

Company Registration No. SC098093 (Scotland)

**ABERDEEN AND NORTHERN EGGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2013**

TUESDAY



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SCT 24/12/2013 #114  
COMPANIES HOUSE

# **ABERDEEN AND NORTHERN EGGS LIMITED**

## **COMPANY INFORMATION**

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**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

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# **ABERDEEN AND NORTHERN EGGS LIMITED**

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# **ABERDEEN AND NORTHERN EGGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MAY 2013**

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The directors present their report and financial statements for the year ended 31 May 2013.

#### **Principal activities and review of the business**

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

The board is pleased to report a satisfactory year, with turnover up to £17.4m and profits also up to £2.5m before taxation for the year to 31 May 2013.

The year has seen the continued investment in the business with a new rearing unit, a new Biomass boiler and a half share in a wind turbine. We now feel that the business is in a strong position to face the future. The investment in the boiler and the turbine, as well as being sound commercial investments, demonstrate the company's commitment to reducing its impact on the environment and increasing its green credentials. These are also commitments that our customers are increasingly looking for from their suppliers.

During the year we purchased one arable farm and since the year end have purchased two further arable farms, thus greatly increasing the acreage available for cereals. This will allow us to produce more wheat and barley and provide us with more control in future of our feed costs which rose significantly in the current year.

We are predicting a tighter year going forward with surplus eggs available through wholesalers, although breakers continue to be looking for eggs. The retail sector is under continued pressures to return increased profits, and continues to be very competitive. Margins therefore are being reduced. The ability to control the raw material costs for feed is welcomed, and will help to offset reduced margins from the market.

In conclusion, going forward, the company stands in good stead for the future. The large investment made in the past few years in new facilities and in updated technology has ensured we are starting the next year more able to provide our customers the quality product they demand at competitive prices.

The company will however not be complacent and will continue to look forward so that it remains at the forefront of the egg industry.

#### **Results and dividends**

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

The company paid £35,790 of dividends in the year.

#### **Directors**

The following directors have held office since 1 June 2012:

Robert Chapman  
Ethel Chapman  
Iain Chapman

# ABERDEEN AND NORTHERN EGGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2013**

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### 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



Ethel Chapman

Director

3/12/13

# **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 2013 set out on pages 5 to 19. 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 2013 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)**

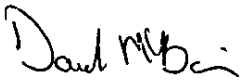
### **TO THE MEMBERS OF ABERDEEN AND NORTHERN EGGS LIMITED**

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#### **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.



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

6/12/13.....

**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 2013

	Notes	2013 £	2012 £
Turnover	2	17,383,969	14,227,653
Cost of sales		(13,307,256)	(11,213,475)
Gross profit		4,076,713	3,014,178
Administrative expenses		(1,793,706)	(1,342,601)
Other operating income		356,871	296,246
Operating profit	3	2,639,878	1,967,823
Other interest receivable and similar income	4	1,578	737
Interest payable and similar charges	5	(133,539)	(149,889)
Profit on ordinary activities before taxation		2,507,917	1,818,671
Tax on profit on ordinary activities	6	(612,311)	(462,254)
Profit for the year	18	1,895,606	1,356,417

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.



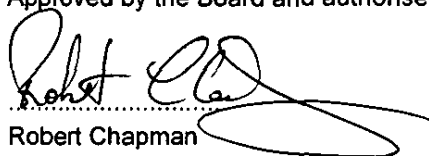
# ABERDEEN AND NORTHERN EGGS LIMITED

## BALANCE SHEET

AS AT 31 MAY 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	8	10,559,399		8,234,231	
Investments	9	490,155		50	
		<u>11,049,554</u>		<u>8,234,281</u>	
<b>Current assets</b>					
Stocks	10	1,159,781		988,844	
Debtors	11	2,943,838		3,180,199	
Cash at bank and in hand		368,977		860,310	
		<u>4,472,596</u>		<u>5,029,353</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,011,154)</u>		<u>(2,621,732)</u>	
<b>Net current assets</b>		<u>1,461,442</u>		<u>2,407,621</u>	
<b>Total assets less current liabilities</b>		<u>12,510,996</u>		<u>10,641,902</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	(2,802,285)		(2,818,994)	
<b>Provisions for liabilities</b>	14	(314,468)		(313,185)	
<b>Accruals and deferred income</b>	15	(1,021,255)		(996,551)	
		<u>8,372,988</u>		<u>6,513,172</u>	
<b>Capital and reserves</b>					
Called up share capital	17	50,000		50,000	
Profit and loss account	18	8,322,988		6,463,172	
<b>Shareholders' funds</b>	19	<u>8,372,988</u>		<u>6,513,172</u>	

Approved by the Board and authorised for issue on 31/12/13.....

