

Company Registration No. SC098093 (Scotland)

ABERDEEN AND NORTHERN EGGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

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ABERDEEN AND NORTHERN EGGS LIMITED

COMPANY INFORMATION

Directors	Robert Chapman Ethel Chapman Iain Chapman
Secretary	Messrs Brown & McRae
Company number	SC098093
Registered office	Anderson House 9-11 Frithside Street Fraserburgh AB43 9AB
Auditors	Johnston Carmichael LLP Bank House Seaforth Street Fraserburgh AB43 9BB

ABERDEEN AND NORTHERN EGGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 19

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and financial statements for the year ended 31 May 2011.

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 £1.1m before taxation for the year to 31 May 2011. This year the egg market was oversupplied especially the latter part of the year and so margins came under pressure and this is reflected in the results. Added to this the continued increase in cereal and finished feed prices, which has also had an effect on margins.

The company invested in a Wind Turbine to help reduce its own energy costs and has been able to export the surplus to the grid. The results from the Turbine are slightly better than anticipated with more income and more savings being achieved.

The investments in buildings, plant and enriched cages were all completed before 31 May 2011. This means that the company will be compliant with the new regulations which come into force on 1 January 2012. The total number of birds in enriched cages at the end of 2011 will be 215,000 with the final conversion being due for completion in summer 2012 which will take the final figures up to 245,000 birds.

Going forward the company is now well placed to benefit as those producers who have not complied with the new regulations fall out of the supply chain. Although the market will remain competitive the company is always looking for new opportunities and is confident that the investments made over the last 3 years will begin to reap even more reward. The company will however not be complacent and will continue to look forward so it remains at the forefront of the industry.

The company paid £40,000 of dividends in the year.

Directors

The following directors have held office since 1 June 2010:

Robert Chapman
Ethel Chapman
Iain Chapman

Charitable donations	2011 £	2010 £
During the year the company made the following payments:		
Charitable donations - local	10,525	30
Charitable donations - national	300	1,277
	<u>10,825</u>	<u>1,307</u>

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

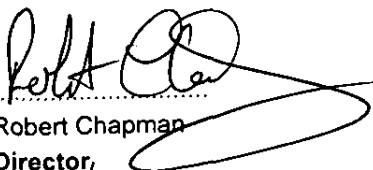
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


Robert Chapman
Director
15/12/11

ABERDEEN AND NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABERDEEN AND NORTHERN EGGS LIMITED

We have audited the financial statements of Aberdeen and Northern Eggs Limited for the year ended 31 May 2011 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ABERDEEN AND NORTHERN EGGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABERDEEN AND NORTHERN EGGS LIMITED

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.

Johnston Carmichael LLP

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

20/12/11

Chartered Accountants
Statutory Auditor

Bank House
Seaforth Street
Fraserburgh
AB43 9BB

ABERDEEN AND NORTHERN EGGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2011

	Notes	2011 £	2010 £
Turnover	2	11,234,321	10,596,916
Cost of sales		(9,052,706)	(8,169,875)
Gross profit		2,181,615	2,427,041
Administrative expenses		(1,175,731)	(837,933)
Other operating income		252,243	213,728
Operating profit	3	1,258,127	1,802,836
Other interest receivable and similar income	4	726	1,329
Interest payable and similar charges	5	(120,351)	(69,128)
Profit on ordinary activities before taxation		1,138,502	1,735,037
Tax on profit on ordinary activities	6	(343,798)	(497,305)
Profit for the year	18	794,704	1,237,732

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

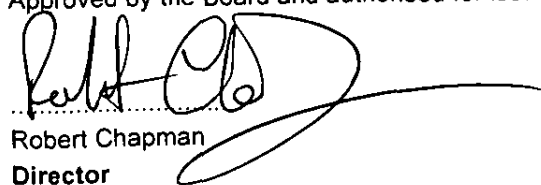
ABERDEEN AND NORTHERN EGGS LIMITED

BALANCE SHEET

AS AT 31 MAY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	8		11,000		22,000
Tangible assets	9		7,990,074		6,082,731
			<u>8,001,074</u>		<u>6,104,731</u>
Current assets					
Stocks	10	790,168		734,098	
Debtors	11	2,563,299		1,818,161	
Cash at bank and in hand		798,285		1,511,341	
		<u>4,151,752</u>		<u>4,063,600</u>	
Creditors: amounts falling due within one year	12	(2,126,443)		(1,995,845)	
Net current assets			<u>2,025,309</u>		<u>2,067,755</u>
Total assets less current liabilities			<u>10,026,383</u>		<u>8,172,486</u>
Creditors: amounts falling due after more than one year	13		(3,400,442)		(3,071,931)
Provisions for liabilities	14		(271,963)		(228,351)
Accruals and deferred income	15		(1,170,556)		(443,486)
			<u>5,183,422</u>		<u>4,428,718</u>
Capital and reserves					
Called up share capital	17		50,000		50,000
Profit and loss account	18		5,133,422		4,378,718
Shareholders' funds	19		<u>5,183,422</u>		<u>4,428,718</u>

