Company Registration No. SC125434

Joseph Robertson (Aberdeen) Limited

Annual Report and Financial Statements

31 December 2012

Joseph Robertson (Aberdeen) Limited

Report and financial statements 2012

Contents

Joseph Robertson (Aberdeen) Limited

Report and financial statements 2012

Officers and professional advisers

Directors

D Kilshaw (Chairman)
M Robertson
S Robertson
J Robertson
J Mundy

Secretary

A C Morrison & Richards

Registered Office

18 Bon Accord Crescent
Aberdeen
AB11 6XY

Banker

Clydesdale Bank plc
19 North Esplanade West
Aberdeen
AB11 5RJ

Solicitor

A C Morrison & Richards
18 Bon Accord Crescent
Aberdeen
AB11 6XY

Auditor

Deloitte LLP
Chartered Accountants
Aberdeen

Joseph Robertson (Aberdeen) Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company continues to be the production and sale of food and seafood products.

BUSINESS REVIEW

The results for the year and the financial position of the Company are considered satisfactory and we are confident of the prospects for the future.

The directors consider turnover, gross and net profit to be key financial indicators:-

	2012 £'000	2011 £'000	movement %
Turnover	20,415	17,764	15%
Gross profit	1,986	1,722	15%
Operating profit	65	350	(81%)
Gross profit margin (%)	10%	10%	0%
Operating profit margin (%)	0.3%	2%	(84%)

The 15% growth in turnover reflects extension of the customer base as well as organic growth in existing accounts. Several new product lines have been developed using alternative proteins and vegetables to complement the broad range of sustainable fish products sold into both foodservice and retail sectors. The stability in gross margin reflects the competitive market conditions and the Company continues to strive to achieve operating efficiencies to sustain competitiveness. The net operating margin of 0.3% (2011: 2%) reflects investment in management infrastructure during the year.

Responsible sourcing is core to the Company's values. The majority of the Company's raw materials have been appointed one of the Marine Stewardship Council, Responsible Fishing Scheme or Freedom food accreditations. All raw materials are sourced from sustainable stocks. The Company remain committed to local markets and is a firm supporter of the Sea fish industry sourcing local produce landed in Scotland.

Product integrity is maintained through internal quality and technical control systems. Investment has been made in the on-site technical team through training and creation of new positions. Grade A British Retail Consortium standard has been retained following a successful audit. The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting performance. This is achieved through formal and informal meetings.

FUTURE OUTLOOK

The directors are confident of the prospects for the business. The innovative use of new ingredients, recipes and packaging formats has resulted in a number of new products being launched which are expected to make significant contributions to the longer term growth of the business from both new and existing customers. The directors regard investment in this area as a prerequisite for success in both the medium and long-term.

Directors' Report (continued)

GOING CONCERN

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 in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies at note 1 of the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit Risk

The Company's principal financial assets are cash and bank balances, trade and other receivables.

The Company's market is such that sales are concentrated towards a small number of key customers. Credit risk is managed through maintaining good customer relationships and the on-going monitoring of credit levels and settlement periods. The credit risk on liquid funds is limited because the counter parties are banks with credit ratings assigned by international credit-rating agencies.

Liquidity risk

To maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the company uses both long-term and short-term debt finance. Regular forecasts are prepared to assessment of liquidity requirements.

The company has minimal exposure to foreign currency.

DIVIDENDS

The directors have recommended and paid a £15,000 (2011: £30,000) dividend on the "A" ordinary shares.