  
Robert Chapman  
Director

Company Registration No. SC098093

# ABERDEEN AND NORTHERN EGGS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2013

	£	2013 £	£	2012 £
<b>Net cash inflow from operating activities</b>		3,471,643		2,070,790
<b>Returns on investments and servicing of finance</b>				
Interest received	1,578		737	
Interest paid	(133,539)		(149,889)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(131,961)		(149,152)
<b>Taxation</b>		(433,248)		(303,333)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(3,154,622)		(1,024,170)	
Payments to acquire investments	(490,105)		(50)	
Receipts from sales of tangible assets	-		35,901	
<b>Net cash outflow for capital expenditure</b>		(3,644,727)		(988,319)
<b>Equity dividends paid</b>		(35,790)		(26,667)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(774,083)		603,319
<b>Financing</b>				
Other new long term loans	548,000		200,465	
Government grant received	238,451		-	
Repayment of long term bank loan	(38,837)		(337,195)	
Repayment of other long term loans	(140,085)		(44,239)	
Capital element of hire purchase contracts	(324,779)		(360,325)	
<b>Net cash inflow/(outflow) from financing</b>		282,750		(541,294)
<b>(Decrease)/increase in cash in the year</b>		(491,333)		62,025

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2013

1	Reconciliation of operating profit to net cash inflow from operating activities	2013		2012	
		£		£	
	Operating profit	2,639,878		1,967,823	
	Depreciation of tangible assets	829,454		748,025	
	Amortisation of intangible assets	-		11,000	
	Profit on disposal of tangible assets	-		(3,913)	
	Increase in stocks	(170,937)		(198,676)	
	Decrease/(increase) in debtors	236,361		(616,900)	
	Increase in creditors within one year	150,634		337,436	
	Movement on grant provision	(213,747)		(174,005)	
	<b>Net cash inflow from operating activities</b>	<b>3,471,643</b>		<b>2,070,790</b>	
2	Analysis of net debt	1 June 2012	Cash flow	Other non-cash changes	31 May 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	860,310	(491,333)	-	368,977
	Debt:				
	Finance leases	(1,117,471)	324,779	-	(792,692)
	Debts falling due within one year	(108,752)	(369,078)	326,708	(151,122)
	Debts falling due after one year	(2,063,444)	-	(326,708)	(2,390,152)
		(3,289,667)	(44,299)	-	(3,333,966)
	<b>Net debt</b>	<b>(2,429,357)</b>	<b>(535,632)</b>	<b>-</b>	<b>(2,964,989)</b>
3	Reconciliation of net cash flow to movement in net debt	2013		2012	
		£		£	
	(Decrease)/increase in cash in the year	(491,333)		62,025	
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(44,299)		541,294	
	<b>Movement in net debt in the year</b>	<b>(535,632)</b>		<b>603,319</b>	
	Opening net debt	(2,429,357)		(3,032,676)	
	<b>Closing net debt</b>	<b>(2,964,989)</b>		<b>(2,429,357)</b>	

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2013**

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### **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 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.

#### **1.4 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

#### **1.5 Leasing and 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.

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

#### **1.6 Investments**

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

Shares in participating interests are accounted for under the equity method of accounting at cost plus share of partnership profit not remitted, less drawings.

