

Agricultural Central Trading Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2011

Agricultural Central Trading Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Christensen
G Hendry (Chairman)
J L Rowlands
N Snape
J D Hamilton
F Carr

SECRETARY

H Fellows

REGISTERED OFFICE

90 The Broadway
Chesham
Buckinghamshire
HP5 1EG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Elgar House
Holmer Road
Hereford
HR4 9SF

Agricultural Central Trading Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Agricultural Central Trading Limited for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The turnover of the company for the year amounted to £108,241,498 (2010 - £85,865,743). This resulted in a trading profit of £2,382,786 (2010 - £1,942,293) from which is deducted a bonus of £1,100,305 (2010 - £760,036) paid to members.

The bonus paid to members for the year to 30 June 2011 was calculated at a rate of £14 per £1,000 (2010 - £13 per £1,000) of their purchases from the company during the calendar year plus 3% p.a. interest (2010 - 3%) on their shareholding at 30 June 2011, with a minimum payment of £25. A small number of members owning less than 40 shares received a reduced rate of bonus.

Accounting convention requires that the two elements of bonus (trading and interest) be treated separately in the profit and loss account.

The profit before taxation of £1,278,976 showing in the profit and loss account is after the trading element of the bonus.

The main activities of the company continue to be related to the supply of inputs to farmers. The principal inputs are animal feeds and fertiliser as well as other items used by livestock and cereal farmers.

Fluctuating fuel and cereal costs have impacted the prices of some goods supplied by the company and the timing of customers' buying decisions. The company reduces its risk from fluctuating prices by holding minimal 'free issue' stock lines.

In the year the company continued to consolidate its position by maintaining its share of the markets in which it operates.

Key Performance Indicators

The company's main objective is to benefit its members which are measured through:

	2011	2010
Members trading bonus	£14 per £1,000 of purchases	£13 per £1,000 of purchases
Total members trading bonus	£1,100,305	£760,036
Number of active members (defined as members that have traded within the financial year)	4,098	4,070

Agricultural Central Trading Limited

DIRECTORS' REPORT

These indicators show the company continues to improve benefits to its members.

Risks and uncertainties

Credit Risk - Management has credit control policies in place to monitor risk on an ongoing basis. Credit evaluations are performed on customers requiring credit.

Interest rate risk - The company has variable rate working capital facilities and deposit accounts which are exposed to changes in interest rates.

Market Risk - Market risk is constantly monitored through the monitoring of industry data and our positioning in relation to our competitors. As detailed above, risk from market fluctuations in price are reduced by low stock holding levels.

Liquidity risk - The company monitors its liquidity to ensure it can meet its liabilities as they fall due. This includes ensuring banking lines are available to fund working capital requirements.

FUTURE DEVELOPMENTS

The directors aim to ensure that the company will continue to react to prevailing market conditions and aim to improve sales and profitability in the forthcoming year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £965,741. Particulars of shareholder bonus - interest on shares proposed are detailed in note 10 to the financial statements.

DIRECTORS

The directors who served the company during the year were as follows:

M D Wallbank
P Christensen
G Hendry (Chairman)
J L Rowlands
N Snape
J D Hamilton
F Carr

M D Wallbank retired as a director on 3 December 2010.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board

H Fellows

Company Secretary
14 October 2011

Agricultural Central Trading Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

We have audited the financial statements on pages 6 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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.

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.

TOM MORGAN (Senior Statutory Auditor)

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

Chartered Accountants

Elgar House

Holmer Road

Hereford HR4 9SF

19 October 2011

Agricultural Central Trading Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2011

	<i>Notes</i>	2011 £	2010 £
TURNOVER	1	108,241,498	85,865,743
Cost of sales		(102,575,596)	(80,265,517)
Gross profit		5,665,902	5,600,226
Administrative expenses		(4,477,921)	(4,512,469)
Other operating income	3	94,500	94,500
OPERATING PROFIT	4	1,282,481	1,182,257
Interest receivable	7	2,945	20,125
		1,285,426	1,202,382
Interest payable and similar charges	8	(6,450)	(7,188)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,278,976	1,195,194
Taxation	9	(313,235)	(359,797)
PROFIT FOR THE FINANCIAL YEAR	21	965,741	835,397

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

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Agricultural Central Trading Limited