DIRECTORS

The directors, each of whom served throughout the year to the date of this report are as follows:

D Kilshaw
M Robertson
S Robertson
J Robertson
J Mundy

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by

M. Robertson
Director
24 SEPT 2013

Directors' Responsibilities Statement

The directors' are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

Independent Auditor's report to the members of Joseph Robertson (Aberdeen) Limited

We have audited the financial statements of Joseph Robertson (Aberdeen) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 24. 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 explained more fully in the Directors' Responsibilities Statement, 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. 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 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006;

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Graeme Sheils CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, United Kingdom
24 September 2013

Joseph Robertson (Aberdeen) Limited

Profit and loss account
For the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	20,415,332	17,764,408
Cost of sales		(18,428,814)	(16,042,009)
Gross profit		1,986,518	1,722,399
Administrative expenses		(1,960,237)	(1,418,146)
Other operating income		38,500	45,465
Operating profit		64,781	349,718
Interest payable and similar charges	3	(54,364)	(50,983)
Profit on ordinary activities before taxation	4	10,417	298,735
Tax on profit on ordinary activities	6	22,182	(56,045)
Profit for the financial year after taxation	17, 18	32,599	242,690

There are no recognised gains and losses in the current or prior year other than as included in the profit and loss account. Accordingly, no statement of total recognised gains or losses is shown.

All results are from continuing operations

Joseph Robertson (Aberdeen) Limited

Balance sheet
At 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	8	-	9,723
Tangible assets	9	5,827,017	5,673,577
		5,827,017	5,683,300
Current assets			
Stocks	10	2,129,353	2,376,496
Debtors	11	2,328,851	2,088,681
Cash at bank and in hand		317	4,779
		4,458,521	4,469,956
Creditors: amounts falling due within one year	12	(4,046,950)	(3,865,600)
Net current assets		411,571	604,356
Total assets less current liabilities		6,238,588	6,287,656
Creditors: amounts falling due after more than one year	13	(338,497)	(236,983)
Provisions for liabilities	14	(407,709)	(397,106)
Deferred income	15	(880,295)	(959,083)
Net assets		4,612,087	4,694,484
Capital and reserves			
Called up share capital	16	148,641	248,637
Capital redemption reserve	17	299,994	199,998
Profit and loss account	17	4,163,452	4,245,849
Shareholders' funds	18	4,612,087	4,694,484

The financial statements of Joseph Robertson (Aberdeen) Limited, registered number SC125434 were approved by the Board of Directors on 24 SEPT 2013.

Signed on behalf of the Board of Directors

M Robertson
Director

Joseph Robertson (Aberdeen) Limited

Cash flow statement
For the year ended 31 December 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	19	282,401	862,489
Returns on investments and servicing of finance	20	(54,364)	(50,983)
Capital expenditure and financial investment	20	(249,576)	(196,596)
Taxation		32,785	(34,421)
Equity dividends paid		(15,000)	(30,000)
Cash (outflow)/inflow before management of liquid resources and financing		(3,754)	550,489
Financing	20	(323,561)	(346,054)
(Decrease)/increase in cash in the year		(327,315)	204,435

Notes to the accounts
For the year ended 31 December 2012

1. **Accounting policies**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the directors' report. The directors' report also describes the financial position of the Company; liquidity and borrowing facilities; the company's objectives, policies and processes for managing its objectives and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements through an overdraft facility which is scheduled for periodic review in August 2013. However in July 2013 the Company entered into new term loan and overdraft banking arrangements with HSBC. 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 terms of the new facilities.

Accordingly, 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 in preparing the annual financial statements.

Turnover

Turnover represents the value of goods provided to customers in the year, stated net of discounts and VAT. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Intangible assets – trademarks

Trademarks are included at cost and are depreciated over their estimated useful life. Provision is made for any impairment when identified.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life, or if held under a finance lease, over the lease term, if shorter.

Freehold property	2% straight line
Plant and machinery	10-15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% straight line

Costs of assets under construction are capitalised as incurred. Once complete and available for use the assets were transferred to the appropriate class of asset and depreciated over their estimated useful life.

Notes to the accounts (continued)
For the year ended 31 December 2012

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes materials, direct labour costs and direct production related overhead costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 taxable profits and the 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 the 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.

