

Company Registration No. SC098093 (Scotland)

ABERDEEN AND NORTHERN EGGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

THURSDAY



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20/12/2012
COMPANIES HOUSE

ABERDEEN AND NORTHERN EGGS LIMITED

COMPANY INFORMATION

Directors

Robert Chapman
Ethel Chapman
Iain Chapman

Secretary

Messrs Brown & McRae

Company number

SC098093

Registered office

Anderson House
9-15 Frithside Street
Fraserburgh
AB43 9AB

Auditors

Johnston Carmichael LLP
Bank House
Seaforth Street
Fraserburgh
AB43 9BB

ABERDEEN AND NORTHERN EGGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 20

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2012

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

Principal activities and review of the business

The principal activity of the company continued to be that of the sale of eggs.

Results and dividends

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

The board is pleased to report profits of £1.8m before taxation for the year to 31 May 2012.

This year the egg market has had to cope with the new legislation for caged production introduced on 1st January 2012. As a company we were well prepared for the change, with only one production unit left to convert. This was completed and restocked in February. At the beginning of the year eggs were in short supply as a result of the cage ban, therefore the wholesale egg market was strong, and egg prices were at a premium.

On the down side we are still facing ever increasing costs for cereals, finished feed, fuel and general costs, which will impact on next years' profits.

The investment in the Wind Turbine, continues to be a prudent move, as energy costs keep escalating. Investment in a second Wind Turbine is planned for Spring 2013.

This year saw investment in a new cage rearing unit for 55,000 birds, heated by two 500 Kw Bio-mass boilers, the first in Scotland to be heated in this way. The boilers will also heat the existing step-reared sheds at Auchtygills. The new rearing shed attracted an SRDP grant, and will be stocked at the beginning of October this year.

Investment in additional storage and grain drying facilities were also carried out in preparation for harvest 2012. This increases capacity for cereal storage, thus enabling more prudent purchasing of wheat and barley for feed for the poultry.

As the recession continues to bite hard, the retail market has been very competitive. This has resulted in our margins being squeezed further.

Going forward the company stands in good stead for the future, and the prudent investment in new technology will help to keep costs down. The company will however not be complacent and will continue to look forward so that it remains at the forefront of the industry.

The company paid £26,667 of dividends in the year.

Directors

The following directors have held office since 1 June 2011:

Robert Chapman
Ethel Chapman
Iain Chapman

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

Charitable donations	2012 £	2011 £
During the year the company made the following payments:		
Charitable donations - local	450	10,525
Charitable donations - national	-	300
	<u>450</u>	<u>10,825</u>

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

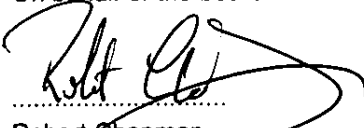
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
Robert Chapman
Director
.....

ABERDEEN AND NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABERDEEN AND NORTHERN EGGS LIMITED

We have audited the financial statements of Aberdeen and Northern Eggs Limited for the year ended 31 May 2012 set out on pages 5 to 20. 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 an 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 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 Directors' Responsibilities Statement, included in the Directors' Report set out on pages 1 - 2, 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 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 Directors' Report 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 company's affairs as at 31 May 2012 and of its 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ABERDEEN AND NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABERDEEN AND NORTHERN EGGS LIMITED

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

Johnston Carmichael LLP

David McBain (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

18/12/12.....

Chartered Accountants
Statutory Auditor

Bank House
Seaforth Street
Fraserburgh
AB43 9BB

ABERDEEN AND NORTHERN EGGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2012

	Notes	2012 £	2011 £
Turnover	2	14,227,653	11,234,321
Cost of sales		(11,213,475)	(9,052,706)
Gross profit		3,014,178	2,181,615
Administrative expenses		(1,342,601)	(1,175,731)
Other operating income		296,246	252,243
Operating profit	3	1,967,823	1,258,127
Other interest receivable and similar income	4	737	726
Interest payable and similar charges	5	(149,889)	(120,351)
Profit on ordinary activities before taxation		1,818,671	1,138,502
Tax on profit on ordinary activities	6	(462,254)	(343,798)
Profit for the year	19	1,356,417	794,704

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.

