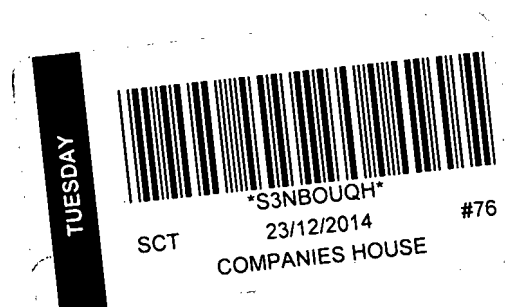


Company Registration No. SC098093 (Scotland)

ABERDEEN AND NORTHERN EGGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014



ABERDEEN AND NORTHERN EGGS LIMITED

COMPANY INFORMATION

Directors	Robert Chapman Ethel Chapman Iain Chapman
Secretary	Ethel Chapman
Company number	SC098093
Registered office	Anderson House 9-15 Frithside Street Fraserburgh AB43 9AB
Auditors	Johnston Carmichael LLP Bank House Seaforth Street Fraserburgh AB43 9BB

ABERDEEN AND NORTHERN EGGS LIMITED

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ABERDEEN AND NORTHERN EGGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2014

The directors present their report and financial statements for the year ended 31 May 2014.

Review of the business

The principal activities of the company are agriculture with the production and sale of eggs.

Capital investment and significant changes

During the year more arable land was purchased. This means the company now owns 1800 acres double the size from 2 years ago. This is aimed at being able to grow more grain to help control the supply and price of bought in feed for the birds.

Plans are being drawn up for further expansion, with a new Free Range henhouse for 16,000 birds, hopefully operational in March 2015. This expansion has been necessary to help to meet the increased demand for Free Range eggs from our customers.

There are also plans for a new rearing unit, which will be for 55,000 day old chicks. This is to cover the planned expansion, in laying birds. Producing these on site will help to eliminate any possible spread of disease that may be possible with flocks bought in from south of the border. Bird welfare will be improved as the transport time will also be reduced, as most of our satellite producers are within 2 hours of our main facility at Strichen.

An upgrade of the oldest part of the Packing Centre is also being planned. A grant to help fund this will be applied for when the next round of funding allocation is opened in January 2015. The extension will increase the floor area by a further 45% for storage of both packaging and eggs. We would hope this would be in place by late 2015.

Sales and profit

Turnover and gross profit margin was down for the year ended 31st May 2014, which is mainly due to the squeeze in the retail market. Throughput over the grader has however been up and we are now regularly handling 3.5 million eggs per week.

In the near future we expect the squeeze in the retail market to continue. To combat this it is hoped to launch two new packs into Morrisons and Tesco under the new brand 'Nearer Fresher' which will focus on local eggs from the Scottish Countryside and the Highlands of Scotland.

Balance sheet

The balance sheet reflects the investment in land referred to above as well as an additional loan to help finance this. Some 97.5% of the profit has been retained and has been reinvested in the business and a dividend of only £28,500 was paid out in the year. We expect the investments planned above to be funded in the main by continuing to retained profits in the business.

ABERDEEN AND NORTHERN EGGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

Principle risks and uncertainties

One of the main risks to the business would be the loss of one of our major customers, and the implications of having to sell the surplus on the wholesale market, at a reduced price which would have serious implications on the profit of the business. To combat this we have continual two way dialogue with our customers. We also maintain the highest production standards as is evidenced by the pride we take when we pass all the Audit visits the suppliers and the industry undertake throughout the years. We are not complacent and strive to get better all the time as is evidenced by the continuing investment in plant and procedures each year.

If we were to lose any of our producers, because they were to stop and/or they were to move to another packer, this would have an effect on the volume of egg available to us. This threat is minimized by us continuing to look after our producers with the high level of service and good returns we pass back to them.

There is also the ever present threat of Avian Influenza, and we need to continue with bio-security, and be ever vigilant for signs of disease.