#### **1.7 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.

#### **1.8 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 2013

### 1 Accounting policies

(continued)

#### 1.9 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.

#### 1.10 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.

#### 1.11 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

2013

2012

£

£

Operating profit is stated after charging:

Amortisation of intangible assets

-

11,000

Depreciation of tangible assets

829,454

748,025

Loss on foreign exchange transactions

-

16,384

Auditors' remuneration (including expenses and benefits in kind)

9,778

8,050

and after crediting:

Government grants

(213,747)

(174,005)

Profit on disposal of tangible assets

-

(3,913)

Profit on foreign exchange transactions

(6,574)

-

### 4 Investment income

2013

2012

£

£

Bank interest

1,578

737

1,578

737

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2013

<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	84,758	81,343
	Hire purchase interest	48,781	68,546
		<u>133,539</u>	<u>149,889</u>
<b>6</b>	<b>Taxation</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	595,671	417,891
	Adjustment for prior years	15,357	3,141
		<u>611,028</u>	<u>421,032</u>
	<b>Total current tax</b>		
	<b>Deferred tax</b>		
	Deferred tax charge	1,283	41,222
		<u>612,311</u>	<u>462,254</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	2,507,917	1,818,671
		<u>2,507,917</u>	<u>1,818,671</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.83% (2012 - 25.67%)	597,637	466,853
		<u>597,637</u>	<u>466,853</u>
	Effects of:		
	Non deductible expenses	2,279	2,366
	Capital allowances in excess of depreciation	(4,316)	(51,272)
	Prior year adjustment	15,357	3,141
	Other tax adjustments	71	(56)
		<u>13,391</u>	<u>(45,821)</u>
	<b>Current tax charge for the year</b>	<u>611,028</u>	<u>421,032</u>
<b>7</b>	<b>Dividends</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	35,790	26,667
		<u>35,790</u>	<u>26,667</u>

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2013

### 8 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2012	4,245,291	5,841,027	35,629	470,490	10,592,437
Additions	2,665,188	484,934	-	4,500	3,154,622
At 31 May 2013	6,910,479	6,325,961	35,629	474,990	13,747,059
<b>Depreciation</b>					
At 1 June 2012	366,667	1,746,735	23,808	220,996	2,358,206
Charge for the year	102,939	673,727	2,364	50,424	829,454
At 31 May 2013	469,606	2,420,462	26,172	271,420	3,187,660
<b>Net book value</b>					
At 31 May 2013	6,440,873	3,905,499	9,457	203,570	10,559,399
At 31 May 2012	3,878,624	4,094,292	11,821	249,494	8,234,231

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

	Plant and machinery £
<b>Net book values</b>	
At 31 May 2013	1,111,479
At 31 May 2012	1,374,608
<b>Depreciation charge for the year</b>	
At 31 May 2013	266,297
At 31 May 2012	343,652

The book value of land not depreciated is £4,144,233 (2012 - £1,957,173).

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2013

#### 9 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
<b>Cost</b>			
At 1 June 2012	50	-	50
Additions	105	490,000	490,105
	<u>155</u>	<u>490,000</u>	<u>490,155</u>
At 31 May 2013	155	490,000	490,155
<b>Net book value</b>			
At 31 May 2013	155	490,000	490,155
	<u>155</u>	<u>490,000</u>	<u>490,155</u>
At 31 May 2012	50	-	50
	<u>50</u>	<u>-</u>	<u>50</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Participating interests</b>			
R & R Renewables LLP	Scotland	LLP	50.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2013	Profit/(loss) for the year 2013
	Principal activity	£	£
R & R Renewables LLP	Renewables	-	-
		<u>-</u>	<u>-</u>

R & R Renewables LLP was incorporated on 6 June 2012 and to date no accounts have been prepared.

#### 10 Stocks

	2013 £	2012 £
Raw materials and consumables	1,063,150	853,117
Finished goods and goods for resale	96,631	135,727
	<u>1,159,781</u>	<u>988,844</u>



# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2013

11 Debtors	2013 £	2012 £
Trade debtors	2,137,913	2,288,646
Other debtors	800,436	823,745
Prepayments and accrued income	5,489	67,808
	<u>2,943,838</u>	<u>3,180,199</u>
12 Creditors: amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	40,560	38,837
Net obligations under hire purchase contracts	380,559	361,921
Trade creditors	1,444,800	1,626,060
Corporation tax	595,671	417,891
Other taxes and social security costs	19,960	16,110
Directors' current accounts	30,000	30,000
Other creditors	110,562	69,915
Accruals and deferred income	389,042	60,998
	<u>3,011,154</u>	<u>2,621,732</u>
Debt due in one year or less	<u>151,122</u>	<u>108,752</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 2013