BALANCE SHEET

30 June 2011

	<i>Notes</i>	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	–	56,500
Tangible assets	12	1,130,147	995,352
		<u>1,130,147</u>	<u>1,051,852</u>
CURRENT ASSETS			
Stocks	13	887,660	579,600
Debtors	14	25,636,305	18,463,864
Cash at bank and in hand		110,707	1,247,004
		<u>26,634,672</u>	<u>20,290,468</u>
CREDITORS			
Amounts falling due within one year	15	16,685,179	11,371,207
NET CURRENT ASSETS		<u>9,949,493</u>	<u>8,919,261</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,079,640</u>	<u>9,971,113</u>
CAPITAL AND RESERVES			
Called up share capital	19	1,105,843	1,023,560
Share premium account	20	308,621	225,008
Revaluation reserve		387,866	387,866
Profit and loss account	21	9,277,310	8,334,679
SHAREHOLDERS' FUNDS	22	<u>11,079,640</u>	<u>9,971,113</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 14 October 2011 and are signed on their behalf by:

G Hendry
Director

Agricultural Central Trading Limited

CASH FLOW STATEMENT

for the year ended 30 June 2011

		2011	2010
	<i>Notes</i>	£	£
Net cash flow from operating activities	23.a	(28,463)	185,138
Returns on investments and servicing of finance	23.b	(3,505)	12,937
Taxation	23.b	(354,811)	(452,864)
Capital expenditure and financial investment	23.b	(288,515)	(175,539)
		<u>(675,294)</u>	<u>(430,328)</u>
Members' bonus – interest on shares paid		(21,262)	(19,333)
CASH OUTFLOW BEFORE FINANCING		<u>(696,556)</u>	<u>(449,661)</u>
Financing	23.b	165,896	162,473
DECREASE IN CASH IN THE PERIOD		<u><u>(530,660)</u></u>	<u><u>(287,188)</u></u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2011	2010
		£	£
Decrease in cash in the period		(530,660)	(287,188)
Non cash flow movement in respect of hire purchase		<u>(20,547)</u>	<u>–</u>
Change in net debt	23.c	<u>(551,207)</u>	<u>(287,188)</u>
Net funds at the beginning of the year	23.c	<u>339,404</u>	<u>626,592</u>
Net debt at the end of the year	23.c	<u><u>(211,803)</u></u>	<u><u>339,404</u></u>

Agricultural Central Trading Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 2 to 3.

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 currently agreed level of its banking facility. No matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 25% straight line

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

Freehold land is not depreciated.

INVESTMENT PROPERTIES

In accordance with the Statement of Standard Accounting Practice 19 'Accounting for Investment Properties', investment properties are revalued on a regular basis and are not subject to a depreciation charge.

The Investment Property is included within fixed assets and is professionally valued by Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Agricultural Central Trading Limited

ACCOUNTING POLICIES

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. All of the turnover is attributable to the United Kingdom market.

2 MEMBER BONUS - TRADING ELEMENT

Cost of sales includes the trading element of the member bonus for the year amounting to £1,100,305 (2010 - £760,036).

3 OTHER OPERATING INCOME

	2011	2010
	£	£
Rent receivable	94,500	94,500

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Amortisation of intangible assets	56,500	56,500
Depreciation of owned fixed assets	231,253	252,614
Depreciation of assets held under hire purchase agreements	7,247	-
Profit on disposal of fixed assets	(64,233)	(14,893)
Operating lease costs:		
- Other	94,952	95,962
Auditor's remuneration - audit of the financial statements	21,950	21,525
Auditor's remuneration - other fees	6,370	6,280

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	21,950	21,525

Auditor's remuneration - other fees:

- Taxation services	2,615	2,565
- Other services	3,755	3,715
	<u>6,370</u>	<u>6,280</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was:

	2011	2010
	No	No
Number of administrative staff	<u>85</u>	<u>86</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	2,913,390	2,832,590
Social security costs	339,717	319,681
Other pension costs	<u>185,912</u>	<u>177,385</u>
	<u>3,439,019</u>	<u>3,329,656</u>

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £185,912 (2010 - £177,385).

