

Agricultural Central Trading Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2014



Agricultural Central Trading Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J L Rowlands (Chairman)
N L M Snape
J D Hamilton
F Carr
T G Brown
M Corfield
I R Davey

SECRETARY

H M I Fellows

REGISTERED OFFICE

90 The Broadway
Chesham
Buckinghamshire
HP5 1EG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Agricultural Central Trading Limited

STRATEGIC REPORT

for the year ended 30 June 2014

REVIEW OF THE BUSINESS

The turnover of the company for the year amounted to £116,114,659 (2013 - £121,827,720). This resulted in a profit before tax and members bonus of £1,888,188 (2013 - £1,621,106) from which is deducted a bonus of £918,215 (2013 - £762,903) paid to members.

The bonus paid to members for the year to 30 June 2014 was calculated at a rate of £10 per £1,000 (2013 - £8 per £1,000) of their purchases from the company during the financial year plus 3% p.a. interest (2013 - 3%) on their shareholding at 30 June 2014, 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 £969,973 (2013: £858,203) 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.

MATTERS OF STRATEGIC IMPORTANCE

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:

	2014	2013
Members trading bonus	£10 per £1,000 of purchases	£8 per £1,000 of purchases
Total members trading bonus	£918,215	£762,903
Number of active members (defined as members that have traded within the financial year)	4,168	4,253

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

Agricultural Central Trading Limited

STRATEGIC REPORT (continued)

for the year ended 30 June 2014

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 our 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.

By order of the board



H M I Fellows

Company Secretary

16 OCTOBER 2014

Agricultural Central Trading Limited

DIRECTORS REPORT

for the year ended 30 June 2014

The directors submit their report and financial statements of Agricultural Central Trading Limited for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

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

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 DIVIDENDS

The profit for the year, after taxation, amounted to £734,873. Particulars of members 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:

G Hendry (Chairman)
P Christensen
J L Rowlands (Chairman)*
N L M Snape +
J D Hamilton*
F Carr
T G Brown +
M Corfield +
I R Davey

*Member of the nominations committee

+Member of the Audit committee

I R Davey was appointed as a director on 13 February 2014.

G Hendry (Chairman) retired as a director on 6 December 2013.

P Christensen retired as a director on 6 December 2013.

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

16 OCTOBER 2014

Agricultural Central Trading Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Agricultural Central Trading Limited website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the financial statements on pages 7 to 21. 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 5, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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 Strategic Report and 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.

Thomas Morgan for Baker Tilly UK Audit LLP

THOMAS MORGAN (Senior Statutory Auditor)

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

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

17 OCTOBER 2014

Agricultural Central Trading Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2014

	Notes	2014 £	2013 £
TURNOVER	1	116,114,659	121,827,720
Cost of sales		110,242,081	116,168,381
Gross profit		5,872,578	5,659,339
Administrative expenses		4,947,398	4,823,733
Other operating income	3	(66,500)	(66,500)
OPERATING PROFIT	4	991,680	902,106
Interest receivable	7	3,092	1,550
		994,772	903,656
Interest payable and similar charges	8	(24,799)	(45,453)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		969,973	858,203
Taxation	9	235,100	186,620
PROFIT FOR THE FINANCIAL YEAR	21	734,873	671,583

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

Agricultural Central Trading Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 June 2014

	2014 £	2013 £
Profit for the financial year	734,873	671,583
Unrealised deficit on revaluation of investment properties	(110,000)	—
Total recognised gains and losses since the last financial statements	<u>624,873</u>	<u>671,583</u>

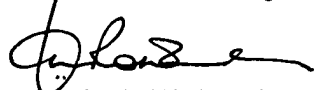
Agricultural Central Trading Limited

BALANCE SHEET

30 June 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	11	–	–
Tangible assets	12	1,113,737	1,184,227
		<u>1,113,737</u>	<u>1,184,227</u>
CURRENT ASSETS			
Stocks	13	457,608	875,882
Debtors	14	26,093,244	30,005,210
Cash at bank and in hand		139,932	262,909
		<u>26,690,784</u>	<u>31,144,001</u>
CREDITORS			
Amounts falling due within one year	15	14,602,189	19,733,307
NET CURRENT ASSETS		<u>12,088,595</u>	<u>11,410,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,202,332</u>	<u>12,594,921</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,212,131	1,211,106
Share premium account	19	422,817	421,638
Revaluation reserve	20	277,866	387,866
Profit and loss account	21	11,289,518	10,574,311
SHAREHOLDERS' FUNDS	22	<u>13,202,332</u>	<u>12,594,921</u>

