

# Agricultural Central Trading Limited

## FINANCIAL STATEMENTS

for the year ended

30 June 2012



# Agricultural Central Trading Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

P Christensen  
G Hendry (Chairman)  
J L Rowlands  
N L M Snape  
J D Hamilton  
F Carr  
T G Brown

### SECRETARY

H M I Fellows

### REGISTERED OFFICE

90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Elgar House  
Holmer Road  
Hereford  
HR4 9SF

# Agricultural Central Trading Limited

## DIRECTORS' REPORT

The directors submit their report and financial statements of Agricultural Central Trading Limited for the year ended 30 June 2012

### PRINCIPAL ACTIVITIES

The principal activity of the company is the supply of requisites to farmers, growers and wholesalers. The directors are satisfied with the results for the year.

### REVIEW OF THE BUSINESS

The turnover of the company for the year amounted to £114,983,240 (2011 - £108,241,498). This resulted in a trading profit of £1,942,540 (2011 - £2,382,786) from which is deducted a bonus of £1,045,803 (2011 - £1,100,305) to be paid to members.

The bonus paid to members for the year to 30 June 2012 was calculated at a rate of £12 per £1,000 (2011 - £14 per £1,000) of their purchases from the company during the calendar year plus 3% p.a. interest (2011 - 3%) on their shareholding at 30 June 2012, with a minimum payment of £25. A small number of members owning less than 40 shares received a reduced rate of bonus.

Accounting convention requires that the two elements of bonus (trading and interest) be treated separately in the profit and loss account.

The profit before taxation of £883,338 (2011 - £1,278,976) showing in the profit and loss account is after the trading element of the bonus.

The main activities of the company continue to be related to the supply of inputs to farmers. The principal inputs are animal feeds and fertiliser as well as other items used by livestock and cereal farmers.

Fluctuating fuel and cereal costs have impacted the prices of some goods supplied by the company and the timing of customers' buying decisions. The company reduces its risk from fluctuating prices by holding minimal unsold stock lines.

In the year the company continued to consolidate its position by maintaining its share of the markets in which it operates.

### Key Performance Indicators

The company's main objective is to benefit its members which are measured through

	2012	2011
Members trading bonus	£12 per £1,000 of purchases	£14 per £1,000 of purchases
Total members trading bonus	£1,045,803	£1,100,305
Number of active members (defined as members that have traded within the financial year)	4,203	4,098

These indicators show the company continues to deliver significant benefits to its members.

# Agricultural Central Trading Limited

## DIRECTORS' REPORT

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### Risks and uncertainties

Credit risk - Management has credit control policies in place to monitor risk on an ongoing basis Credit evaluations are performed on customers requiring credit

Interest rate risk - The company has variable rate working capital facilities and deposit accounts which are exposed to changes in interest rates

Market risk - Market risk is constantly monitored through the monitoring of industry data and its positioning in relation to our competitors As detailed above, risk from market fluctuations in price are reduced by low stock holding levels

Liquidity risk - The company monitors its liquidity to ensure it can meet its liabilities as they fall due This includes ensuring banking lines are available to fund working capital requirements

### FUTURE DEVELOPMENTS

The directors aim to ensure that the company will continue to react to prevailing market conditions and aim to improve sales and profitability in the forthcoming year

### RESULTS AND MEMBERS BONUS

The profit for the year, after taxation, amounted to £675,621 (2011 £965,741) Particulars of member bonus - interest on shares proposed are detailed in note 10 to the financial statements

### DIRECTORS

The directors who served the company during the year were as follows

P Christensen  
G Hendry (Chairman)  
J L Rowlands  
N L M Snape  
J D Hamilton  
F Carr  
T G Brown

T G Brown was appointed as a director on 2 December 2011

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

By order of the board



H M I Fellows

Company Secretary  
17/10/12

# Agricultural Central Trading Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL CENTRAL TRADING LIMITED

We have audited the financial statements on pages 6 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 auditor's 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 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.