Environment

Aberdeen & Northern Eggs recognises the importance of their environmental responsibilities, and as a company have already invested heavily in renewable energy as a means of cutting costs. The revenue from the 2 wind turbines has been significant, along with the energy savings on the farm and at the Packing Centre. The Bio-Mass boilers installed to heat the rearing units have also helped to reduce energy costs, and the planned Solar Panels, which are to be installed to reduce energy costs at the laying farms. All of these measures demonstrate the positive steps being made to see an improvement in the environment.

As responsible Farmers we are involved in several Land Management Schemes on several of the farms, and farm the land with the environment in mind at all times.

As a company our carbon footprint is very low, and we continue to strive to manage this.

Employees

The staff level at the end of 2013-2014 year is down slightly compared to last year. These are all from the machine operator/labourer category. Wage costs are also back, but only by £3000.00, and we did manage to give all staff a pay increase in October 2013.

On behalf of the board



Ethel Chapman

Director

19/12/14

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2014

The directors present their report and financial statements for the year ended 31 May 2014.

Results and dividends

The results for the year are set out on page 7.

The company paid £28,500 of dividends in the year.

Directors

The following directors have held office since 1 June 2013:

Robert Chapman
Ethel Chapman
Iain Chapman

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

ABERDEEN AND NORTHERN EGGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

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



Ethel Chapman

Director

19/12/14

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 2014 set out on pages 7 to 22. 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 set out within the Directors report on pages 3 - 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 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 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 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

David McBain (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

22/12/14.....

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 2014

	Notes	2014 £	2013 £
Turnover	2	15,866,982	17,383,969
Cost of sales		(12,819,205)	(13,307,256)
Gross profit		3,047,777	4,076,713
Administrative expenses		(1,521,193)	(1,793,706)
Other operating income		164,523	356,871
Operating profit	3	1,691,107	2,639,878
Investment income	4	(19,122)	-
Other interest receivable and similar income	4	598	1,578
Interest payable and similar charges	5	(157,807)	(133,539)
Profit on ordinary activities before taxation		1,514,776	2,507,917
Tax on profit on ordinary activities	6	(365,724)	(612,311)
Profit for the year	19	1,149,052	1,895,606

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 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Intangible assets	8	22,486		-	
Tangible assets	9	12,737,557		10,559,399	
Investments	10	356,033		490,155	
		13,116,076		11,049,554	
Current assets					
Stocks	11	1,343,993		1,159,781	
Debtors	12	2,769,537		2,943,838	
Cash at bank and in hand		324,311		368,977	
		4,437,841		4,472,596	
Creditors: amounts falling due within one year	13	(2,443,296)		(3,011,154)	
Net current assets		1,994,545		1,461,442	
Total assets less current liabilities		15,110,621		12,510,996	
Creditors: amounts falling due after more than one year	14	(4,315,088)		(2,802,285)	
Provisions for liabilities	15	(295,160)		(314,468)	
Accruals and deferred income	16	(1,006,833)		(1,021,255)	
		9,493,540		8,372,988	
Capital and reserves					
Called up share capital	18	50,000		50,000	
Profit and loss account	19	9,443,540		8,322,988	
Shareholders' funds	20	9,493,540		8,372,988	

Approved by the Board and authorised for issue on 19 July 2014


 Robert Chapman
 Director

Company Registration No. SC098093

ABERDEEN AND NORTHERN EGGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,998,882		3,471,643
Returns on investments and servicing of finance				
Interest received	598		1,578	
Interest paid	(157,807)		(133,539)	
Net cash outflow for returns on investments and servicing of finance		(157,209)		(131,961)
Taxation		(608,454)		(433,248)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(25,698)		-	
Payments to acquire tangible assets	(3,007,348)		(3,154,622)	
Payments to acquire investments	(90,000)		(490,105)	
Drawings from investments	205,000		-	
Receipts from sales of tangible assets	367,500		-	
Net cash outflow for capital expenditure		(2,550,546)		(3,644,727)
Equity dividends paid		(28,500)		(35,790)
Net cash outflow before management of liquid resources and financing		(1,345,827)		(774,083)
Financing				
New long term bank loan	1,200,000		-	
Other new long term loans	780,000		548,000	
Government grant received	-		238,451	
Repayment of long term bank loan	(74,561)		(38,837)	
Repayment of other long term loans	(167,401)		(140,085)	
Capital element of hire purchase contracts	(436,877)		(324,779)	
Net cash inflow from financing		1,301,161		282,750
Decrease in cash in the year		(44,666)		(491,333)

