

SC300309

ACCOUNTANTS & ADVISORS

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012
FOR
RAEBURN ENERGY LIMITED**

FRIDAY



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COMPANIES HOUSE

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

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for the Year Ended 31 May 2012**

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RAEBURN ENERGY LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2012

DIRECTORS:

S G Rowbottom
Z Hussain

SECRETARY:

CLP Secretaries Limited

REGISTERED OFFICE:

Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

REGISTERED NUMBER:

SC300309

AUDITORS:

Acumen Accountants and Advisors Limited
Statutory Auditors
Bon Accord House
Riverside Drive
ABERDEEN
AB11 7SL

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2012.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of operating an employment business/agency providing temporary and permanent staff to commercial and professional businesses.

REVIEW OF BUSINESS

Raeburn Energy Limited is the parent company of Raeburn Group Limited from whom it receives fees for the provision of management services. Therefore the main risk facing the company is the performance of its subsidiary undertaking.

Raeburn Group Limited provides personnel solutions in a variety of sectors, these include Oil and Gas, Commercial and Healthcare. Market conditions have allowed growth in personnel and turnover. The personnel numbers exceeded 300 and turnover is now in excess of £28m (2011: exceeds £24m) with a gross profit margin of 10% (2011: 9%).

Particular growth was experienced in the Healthcare sector for domiciliary and care home customers. Typical care hours were in the region of 4,500 per week following successful restructuring and implementation of CM2000 care software. We also continued to receive excellent quality assessments from CQC.

Continued challenges were experienced in relation to a variable market for Recruitment. There has been significant improvements from the previous year in the Commercial sector. Oil and Gas clients are continually reviewing the margins paid to external agencies, however, their requirements have increased particularly in the area of permanent placements. The improved market conditions and focus on permanent sales resulted in an increase in sales, with margins staying similar to the previous year. Overall this has had a positive impact on profits.

We consider the key performance indicators to be those which reflect the financial performance and strength of the company as a whole, these being turnover, gross profit margins and net profit before tax.

Raeburn Group Limited continued to adjust the business to address the current economic conditions. Further mitigation measures were implemented to minimise the impact on Raeburn's business. These included a number of staff changes to align with expected levels of business and expansion in growth sectors including Healthcare and international markets, primarily in the Oil and Gas sector.

Going forward the changes to the group, and improving markets, are expected to have a positive impact on the Recruitment and Healthcare businesses.

EMPLOYEES

Employee Involvement

The group has an active policy of communicating with its staff and keeping employees informed regarding its achievements and prospects. The directors are also committed to developing genuine and effective employee involvement in the group's activities.

Disabled Persons

The group recognises its social and statutory duty to employ disabled persons and pursues a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others.

DIVIDENDS

Interim dividends per share were paid as follows:

£0.20	- 10 October 2011
£0.05	- 15 February 2012
<u>£0.05</u>	- 16 April 2012
<u>£0.30</u>	

The directors recommend a final dividend of £0.20 per share, making a total of £0.50 per share for the year ended 31 May 2012.

The total distribution of dividends for the year ended 31 May 2012 will be £350,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

REPORT OF THE DIRECTORS
for the Year Ended 31 May 2012

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2011 to the date of this report.

S G Rowbottom
Z Hussain

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.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Acumen Accountants and Advisors Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Z Hussain - Director

20 February 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RAEBURN ENERGY LIMITED

We have audited the financial statements of Raeburn Energy Limited for the year ended 31 May 2012 on pages five to twenty one. 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 three, 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 31 May 2012 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.

