER & Co. LIMITED - £7,364 (2007: £16,372)
2. DOVER TRUSSED ROOF COMPANY LIMITED - £3,463 (2007:£12,915)
3. W J ODDS LIMITED - £21,803 (2007: £55,387)
4. TRIAD TIMBER COMPONENTS LIMITED - £8,139 (2007: £20,046)
5. BATS BUILDING SUPPLIES LIMITED - £23,406 (2007: £30,655)

The nature of the related party relationships are detailed above.

19. ULTIMATE CONTROLLING PARTY

The company is jointly controlled by Mr R B M Odds and Mr R G Wells.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.08	31.12.07
	£	£
Profit for the financial year	178,007	595,864
Dividends	(160,000)	(450,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	18,007	145,864
Opening shareholders' funds	2,905,618	2,759,754
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,923,625</u>	<u>2,905,618</u>