Approved by the Board and authorised for issue on 15/12/11


Robert Chapman
Director

Company Registration No. SC098093

ABERDEEN AND NORTHERN EGGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		1,247,299		2,126,581
Returns on investments and servicing of finance				
Interest received	726		1,329	
Interest paid	(120,351)		(69,128)	
Net cash outflow for returns on investments and servicing of finance		(119,625)		(67,799)
Taxation		(317,417)		(366,675)
Capital expenditure				
Payments to acquire tangible assets	(1,726,922)		(1,798,506)	
Receipts from sales of tangible assets	5,000		156,339	
Net cash outflow for capital expenditure		(1,721,922)		(1,642,167)
Equity dividends paid		(40,000)		(22,500)
Net cash (outflow)/inflow before management of liquid resources and financing		(951,665)		27,440
Financing				
New long term bank loan	500,000		-	
Other new long term loans	-		1,010,000	
Government grant received	609,776		286,828	
Repayment of long term bank loan	(573,000)		(88,913)	
Repayment of other long term loans	(43,917)		(3,039)	
Capital element of hire purchase contracts	(254,250)		(113,731)	
Net cash inflow from financing		238,609		1,091,145
(Decrease)/increase in cash in the year		(713,056)		1,118,585

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011		2010	
		£		£	
	Operating profit	1,258,127		1,802,836	
	Depreciation of tangible assets	682,031		349,450	
	Amortisation of intangible assets	11,000		11,000	
	Loss/(profit) on disposal of tangible assets	14,710		(36,333)	
	Increase in stocks	(56,070)		(516,420)	
	(Increase)/decrease in debtors	(500,302)		9,996	
	(Decrease)/Increase in creditors within one year	(34,655)		599,898	
	Movement on grant provision	(127,542)		(93,846)	
	Net cash inflow from operating activities	1,247,299		2,126,581	
2	Analysis of net debt	1 June 2010	Cash flow	Other non-cash changes	31 May 2011
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,511,341	(713,056)	-	798,285
	Debt:				
	Hire purchase	(849,884)	254,250	(882,162)	(1,477,796)
	Debts falling due within one year	(59,047)	605,087	(616,234)	(70,194)
	Debts falling due after one year	(2,411,035)	(488,170)	616,234	(2,282,971)
		(3,319,966)	371,167	(882,162)	(3,830,961)
	Net debt	(1,808,625)	(341,889)	(882,162)	(3,032,676)
3	Reconciliation of net cash flow to movement in net debt	2011		2010	
		£		£	
	(Decrease)/increase in cash in the year	(713,056)		1,118,585	
	Cash outflow/(inflow) from decrease/(increase) in debt and hire purchase	371,167		(804,317)	
	Change in net debt resulting from cash flows	(341,889)		314,268	
	New hire purchase	(882,162)		(899,188)	
	Movement in net debt in the year	(1,224,051)		(584,920)	
	Opening net debt	(1,808,625)		(1,223,705)	
	Closing net debt	(3,032,676)		(1,808,625)	

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

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 amortisation and provision for diminution in value.

1.4 Single farm payment

The single farm payment is stated at cost and is written off in equal annual instalments over its estimated useful economic life.

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:

Freehold buildings	- 4% straight line
Plant and machinery	- 10% and 20% reducing balance
Fixtures, fittings and equipment	- 20% reducing balance and 25% straight line
Motor vehicles	- 20% reducing balance
Wind turbine	- 5% straight line

1.6 Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.7 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.