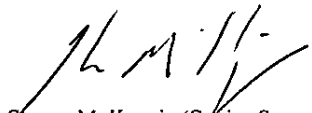
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Steven McKenzie (Senior Statutory Auditor)
for and on behalf of Acumen Accountants and Advisors Limited
Statutory Auditors
Bon Accord House
Riverside Drive
ABERDEEN
AB11 7SL

20 February 2013

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 2012**

	Notes	2012 £	2011 £
TURNOVER	2	28,977,999	24,419,120
Cost of sales		<u>26,222,840</u>	<u>22,198,819</u>
GROSS PROFIT		2,755,159	2,220,301
Administrative expenses		<u>2,086,841</u>	<u>1,870,801</u>
		668,318	349,500
Other operating income		<u>1,295</u>	<u>1,572</u>
OPERATING PROFIT	4	669,613	351,072
Interest receivable and similar income		<u>4</u>	<u>-</u>
		669,617	351,072
Interest payable and similar charges	5	<u>40</u>	<u>2,016</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		669,577	349,056
Tax on profit on ordinary activities	6	<u>179,238</u>	<u>79,757</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u><u>490,339</u></u>	<u><u>269,299</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

CONSOLIDATED BALANCE SHEET
31 May 2012

	Notes	£	2012	£	2011	£
FIXED ASSETS						
Intangible assets	9			1,468,463		1,456,334
Tangible assets	10			23,733		41,476
Investments	11			-		-
				<u>1,492,196</u>		<u>1,497,810</u>
CURRENT ASSETS						
Stocks	12		500		500	
Debtors	13		5,561,045		5,160,246	
Cash at bank and in hand			<u>816,334</u>		<u>36,853</u>	
			6,377,879		5,197,599	
CREDITORS						
Amounts falling due within one year	14		<u>6,307,599</u>		<u>5,273,523</u>	
NET CURRENT ASSETS/(LIABILITIES)				<u>70,280</u>		<u>(75,924)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				1,562,476		1,421,886
PROVISIONS FOR LIABILITIES	18			<u>251</u>		<u>-</u>
NET ASSETS				<u>1,562,225</u>		<u>1,421,886</u>
CAPITAL AND RESERVES						
Called up share capital	19			700,000		700,000
Profit and loss account	20			<u>862,225</u>		<u>721,886</u>
SHAREHOLDERS' FUNDS	26			<u>1,562,225</u>		<u>1,421,886</u>

The financial statements were approved by the Board of Directors on 20 February 2013 and were signed on its behalf by:



Z Hussain - Director



S G Rowbottom - Director

The notes form part of these financial statements

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

COMPANY BALANCE SHEET
31 May 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	<u>2,642,515</u>	<u>2,642,515</u>
		2,642,515	2,642,515
CURRENT ASSETS			
Debtors	13	141,695	12,775
Cash at bank		<u>57,962</u>	<u>11,570</u>
		199,657	24,345
CREDITORS			
Amounts falling due within one year	14	<u>183,732</u>	<u>31,396</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>15,925</u>	<u>(7,051)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,658,440	2,635,464
CREDITORS			
Amounts falling due after more than one year	15	<u>1,857,256</u>	<u>1,838,530</u>
NET ASSETS		<u>801,184</u>	<u>796,934</u>
CAPITAL AND RESERVES			
Called up share capital	19	700,000	700,000
Profit and loss account	20	<u>101,184</u>	<u>96,934</u>
SHAREHOLDERS' FUNDS	26	<u>801,184</u>	<u>796,934</u>

The financial statements were approved by the Board of Directors on 20 February 2013 and were signed on its behalf by:

Z Hussain - Director



S G Rowbottom - Director



The notes form part of these financial statements

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 May 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	1,229,665	254,851
Returns on investments and servicing of finance	2	(36)	(2,016)
Taxation		(85,687)	(88,324)
Capital expenditure	2	(13,761)	18,833
Equity dividends paid		<u>(350,000)</u>	<u>(175,000)</u>
		780,181	8,344
Financing	2	<u>(700)</u>	<u>(70,326)</u>
Increase/(decrease) in cash in the period		<u>779,481</u>	<u>(61,982)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		779,481	(61,982)
Cash outflow from decrease in debt and lease financing		<u>1,693</u>	<u>39,399</u>
Change in net funds resulting from cash flows		<u>781,174</u>	<u>(22,583)</u>
Movement in net funds in the period		781,174	(22,583)
Net funds at 1 June		<u>35,160</u>	<u>57,743</u>
Net funds at 31 May		<u>816,334</u>	<u>35,160</u>