Research and Development

Research expenditure is written off as incurred. Development Expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for eligible employees whereby the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contribution payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Deferred government grants

Government grants relating to tangible assets are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Joseph Robertson (Aberdeen) Limited

Notes to the accounts (continued)
For the year ended 31 December 2012

2. Turnover

Turnover is attributable to the principal activity of the company. An analysis of turnover by geographical market is given below:

	2012	2011
	£	£
UK	20,413,501	17,586,041
Overseas	1,831	178,367
	20,415,332	17,764,408

3. Interest payable and similar charges

	2012	2011
	£	£
Bank loan and overdraft	33,111	30,373
Finance lease and hire purchase	21,253	20,610
	54,364	50,983

4. Profit on ordinary activities before taxation

	2012	2011
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation – owned assets	376,067	360,843
Amortisation	9,723	9,722
Gain on foreign exchange	(1,317)	(1,926)
Rental income	(38,500)	(37,000)
Grant amortisation	(78,788)	(155,492)
Rental and operating leases rentals:		
- land	42,270	40,495
- other	20,188	19,950
Fees payable to the company's auditors		
- audit services	17,250	16,750
- tax and other services	5,412	4,500

Joseph Robertson (Aberdeen) Limited

Notes to the accounts (continued)
For the year ended 31 December 2012

5. Staff costs

	2012	2011
Aggregate remuneration comprised (including directors):	**£**	**£**
Wages and salaries	3,726,779	3,216,160
Social security costs	331,977	287,199
Other pension costs	2,000	2,200
	4,060,756	3,505,559

The company provides a defined contribution scheme for eligible employees. The scheme is administered independently of the company. The total pension cost which is charged to the profit and loss account represents contributions payable by the company amounted to £2,000 (2011: £2,200). There are no amounts outstanding at 31 December 2012 (2011: nil).

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

	No.	No.
Distribution	4	5
Production	168	157
Management	16	12
	188	174

	£	£
Directors' emoluments		
Emoluments	328,800	316,800

	£	£
Remuneration of the highest paid director		
Emoluments	82,200	79,200

Joseph Robertson (Aberdeen) Limited

Notes to the accounts (continued)
For the year ended 31 December 2012

6. Tax on profit on ordinary activities

The tax charge comprises:

	2012 £	2011 £
Current tax		
UK corporation tax	6,701	43,736
Adjustments in respect of prior years	(39,486)	(5,174)
Total current tax	(32,785)	38,562
Deferred tax		
Origination and reversal of timing differences	10,530	35,999
Adjustments in respect of prior years	73	(18,516)
Total deferred tax (see note 14)	10,603	17,483
Total tax on profit on ordinary activities	(22,182)	56,045

The standard rate of corporation tax for the year, based on the average UK rate of corporation tax is 20% (2011: 21%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	20102 £	2011 £
Profit on ordinary activities before tax	10,417	298,735
Profit on ordinary activities multiplied by the standard rate	2,083	62,734
Effects of:		
Expenses not deductible for tax purposes	30,149	44,814
Capital allowances in excess of depreciation	(15,001)	(35,999)
Income not taxable	(10,530)	(27,813)
Adjustments to tax charge in respect of previous periods	(39,486)	(5,174)
Current tax (credit)/charge	(32,785)	38,562

7. Dividends

	2012 £	2011 £
Final dividend for the year of 17p (2011: 33p) per ordinary "A" share	15,000	30,000

No dividends are proposed or paid in respect of the redeemable preference shares. (note 16)

Notes to the accounts (continued)
For the year ended 31 December 2012

8. Intangible fixed assets

	Patents and trademarks £
Cost	
At 1 January 2012 and 31 December 2012	50,000
Amortisation	
At 1 January 2012	40,277
Charge for the year	9,723
At 31 December 2012	50,000
Net book value	
At 31 December 2012	-
At 31 December 2011	9,723