ABERDEEN AND NORTHERN EGGS LIMITED

BALANCE SHEET

AS AT 31 MAY 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	8	-		11,000	
Tangible assets	9	8,234,231		7,990,074	
Investments	10	50		-	
		<u>8,234,281</u>		<u>8,001,074</u>	
Current assets					
Stocks	11	988,844		790,168	
Debtors	12	3,180,199		2,563,299	
Cash at bank and in hand		860,310		798,285	
		<u>5,029,353</u>		<u>4,151,752</u>	
Creditors: amounts falling due within one year	13	<u>(2,621,732)</u>		<u>(2,126,443)</u>	
Net current assets		<u>2,407,621</u>		<u>2,025,309</u>	
Total assets less current liabilities		<u>10,641,902</u>		<u>10,026,383</u>	
Creditors: amounts falling due after more than one year	14	(2,818,994)		(3,400,442)	
Provisions for liabilities	15	(313,185)		(271,963)	
Accruals and deferred income	16	(996,551)		(1,170,556)	
		<u>6,513,172</u>		<u>5,183,422</u>	
Capital and reserves					
Called up share capital	18	50,000		50,000	
Profit and loss account	19	6,463,172		5,133,422	
Shareholders' funds	20	<u>6,513,172</u>		<u>5,183,422</u>	

Approved by the Board and authorised for issue on 17/12/12



Robert Chapman
Director

Company Registration No. SC098093

ABERDEEN AND NORTHERN EGGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		2,070,790		1,247,299
Returns on investments and servicing of finance				
Interest received	737		726	
Interest paid	(149,889)		(120,351)	
Net cash outflow for returns on investments and servicing of finance		(149,152)		(119,625)
Taxation		(303,333)		(317,417)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(1,024,170)		(1,726,922)	
Payments to acquire investments	(50)		-	
Receipts from sales of tangible assets	35,901		5,000	
Net cash outflow for capital expenditure		(988,319)		(1,721,922)
Equity dividends paid		(26,667)		(40,000)
Net cash inflow/(outflow) before management of liquid resources and financing		603,319		(951,665)
Financing				
New long term bank loan	-		500,000	
Other new long term loans	200,465		-	
Government grant received	-		609,776	
Repayment of long term bank loan	(337,195)		(573,000)	
Repayment of other long term loans	(44,239)		(43,917)	
Capital element of hire purchase contracts	(360,325)		(254,250)	
Net cash (outflow)/inflow from financing		(541,294)		238,609
Increase/(decrease) in cash in the year		62,025		(713,056)

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE 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	1,967,823	1,258,127
	Depreciation of tangible assets	748,025	682,031
	Amortisation of intangible assets	11,000	11,000
	(Profit)/loss on disposal of tangible assets	(3,913)	14,710
	Increase in stocks	(198,676)	(56,070)
	Increase in debtors	(616,900)	(500,302)
	Increase/(decrease) in creditors within one year	337,436	(34,655)
	Movement on grant provision	(174,005)	(127,542)
	Net cash inflow from operating activities	2,070,790	1,247,299
2	Analysis of net debt	1 June 2011	Cash flow Other non-cash changes 31 May 2012
		£	£ £ £
	Net cash:		
	Cash at bank and in hand	798,285	62,025 - 860,310
	Debt:		
	Finance leases	(1,477,796)	360,325 - (1,117,471)
	Debts falling due within one year	(70,194)	(38,558) - (108,752)
	Debts falling due after one year	(2,282,971)	219,527 - (2,063,444)
		(3,830,961)	541,294 - (3,289,667)
	Net debt	(3,032,676)	603,319 - (2,429,357)
3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase/(decrease) in cash in the year	62,025	(713,056)
	Cash outflow from decrease in debt and lease financing	541,294	371,167
	Change in net debt resulting from cash flows	603,319	(341,889)
	New finance lease	-	(882,162)
	Movement in net debt in the year	603,319	(1,224,051)
	Opening net debt	(3,032,676)	(1,808,625)
	Closing net debt	(2,429,357)	(3,032,676)

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2012

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. Turnover is recognised as the point of dispatch.

1.3 Goodwill

Goodwill is stated at cost less amortisation and provision for diminution in value.

1.4 Single farm payment

The single farm payment is stated at cost and is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Freehold buildings	- 4% straight line
Plant and machinery	- 5% straight line and 10% and 20% reducing balance
Fixtures, fittings and equipment	- 20% reducing balance
Motor vehicles	- 20% reducing balance

1.6 Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

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

Bird stock is valued at cost and depreciated over its expected useful life.

1.9 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.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

1 Accounting policies

(continued)

1.10 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 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.

2 Turnover

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

3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging:		
Amortisation of intangible assets	11,000	11,000
Depreciation of tangible assets	748,025	682,031
Loss on disposal of tangible assets	-	14,710
Loss on foreign exchange transactions	16,384	4,312
Auditors' remuneration (including expenses and benefits in kind)	8,050	12,110
and after crediting:		
Government grants	(174,005)	(127,542)
Profit on disposal of tangible assets	(3,913)	-

4 Investment income

	2012 £	2011 £
Bank interest	737	726
	<u>737</u>	<u>726</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