The notes form part of these financial statements

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 May 2012**

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

	2012 £	2011 £
Operating profit	669,613	351,072
Depreciation charges	19,375	43,038
Profit on disposal of fixed assets	-	(23,232)
Increase in debtors	(400,801)	(364,529)
Increase in creditors	941,478	248,502
Net cash inflow from operating activities	<u>1,229,665</u>	<u>254,851</u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	10	-
Interest paid	-	(120)
Interest element of hire purchase payments	(46)	(1,896)
Net cash outflow for returns on investments and servicing of finance	<u>(36)</u>	<u>(2,016)</u>
Capital expenditure		
Purchase of intangible fixed assets	(12,880)	-
Purchase of tangible fixed assets	(881)	(4,399)
Sale of tangible fixed assets	-	23,232
Net cash (outflow)/inflow for capital expenditure	<u>(13,761)</u>	<u>18,833</u>
Financing		
Capital repayments in year	(1,693)	(39,399)
Amount introduced by directors	993	70,312
Amount withdrawn by directors	-	(101,239)
Net cash outflow from financing	<u>(700)</u>	<u>(70,326)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.11 £	Cash flow £	At 31.5.12 £
Net cash:			
Cash at bank and in hand	<u>36,853</u>	<u>779,481</u>	<u>816,334</u>
	<u>36,853</u>	<u>779,481</u>	<u>816,334</u>
Debt:			
Hire purchase	<u>(1,693)</u>	<u>1,693</u>	<u>-</u>
	<u>(1,693)</u>	<u>1,693</u>	<u>-</u>
Total	<u>35,160</u>	<u>781,174</u>	<u>816,334</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2012**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of services, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration.

Goodwill

Goodwill within the group, relates to the acquisition of Raeburn Group Limited in 2006.

Intangible Assets

Computer software is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 10 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- over the period of the lease
Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost and 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 arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012****1. ACCOUNTING POLICIES - continued****Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2012 £	2011 £
UK	27,738,369	24,400,800
Africa	1,203,190	18,320
Europe	36,440	-
	<u>28,977,999</u>	<u>24,419,120</u>

3. STAFF COSTS

	2012 £	2011 £
Wages and salaries	9,393,035	7,824,435
Social security costs	832,718	728,162
Other pension costs	34,391	24,728
	<u>10,260,144</u>	<u>8,577,325</u>

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

	2012	2011
Commercial	84	70
Engineering	99	89
Nurse	182	177
Administration	44	38
	<u>409</u>	<u>374</u>

4. OPERATING PROFIT

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

	2012 £	2011 £
Depreciation - owned assets	17,090	33,030
Depreciation - assets on hire purchase contracts	1,534	10,007
Profit on disposal of fixed assets	-	(23,232)
Computer software amortisation	751	-
Auditors' remuneration	14,135	13,255
Foreign exchange differences	<u>2,557</u>	<u>(46)</u>
Directors' remuneration	7,157	1,212
Directors' pension contributions to money purchase schemes	<u>6,000</u>	<u>-</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

4. OPERATING PROFIT - continued

During the year the group obtained the following services from the group's auditors at a cost as stated below:

	2012 £	2011 £
Auditor's remuneration for audit services	14,135	13,255
Non audit services:		
Accountancy and bookkeeping	17,536	23,633
Tax services	800	800
	<u>32,471</u>	<u>37,688</u>

During the year the company obtained the following services from the company's auditors at a cost as stated below:

	2012 £	2011 £
Auditor's remuneration for audit services	1,925	1,925
Non audit services:		
Accountancy and bookkeeping	5,578	3,586
Tax services	400	400
	<u>7,903</u>	<u>5,911</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	-	3
Corporation tax interest	(6)	117
Hire purchase	46	1,896
	<u>40</u>	<u>2,016</u>

6. TAXATION

Analysis of the tax charge

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

	2012 £	2011 £
Current tax:		
UK corporation tax	178,987	85,618
Deferred tax	251	(5,861)
Tax on profit on ordinary activities	<u>179,238</u>	<u>79,757</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012**

6. TAXATION - continued

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:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>669,577</u>	<u>349,056</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.116% (2011 - 24.621%)	168,171	85,941
Effects of:		
Excess depreciation over capital allowances	(744)	73
Expenses not deductible for corporation tax purposes	11,317	5,314
Profit on disposal	-	(5,720)
Dormant company losses	7	10
Transfer pricing	<u>236</u>	<u>-</u>
Current tax charge	<u>178,987</u>	<u>85,618</u>

7. 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 £354,250 (2011 - £224,313).

