

Company Registration No. 098093 (Scotland)

Aberdeen & Northern Eggs Limited
Directors' Report and Financial Statements
For The Year Ended 31 May 2010

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ABERDEEN & NORTHERN EGGS LIMITED

COMPANY INFORMATION

Directors	Mr Robert B Chapman Mrs Ethel Chapman Mr Iain R Chapman
Secretary	Messrs Brown & McRae
Company number	098093
Registered office	Anderson House 9-11 Frithside Street Fraserburgh AB43 9AB
Auditors	Johnston Carmichael Bank House Seaforth Street Fraserburgh AB43 9BB
Solicitors	Brown & McRae Anderson House 9-11 Frithside Street Fraserburgh AB43 9AB

ABERDEEN & NORTHERN EGGS LIMITED

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ABERDEEN & NORTHERN EGGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

The directors present their report and financial statements for the year ended 31 May 2010.

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 £1.7m before taxation for the year to 31 May 2010. Business turnover rose by 15% to hit £10.6m and the gross margin improved to 23%. The directors remain satisfied with the overall financial strength of the company at year end.

Upgrading the facilities at the packing centre during the year has allowed the company to increase its throughput capacity and leaves its operations in good shape for the future.

The company is looking to continue its investment during the year ahead to ensure it is ready for when the conventional cages ban comes into effect in 2012 and, although this is a challenge to the business, the board remain very confident of its ability to meet this deadline.

Also looking forward, the board are positive about the future and remain committed to expansion and seeking new opportunities where they arise. The market continues to be very competitive and so management are dedicated to keeping at the forefront and on top of any new developments in the egg industry.

£22,500 was paid out in dividends during the year.

Directors

The following directors have held office since 1 June 2009:

Mr Robert B Chapman

Mrs Ethel Chapman

Miss Jennifer A Chapman

(Deceased 27 January 2010)

Mr Iain R Chapman

ABERDEEN & NORTHERN EGGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

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;
- 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

The directors confirm that;

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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



Mr Robert B Chapman

Director

22/12/10

ABERDEEN & NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABERDEEN & NORTHERN EGGS LIMITED

We have audited the financial statements of Aberdeen & Northern Eggs Limited for the year ended 31 May 2010 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 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.

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 2010 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 & NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABERDEEN & NORTHERN EGGS LIMITED

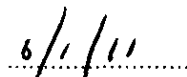
Matters on which we are required to report by exception

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.



Andrew Smith (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael



Chartered Accountants
Statutory Auditor

Bank House
Seaforth Street
Fraserburgh
AB43 9BB

ABERDEEN & NORTHERN EGGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 £	2009 £
Turnover	2	10,596,916	9,237,482
Cost of sales		(8,169,875)	(7,535,480)
Gross profit		2,427,041	1,702,002
Administrative expenses		(837,933)	(548,703)
Other operating income		213,728	226,352
Operating profit	3	1,802,836	1,379,651
Other interest receivable and similar income		1,329	5,467
Interest payable and similar charges	4	(69,128)	(76,660)
Profit on ordinary activities before taxation		1,735,037	1,308,458
Tax on profit on ordinary activities	5	(497,305)	(347,837)
Profit for the year	17	1,237,732	960,621

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.

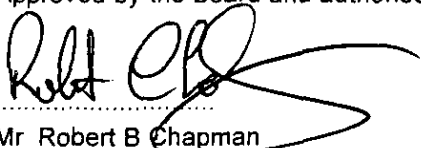
ABERDEEN & NORTHERN EGGS LIMITED

BALANCE SHEET

AS AT 31 MAY 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	7	22,000		33,000	
Tangible assets	8	6,082,731		3,595,823	
		<u>6,104,731</u>		<u>3,628,823</u>	
Current assets					
Stocks	9	734,098		217,678	
Debtors	10	1,818,161		1,828,157	
Cash at bank and in hand		1,511,341		392,756	
		<u>4,063,600</u>		<u>2,438,591</u>	
Creditors: amounts falling due within one year	11	(1,995,845)		(977,133)	
Net current assets		<u>2,067,755</u>		<u>1,461,458</u>	
Total assets less current liabilities		<u>8,172,486</u>		<u>5,090,281</u>	
Creditors: amounts falling due after more than one year	12	(3,071,931)		(1,572,915)	
Provisions for liabilities	13	(228,351)		(53,376)	
Accruals and deferred income	14	(443,486)		(250,504)	
		<u>4,428,718</u>		<u>3,213,486</u>	
Capital and reserves					
Called up share capital	16	50,000		50,000	
Profit and loss account	17	4,378,718		3,163,486	
Shareholders' funds	18	<u>4,428,718</u>		<u>3,213,486</u>	