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.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

1 Accounting policies

(continued)

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	2011 £	2010 £
Operating profit is stated after charging:		
Amortisation of intangible assets	11,000	11,000
Depreciation of tangible assets	682,031	349,450
Loss on disposal of tangible assets	14,710	-
Loss on foreign exchange transactions	4,312	53,559
Auditors' remuneration	12,110	16,850
and after crediting:		
Government grants	(127,542)	(93,846)
Profit on disposal of tangible assets	-	(36,333)
	<u> </u>	<u> </u>

4 Investment income	2011 £	2010 £
Bank interest	726	1,204
Other interest	-	125
	<u> </u>	<u> </u>
	726	1,329
	<u> </u>	<u> </u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

5 Interest payable	2011 £	2010 £
On bank loans and overdrafts	61,675	38,363
Hire purchase interest	58,600	30,408
On overdue tax	76	357
	<u>120,351</u>	<u>69,128</u>
6 Taxation	2011 £	2010 £
Domestic current year tax		
U.K. corporation tax	255,192	317,423
Adjustment for prior years	44,994	4,907
	<u>300,186</u>	<u>322,330</u>
Total current tax		
Deferred tax		
Deferred tax charge	43,612	174,975
	<u>343,798</u>	<u>497,305</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>1,138,502</u>	<u>1,735,037</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.67% (2010 - 28.00%)	<u>315,024</u>	<u>485,810</u>
Effects of:		
Non deductible expenses	261	1,977
Depreciation in excess of capital allowances	(50,759)	(164,330)
Prior year adjustment	44,994	-
Other tax adjustments	(9,334)	(1,127)
	<u>(14,838)</u>	<u>(163,480)</u>
Current tax charge for the year	<u>300,186</u>	<u>322,330</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

7	Dividends	2011 £	2010 £
	Ordinary interim paid	40,000	22,500
8	Intangible fixed assets		
		Single farm payment £	Goodwill £
	Cost		Total £
	At 1 June 2010 & at 31 May 2011	55,000	150,000
	Amortisation		
	At 1 June 2010	33,000	150,000
	Charge for the year	11,000	-
	At 31 May 2011	44,000	150,000
	Net book value		
	At 31 May 2011	11,000	-
	At 31 May 2010	22,000	-

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

9 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2010	3,393,371	3,298,533	24,526	371,102	7,087,532
Additions	661,905	1,930,977	11,702	4,500	2,609,084
Disposals	-	(33,000)	(599)	-	(33,599)
At 31 May 2011	4,055,276	5,196,510	35,629	375,602	9,663,017
Depreciation					
At 1 June 2010	205,895	595,945	17,846	185,115	1,004,801
On disposals	-	(13,664)	(225)	-	(13,889)
Charge for the year	74,803	566,649	3,232	37,347	682,031
At 31 May 2011	280,698	1,148,930	20,853	222,462	1,672,943
Net book value					
At 31 May 2011	3,774,578	4,047,580	14,776	153,140	7,990,074
At 31 May 2010	3,187,476	2,702,588	6,680	185,987	6,082,731

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 May 2011	1,691,881	7,969	1,699,850
At 31 May 2010	1,034,387	9,962	1,044,349
Depreciation charge for the year			
At 31 May 2011	335,485	31,878	367,363
At 31 May 2010	166,802	39,847	206,649

The value of land not depreciated is £1,957,173 (2010 - £1,957,173).

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

10 Stocks	2011 £	2010 £
Raw materials and consumables	640,504	682,875
Finished goods and goods for resale	149,664	51,223
	<u>790,168</u>	<u>734,098</u>
11 Debtors	2011 £	2010 £
Trade debtors	1,888,024	1,627,063
Other debtors	667,116	187,690
Prepayments and accrued income	8,159	3,408
	<u>2,563,299</u>	<u>1,818,161</u>
12 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdraft	37,195	26,722
Other loans	32,999	32,325
Net obligations under hire purchase contracts	360,325	188,988
Trade creditors	1,061,086	1,238,606
Corporation tax	300,192	317,423
Other taxes and social security costs	16,631	17,986
Directors' current accounts	100,000	100,000
Other creditors	11,242	11,238
Accruals and deferred income	206,773	62,557
	<u>2,126,443</u>	<u>1,995,845</u>

The bank loans and overdraft are secured by standard securities over the land and freehold properties and floating charges over the assets.

The net obligations under hire purchase contracts are secured over the related assets.

The other loan is secured over land and freehold properties belonging to the directors.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

13 Creditors: amounts falling due after more than one year	2011 £	2010 £
Bank loans	1,352,927	1,436,399
Other loans	930,044	974,636
Net obligations under hire purchase contracts	1,117,471	660,896
	<u>3,400,442</u>	<u>3,071,931</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank Loan	1,390,121	1,463,121
Other Loan	963,044	1,006,961
	<u>2,353,165</u>	<u>2,470,082</u>
Included in current liabilities	(70,194)	(59,047)
	<u>2,282,971</u>	<u>2,411,035</u>
Instalments not due within five years	<u>1,978,295</u>	<u>2,146,992</u>
Loan maturity analysis		
In more than one year but not more than two years	72,525	61,506
In more than two years but not more than five years	232,152	202,537
In more than five years	<u>1,978,294</u>	<u>2,146,992</u>
The bank loans and overdraft are secured by standard securities over the land and freehold properties and floating charges over the assets.		
The net obligations under hire purchase contracts are secured over the related assets.		
The other loan is secured over land and freehold properties belonging to the directors.		
Net obligations under hire purchase contracts		
Repayable within one year	360,325	188,988
Repayable between one and five years	1,117,471	660,896
	<u>1,477,796</u>	<u>849,884</u>
Included in liabilities falling due within one year	(360,325)	(188,988)
	<u>1,117,471</u>	<u>660,896</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