8. DIVIDENDS

	2012 £	2011 £
Ordinary shares of £1 each		
Final	140,000	-
Interim	<u>210,000</u>	<u>175,000</u>
	<u>350,000</u>	<u>175,000</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 June 2011	1,456,334	-	1,456,334
Additions	<u>-</u>	<u>12,880</u>	<u>12,880</u>
At 31 May 2012	<u>1,456,334</u>	<u>12,880</u>	<u>1,469,214</u>
AMORTISATION			
Amortisation for year	<u>-</u>	<u>751</u>	<u>751</u>
At 31 May 2012	<u>-</u>	<u>751</u>	<u>751</u>
NET BOOK VALUE			
At 31 May 2012	<u>1,456,334</u>	<u>12,129</u>	<u>1,468,463</u>
At 31 May 2011	<u>1,456,334</u>	<u>-</u>	<u>1,456,334</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

10. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 June 2011	25,119	20,379	134,059	179,557
Additions	-	-	881	881
At 31 May 2012	<u>25,119</u>	<u>20,379</u>	<u>134,940</u>	<u>180,438</u>
DEPRECIATION				
At 1 June 2011	7,592	13,945	116,544	138,081
Charge for year	<u>2,512</u>	<u>4,076</u>	<u>12,036</u>	<u>18,624</u>
At 31 May 2012	<u>10,104</u>	<u>18,021</u>	<u>128,580</u>	<u>156,705</u>
NET BOOK VALUE				
At 31 May 2012	<u>15,015</u>	<u>2,358</u>	<u>6,360</u>	<u>23,733</u>
At 31 May 2011	<u>17,527</u>	<u>6,434</u>	<u>17,515</u>	<u>41,476</u>

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

	Fixtures and fittings £
COST	
At 1 June 2011	7,891
Transfer to ownership	<u>(7,891)</u>
At 31 May 2012	-
DEPRECIATION	
At 1 June 2011	6,357
Charge for year	1,534
Transfer to ownership	<u>(7,891)</u>
At 31 May 2012	-
NET BOOK VALUE	
At 31 May 2012	-
At 31 May 2011	<u>1,534</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 June 2011
and 31 May 2012

2,642,515

NET BOOK VALUE

At 31 May 2012

2,642,515

At 31 May 2011

2,642,515

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

Subsidiaries

Raeburn Group Limited

Nature of business: Recruitment agency

Class of shares:

Ordinary £1 shares

%
holding
100.00

2012
£

2011
£

Aggregate capital and reserves

1,947,350

1,811,233

Profit for the year

377,117

115,026

Raeburn Recruitment Limited

Nature of business: Dormant

Class of shares:

Ordinary

%
holding
100.00

2012
£

2011
£

Aggregate capital and reserves

41

55

Loss for the year

(14)

(15)

Raeburn Healthcare Limited

Nature of business: Dormant

Class of shares:

Ordinary

%
holding
100.00

2012
£

2011
£

Aggregate capital and reserves

31

45

Loss for the year

(14)

(25)

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

12. STOCKS

	Group	
	2012	2011
	£	£
Stocks	<u>500</u>	<u>500</u>

13. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,103,339	4,537,699	-	-
Other debtors	139,776	1,711	140,876	1,116
Prepayments and accrued income	<u>1,317,210</u>	<u>609,262</u>	<u>-</u>	<u>-</u>
	<u>5,560,325</u>	<u>5,148,672</u>	<u>140,876</u>	<u>1,116</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	99	85
Other debtors	<u>720</u>	<u>11,574</u>	<u>720</u>	<u>11,574</u>
	<u>720</u>	<u>11,574</u>	<u>819</u>	<u>11,659</u>
Aggregate amounts	<u>5,561,045</u>	<u>5,160,246</u>	<u>141,695</u>	<u>12,775</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Hire purchase contracts (see note 16)	-	1,693	-	-
Trade creditors	706,549	784,403	541	1,091
Tax	178,987	85,687	13,853	9,137
Social security and other taxes	225,385	212,941	176	544
VAT	415,685	365,950	9,731	9,689
Other creditors	4,765,739	3,811,914	144,177	-
Directors' current accounts	6,040	5,047	6,040	5,047
Accrued expenses	<u>9,214</u>	<u>5,888</u>	<u>9,214</u>	<u>5,888</u>
	<u>6,307,599</u>	<u>5,273,523</u>	<u>183,732</u>	<u>31,396</u>