13 Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loans	973,530	1,014,090
Other loans	1,416,622	1,049,354
Net obligations under hire purchase contracts	412,133	755,550
	<u>2,802,285</u>	<u>2,818,994</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:		
Bank Loan	1,014,090	1,052,927
Other Loan	1,424,126	1,119,269
Wholly repayable within five years	103,058	-
	<u>2,541,274</u>	<u>2,172,196</u>
Included in current liabilities	(151,122)	(108,752)
	<u>2,390,152</u>	<u>2,063,444</u>
Instalments not due within five years	<u>1,789,100</u>	<u>1,604,424</u>
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	601,052	459,020
In more than five years	<u>1,789,100</u>	<u>1,604,424</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	380,559	361,921
Repayable between one and five years	412,133	755,550
	<u>792,692</u>	<u>1,117,471</u>
Included in liabilities falling due within one year	(380,559)	(361,921)
	<u>412,133</u>	<u>755,550</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 2013

#### 13 Creditors: amounts falling due after more than one year (continued)

Three loans are repayable by monthly instalments of £7,590 and mature in the period from February 2017 to April 2021.

Two loans are repayable by quarterly instalments of £28,621 and mature in the period from October 2022 to November 2034.

A further loan matures in January 2025 with amounts repayable depending upon LIBOR.

All interest rates are charged between 2.25% and 6.67%.

#### 14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2012	313,185
Profit and loss account	1,283
	<hr/>
Balance at 31 May 2013	314,468
	<hr/>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	314,468	313,185
	<hr/>	<hr/>

#### 15 Accruals and deferred income

	Government grants £
Balance at 1 June 2012	996,551
Grants received during the year	238,451
Amortisation in the year	(213,747)
	<hr/>
Balance at 31 May 2013	1,021,255
	<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 2013

### 16 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.

	2013 £	2012 £
Contributions payable by the company for the year	6,435	9,198

### 17 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

### 18 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2012	6,463,172
Profit for the year	1,895,606
Dividends paid	(35,790)
Balance at 31 May 2013	8,322,988

### 19 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	1,895,606	1,356,417
Dividends	(35,790)	(26,667)
Net addition to shareholders' funds	1,859,816	1,329,750
Opening shareholders' funds	6,513,172	5,183,422
Closing shareholders' funds	8,372,988	6,513,172

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2013

<b>20 Capital commitments</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>

At 31 May 2013 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	-	802,711
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The company secured funding in the form of grants totalling £nil (2012 - £238,451) against this capital commitments.

<b>21 Directors' remuneration</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>

Remuneration for qualifying services	18,000	18,000
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## 22 Employees

### Number of employees

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

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Directors and management	4	4
Office staff	6	5
Drivers	4	4
Labourers	27	26
	41	39

<b>Employment costs</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>

Wages and salaries	817,015	769,820
Social security costs	69,132	64,513
Other pension costs	6,435	9,198
	892,582	843,531

# ABERDEEN AND NORTHERN EGGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2013

#### 23 Post balance sheet events

On 16 August 2013 Aberdeen & Northern Eggs Limited purchased a farm for £1,300,000 and in October 2013 they purchased another farm for £1,157,000. Extra funding has been agreed with the Bank of Scotland for the purchase of the second farm.

#### 24 Related party relationships and transactions

##### Dividends to Directors

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

	2013	2012
	£	£
Robert Chapman	17,000	12,000
Ethel Chapman	17,000	12,000
Iain Chapman	1,790	2,667
	<u>35,790</u>	<u>26,667</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 £925,532 (2012 - £1,120,052) were made from R & E Chapman, £367,582 of sales were made to R&E Chapman (2012 - £nil), rent was received of £12,000 (2012 - £33,899), a management charge of £40,000 (2012 - £40,000) was levied on the partnership and Euros were purchased on the partnerships behalf £nil (2012 - £134,529).