Approved by the Board and authorised for issue on 22/12/10


 Mr Robert B Chapman
 Director

Company Registration No. 098093 (Scotland)

ABERDEEN & NORTHERN EGGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		2,126,581		1,351,382
Returns on investments and servicing of finance				
Interest received	1,329		5,467	
Interest paid	(69,128)		(76,660)	
Net cash outflow for returns on investments and servicing of finance		(67,799)		(71,193)
Taxation		(366,675)		(325,434)
Capital expenditure				
Payments to acquire tangible assets	(1,798,506)		(1,912,137)	
Receipts from sales of tangible assets	156,339		48,251	
Net cash outflow for capital expenditure		(1,642,167)		(1,863,886)
Equity dividends paid		(22,500)		(30,000)
Net cash inflow/(outflow) before management of liquid resources and financing		27,440		(939,131)
Financing				
New long term bank loan	-		1,591,800	
Other new long term loans	1,010,000		-	
Government grant received	286,828		-	
Repayment of long term bank loan	(88,913)		(39,766)	
Repayment of other long term loans	(3,039)		-	
Capital element of hire purchase contracts	(113,731)		(25,247)	
Net cash inflow from financing		1,091,145		1,526,787
Increase in cash in the year		1,118,585		587,656

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
		£	£
	Operating profit	1,802,836	1,379,651
	Depreciation of tangible assets	349,450	191,880
	Amortisation of intangible assets	11,000	131,000
	Profit on disposal of tangible assets	(36,333)	(14,172)
	Increase in stocks	(516,420)	(19,677)
	Decrease/(increase) in debtors	9,996	(415,385)
	Increase/(decrease) in creditors within one year	599,898	109,685
	Movement on grant provision	(93,846)	(11,600)
	Net cash inflow from operating activities	2,126,581	1,351,382

2	Analysis of net debt	1 June 2009	Cash flow	Other non-cash changes	31 May 2010
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	392,756	1,118,585	-	1,511,341
	Debt:				
	Finance leases	(64,427)	113,731	(899,188)	(849,884)
	Debts falling due within one year	(26,393)	(32,654)	-	(59,047)
	Debts falling due after one year	(1,525,641)	(885,394)	-	(2,411,035)
		(1,616,461)	(804,317)	(899,188)	(3,319,966)
	Net debt	(1,223,705)	314,268	(899,188)	(1,808,625)

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

3 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
Increase in cash in the year	1,118,585	587,656
Cash inflow from increase in debt and lease financing	(804,317)	(1,526,787)
Change in net debt resulting from cash flows	314,268	(939,131)
New finance lease	(899,188)	(4,808)
Movement in net debt in the year	(584,920)	(943,939)
Opening net debt	(1,223,705)	(279,766)
Closing net debt	(1,808,625)	(1,223,705)

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010

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.

1.3 Goodwill

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

1.4 Single Farm Payment

The Single Farm Payment is written off in equal annual instalments over its estimated useful economic life.

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:

Land and buildings freehold	- nil and 4% straight line
Plant and machinery	- 20 % reducing balance
Fixtures, fittings & equipment	- 20% reducing balance and 25% straight line
Motor vehicles	- 20% reducing balance
Wind turbine	- 5% straight line

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and 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.