The financial statements on pages 7 to 21 were approved by the board of directors and authorised for issue on 16/10/14 and are signed on their behalf by:


J L Rowlands (Chairman)
Director

Agricultural Central Trading Limited

CASH FLOW STATEMENT

for the year ended 30 June 2014

	Notes	2014 £	2013 £
Net cash flow from operating activities	23.a	2,113,609	312,969
Returns on investments and servicing of finance	23.b	(21,707)	(43,903)
Taxation	23.b	(186,660)	(210,042)
Capital expenditure and financial investment	23.b	(312,068)	(232,436)
		<u>1,593,174</u>	<u>(173,412)</u>
Members bonus – interest on shares paid		(25,344)	(24,859)
CASH INFLOW BEFORE FINANCING		<u>1,567,830</u>	<u>(198,271)</u>
Financing	23.b	2,204	70,682
INCREASE/(DECREASE) IN CASH IN THE PERIOD		<u><u>1,570,034</u></u>	<u><u>(127,589)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2014 £	2013 £
Increase/(decrease) in cash in the period		1,570,034	(127,589)
Change in net funds	23.c	<u>1,570,034</u>	<u>(127,589)</u>
Net debt at the beginning of the year	23.c	(1,430,102)	(1,302,513)
Net funds at the end of the year	23.c	<u><u>139,932</u></u>	<u><u>(1,430,102)</u></u>

Agricultural Central Trading Limited

ACCOUNTING POLICIES

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 Strategic Report and Directors Report.

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
----------	---------------------

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, over the useful economic life of that asset as follows:

Leasehold Property Improvements	- over the period of the lease
Plant & Machinery	- 10% to 33% straight line
Motor Vehicles	- 25% straight line

Freehold land is not depreciated.

Agricultural Central Trading Limited

ACCOUNTING POLICIES

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.

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.

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 2014

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 £918,215 (2013 - £762,903).

3 OTHER OPERATING INCOME

	2014	2013
	£	£
Rent receivable	<u>66,500</u>	<u>66,500</u>

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of owned fixed assets	301,991	273,938
Profit on disposal of fixed assets	(29,433)	(33,551)
Operating lease costs:		
- Other	80,066	78,893
Auditor's remuneration for statutory audit	25,000	23,825
Auditor's remuneration for other services	<u>7,950</u>	<u>7,580</u>

Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non audit services:

	2014	2013
	£	£
Audit services		
- statutory audit of the financial statements	25,000	23,825
Other services		
- taxation services	3,650	3,530
- other services	<u>4,300</u>	<u>4,050</u>
	<u>32,950</u>	<u>31,405</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

5 PARTICULARS OF EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2014	2013
	No	No
Number of administrative staff	95	93

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	3,191,293	3,187,450
Social security costs	406,453	359,399
Other pension costs	158,918	154,875
	<u>3,756,664</u>	<u>3,701,724</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 £158,918 (2013 £154,875).

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	242,572	235,004
Value of company pension contributions to money purchase schemes	10,618	10,479
	<u>253,190</u>	<u>245,483</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	163,358	152,369
Value of company pension contributions to money purchase schemes	10,618	10,479
	<u>173,976</u>	<u>162,848</u>

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

	2014	2013
	No	No
Money purchase schemes	1	1

7 INTEREST RECEIVABLE

	2014	2013
	£	£
Other interest receivable	3,092	1,550

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
On bank loans and overdrafts	<u>24,799</u>	<u>45,453</u>

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 22.50% (2013 – 23.75%)	235,401	186,940
Over/under provision in prior year	<u>(301)</u>	<u>(320)</u>
Total current tax	<u>235,100</u>	<u>186,620</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22.50% (2013 – 23.75%), as explained below