5	Interest payable	2012 £	2011 £
	On bank loans and overdrafts	81,343	61,675
	Hire purchase interest	68,546	58,600
	On overdue tax	-	76
		<u>149,889</u>	<u>120,351</u>
6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U.K. corporation tax	417,891	255,192
	Adjustment for prior years	3,141	44,994
	Total current tax	<u>421,032</u>	<u>300,186</u>
	Deferred tax		
	Deferred tax charge	41,222	43,612
		<u>462,254</u>	<u>343,798</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,818,671</u>	<u>1,138,502</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.67% (2011 - 27.67%)	<u>466,853</u>	<u>315,024</u>
	Effects of:		
	Non deductible expenses	2,366	261
	Capital allowances in excess of depreciation	(51,272)	(50,759)
	Prior year adjustment	3,141	44,994
	Other tax adjustments	(56)	(9,334)
		<u>(45,821)</u>	<u>(14,838)</u>
	Current tax charge for the year	<u>421,032</u>	<u>300,186</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

7	Dividends	2012	2011
		£	£
	Ordinary interim paid	26,667	40,000

8	Intangible fixed assets	Single farm payment	Goodwill	Total
		£	£	£
	Cost			
	At 1 June 2011	55,000	150,000	205,000
	Disposals	-	(150,000)	(150,000)
	At 31 May 2012	55,000	-	55,000
	Amortisation			
	At 1 June 2011	44,000	150,000	194,000
	Amortisation on disposals	-	(150,000)	(150,000)
	Charge for the year	11,000	-	11,000
	At 31 May 2012	55,000	-	55,000
	Net book value			
	At 31 May 2012	-	-	-
	At 31 May 2011	11,000	-	11,000

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

9 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2011	4,055,276	5,196,510	35,629	375,602	9,663,017
Additions	190,015	682,017	-	152,138	1,024,170
Disposals	-	(37,500)	-	(57,250)	(94,750)
At 31 May 2012	4,245,291	5,841,027	35,629	470,490	10,592,437
Depreciation					
At 1 June 2011	280,698	1,148,930	20,853	222,462	1,672,943
On disposals	-	(14,508)	-	(48,254)	(62,762)
Charge for the year	85,969	612,313	2,955	46,788	748,025
At 31 May 2012	366,667	1,746,735	23,808	220,996	2,358,206
Net book value					
At 31 May 2012	3,878,624	4,094,292	11,821	249,494	8,234,231
At 31 May 2011	3,774,578	4,047,580	14,776	153,140	7,990,074

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 May 2012	1,374,608	-	1,374,608
At 31 May 2011	1,691,881	7,969	1,699,850
Depreciation charge for the year			
At 31 May 2012	343,652	-	343,652
At 31 May 2011	335,485	31,878	367,363

The book value of land not depreciated is £1,957,173 (2011 - £1,957,173).

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

10 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 2011	-
Additions	50
At 31 May 2012	50
Net book value	
At 31 May 2012	50

11 Stocks

	2012 £	2011 £
Raw materials and consumables	853,117	640,504
Finished goods and goods for resale	135,727	149,664
	988,844	790,168

12 Debtors

	2012 £	2011 £
Trade debtors	2,288,646	1,888,024
Other debtors	823,745	667,116
Prepayments and accrued income	67,808	8,159
	3,180,199	2,563,299

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

13 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	38,837	37,195
Other loans	69,915	32,999
Net obligations under hire purchase contracts	361,921	360,325
Trade creditors	1,626,060	1,061,086
Corporation tax	417,891	300,192
Other taxes and social security costs	16,110	16,631
Directors' current accounts	30,000	100,000
Other creditors	-	11,242
Accruals and deferred income	60,998	206,773
	<u>2,621,732</u>	<u>2,126,443</u>
Debt due in one year or less	<u>108,752</u>	<u>70,194</u>

The bank loans and overdraft are secured by standard securities over the land and freehold properties and floating charges over the assets.

The net obligations under hire purchase contracts are secured over the related assets.

The other loan is secured over land and freehold properties belonging to the directors.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

14 Creditors: amounts falling due after more than one year	2012 £	2011 £
Bank loans	1,014,090	1,352,927
Other loans	1,049,354	930,044
Net obligations under hire purchase contracts	755,550	1,117,471
	<u>2,818,994</u>	<u>3,400,442</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank Loan	1,052,927	1,390,121
Other Loan	1,119,269	963,044
	<u>2,172,196</u>	<u>2,353,165</u>
Included in current liabilities	(108,752)	(70,194)
	<u>2,063,444</u>	<u>2,282,971</u>
Instalments not due within five years	<u>1,604,424</u>	<u>1,978,295</u>
Loan maturity analysis		
In more than one year but not more than two years	112,260	72,525
In more than two years but not more than five years	346,760	232,152
In more than five years	<u>1,604,424</u>	<u>1,978,294</u>
The bank loans and overdraft are secured by standard securities over the land and freehold properties and floating charges over the assets.		
The net obligations under hire purchase contracts are secured over the related assets.		
The other loan is secured over land and freehold properties belonging to the directors.		
Net obligations under hire purchase contracts		
Repayable within one year	361,921	360,325
Repayable between one and five years	755,550	1,117,471
	<u>1,117,471</u>	<u>1,477,796</u>
Included in liabilities falling due within one year	(361,921)	(360,325)
	<u>755,550</u>	<u>1,117,471</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

14 Creditors: amounts falling due after more than one year

(continued)

One of the fixed bank loans is repayable by monthly instalments of £1,715 through to September 2018, interest is charged at 6.67%.