### 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.

*Baker Tilly UK Audit LLP*

TOM MORGAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Elgar House

Holmer Road

Hereford HR4 9SF

19 OCTOBER 2012

# Agricultural Central Trading Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2012

	Notes	2012 £	2011 £
TURNOVER	1	114,983,240	108,241,498
Cost of sales	2	109,626,814	102,575,596
Gross profit		5,356,426	5,665,902
Administrative expenses		4,533,189	4,477,921
Other operating income	3	(73,500)	(94,500)
OPERATING PROFIT	4	896,737	1,282,481
Interest receivable	7	7,206	2,945
		903,943	1,285,426
Interest payable and similar charges	8	(20,605)	(6,450)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		883,338	1,278,976
Taxation	9	207,717	313,235
PROFIT FOR THE FINANCIAL YEAR	21	675,621	965,741

The profit for the year arises from the company's continuing operations

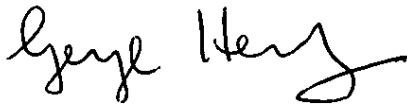
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

**Agricultural Central Trading Limited****BALANCE SHEET****30 June 2012**

	<i>Notes</i>	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	11	—	—
Tangible assets	12	1,192,178	1,130,147
		<u>1,192,178</u>	<u>1,130,147</u>
<b>CURRENT ASSETS</b>			
Stocks	13	716,874	887,660
Debtors	14	25,575,317	25,636,305
Cash at bank and in hand		171,693	110,707
		<u>26,463,884</u>	<u>26,634,672</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	15,778,062	16,685,179
<b>NET CURRENT ASSETS</b>		<u>10,685,822</u>	<u>9,949,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,878,000</u>	<u>11,079,640</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,177,448	1,105,843
Share premium account	20	384,614	308,621
Revaluation reserve		387,866	387,866
Profit and loss account	21	9,928,072	9,277,310
<b>SHAREHOLDERS' FUNDS</b>	22	<u>11,878,000</u>	<u>11,079,640</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 27/10/12 and are signed on their behalf by

G Hendry  
Director





# Agricultural Central Trading Limited

## CASH FLOW STATEMENT

for the year ended 30 June 2012

		2012 £	2011 £
Net cash flow from operating activities	Notes 23 a	(594,895)	(28,463)
Returns on investments and servicing of finance	23 b	(13,399)	(3,505)
Taxation	23 b	(310,691)	(354,811)
Capital expenditure and financial investment	23 b	(296,214)	(288,515)
		<u>(1,215,199)</u>	<u>(675,294)</u>
Members bonus – interest on shares paid		(23,109)	(21,262)
CASH OUTFLOW BEFORE FINANCING		<u>(1,238,308)</u>	<u>(696,556)</u>
Financing	23 b	127,051	165,896
DECREASE IN CASH IN THE PERIOD		<u>(1,111,257)</u>	<u>(530,660)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2012 £	2011 £
Decrease in cash in the period		(1,111,257)	(530,660)
Cash outflow in respect of hire purchase		20,547	–
Non cash flow movement in respect of hire purchase		–	(20,547)
Change in net debt	23 c	<u>(1,090,710)</u>	<u>(551,207)</u>
Net debt at the beginning of the year	23 c	<u>(211,803)</u>	<u>339,404</u>
Net debt at the end of the year	23 c	<u>(1,302,513)</u>	<u>(211,803)</u>

# Agricultural Central Trading Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 2 to 3

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current banking facility. No matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers

### AMORTISATION

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	- 25% straight line
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### FIXED ASSETS

All fixed assets are initially recorded at cost

### DEPRECIATION

Depreciation is calculated so as to write off the cost or revaluation of a tangible fixed asset, less its estimated residual value, evenly over the useful economic life of that asset as follows

Leasehold Property Improvements	- over the period of the lease
Plant & Machinery	- 10% to 25% straight line
Motor Vehicles	- 25% straight line

Freehold land is not depreciated

# Agricultural Central Trading Limited

## ACCOUNTING POLICIES

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### INVESTMENT PROPERTIES

No depreciation is provided for in respect of investment properties in accordance with SSAP 19. Such properties are held for their investment potential and not for consumption within the business. This is a departure from the Companies Act 2006 which requires all properties to be depreciated and the directors consider that to depreciate them would not enable the financial statements to give a true and fair view. Investment properties are deemed to be stated at their market value at the balance sheet date.