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

	Company	
	2012	2011
	£	£
Amounts owed to group undertakings	<u>1,857,256</u>	<u>1,838,530</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012**

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012 £	2011 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>1,693</u>

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

Group

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring:				
Within one year	-	-	21,820	5,945
Between one and five years	-	-	36,036	45,024
In more than five years	<u>94,529</u>	<u>70,350</u>	<u>-</u>	<u>-</u>
	<u>94,529</u>	<u>70,350</u>	<u>57,856</u>	<u>50,969</u>

Company

	Other operating leases	
	2012 £	2011 £
Expiring:		
Within one year	11,374	-
Between one and five years	<u>25,613</u>	<u>38,021</u>
	<u>36,987</u>	<u>38,021</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2012	2011
	£	£
Factoring advance	<u>3,125,145</u>	<u>2,951,212</u>

The following assets are held as security:

Raeburn Group Limited has an agreed overdraft facility which is secured by a bond and floating charge over all heritable and moveable assets. Raeburn Energy Limited also has a bond and floating charge in place over all heritable and moveable assets.

There is a cross guarantee between Raeburn Group Limited and Raeburn Energy Limited in the sum of £1,060,000 in favour of The Royal Bank of Scotland.

There is an additional cross guarantee between Raeburn Group Limited and Raeburn Energy Limited in the sum of £300,000 in favour of The Royal Bank of Scotland.

There is a personal guarantee of £100,000 from S Rowbottom and Z Hussain.

The factoring advance is secured over £4,217,964 (2011: £4,512,928) of the company's trade debtors under a factoring agreement with the Royal Bank of Scotland.

18. PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	<u>251</u>	<u>-</u>
Group		
		Deferred tax
		£
Movement in year		<u>251</u>
Balance at 31 May 2012		<u>251</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2012	2011
Number:	Class:		£	£
700,000	Ordinary	£1	<u>700,000</u>	<u>700,000</u>

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012**

20. RESERVES

Group

	Profit and loss account £
At 1 June 2011	721,886
Profit for the year	490,339
Dividends	<u>(350,000)</u>
At 31 May 2012	<u>862,225</u>

Company

	Profit and loss account £
At 1 June 2011	96,934
Profit for the year	354,250
Dividends	<u>(350,000)</u>
At 31 May 2012	<u>101,184</u>

21. PENSION COMMITMENTS

The group's defined contribution pension cost for the year was £34,391 (2011: £24,728). Outstanding contributions as at the year end totalled £7,815 (2011: £2,342).

22. TRANSACTIONS WITH DIRECTORS

At 31 May 2012, S Rowbottom had a loan balance of £3,098 (2011: £2,673) due to him from Raeburn Energy Limited. During the year dividends of £175,000 were paid to S Rowbottom (2011: £87,500).

At 31 May 2012, Z Hussain had a loan balance of £2,942 (2011: £2,374) due to him from Raeburn Energy Limited. During the year dividends of £175,000 were paid to Z Hussain (2011: £87,500).

These loans are interest free and there are no fixed repayment terms.