The other fixed bank loan is repayable by monthly instalments of £3,428 through to April 2021, interest is charged at 6%.

The variable bank loan is repayable by monthly instalments of £3,300 through to January 2025, interest is charged at 2.87%.

One of the other loans is repayable by quarterly instalments of £13,210 through to August 2034, interest is charged at 2.25%.

The second other loan is repayable by monthly instalments of £3,539 through to February 2017, interest is charged at 2.3%.

15 Provisions for liabilities

Deferred tax
liability
£

Balance at 1 June 2011	271,963
Profit and loss account	41,222
	<hr/>
Balance at 31 May 2012	313,185
	<hr/>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	313,185	271,963
	<hr/>	<hr/>

16 Accruals and deferred income

Government
grants
£

Balance at 1 June 2011	1,170,556
Amortisation in the year	(174,005)
	<hr/>
Balance at 31 May 2012	996,551
	<hr/>

While there are certain conditions under which these grants would need to be repaid by the company, these conditions have not occurred.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

17 Pension and other post-retirement benefit commitments

Defined contribution

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.

	2012 £	2011 £
Contributions payable by the company for the year	9,198	8,721

18 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 50,000 Ordinary shares of £1 each	50,000	50,000

19 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2011	5,133,422
Profit for the year	1,356,417
Dividends paid	(26,667)
Balance at 31 May 2012	6,463,172

20 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,356,417	794,704
Dividends	(26,667)	(40,000)
Net addition to shareholders' funds	1,329,750	754,704
Opening shareholders' funds	5,183,422	4,428,718
Closing shareholders' funds	6,513,172	5,183,422

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

21 Capital commitments	2012	2011
	£	£

At 31 May 2012 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	802,711	-
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The company has secured funding in the form of grants totalling £238,451 (2011 - £nil) against these capital commitments.

22 Directors' remuneration	2012	2011
	£	£

Remuneration for qualifying services	18,000	18,000
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23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2012	2011
	Number	Number
Directors and management	4	4
Office staff	5	5
Drivers	4	5
Labourers	26	29
	39	43

Employment costs	2012	2011
	£	£
Wages and salaries	769,820	814,187
Social security costs	64,513	68,965
Other pension costs	9,198	8,721
	843,531	891,873

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

24 Related party relationships and transactions

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2012	2011
	£	£
Robert Chapman	12,000	19,000
Ethel Chapman	12,000	19,000
Iain Chapman	2,667	1,000
	<u>26,667</u>	<u>39,000</u>

Other transactions

During the year the company traded with R & E Chapman, a partnership in which all the directors are partners. During the year purchases of £1,120,052 (2011 - £927,718) were made from R & E Chapman, rent was received of £33,899 (2011 - £54,790), recharges for feed, birds, repairs and fuel were made of £nil (2011 - £20,815) and a management charge of £40,000 (2011 - £40,000) was levied on the partnership. The company also bought Euros on behalf of the partnership for £134,529 (2011 - £nil).

At the year end the balance due to Aberdeen & Northern Eggs from R & E Chapman was £580,558 (2011 - £274,527).

The directors advanced money to the company by way of a loan. At the year end the balance due to the directors was £931,678 (2011 - £963,044). The term of this loan is 24 years and carries interest at 2.25% per annum.

There is a loan in the financial statements which is secured by land which belongs to the directors, personally.

During the year £13,560 (2011 - £14,160) was paid to Iain Chapman, director for the rental of houses.

The directors operate a current account with the company. At the year end there is a balance due to the directors, Robert and Ethel Chapman of £30,000 (2011 - £100,000). There is no interest charged on this loan and no set terms of repayment.

Robert Chapman, director, is also a director in Central Egg Agency Limited. During the year, Aberdeen and Northern Eggs received income for the sale of eggs of £271,800 (2011 - £57,398), paid for the purchase of eggs £62,712 (2011 - £nil) and also paid levies of £5,379 (2011 - £1,530) to Central Egg Agency Limited. At the year end there was a balance due to Central Egg Agency Limited by Aberdeen and Northern Eggs Limited of £25,960 (2011 - £7,661) there was also a balance due from Central Egg Agency Limited to Aberdeen and Northern Eggs Limited of £118,498 (2011 - £nil).