9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Assets under Development £	Total £
Cost							
At 1 January 2012	3,592,563	3,097,452	49,355	3,634	19,926	-	6,762,930
Additions	9,055	413,624	5,675	10,994	32,607	59,381	531,336
Disposals	-	-	-	(3,634)	-	-	(3,634)
At 31 December 2012	3,601,618	3,511,076	55,030	10,994	52,533	59,381	7,290,632
Depreciation							
At 1 January 2012	353,443	711,154	14,329	1,589	8,838	-	1,089,353
Charge for the year	71,955	285,938	5,607	2,235	10,332	-	376,067
On disposals	-	-	-	(1,805)	-	-	(1,805)
At 31 December 2012	425,398	997,092	19,936	2,019	19,170	-	1,463,615
Net book value							
At 31 December 2012	3,176,220	2,513,984	35,094	8,975	33,363	59,381	5,827,017
At 31 December 2011	3,239,120	2,386,298	35,026	2,045	11,088	-	5,673,577

The net book value of assets held under hire purchase agreements at 31 December 2012 is £721,393 (2011: £620,423).

Notes to the accounts (continued)
For the year ended 31 December 2012

10. Stocks

	2012 £	2011 £
Raw materials and consumables	1,211,653	1,281,010
Work in progress	558,928	633,483
Finished goods and goods for resale	358,772	462,003
	2,129,353	2,376,496

11. Debtors: amounts falling due within one year

	2012 £	2011 £
Trade debtors	2,101,953	1,862,374
Amounts owed by related parties (note 24)	3,947	3,947
Other taxation	104,624	182,323
Corporation tax	38,991	-
Prepayments and accrued income	70,081	35,889
Other debtors	48,246	4,148
	2,328,851	2,088,681

12. Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	1,184,012	860,369
Obligations under hire purchase contracts	125,020	169,127
Trade creditors	2,436,723	2,549,856
Corporation tax	-	38,564
Other taxation and social security	82,025	124,778
Other creditors	129,195	17,750
Accruals	89,975	105,156
	4,046,950	3,865,600

Notes to the accounts (continued)
For the year ended 31 December 2012

13. Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans	191,662	220,343
Obligations under hire purchase contracts	146,835	16,640
	338,497	236,983

Bank borrowings are secured by a standard security over the freehold property and a bond and floating charge over the assets of the company.

Borrowings are repayable as follows:

Bank loans	2012 £	2011 £
Between one and two years	29,481	28,682
Between two and five years	93,461	90,929
Greater than 5 years	68,720	100,732
	191,662	220,343
On demand or within one year	28,682	27,905
	220,344	248,248

Obligations under hire purchase contracts

	2012 £	2011 £
Between one and two years	85,167	16,640
Between two and five years	61,668	-
	146,835	16,640
On demand or within one year	125,020	169,127
	271,855	185,767

Notes to the accounts (continued)
For the year ended 31 December 2012

14. Deferred tax

	£
Balance at 1 January 2012	397,106
Charged to profit and loss account	10,603
Balance at 31 December 2012	407,709

Deferred tax is provided as follows:

	2012 £	2011 £
Accelerated capital allowances	404,269	393,666
Other timing differences	3,440	3,440
Provision for deferred tax	407,709	397,106

15. Deferred income

	2012 £	2011 £
Government grants		
Balance at 1 January	959,083	1,076,453
Additions	-	38,122
Amounts written off	-	(88,237)
Amortisation	(78,788)	(67,255)
Balance at 31 December	880,295	959,083

Notes to the accounts (continued)
For the year ended 31 December 2012

16. Called up share capital

	2012 £	2011 £
Allotted, issued and fully paid		
Ordinary A shares of £1 each	90,000	90,000
Redeemable preference shares of £1 each	58,641	158,637
	148,641	248,637

The redeemable preference shares carry no voting rights and their redemption is at the determination of the directors. During the year 99,996 preference shares of £1 each were redeemed at par.

Dividends may be paid either in respect of one class of shares to the exclusion of the other class or in respect of both classes.

