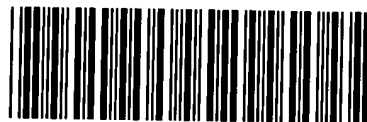


Company Registration No. 02022235 (England and Wales)

**BRITISH EGG INDUSTRY COUNCIL (LIMITED BY
GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

TUESDAY



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BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | G A Wright O.B.E. A D Jorét S Turner J V Vergerson D N Priestner E G Griffiths B H Thorp R S Parsons J B Baxter J M Blair R N Thompson |
| Secretary | M R Williams |
| Company number | 02022235 |
| Registered office | 89 Charterhouse Street London EC1M 6HR |
| Auditor | RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG |

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The company is principally engaged in promotion and marketing of egg production and sales.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|-------------------|-----------------------------|
| G A Wright O.B.E. | |
| A D Jorét | |
| R B Kerr | (Resigned 2 June 2016) |
| S Turner | |
| J V Vergerson | |
| D N Priestner | |
| J L McLenaghan | (Resigned 2 June 2016) |
| E G Griffiths | |
| B H Thorp | |
| J M Thomas | (Resigned 8 December 2016) |
| R S Parsons | |
| J B Baxter | (Appointed 8 December 2016) |
| J M Blair | (Appointed 2 June 2016) |
| R N Thompson | (Appointed 2 June 2016) |

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A. D. Jorét

.....
A D Jorét

Director

6 June 2017

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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 accounting estimates that are reasonable and prudent;
- c. 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 BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

Opinion on financial statements

We have audited the financial statements on pages 4 to 10. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

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 <http://www.frc.org.uk/auditscopeukprivate>.

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 and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Respective responsibilities of directors and auditor

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

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.

RSM UK Audit LLP

Zoe Rudling (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor

Portland

25 High Street

Crawley

West Sussex, RH10 1BG

12/9/17

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 £ | 2015 £ |
|--------------------------------------|----------|----------------------|----------------------|
| Turnover | | 2,684,578 | 2,378,275 |
| Administrative expenses | | (2,625,514) | (2,326,187) |
| Operating profit | 3 | <u>59,064</u> | <u>52,088</u> |
| Interest receivable | | 963 | 1,281 |
| Profit before taxation | | <u>60,027</u> | <u>53,369</u> |
| Taxation | 4 | (12,062) | (10,785) |
| Profit for the financial year | | <u><u>47,965</u></u> | <u><u>42,584</u></u> |

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 331 | | 869 |
| Current assets | | | | | |
| Debtors | 6 | 311,919 | | 301,520 | |
| Cash at bank and in hand | | 1,566,087 | | 1,328,187 | |
| | | <u>1,878,006</u> | | <u>1,629,707</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(1,510,147)</u> | | <u>(1,310,351)</u> | |
| Net current assets | | | <u>367,859</u> | | <u>319,356</u> |
| Total assets less current liabilities | | | <u>368,190</u> | | <u>320,225</u> |
| Capital and reserves | | | | | |
| Profit and loss reserves | | | <u>368,190</u> | | <u>320,225</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6 June 2017 and are signed on its behalf by:

A. D. Jorét

.....
A D Jorét
Director

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

British Egg Industry Council is a private company limited by guarantee incorporated in England and Wales. The registered office is 89 Charterhouse Street, London, EC1M 6HR.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of British Egg Industry Council prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of British Egg Industry Council for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Turnover

Turnover represents a levy on egg production under the Lion Quality Scheme. The income received is allocated to the period to which it relates.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

| | |
|----------------------------------|-------------------|
| Fixtures, fittings and equipment | 33% straight line |
|----------------------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Taxation

The tax expense represents the sum of the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Retirement benefits

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.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2015 - 16).

3 Operating profit

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 6,350 | 5,665 |
| | <u> </u> | <u> </u> |

4 Taxation

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 12,062 | 10,785 |
| | <u> </u> | <u> </u> |

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets

| | Fixtures, fittings and equipment £ |
|--|---------------------------------------|
| Cost | |
| At 1 January 2016 and 31 December 2016 | 90,172 |
| Depreciation | |
| At 1 January 2016 | 89,303 |
| Depreciation charged in the year | 538 |
| At 31 December 2016 | 89,841 |
| Carrying amount | |
| At 31 December 2016 | 331 |
| At 31 December 2015 | 869 |

6 Debtors

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 185,217 | 193,998 |
| Other debtors | 126,702 | 107,522 |
| | <u>311,919</u> | <u>301,520</u> |

7 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 627,007 | 569,866 |
| Corporation tax | 12,062 | 10,785 |
| Other taxation and social security | 10,686 | 67,437 |
| Other creditors | 860,392 | 662,263 |
| | <u>1,510,147</u> | <u>1,310,351</u> |

BRITISH EGG INDUSTRY COUNCIL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Related party transactions

The levy income is derived from member companies. Those same member companies may appoint from among themselves representatives who serve on Council who are, for Companies Act purposes, directors of the company. These representatives may also be directors or senior executives of the member company. Expenses of the members are borne by the company during the year. All transactions are conducted on normal commercial terms. Total expenses paid in the year to 31 December 2016 were £11,063 (2015: £9,988).

During the year payments totalling £48,000 (2015: £48,000) were made to a company under the control of A D Jorét, Chairman of the board of directors. No amounts were outstanding in this respect at the year end.

9 Liabilities for members

Under clause 6 of the Memorandum of Association, every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member and of the costs, charges and expenses of winding-up and for the adjustments of the rights of the contributories among themselves, such amount as may be required not exceeding £1.