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>969,973</u>	<u>858,203</u>
Profit on ordinary activities by rate of tax	218,257	203,823
Effects of:		
Expenditure (deductible)/not deductible for tax purposes	(6,129)	(4,391)
Depreciation for period in excess of capital allowances	15,233	12,930
Other timing differences	10,801	(18,991)
Adjustment to tax charge in respect of previous periods	(301)	(320)
Tax chargeable at lower rates	<u>(2,761)</u>	<u>(6,431)</u>
Total current tax (note 9(a))	<u>235,100</u>	<u>186,620</u>

10 MEMBERS' BONUS - INTEREST ON SHARES

	2014	2013
	£	£
Proposed at the year-end (recognised as a liability):		
Members' bonus - interest on shares	<u>19,666</u>	<u>25,344</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

11 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 July 2013 and 30 June 2014	<u>357,701</u>
Amortisation	
At 1 July 2013	<u>357,701</u>
At 30 June 2014	<u>357,701</u>
Net book value	
At 30 June 2014	—
At 30 June 2013	—

12 TANGIBLE FIXED ASSETS

	Investment Property £	Leasehold Property Improvements £	Plant & Machinery £	Motor Vehicles £	Freehold Land £	Total £
Cost or valuation						
At 1 July 2013	510,000	248,239	571,422	945,712	7,676	2,283,049
Additions	—	2,630	67,786	320,642	—	391,058
Disposals	—	—	—	(236,840)	—	(236,840)
Revaluation	(110,000)	—	—	—	—	(110,000)
At 30 June 2014	<u>400,000</u>	<u>250,869</u>	<u>639,208</u>	<u>1,029,514</u>	<u>7,676</u>	<u>2,327,267</u>
Depreciation						
At 1 July 2013	—	224,807	444,735	429,280	—	1,098,822
Charge for the year	—	12,134	54,133	235,724	—	301,991
On disposals	—	—	—	(187,283)	—	(187,283)
At 30 June 2014	<u>—</u>	<u>236,941</u>	<u>498,868</u>	<u>477,721</u>	<u>—</u>	<u>1,213,530</u>
Net book value						
At 30 June 2014	<u>400,000</u>	<u>13,928</u>	<u>140,340</u>	<u>551,793</u>	<u>7,676</u>	<u>1,113,737</u>
At 30 June 2013	<u>510,000</u>	<u>23,432</u>	<u>126,687</u>	<u>516,432</u>	<u>7,676</u>	<u>1,184,227</u>

A revaluation of the Freehold Investment Land and Buildings was carried out on 24 September 2014 by Mallard (Wales) Ltd, Chartered Surveyors and RICS Registered Valuers. The valuation was based on open market value and was prepared having regard to the RICS Valuation – Professional Standards January 2014. Based on this valuation the investment property has been written down to a value of £400,000.

There were no future capital commitments at 30 June 2014 (2013 - £Nil).

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

12 TANGIBLE FIXED ASSETS *(continued)*

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

	2014 £	2013 £
Net book value at end of year	<u>400,000</u>	<u>510,000</u>
Historical cost	<u>172,631</u>	<u>172,631</u>
Depreciation:		
At 1 July 2013	<u>50,497</u>	<u>50,497</u>
At 30 June 2014	<u>50,497</u>	<u>50,497</u>
Net historical cost value:		
At 30 June 2014	<u>122,134</u>	<u>122,134</u>
At 1 July 2013	<u>122,134</u>	<u>122,134</u>

13 STOCKS

	2014 £	2013 £
Goods for resale	<u>457,608</u>	<u>875,882</u>

14 DEBTORS

	2014 £	2013 £
Trade debtors	25,987,684	29,890,704
Other debtors	27,447	42,977
Prepayments and accrued income	78,113	71,529
	<u>26,093,244</u>	<u>30,005,210</u>

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

	2014 £	2013 £
Other debtors	<u>15,000</u>	<u>25,000</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

15 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Bank overdrafts	–	1,693,011
Trade creditors	12,550,541	16,299,707
Corporation tax	235,401	186,961
Other taxation and social security	387,376	311,167
Member bonus - interest	19,666	25,344
Member bonus - trading element	918,215	762,902
Accruals and deferred income	490,990	454,215
	<u>14,602,189</u>	<u>19,733,307</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 Nil at 30 June 2014 (2013 - £1,693,011).