1.7 Stock

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

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 & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

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	2010 £	2009 £
Operating profit is stated after charging:		
Amortisation of intangible assets	11,000	131,000
Depreciation of tangible assets	349,450	191,880
Loss on foreign exchange transactions	53,559	-
Auditors' remuneration	16,850	14,300
and after crediting:		
Government grants	(93,846)	(11,600)
Profit on disposal of tangible assets	(36,333)	(14,172)
	<u> </u>	<u> </u>

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	38,363	70,829
	Hire purchase interest	30,408	5,831
	Other interest	357	-
		<u>69,128</u>	<u>76,660</u>
5	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U.K. corporation tax	317,423	361,768
	Adjustment for prior years	4,907	-
	Current tax charge	<u>322,330</u>	<u>361,768</u>
	Deferred tax		
	Deferred tax charge/(credit) current year	174,975	(13,931)
		<u>497,305</u>	<u>347,837</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,735,037</u>	<u>1,308,458</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>485,810</u>	<u>366,368</u>
	Effects of:		
	Non deductible expenses	1,977	1,475
	Depreciation in excess of capital allowances	(164,330)	(2,650)
	Other tax adjustments	(1,127)	(3,425)
		<u>(163,480)</u>	<u>(4,600)</u>
	Current tax charge	<u>322,330</u>	<u>361,768</u>

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

6	Dividends	2010 £	2009 £
	Ordinary interim paid	22,500	30,000

7	Intangible fixed assets	Single Farm Payment £	Goodwill £	Total £
	Cost			
	At 1 June 2009 & at 31 May 2010	55,000	150,000	205,000
	Amortisation			
	At 1 June 2009	22,000	150,000	172,000
	Charge for the year	11,000	-	11,000
	At 31 May 2010	33,000	150,000	183,000
	Net book value			
	At 31 May 2010	22,000	-	22,000
	At 31 May 2009	33,000	-	33,000

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

8 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2009	2,920,796	1,175,937	24,411	321,502	4,442,646
Additions	472,575	2,432,574	1,615	49,600	2,956,364
Disposals	-	(309,978)	(1,500)	-	(311,478)
At 31 May 2010	3,393,371	3,298,533	24,526	371,102	7,087,532
Depreciation					
At 1 June 2009	155,063	531,254	16,617	143,889	846,823
On disposals	-	(190,132)	(1,340)	-	(191,472)
Charge for the year	50,832	254,823	2,569	41,226	349,450
At 31 May 2010	205,895	595,945	17,846	185,115	1,004,801
Net book value					
At 31 May 2010	3,187,476	2,702,588	6,680	185,987	6,082,731
At 31 May 2009	2,765,733	644,683	7,794	177,613	3,595,823

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

	Plant and machinery £
Net book values	
At 31 May 2010	1,034,387
At 31 May 2009	75,893
Depreciation charge for the year	
At 31 May 2010	166,802
At 31 May 2009	18,973

The value of land not depreciated is £1,857,173 (2009 - £1,857,173).

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

9	Stocks	2010 £	2009 £
	Raw materials and consumables	682,875	105,315
	Finished goods and goods for resale	51,223	112,363
		<u>734,098</u>	<u>217,678</u>

10	Debtors	2010 £	2009 £
	Trade debtors	1,627,063	1,488,449
	Other debtors	187,690	339,708
	Prepayments and accrued income	3,408	-
		<u>1,818,161</u>	<u>1,828,157</u>

11	Creditors: amounts falling due within one year	2010 £	2009 £
	Bank loans and overdrafts	26,722	26,393
	Other loans	32,325	-
	Net obligations under hire purchase contracts	188,988	17,153
	Trade creditors	1,238,606	524,317
	Corporation tax	317,423	361,768
	Other taxes and social security costs	17,986	18,764
	Directors' current accounts	100,000	-
	Other creditors	11,238	11,238
	Accruals and deferred income	62,557	17,500
		<u>1,995,845</u>	<u>977,133</u>

The bank loans and overdraft are secured by standard securities over the land and freehold properties and a floating charge 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 & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