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2014

1 Reconciliation of operating profit to net cash inflow from operating activities		2014	2013
		£	£
Operating profit		1,691,107	2,639,878
Depreciation of tangible assets		825,145	829,454
Amortisation of intangible assets		3,212	-
Loss on disposal of tangible assets		5,263	-
Increase in stocks		(184,212)	(170,937)
Decrease in debtors		174,301	236,361
(Decrease)/Increase in creditors within one year		(501,512)	150,634
Movement on grant provision		(14,422)	(213,747)
Net cash inflow from operating activities		1,998,882	3,471,643

2 Analysis of net debt	1 June 2013	Cash flow	Other non-cash changes	31 May 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	368,977	(44,666)	-	324,311
Debt:				
Hire purchase	(792,692)	436,877	(368,718)	(724,533)
Debts falling due within one year	(151,122)	(143,271)	-	(294,393)
Debts falling due after one year	(2,390,152)	(1,594,767)	-	(3,984,919)
	(3,333,966)	(1,301,161)	(368,718)	(5,003,845)
Net debt	(2,964,989)	(1,345,827)	(368,718)	(4,679,534)

3 Reconciliation of net cash flow to movement in net debt		2014	2013
		£	£
Decrease in cash in the year		(44,666)	(491,333)
Cash inflow from increase in debt and lease financing		(1,301,161)	(44,299)
Change in net debt resulting from cash flows		(1,345,827)	(535,632)
New hire purchase		(368,718)	-
Movement in net debt in the year		(1,714,545)	(535,632)
Opening net debt		(2,964,989)	(2,429,357)
Closing net debt		(4,679,534)	(2,964,989)

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2014

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. Turnover is recognised as the point of dispatch.

1.3 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 of 2 years.

1.4 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	- 5% straight line and 10% and 20% reducing balance
Fixtures, fittings and equipment	- 20% reducing balance
Motor vehicles	- 20% reducing balance

1.5 Leasing and 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.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Shares in participating interests are accounted for under the equity method of accounting at cost plus share of partnership profit not remitted, less drawings.

1.7 Stock

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

Bird stock is valued at cost and depreciated over its expected useful life.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

1 Accounting policies

(continued)

1.9 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	3,212	-
Depreciation of tangible assets	825,145	829,454
Loss on disposal of tangible assets	5,263	-
Auditors' remuneration (including expenses and benefits in kind)	12,350	9,778
and after crediting:		
Government grants	(14,422)	(213,747)
Profit on foreign exchange transactions	-	(6,574)
	<u> </u>	<u> </u>

4 Investment income

	2014 £	2013 £
Share of partnership loss	(19,122)	-
Bank interest	598	1,578
	<u> </u>	<u> </u>
	(18,524)	1,578
	<u> </u>	<u> </u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	115,404	84,758
	Hire purchase interest	34,994	48,781
	On overdue tax	7,409	-
		<u>157,807</u>	<u>133,539</u>
6	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	372,249	595,671
	Adjustment for prior years	12,783	15,357
	Total current tax	<u>385,032</u>	<u>611,028</u>
	Deferred tax		
	Deferred tax charge	24,785	1,283
	Adj. to defd tax resulting from changes in tax rate	(40,556)	-
	Deferred tax adjust re previous year	(3,537)	-
		<u>(19,308)</u>	<u>1,283</u>
		<u>365,724</u>	<u>612,311</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,514,776</u>	<u>2,507,917</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.67% (2013 - 23.83%)	<u>343,400</u>	<u>597,637</u>
	Effects of:		
	Non deductible expenses	1,867	2,279
	Depreciation in excess of capital allowances	11,382	(4,316)
	Dividends and distributions received	15,670	-
	Prior year adjustment	12,783	15,357
	Other tax adjustments	(70)	71
		<u>41,632</u>	<u>13,391</u>
	Current tax charge for the year	<u>385,032</u>	<u>611,028</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