16 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	25,950	18,750
Within 2 to 5 years	38,000	58,950
	<u>63,950</u>	<u>77,700</u>

17 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 £856,018 excluding Value Added Tax (2013 - £779,166).

At the year end, the directors aggregated balance outstanding to the company amounted to £76,292 (2013 - £74,226).

There were no other material transactions with related parties.

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

18 SHARE CAPITAL

	2014 £	2013 £
Allotted and called up:		
1,212,131 (2013 - 1,211,106) Ordinary shares of £1 each	<u>1,212,131</u>	<u>1,211,106</u>

During the year 1,025 ordinary £1 shares were allotted at £2.15/£2.25 per share. The total consideration received by the company was £2,204.

19 SHARE PREMIUM ACCOUNT

	2014 £	2013 £
At 1 July 2013	421,638	384,614
Premium on shares issued in the year	<u>1,179</u>	<u>37,024</u>
At 30 June 2014	<u>422,817</u>	<u>421,638</u>

20 REVALUATION RESERVE

	2014 £	2013 £
At the beginning of the year	387,866	387,866
Revaluation of fixed assets	<u>(110,000)</u>	<u>-</u>
At the end of the year	<u>277,866</u>	<u>387,866</u>

21 PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
At the beginning of the year	10,574,311	9,928,072
Profit for the financial year	734,873	671,583
Members' bonus – interest on shares	<u>(19,666)</u>	<u>(25,344)</u>
At the end of the year	<u>11,289,518</u>	<u>10,574,311</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	734,873	671,583
Other net recognised gains and losses	<u>(110,000)</u>	<u>-</u>
New equity share capital subscribed	1,025	33,658
Premium on new share capital subscribed	1,179	37,024
Members' bonus – interest on shares	<u>(19,666)</u>	<u>(25,344)</u>
Net addition to shareholders' funds	607,411	716,921
Opening shareholders' funds	<u>12,594,921</u>	<u>11,878,000</u>
Closing shareholders' funds	<u>13,202,332</u>	<u>12,594,921</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

23 CASH FLOWS

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

	2014	2013
	£	£
Operating profit	991,680	902,106
Depreciation	301,991	273,938
Profit on disposal of fixed assets	(29,433)	(33,551)
Decrease/(increase) in stocks	418,274	(159,008)
Decrease/(increase) in debtors	3,911,966	(4,429,893)
(Decrease)/increase in creditors	(3,480,869)	3,759,377
Net cash inflow from operating activities	<u>2,113,609</u>	<u>312,969</u>

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

Returns on investment and servicing of finance

	2014	2013
	£	£
Interest received	3,092	1,550
Interest paid	(24,799)	(45,453)
Net cash outflow from returns on investments and servicing of finance	<u>(21,707)</u>	<u>(43,903)</u>

Taxation

	2014	2013
	£	£
Taxation	<u>(186,660)</u>	<u>(210,042)</u>

Capital expenditure

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(391,058)	(307,165)
Receipts from sale of fixed assets	78,990	74,729
Net cash outflow from capital expenditure	<u>(312,068)</u>	<u>(232,436)</u>

Financing

	2014	2013
	£	£
Issue of equity share capital	1,025	33,658
Share premium on issue of equity share capital	1,179	37,024
Net cash inflow from financing	<u>2,204</u>	<u>70,682</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

23 CASH FLOWS *(continued)*

c Analysis of net funds

	At 1 Jul 2013	Cash flows	At 30 Jun 2014
	£	£	£
Cash in hand and at bank	262,909	(122,977)	139,932
Overdrafts	(1,693,011)	1,693,011	—
Total	<u>(1,430,102)</u>	<u>1,570,034</u>	<u>139,932</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.