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012**

23. RELATED PARTY DISCLOSURES

The following are considered to be related parties of Raeburn Energy Limited:

- (i) Raeburn Group Limited - a wholly owned subsidiary of the company
- (ii) Raeburn Healthcare Limited - a wholly owned subsidiary of Raeburn Group Limited
- (iii) Raeburn Recruitment Limited - a wholly owned subsidiary of Raeburn Group Limited
- (iv) Zedess Energy Limited - a company owned by S Rowbottom and Z Hussain, the directors of the company
- (v) Theon Energy Limited - a company wholly owned by S Rowbottom and Z Hussain, the directors of the company
- (vi) Theon Limited - a wholly owned subsidiary of Theon Energy Limited

The following transactions with the above related parties took place during the year:

As at 31 May 2012, there is an amount of £1,857,256 (2011: £1,838,530) due to Raeburn Group Limited from Raeburn Energy Limited. The loan is interest free with no fixed repayment terms. During the year Raeburn Energy Limited raised invoices to Raeburn Group Limited for £245,700 (2011: £245,700) in relation to management fees. During the year dividends of £241,000 (2011: £70,000) were paid to Raeburn Energy Limited from Raeburn Group Limited.

As at 31 May 2012 £30 (2011: £30) was due from Raeburn Recruitment Limited to Raeburn Energy Limited.

As at 31 May 2012 £69 (2011: £55) was due from Raeburn Healthcare Limited to Raeburn Energy Limited.

As at 31 May 2012 there was an outstanding loan of £100 (2011: £100) due to Raeburn Healthcare Limited from Raeburn Group Limited.

As at 31 May 2012 there was an outstanding loan of £71 (2011: £85) due to Raeburn Recruitment Limited from Raeburn Group Limited.

As at 31 May 2012 an amount of £nil (2011: £11,574) was due from Zedess Energy Limited to Raeburn Energy Limited.

As at 31 May 2012, an amount of £360 (2011: £nil) was due from Theon Limited to Raeburn Energy Limited.

As at 31 May 2012, an amount of £360 (2011: £nil) was due from Theon Energy Limited to Raeburn Energy Limited.

During the year Raeburn Group Limited made sales of £45,083 (2011: £nil) to Theon Limited, as at 31 May 2012 £15,928 (2011: £nil) was due from Theon Limited to Raeburn Group Limited in relation to these sales. During the year Raeburn Group Limited also paid expenses totalling £137,088 (2011: £nil) on behalf of Theon Limited. This amount was due in full to Raeburn Group Limited from Theon Limited at 31 May 2012.

24. POST BALANCE SHEET EVENTS

On 19 June 2012, Raeburn Group Limited agreed to act as guarantor in relation to a property lease between Theon Limited (a company ultimately owned by S Rowbottom and Z Hussain, the company directors) and Gladman Developments Limited.

The lease relates to Unit 30, Abercrombie Court, Arnhall Business Park, Westhill, and the annual rent that Raeburn Group Limited guarantees amounts to £93,654.

On 20 December 2012, Raeburn Group Limited agreed to act as guarantor on a loan obtained by Theon Limited. The loan was to finance the refurbishment of Theon Limited's office premises. The loan amounted to £97,700 and will be repaid over 36 months commencing in January 2013.

25. ULTIMATE CONTROLLING PARTY

In the directors opinion the group is controlled jointly by S Rowbottom and Z Hussain.

RAEBURN ENERGY LIMITED (REGISTERED NUMBER: SC300309)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2012

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 £	2011 £
Profit for the financial year	490,339	269,299
Dividends	<u>(350,000)</u>	<u>(175,000)</u>
Net addition to shareholders' funds	140,339	94,299
Opening shareholders' funds	<u>1,421,886</u>	<u>1,327,587</u>
Closing shareholders' funds	<u>1,562,225</u>	<u>1,421,886</u>

Company

	2012 £	2011 £
Profit for the financial year	354,250	224,313
Dividends	<u>(350,000)</u>	<u>(175,000)</u>
Net addition to shareholders' funds	4,250	49,313
Opening shareholders' funds	<u>796,934</u>	<u>747,621</u>
Closing shareholders' funds	<u>801,184</u>	<u>796,934</u>

27. SHARE-BASED PAYMENT TRANSACTIONS

Raeburn Energy Limited granted 10,000 share options of Ordinary B shares to an employee of its 100% owned subsidiary, Raeburn Group Limited, on the 1 April 2012 with a market value of £1.17 per share. These options can be exercised between 1 June 2014 and 31 March 2022. The option can be exercised at any time during this period and the option holder must be an eligible employee of the company or any qualifying subsidiary of the company on the date of exercise.