At the year end the balance due to Aberdeen & Northern Eggs from R & E Chapman was £704,640 (2012 - £580,558). The AMC loans totalling £1,527,184 (2012 - £1,119,269) are secured by land which belongs to the directors, personally.

During the year £13,560 (2012 - £13,560) 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 (2012 - £30,000). 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 £636,125 (2012 - £271,800), paid for the purchase of eggs £15,912 (2012 - £62,712), membership of £186 (2012 - £186) and also paid levies of £13,740 (2012 - £5,379) 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 £nil (2012 - £25,960). There was also a balance due from Central Egg Agency Limited to Aberdeen and Northern Eggs Limited of £nil (2012 - £118,498).

**ABERDEEN AND NORTHERN EGGS LIMITED**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 MAY 2013**

# ABERDEEN AND NORTHERN EGGS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2013

	2013		2012	
	£	£	£	£
<b>Turnover</b>				
Egg sales		16,862,711		13,767,748
Other sales		146,913		95,807
Electricity sales		326,121		364,098
Renewable Heat Incentive		48,224		-
		<u>17,383,969</u>		<u>14,227,653</u>
<b>Cost of sales</b>				
Opening stock of finished goods	988,844		790,168	
Egg purchases	6,898,866		5,740,699	
Packaging costs	1,141,868		1,029,330	
Bird costs	4,068,297		3,435,221	
Wages and salaries (excl. N.I.)	799,015		751,820	
Employer' NI contributions	69,132		64,513	
Staff pension costs defined contribution	6,435		9,198	
Haulage	125,063		53,101	
Contract work	112,483		71,706	
BEIC Subscriptions	46,162		44,022	
Fuel and oil	210,872		212,541	
	<u>14,467,037</u>		<u>12,202,319</u>	
Closing stock of finished goods	(1,159,781)		(988,844)	
		<u>(13,307,256)</u>		<u>(11,213,475)</u>
<b>Gross profit</b>	23.45%	4,076,713	21.19%	3,014,178
<b>Administrative expenses</b>		(1,793,706)		(1,342,601)
		<u>2,283,007</u>		<u>1,671,577</u>
<b>Other operating income</b>				
Rent receivable	52,448		50,431	
Government grants released	213,747		174,005	
Sundry income	90,676		71,810	
		<u>356,871</u>		<u>296,246</u>
<b>Operating profit</b>		2,639,878		1,967,823



# ABERDEEN AND NORTHERN EGGS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2013

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		2013		2012
	£	£	£	£
<b>Other interest receivable and similar income</b>				
Bank interest - received		1,578		737
<b>Interest payable</b>				
Bank interest on loans > 5 yrs - paid	84,758		81,343	
Hire purchase interest - paid	48,781		68,546	
		<u>(133,539)</u>		<u>(149,889)</u>
<b>Profit before taxation</b>	14.43%	<u>2,507,917</u>	12.78%	<u>1,818,671</u>

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# ABERDEEN AND NORTHERN EGGS LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MAY 2013

	2013	2012
	£	£
<b>Administrative expenses</b>		
Directors' remuneration	18,000	18,000
Staff training	1,312	3,161
Rent re licences and other	14,560	13,560
Rates	3,193	2,599
Insurance	47,715	35,193
Light and heat	52,225	49,177
Repairs and maintenance	401,516	130,339
Cleaning	3,037	3,664
Printing, postage and stationery	9,260	10,649
Advertising	90,830	27,428
Telephone	3,481	3,685
Hire of equipment	167,168	140,055
Motor running expenses	58,809	57,117
Travelling expenses	7,103	6,837
Legal and professional fees - allowable	23,813	40,312
Audit fees	9,778	8,050
Bank charges	19,565	1,855
Bad and doubtful debts	(127)	(1,958)
Charitable donations - other	1,841	450
Sundry expenses - allowable	27,359	11,638
Subscriptions - allowable	10,388	9,294
Amortisation	-	11,000
Depreciation on fixed assets	829,454	748,025
Gain on disposal of tangible fixed assets	-	(3,913)
(Profit)/loss on foreign exchange	(6,574)	16,384
	<u>1,793,706</u>	<u>1,342,601</u>