7	Dividends	2014 £	2013 £
	Ordinary interim paid	28,500	35,790
8	Intangible fixed assets	Single farm payment £	
	Cost		
	At 1 June 2013		55,000
	Additions		25,698
	At 31 May 2014		80,698
	Amortisation		
	At 1 June 2013		55,000
	Charge for the year		3,212
	At 31 May 2014		58,212
	Net book value		
	At 31 May 2014		22,486
	At 31 May 2013		-

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

9 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2013	6,910,479	6,325,961	35,629	474,990	13,747,059
Additions	2,567,905	689,481	-	118,680	3,376,066
Disposals	(220,000)	(138,000)	-	(105,050)	(463,050)
At 31 May 2014	9,258,384	6,877,442	35,629	488,620	16,660,075
Depreciation					
At 1 June 2013	469,606	2,420,462	26,172	271,420	3,187,660
On disposals	-	-	-	(90,287)	(90,287)
Charge for the year	110,650	658,067	1,896	54,532	825,145
At 31 May 2014	580,256	3,078,529	28,068	235,665	3,922,518
Net book value					
At 31 May 2014	8,678,128	3,798,913	7,561	252,955	12,737,557
At 31 May 2013	6,440,873	3,905,499	9,457	203,570	10,559,399

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 2014	1,324,348	60,043	1,384,391
At 31 May 2013	1,111,479	-	1,111,479
Depreciation charge for the year			
At 31 May 2014	280,358	9,237	289,595
At 31 May 2013	266,297	-	266,297

The book value of land not depreciated is £6,515,388 (2013 - £4,144,233).

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

10 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
Cost			
At 1 June 2013	155	490,000	490,155
Additions	-	90,000	90,000
Share of partnership loss	-	(19,122)	(19,122)
Disposals	-	(205,000)	(205,000)
At 31 May 2014	155	355,878	356,033
Net book value			
At 31 May 2014	155	355,878	356,033
At 31 May 2013	155	490,000	490,155

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
R & R Renewables LLP	Scotland	LLP	50.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014	Profit/(loss) for the year 2014
	Principal activity	£	£
R & R Renewables LLP	Windpower generation	804,323	(38,245)

The results for R & R Renewables LLP are for the period to 31 May 2013 as no results are available yet for the year to 31 May 2014.

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

11 Stocks	2014 £	2013 £
Raw materials and consumables	1,197,527	1,063,150
Finished goods and goods for resale	146,466	96,631
	<u>1,343,993</u>	<u>1,159,781</u>
12 Debtors	2014 £	2013 £
Trade debtors	2,112,554	2,137,913
Other debtors	651,412	800,436
Prepayments and accrued income	5,571	5,489
	<u>2,769,537</u>	<u>2,943,838</u>
13 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	110,419	40,560
Net obligations under hire purchase contracts	394,364	380,559
Trade creditors	1,205,880	1,444,800
Corporation tax	372,249	595,671
Other taxes and social security costs	15,932	19,960
Directors' current accounts	30,000	30,000
Other creditors	204,185	110,562
Accruals and deferred income	110,267	389,042
	<u>2,443,296</u>	<u>3,011,154</u>
Debt due in one year or less	<u>294,393</u>	<u>151,122</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 2014