In accordance with the Statement of Standard Accounting Practice 19 'Accounting for Investment Properties', investment properties are revalued on a regular basis and are not subject to a depreciation charge.

The Investment Property is included within fixed assets and is professionally valued by Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

### OPERATING LEASE AGREEMENTS

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

### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. All of the turnover is attributable to the United Kingdom market.

### 2 MEMBER BONUS - TRADING ELEMENT

Cost of sales includes the trading element of the member bonus for the year amounting to £1,045,803 (2011 - £1,100,305)

### 3 OTHER OPERATING INCOME

	2012	2011
	£	£
Rent receivable	<u>73,500</u>	<u>94,500</u>

### 4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Amortisation of intangible assets	—	56,500
Depreciation of owned fixed assets	247,946	231,253
Depreciation of assets held under hire purchase agreements	—	7,247
Profit on disposal of fixed assets	(13,763)	(64,233)
Operating lease costs		
- Other	84,360	94,952
Auditor's remuneration - audit of the financial statements	22,700	21,950
Auditor's remuneration - other fees	<u>7,155</u>	<u>6,370</u>
	2012	2011
	£	£
Auditor's remuneration - audit of the financial statements	<u>22,700</u>	<u>21,950</u>
Auditor's remuneration - other fees		
- Taxation services	3,350	2,615
- Other services	<u>3,805</u>	<u>3,755</u>
	<u>7,155</u>	<u>6,370</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2012	2011
	No	No
Number of administrative staff	<u>80</u>	<u>85</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	2,891,835	2,913,390
Social security costs	341,285	339,717
Other pension costs	151,225	185,912
	<u>3,384,345</u>	<u>3,439,019</u>

Defined contribution pension scheme

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 and amounted to £151,225 (2011 - £185,912)

### 6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	235,922	218,844
Value of company pension contributions to money purchase schemes	10,521	10,374
	<u>246,443</u>	<u>229,218</u>

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	163,322	160,729
Value of company pension contributions to money purchase schemes	10,521	10,374
	<u>173,843</u>	<u>171,103</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

### 7 INTEREST RECEIVABLE

	2012	2011
	£	£
Other interest receivable	<u>7,206</u>	<u>2,945</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 8 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	<u>20,605</u>	<u>6,450</u>

### 9 TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
UK Corporation tax based on the results for the year at 25.5% (2011 – 27.5%)	210,383	313,357
(Over)/under provision in prior year	<u>(2,666)</u>	<u>(122)</u>
Total current tax	<u>207,717</u>	<u>313,235</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25.5% (2011 – 27.5%), as explained below

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>883,338</u>	<u>1,278,976</u>
Profit on ordinary activities by rate of tax	225,251	351,736
Effects of		
Expenditure (deductible)/not deductible for tax purposes	1,843	(3,844)
Depreciation for period in excess of capital allowances	(9,043)	(24,120)
Other timing differences	1,144	(4,681)
Adjustment to tax charge in respect of previous periods	(2,666)	(122)
Tax chargeable at lower rates	<u>(8,812)</u>	<u>(5,734)</u>
Total current tax (note 9(a))	<u>207,717</u>	<u>313,235</u>

### 10 MEMBERS' BONUS - INTEREST ON SHARES

	2012	2011
	£	£
Proposed at the year-end (recognised as a liability)		
Members' bonus - interest on shares	<u>24,859</u>	<u>23,110</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 11 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 July 2011 and 30 June 2012	<u>357,701</u>
Amortisation	
At 1 July 2011	<u>357,701</u>
At 30 June 2012	<u>357,701</u>
Net book value	
At 30 June 2012	<u>-</u>
At 30 June 2011	<u>-</u>