12 Creditors: amounts falling due after more than one year	2010 £	2009 £
Bank loans	1,436,399	1,525,641
Other loans	974,636	-
Net obligations under hire purchase contracts	660,896	47,274
	<u>3,071,931</u>	<u>1,572,915</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank Loan	1,463,121	1,552,034
Other Loans	1,006,961	-
	<u>2,470,082</u>	<u>1,552,034</u>
Included in current liabilities	(59,047)	(26,393)
	<u>2,411,035</u>	<u>1,525,641</u>
Instalments not due within five years	<u>2,146,992</u>	<u>1,401,158</u>
Loan maturity analysis		
In more than one year but not more than two years	61,506	28,058
In more than two years but not more than five years	202,537	96,425
In more than five years	<u>2,146,992</u>	<u>1,401,158</u>
The bank loans and overdraft are secured by standard securities over the land and freehold properties and a floating charge 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	188,988	17,153
Repayable between one and five years	660,896	47,274
	<u>849,884</u>	<u>64,427</u>
Included in liabilities falling due within one year	(188,988)	(17,153)
	<u>660,896</u>	<u>47,274</u>

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

12 Creditors: amounts falling due after more than one year

(continued)

The fixed bank loan is repayable by monthly instalments of £8,891 through to May 2033, interest is charged at 6.98%.

The variable bank loan is repayable by monthly instalments of £1,715 through to May 2033, interest is charged at 6.67%.

The other loan is repayable by quarterly instalments of £13,230 through to Aug 2034, interest is charged at 2.25%.

13 Provisions for liabilities

Deferred tax
liability
£

Balance at 1 June 2009	53,376
Profit and loss account	174,975
	<hr/>
Balance at 31 May 2010	228,351
	<hr/>

The deferred tax liability is made up as follows:

	2010 £	2009 £
Accelerated capital allowances	228,351	53,376
	<hr/>	<hr/>

14 Accruals and deferred income

Government
grants
£

Balance at 1 June 2009	250,504
Grants received during the year	286,828
Amortisation in the year	(93,846)
	<hr/>
Balance at 31 May 2010	443,486
	<hr/>

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

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2010

15 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.

	2010 £	2009 £
Contributions payable by the company for the year	5,075	11,503

16 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2009	3,163,486
Profit for the year	1,237,732
Dividends paid	(22,500)
Balance at 31 May 2010	4,378,718

18 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	1,237,732	960,621
Dividends	(22,500)	(30,000)
Net addition to shareholders' funds	1,215,232	930,621
Opening shareholders' funds	3,213,486	2,282,865
Closing shareholders' funds	4,428,718	3,213,486

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

19 Capital commitments	2010	2009
	£	£

At 31 May 2010 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	2,214,110	-
	<u> </u>	<u> </u>

The company has secured funding in form of grants and hire purchase totalling £1,736,773 against these capital commitments.

20 Directors' emoluments	2010	2009
	£	£

Emoluments for qualifying services	22,000	4,000
	<u> </u>	<u> </u>

21 Employees

Number of employees

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

	2010	2009
	Number	Number
Directors and management	5	5
Office staff	4	3
Drivers	4	4
Labourers	34	34
	<u> </u>	<u> </u>
	47	46
	<u> </u>	<u> </u>

Employment costs	2010	2009
	£	£

Wages and salaries	779,106	676,003
Social security costs	62,214	54,125
Other pension costs	5,075	11,503
	<u> </u>	<u> </u>
	846,395	741,631
	<u> </u>	<u> </u>

ABERDEEN & NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

22 Control

The company is controlled by the directors' who owns 100% of the company's issued share capital.

23 Related party 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 £924,145 (2009 - £3,078,659) were made from R & E Chapman, rent was received of £60,790 (2009 - £59,799), recharges for feed, repairs and fuel were made of £43,402 (2009 - £nil) and a management charge of £30,000 (2009 - £120,000) was levied on the partnership.

On 1 June 2009 the birds and feed were transferred over to the company from R & E Chapman at a cost of £478,348.

At the year end the balance due to R & E Chapman was £94,575 (2009 - £312,817). All trading was done on normal commercial terms.

During the year the company received a loan from the directors of £1,010,000. At the year end the balance due to the directors was £1,006,961 (2009 - £nil). The term of this loan is 25 years and carries interest at 2.25% per annum.

During the year £6,360 (2009 - £6,360) was paid to Iain Chapman, director for the rental of a house.

During the year the company purchased land from the directors, Robert and Ethel Chapman for £100,000. At the year end there is a balance due to the directors, Robert and Ethel Chapman of £100,000 (2009 - £nil). There is no interest charged on this loan and no set terms of repayment.