6 DIRECTORS' REMUNERATION

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

	2011	2010
	£	£
Remuneration receivable	218,844	227,740
Value of company pension contributions to money purchase schemes	<u>10,374</u>	<u>9,377</u>
	<u>229,218</u>	<u>237,117</u>

Remuneration of highest paid director:

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	160,729	162,988
Value of company pension contributions to money purchase schemes	<u>10,374</u>	<u>9,377</u>
	<u>171,103</u>	<u>172,365</u>

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

	2011	2010
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

7 INTEREST RECEIVABLE

	2011	2010
	£	£
Other interest receivable	<u>2,945</u>	<u>20,125</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
On bank loans and overdrafts	<u>6,450</u>	<u>7,188</u>

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 27.5% (2010 - 28%)	313,357	354,933
(Over)/under provision in prior year	(122)	4,864
Total current tax	<u>313,235</u>	<u>359,797</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 27.5% (2010 - 28%), as explained below

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>1,278,976</u>	<u>1,195,194</u>
Profit on ordinary activities by rate of tax	351,736	334,654
Effects of:		
Expenditure (deductible)/not deductible for tax purposes	(3,844)	(5,859)
Depreciation for period in excess of capital allowances	(24,120)	16,505
Other timing differences	(4,681)	13,440
Adjustment to tax charge in respect of previous periods	(122)	4,864
Tax chargeable at lower rates	(5,734)	(3,807)
Total current tax (note 9(a))	<u>313,235</u>	<u>359,797</u>

10 MEMBERS' BONUS - INTEREST ON SHARES

	2011	2010
	£	£
Proposed at the year-end (recognised as a liability):		
Members' bonus - interest on shares	<u>23,110</u>	<u>21,261</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

11 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 July 2010 and 30 June 2011	357,701
Amortisation	
At 1 July 2010	301,201
Charge for the year	56,500
At 30 June 2011	357,701
Net book value	
At 30 June 2011	–
At 30 June 2010	56,500

12 TANGIBLE FIXED ASSETS

	Investment Property £	Leasehold Property Improvements £	Plant & Machinery £	Motor Vehicles £	Freehold Land £	Total £
Cost or valuation						
At 1 July 2010	510,000	200,724	572,059	739,247	7,676	2,029,706
Additions	–	–	98,480	323,632	–	422,112
Disposals	–	–	(90,375)	(269,781)	–	(360,156)
At 30 June 2011	510,000	200,724	580,164	793,098	7,676	2,091,662
Depreciation						
At 1 July 2010	–	200,724	498,410	335,220	–	1,034,354
Charge for the year	–	–	39,138	199,362	–	238,500
On disposals	–	–	(87,375)	(223,964)	–	(311,339)
At 30 June 2011	–	200,724	450,173	310,618	–	961,515
Net book value						
At 30 June 2011	510,000	–	129,991	482,480	7,676	1,130,147
At 30 June 2010	510,000	–	73,649	404,027	7,676	995,352

A revaluation of the Freehold Investment Land and Buildings at Carmarthen was carried on 11 January 2005 by John Francis, Chartered Surveyors, based on open market value. An updated report was prepared which showed no material change and the directors are not aware of any further change since this date, therefore the valuation has not been updated.

There were no future capital commitments at 30 June 2011 (2010 - £Nil).

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

12 TANGIBLE FIXED ASSETS *(continued)*

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

	2011 £	2010 £
Net book value at end of year	<u>510,000</u>	<u>510,000</u>
Historical cost	<u>172,631</u>	<u>172,631</u>
Depreciation:		
At 1 July 2010	<u>50,497</u>	<u>50,497</u>
At 30 June 2011	<u>50,497</u>	<u>50,497</u>
Net historical cost value:		
At 30 June 2011	<u>122,134</u>	<u>122,134</u>
At 1 July 2010	<u>122,134</u>	<u>122,134</u>

Hire purchase agreements

Included within the net book value of £1,130,147 is £65,223 (2010 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £7,247 (2010 - £Nil).

13 STOCKS

	2011 £	2010 £
Goods for resale	<u>887,660</u>	<u>579,600</u>

14 DEBTORS

	2011 £	2010 £
Trade debtors	25,544,954	18,368,232
Other debtors	50,248	46,977
Prepayments and accrued income	41,103	48,655
	<u>25,636,305</u>	<u>18,463,864</u>

Trade debtors includes £Nil (before bad debt provision) (2010 - £18,437,839) which secures invoice financing.

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

15 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Bank overdrafts	301,963	907,600
Trade creditors	14,182,931	8,759,404
Corporation tax	313,357	354,933
PAYE and social security	136,945	117,718
VAT	232,831	138,040
Obligations under hire purchase agreements	20,547	-
Member bonus - interest	23,110	21,261
Member bonus - trading element	1,100,305	760,036
Accruals and deferred income	373,190	312,215
	<u>16,685,179</u>	<u>11,371,207</u>

Barclays Bank plc hold a debenture over all the assets of the company as security for any overdraft. The aggregate secured liability amounted to £301,963 at 30 June 2011 (2010 - £907,600).