### 12 TANGIBLE FIXED ASSETS

	Investment Property £	Leasehold Property Improvements £	Plant & Machinery £	Motor Vehicles £	Freehold Land £	Total £
Cost or valuation						
At 1 July 2011	510,000	200,724	580,164	793,098	7,676	2,091,662
Additions	-	24,925	61,386	256,750	-	343,061
Disposals	-	-	-	(152,759)	-	(152,759)
Transfers	-	22,590	(22,590)	-	-	-
At 30 June 2012	<u>510,000</u>	<u>248,239</u>	<u>618,960</u>	<u>897,089</u>	<u>7,676</u>	<u>2,281,964</u>
Depreciation						
At 1 July 2011	-	200,724	450,173	310,618	-	961,515
Charge for the year	-	7,802	45,570	194,574	-	247,946
On disposals	-	-	-	(119,675)	-	(119,675)
Transfers	-	6,777	(6,777)	-	-	-
At 30 June 2012	<u>-</u>	<u>215,303</u>	<u>488,966</u>	<u>385,517</u>	<u>-</u>	<u>1,089,786</u>
Net book value						
At 30 June 2012	<u>510,000</u>	<u>32,936</u>	<u>129,994</u>	<u>511,572</u>	<u>7,676</u>	<u>1,192,178</u>
At 30 June 2011	<u>510,000</u>	<u>-</u>	<u>129,991</u>	<u>482,480</u>	<u>7,676</u>	<u>1,130,147</u>

A revaluation of the Freehold Investment Land and Buildings at Carmarthen was carried on 11 January 2005 by John Francis, Chartered Surveyors, based on open market value. An updated report was prepared which showed no material change and the directors are not aware of any further change since this date, therefore the valuation has not been updated.

There were no future capital commitments at 30 June 2012 (2011 - £Nil)

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 12 TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £	2011 £
Net book value at end of year	<u>510,000</u>	<u>510,000</u>
Historical cost	<u>172,631</u>	<u>172,631</u>
Depreciation		
At 1 July 2011	<u>50,497</u>	<u>50,497</u>
At 30 June 2012	<u>50,497</u>	<u>50,497</u>
Net historical cost value		
At 30 June 2012	<u>122,134</u>	<u>122,134</u>
At 1 July 2011	<u>122,134</u>	<u>122,134</u>

#### Hire purchase agreements

Included within the net book value of £1,192,178 is £Nil (2011 - £65,223) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2011 - £7,247)

### 13 STOCKS

	2012 £	2011 £
Goods for resale	<u>716,874</u>	<u>887,660</u>

### 14 DEBTORS

	2012 £	2011 £
Trade debtors	25,482,600	25,544,954
Other debtors	51,233	50,248
Prepayments and accrued income	41,484	41,103
	<u>25,575,317</u>	<u>25,636,305</u>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Other debtors	<u>34,950</u>	<u>-</u>



# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 15 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Bank overdrafts	1,474,206	301,963
Trade creditors	12,434,383	14,182,932
Corporation tax	210,383	313,357
Other taxation and social security	297,703	369,776
Obligations under hire purchase agreements	—	20,547
Member bonus - interest	24,859	23,109
Member bonus - trading element	1,045,803	1,100,305
Accruals and deferred income	290,725	373,190
	<u>15,778,062</u>	<u>16,685,179</u>

Barclays Bank plc hold a debenture over all the assets of the company as security for any overdraft. The aggregate secured liability amounted to £1,474,206 at 30 June 2012 (2011 - £301,963)

Hire purchase agreements are secured on their related assets

### 16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	-	20,547
	<u>-</u>	<u>20,547</u>

### 17 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	18,750	26,788
Within 2 to 5 years	58,950	26,450
	<u>77,700</u>	<u>53,238</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

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### 18 RELATED PARTY TRANSACTIONS

No director had any contract with the company other than (a) a director's service contract, or (b) for the purchase of requisites under terms identical to other customers