14 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	2,029,110	973,530
Other loans	1,955,809	1,416,622
Net obligations under hire purchase contracts	330,169	412,133
	<u>4,315,088</u>	<u>2,802,285</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank Loans	2,139,529	1,014,090
Other Loan	2,063,978	1,424,126
Wholly repayable within five years	75,805	103,058
	<u>4,279,312</u>	<u>2,541,274</u>
Included in current liabilities	(294,393)	(151,122)
	<u>3,984,919</u>	<u>2,390,152</u>
Instalments not due within five years	<u>2,796,661</u>	<u>1,789,100</u>
Loan maturity analysis		
In more than two years but not more than five years	1,188,258	601,052
In more than five years	<u>2,796,661</u>	<u>1,789,100</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	394,364	380,559
Repayable between one and five years	330,169	412,133
	<u>724,533</u>	<u>792,692</u>
Included in liabilities falling due within one year	(394,364)	(380,559)
	<u>330,169</u>	<u>412,133</u>

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

14 Creditors: amounts falling due after more than one year (continued)

Five loans are repayable by monthly instalments of £18,480 and mature in the period from February 2017 to November 2028.

Three loans are repayable by quarterly instalments of £41,769 and mature in the period from October 2022 to November 2034.

A further loan matures in January 2025 with amounts repayable depending upon LIBOR.

All interest rates are charged between 2.25% and 6.67%.

15 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2013	314,468
Profit and loss account	(19,308)
	<hr/>
Balance at 31 May 2014	295,160
	<hr/>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	295,160	314,468
	<hr/>	<hr/>

16 Accruals and deferred income

	Government grants £
Balance at 1 June 2013	1,021,255
Amortisation in the year	(14,422)
	<hr/>
Balance at 31 May 2014	1,006,833
	<hr/>

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 2014

17 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.

	2014 £	2013 £
Contributions payable by the company for the year	6,251	6,435

18 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

19 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2013	8,322,988
Profit for the year	1,149,052
Dividends paid	(28,500)
Balance at 31 May 2014	9,443,540

20 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	1,149,052	1,895,606
Dividends	(28,500)	(35,790)
Net addition to shareholders' funds	1,120,552	1,859,816
Opening shareholders' funds	8,372,988	6,513,172
Closing shareholders' funds	9,493,540	8,372,988

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

21 Capital commitments	2014	2013
	£	£

At 31 May 2014 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	330,000	-
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22 Directors' remuneration	2014	2013
	£	£

Remuneration for qualifying services	18,000	18,000
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23 Employees

Number of employees

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

	2014	2013
	Number	Number
Directors and management	4	4
Office staff	6	6
Drivers	4	4
Labourers	21	27
	35	41

Employment costs	2014	2013
	£	£

Wages and salaries	818,421	817,015
Social security costs	65,220	69,132
Other pension costs	6,251	6,435
	889,892	892,582

ABERDEEN AND NORTHERN EGGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

24 Related party relationships and transactions

Dividends to Directors

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

	2014	2013
	£	£
Robert Chapman	14,250	17,000
Ethel Chapman	14,250	17,000
Iain Chapman	-	1,790
	<u>28,500</u>	<u>35,790</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 £1,123,766 (2013 - £925,532) were made from R & E Chapman, £541,981 of sales were made to R&E Chapman (2013 - £367,582), rent was received of £12,000 (2013 - £12,000), a management charge of £40,000 (2013 - £40,000) was levied on the partnership and a combine was purchased for £138,000.

At the year end the balance due to Aberdeen & Northern Eggs from R & E Chapman was £555,616 (2013 - £704,640).

The AMC loans totalling £2,139,783 (2013 - £1,527,184) are secured by land which belongs to the directors, personally.

During the year £13,560 (2013 - £13,560) 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 £30,000 (2013 - £30,000). There is no interest charged on this loan and no set terms of repayment.

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 £278,681 (2013 - £636,125), paid for the purchase of eggs £41,630 (2013 - £15,912), membership of £186 (2013 - £186) and also paid levies of £6,020 (2013 - £13,740) to Central Egg Agency Limited.