Hire purchase agreements are secured on their related assets.

16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2011	2010
	£	£
Amounts payable within 1 year	<u>20,547</u>	-
	<u>20,547</u>	-

17 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire:		
Within 1 year	26,788	-
Within 2 to 5 years	26,450	82,600
After more than 5 years	-	5,500
	<u>53,238</u>	<u>88,100</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

18 RELATED PARTY TRANSACTIONS

No director had any contract with the company other than (a) a director's service contract, or (b) for the purchase of requisites under terms identical to other customers.

The directors' aggregated purchases from Agricultural Central Trading Limited during the year totalled £464,456 excluding Value Added Tax (2010 - £378,666).

At the year end, the directors aggregated balance outstanding to the company amounted to £37,197 (2010 - £28,012).

During the year, the company advanced a loan of £25,202 to M D Wallbank who served as a director for part of the year. A total interest charge of £1,000 has been made for the life of the loan which will be repaid by December 2012. At 30 June 2011 £13,202 remained outstanding.

There were no other material transactions with related parties.

19 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid:		
1,105,843 (2010 - 1,023,560) Ordinary shares of £1 each	<u>1,105,843</u>	<u>1,023,560</u>

During the year 82,283 ordinary £1 shares were allotted at £2.00/£2.05 per share. The total consideration received by the company was £165,896.

20 SHARE PREMIUM ACCOUNT

	2011 £	2010 £
At 1 July 2010	225,008	147,495
Premium on shares issued in the year	<u>83,613</u>	<u>77,513</u>
At 30 June 2011	<u>308,621</u>	<u>225,008</u>

21 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At the beginning of the year	8,334,679	7,520,543
Profit for the financial year	965,741	835,397
Members bonus – interest on shares	<u>(23,110)</u>	<u>(21,261)</u>
At the end of the year	<u>9,277,310</u>	<u>8,334,679</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	965,741	835,397
New equity share capital subscribed	82,283	84,960
Premium on new share capital subscribed	83,613	77,513
Members' bonus – interest on shares	(23,110)	(21,261)
Net addition to shareholders' funds	<u>1,108,527</u>	<u>976,609</u>
Opening shareholders' funds	9,971,113	8,994,504
Closing shareholders' funds	<u><u>11,079,640</u></u>	<u><u>9,971,113</u></u>

23 CASH FLOWS

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

	2011	2010
	£	£
Operating profit	1,282,481	1,182,257
Amortisation	56,500	56,500
Depreciation	238,500	252,614
Profit on disposal of fixed assets	(64,233)	(14,893)
Increase in stocks	(308,060)	(71,201)
Increase in debtors	(7,172,441)	(2,669,943)
Increase in creditors	5,938,790	1,449,804
Net cash (outflow)/inflow from operating activities	<u>(28,463)</u>	<u>185,138</u>

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

Returns on investment and servicing of finance

	2011	2010
	£	£
Interest received	2,945	20,125
Interest paid	(6,450)	(7,188)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(3,505)</u>	<u>12,937</u>

Taxation

	2011	2010
	£	£
Taxation	<u>(354,811)</u>	<u>(452,864)</u>

Capital expenditure

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(401,565)	(258,628)
Receipts from sale of fixed assets	113,050	83,089
Net cash outflow from capital expenditure	<u>(288,515)</u>	<u>(175,539)</u>

Agricultural Central Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

23 CASH FLOWS *(continued)*

Financing

	2011	2010
	£	£
Issue of equity share capital	82,283	84,960
Share premium on issue of equity share capital	83,613	77,513
Net cash inflow/(outflow) from financing	<u>165,896</u>	<u>162,473</u>

c Analysis of net debt

	At 1 Jul 2010	Cash flows	Non cash flows	At 30 Jun 2011
	£	£	£	£
Cash in hand and at bank	1,247,004	(1,136,297)	-	110,707
Overdrafts	(907,600)	605,637	-	(301,963)
	<u>339,404</u>	<u>(530,660)</u>	<u>-</u>	<u>(191,256)</u>
Hire purchase agreements	-	-	(20,547)	(20,547)
Total	<u>339,404</u>	<u>(530,660)</u>	<u>(20,547)</u>	<u>(211,803)</u>

24 CO-OPERATIVE STATUS

The company continues to satisfy the requirements of the Department for Environment, Food and Rural Affairs regarding the volume of sales to members.