The directors' aggregated purchases from Agricultural Central Trading Limited during the year totalled £538,517 excluding Value Added Tax (2011 - £464,456)

At the year end, the directors aggregated balance outstanding to the company amounted to £26,326 (2011 - £37,197)

During the year, the company received repayment of a loan made to M D Wallbank in 2011, who served as a director for part of the prior year. During the year to 30 June 2012 £13,202 was repaid, reducing the balance of the loan to nil (2011 - £13,202)

There were no other material transactions with related parties

### 19 SHARE CAPITAL

	2012 £	2011 £
Allotted and called up		
1,177,448 (2011 - 1,105,843) Ordinary shares of £1 each	<u>1,177,448</u>	<u>1,105,843</u>

During the year 71,605 ordinary £1 shares were allotted at £2.05/£2.10 per share. The total consideration received by the company was £147,598

### 20 SHARE PREMIUM ACCOUNT

	2012 £	2011 £
At 1 July 2011	308,621	225,008
Premium on shares issued in the year	75,993	83,613
At 30 June 2012	<u>384,614</u>	<u>308,621</u>

### 21 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At the beginning of the year	9,277,310	8,334,679
Profit for the financial year	675,621	965,741
Members' bonus – interest on shares	(24,859)	(23,110)
At the end of the year	<u>9,928,072</u>	<u>9,277,310</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	675,621	965,741
New equity share capital subscribed	71,605	82,283
Premium on new share capital subscribed	75,993	83,613
Members' bonus – interest on shares	(24,859)	(23,110)
Net addition to shareholders' funds	798,360	1,108,527
Opening shareholders' funds	11,079,640	9,971,113
Closing shareholders' funds	<u>11,878,000</u>	<u>11,079,640</u>

### 23 CASH FLOWS

#### a Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	896,737	1,282,481
Amortisation	–	56,500
Depreciation	247,946	238,500
Profit on disposal of fixed assets	(13,763)	(64,233)
Decrease/(increase) in stocks	170,786	(308,060)
Decrease/(increase) in debtors	60,988	(7,172,441)
(Decrease)/increase in creditors	(1,957,589)	5,938,790
Net cash outflow from operating activities	<u>(594,895)</u>	<u>(28,463)</u>

#### b Analysis of cash flows for headings netted in the cash flow

##### Returns on investment and servicing of finance

	2012 £	2011 £
Interest received	7,206	2,945
Interest paid	(20,605)	(6,450)
Net cash outflow from returns on investments and servicing of finance	<u>(13,399)</u>	<u>(3,505)</u>

##### Taxation

	2012 £	2011 £
Taxation	<u>(310,691)</u>	<u>(354,811)</u>

##### Capital expenditure

	2012 £	2011 £
Payments to acquire tangible fixed assets	(343,061)	(401,565)
Receipts from sale of fixed assets	46,847	113,050
Net cash outflow from capital expenditure	<u>(296,214)</u>	<u>(288,515)</u>

# Agricultural Central Trading Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 23 CASH FLOWS *(continued)*

#### Financing

	2012	2011
	£	£
Issue of equity share capital	71,605	82,283
Share premium on issue of equity share capital	75,993	83,613
Capital element of hire purchase	(20,547)	—
Net cash inflow from financing	<u>127,051</u>	<u>165,896</u>

### c Analysis of net debt

	At 1 Jul 2011	Cash flows	At 30 Jun 2012
	£	£	£
Cash in hand and at bank	110,707	60,986	171,693
Overdrafts	(301,963)	(1,172,243)	(1,474,206)
	<u>(191,256)</u>	<u>(1,111,257)</u>	<u>(1,302,513)</u>
Hire purchase agreements	(20,547)	20,547	—
Total	<u>(211,803)</u>	<u>(1,090,710)</u>	<u>(1,302,513)</u>

### 24 CO-OPERATIVE STATUS

The company continues to satisfy the requirements of the Department for Environment, Food and Rural Affairs regarding the volume of sales to members