17. Reserves

	Profit and loss account £	Capital redemption reserve £	Total £
At 1 January 2012 as previously stated	4,245,849	199,998	4,445,847
Profit for the year	32,599	-	32,599
Dividends paid on "A" ordinary shares	(15,000)	-	(15,000)
Redemption of preference shares	(99,996)	99,996	-
At 31 December 2012	4,163,452	299,994	4,463,446

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Notes to the accounts (continued)
For the year ended 31 December 2012

18. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	32,599	242,690
Dividends paid on ordinary "A" shares	(15,000)	(30,000)
Preference shares redeemed	(99,996)	(99,996)
Net (decrease)/increase in shareholders' funds	(82,397)	112,694
Opening shareholders' funds	4,694,484	4,581,790
Closing shareholders' funds	4,612,087	4,694,484

19. Reconciliation of operating profit to net cash outflow from operating activities

	2012 £	2011 £
Operating profit	64,781	349,718
Depreciation charges	376,067	360,843
Amortisation	9,723	9,722
Amortisation of government grants	(78,788)	(88,237)
Loss on disposal of fixed assets	1,829	-
Decrease/(increase) in stock	247,143	(110,953)
(Increase)/decrease in debtors	(240,170)	268,290
(Decrease)/increase in creditors	(98,184)	73,106
Net cash inflow from operating activities	282,401	862,489

Joseph Robertson (Aberdeen) Limited

Notes to the accounts (continued)
For the year ended 31 December 2012

20. Analysis of cash flows

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(33,111)	(30,373)
Interest element of hire purchase agreements	(21,253)	(20,610)
Net cash outflow	(54,364)	(50,983)
Capital expenditure and financial investment		
Government grants	-	(29,133)
Purchase of tangible fixed assets	(249,576)	(167,463)
Net cash outflow	(249,576)	(196,596)
Financing		
Redemption of shares	(99,996)	(99,996)
Repayments under hire purchase contracts	(195,672)	(218,904)
Decrease in bank loans	(27,893)	(27,154)
Net cash outflow	(323,561)	(346,054)

21. Analysis and reconciliation of net debt

	At 1 January 2012 £	Cash flow £	Non-cash changes £	At 31 December 2012 £
Net cash				
Cash at bank and in hand	4,779	(4,462)	-	317
Bank overdraft	(832,464)	(322,853)	-	(1,155,317)
	(827,685)	(327,315)	-	(1,155,000)
Hire purchase contracts	(185,767)	195,672	(281,760)	(271,855)
Debts falling due within one year	(34,380)	-	-	(34,380)
Debts falling due after one year	(213,870)	27,893	-	(185,977)
	(434,017)	223,565	(281,760)	(492,212)
Total	(1,261,702)	(103,750)	(281,760)	(1,647,212)

Notes to the accounts (continued)
For the year ended 31 December 2012

22. Analysis and reconciliation of net debt (continued)

	2012 £	2011 £
(Decrease)/increase in cash in the period	(327,315)	204,435
Cash inflow from increase in debt and lease financing	223,565	246,058
Change in net debt resulting from cash flows	(103,750)	450,493
Hire purchase agreement financing	(281,760)	(50,000)
Movement in net debt in the period	(385,510)	400,493
Net debt at 1 January	(1,261,702)	(1,662,195)
Net debt at 31 December	(1,647,212)	(1,261,702)

23. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring date:				
- within one year	-	-	1,226	4,627
- between one and five years	-	-	5,410	11,295
- in more than five years	42,720	42,720	-	-
	42,720	42,720	6,636	15,922

24. Related party disclosures

During the year, fees of £46,342 (2011: £49,872) were charged by D Kilshaw, Chairman, for consultancy services. As at 31 December 2012 £2,700 (2011 - £3,000) was outstanding.

At 31 December 2012 there are balances due from directors of £3,947 (2011: £3,947) for advances provided in the year.

25. Controlling Party

The directors control the company as a result controlling the entire share capital of the company.