13 Creditors: amounts falling due after more than one year

(continued)

One of the fixed bank loan is repayable by monthly instalments of £1,715 through to July 2033, interest is charged at 6.67%.

The other fixed bank loan is repayable by monthly instalments of £3,428 through to May 2033, interest is charged at 6%.

The variable bank loan is repayable by monthly instalments of £3,300 through to July 2033, interest is charged at 2.87%.

The other loan is repayable by quarterly instalments of £13,210 through to August 2034, interest is charged at 2.25%.

14 Provisions for liabilities

Deferred tax
liability
£

Balance at 1 June 2010
Profit and loss account

228,351
43,612

Balance at 31 May 2011

271,963

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	271,963	228,351

15 Accruals and deferred income

Government
grants
£

Balance at 1 June 2010
Grants received during the year
Amortisation in the year

443,486
854,612
(127,542)

Balance at 31 May 2011

1,170,556

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

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

16 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011 £	2010 £
Contributions payable by the company for the year	8,721	5,075

17 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

18 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2010	4,378,718
Profit for the year	794,704
Dividends paid	(40,000)
Balance at 31 May 2011	5,133,422

19 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	794,704	1,237,732
Dividends	(40,000)	(22,500)
Net addition to shareholders' funds	754,704	1,215,232
Opening shareholders' funds	4,428,718	3,213,486
Closing shareholders' funds	5,183,422	4,428,718

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

20 Capital commitments	2011 £	2010 £
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At 31 May 2011 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	-	2,214,110
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The company has secured funding in form of grants and hire purchase totalling £nil (2010 - £1,736,773) against these capital commitments.

21 Directors' remuneration	2011 £	2010 £
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Remuneration for qualifying services	18,000	22,000
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22 Employees

Number of employees

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

	2011 Number	2010 Number
Directors and management	4	5
Office staff	5	4
Drivers	5	4
Labourers	29	34
	<u>43</u>	<u>47</u>

Employment costs	2011 £	2010 £
Wages and salaries	814,187	779,106
Social security costs	68,965	62,214
Other pension costs	8,721	5,075
	<u>891,873</u>	<u>846,395</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

23 Related party relationships and transactions

Dividends to Directors

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

	2011	2010
	£	£
Robert Chapman	19,000	10,687
Ethel Chapman	19,000	10,687
Iain Chapman	1,000	563
	<u>39,000</u>	<u>21,937</u>

Other transactions

During the year the company traded with R & E Chapman, a partnership in which all the directors are partners. During the year purchases of £927,718 (2010 - £924,145) were made from R & E Chapman, rent was received of £54,790 (2010 - £60,790), recharges for feed, birds, repairs and fuel were made of £20,815 (2010 - £43,402) and a management charge of £40,000 (2010 - £30,000) was levied on the partnership.

At the year end the balance due to R & E Chapman was £274,527 (2010 - £94,575). All trading was done on normal commercial terms.

The directors advanced money to the company by way of a loan. At the year end the balance due to the directors was £963,044 (2010 - £1,006,961). The term of this loan is 24 years and carries interest at 2.25% per annum.

There is a loan in the financial statements which is secured by land which belongs to the directors, personally.

During the year £14,160 (2010 - £6,360) was paid to Iain Chapman, director for the rental of houses.

The directors operate a current account with the company. At the year end there is a balance due to the directors, Robert and Ethel Chapman of £100,000 (2010 - £100,000). There is no interest charged on this loan and no set terms of repayment.

Robert Chapman, director is also a director in Strichen Community Park Company. During the year Aberdeen and Northern Eggs Limited made a donation of £10,000 to Strichen Community Park Company.

Robert Chapman, director, is also a director in Central Egg Agency Limited. During the year, Aberdeen and Northern Eggs received income for the sale of eggs of £57,398 (2009 - £29,966) and paid levies of £1,530 (2009 - £587) to Central Egg Agency Limited. At the year end there was a balance due to Central Egg Agency by Aberdeen and Northern Eggs Limited of £7,661 (2009 - £nil). These transactions were done in normal trading conditions.