



Annual Report and Accounts

YEAR END 2015

www.anmgroup.co.uk

ANM
GROUP
ESTABLISHED 1872



ANM GROUP

ESTABLISHED 1872

ANM Group is the recognised leader in quality, service and professionalism in its chosen market places

LIVESTOCK MARKETING

Aberdeen & Northern Marts
Direct Marketing Services

ESTATES AGENCY SERVICES AND VALUATIONS

Aberdeen & Northern
(Estates) Limited

SPECIALIST AUCTION SERVICES

Thainstone Specialist Auctions

CATERING SERVICES

Highland Cuisine
Porterhouse Restaurant
TC's

EVENT MANAGEMENT

Thainstone Centre Events
Thainstone Exchange

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ANM GROUP COMPANIES



The Board is clear its responsibility remains to keep the Group moving forward to a financially sustainable future



PAT J.
MACHRAY
OBE CA
CHAIRMAN

This is my first report as Chairman of ANM Group and I want to record it is an honour to serve as Chairman.

Agriculture and consequently our members are not without difficulties in the current climate, therefore it will come as no surprise that this has also been a difficult year for the Group's results. Livestock numbers remain a challenge, along with price volatility and the impact of the broader economy, the Group has definitely been affected. Having said that, we have recorded a trading surplus and the Group still remains strong.

With regard to our results, a particular mention to our Estates team which has performed really well in the last year and also to Thainstone Events for a big improvement in performance. The main teams within Mart and TSA have also to be commended for delivering positive results in a very difficult trading climate.

Over the last year, our Executive Management Team has put in a tremendous amount of work to achieve the results displayed in this report with efforts made to cut costs considerably during the course of the year. Significant savings have been identified and we will see most of these come to fruition in 2016. These savings are a result of the Board and the Executive Management Team carrying out a complete review of core operations and running costs and identifying where savings could be made. During the course of the year, solar panels were installed at Thainstone and along with the bio mass boiler, this should contribute towards reducing our running costs and also add to our income.

The Board is clear its responsibility remains to keep the Group moving forward to a financially sustainable future. As a result, a significant amount of focus is around the property side of the business to aid us in that regard for the long term.

We are also well aware that the new Common Agricultural Policy (CAP) reforms are now with us and it is disappointing so many people have found financial difficulties both in cash flow and reduction in support. The Group has assisted by being able to support a number of our members by increasing funds available for the stock on

agreement during the course of the year. This clearly is part of our role as a farmers' co-op.

With an increased number of current members offering loans, we have been able to accept these applications and slightly enhance their return on investment, whilst also saving the Group some bank interest.

We continue to look after and invest in our premises - including all of the machinery, plant and IT infrastructure and equipment - to ensure that it is well maintained and functional for the longer term. This is a key part of our strategy to ensure we remain fit for purpose and embrace the technological age.

Turning to Maverston, we have made some progress during the year with a number of sites sold and indeed a number of houses now built. With that in mind, Maverston continues to be a challenge to recover our initial investment; however, we do now have some momentum which can only be positive in the long term. We don't expect any major returns from this venture but do hope to recoup significant funds in due course.

It is important at this time to recognise the recent sad loss of Ian Galloway, CBE of Scotbeef to the industry. Our thoughts are with his family at this time and the Group wishes to place on record its thanks for Ian's considerable contribution to ANM over the years and his input to the successful joint venture with Scotbeef Inverurie Limited.

Finally, I want to place on record my thanks to the entire Board of Directors - and in particular my Vice Chairman Pete Watson - for all their efforts during the course of last year. I would also like to record my thanks to the previous Chairman John McIntosh, and the retiring member from last year John Gordon, whose contributions have already been recognised by the Group.

The staff and Executive Team never cease to amaze me with their enthusiasm for the members and customers, both buyers and sellers, as was showcased recently through the BBC 'The Mart' documentary - a huge thank you to everyone for all of their efforts.

I would encourage all of you to take an interest in the future of the Group and would be delighted to see you at the AGM to hear the various reports from the Executive Management Team. The Board will be on hand to give you an indication as to how the Group will move forward into the future, despite difficulties with livestock numbers, prices and volatility. The Board remains committed to ensuring that ANM is fit for all the challenges well into the future.

ANM Group is one of the UK's largest farmer-owned agri-businesses, playing a major role in Scotland's agricultural economy

The directors submit their report and accounts for the year ended 31 December 2015.

The principal activity of the Society is the operation of livestock auction marts throughout the North-East of Scotland. The Society's wholly owned subsidiaries during 2015 were:-

- (i) **Aberdeen & Northern (Estates) Limited**, which trades as an estate agency.
- (ii) **Highland Cuisine Limited**, which is a catering company.
- (iii) **Thainstone Leasing Company Limited**, which is a vehicle sales and leasing company.
- (iv) **Scotch Premier Meat Limited, YPM 2012 Limited and Taste of Grampian Limited**, which are non-trading companies.

RESULTS AND DISTRIBUTION TO MEMBERS

The results for the year are detailed in the attached accounts.

The directors propose that a trading bonus is paid and that a dividend of 2.5% is paid on share capital.

The trading profit for the year amounts to £354,000.

The directors of the Society as at 31 December 2015 were: P.J. Machray; P.Watson; P.J. Chapman; J.S. Cruickshank; J.I. Farquharson; D.A.S. Green; J.F. Gregor; T.C. Johnston; M. Macaulay and G.R.W. Rogerson.

In terms of the Society's Rules, J.S. Cruickshank and P.J. Machray retire as directors at the Annual General Meeting and both are eligible for reelection.

J.S. Cruickshank and P.J. Machray being the only candidates nominated for election to the Board, are in terms of the Rules, duly reelected.

AUDITOR

The auditor, Williamson & Dunn, retires at this time and a resolution proposing their reappointment will be submitted to the Annual General Meeting.

By order of the Directors
LC Secretaries Limited
Secretary
ANM Group Ltd
Thainstone Centre
Inverurie AB51 5XZ

BANKERS

Clydesdale Bank P.L.C.
Thainstone Branch and Branches

REGISTERED OFFICE

Thainstone Centre
Inverurie AB51 5XZ
Incorporated under the Industrial
Provident Societies Acts
No 1231 R(S)

AUDITOR

Williamson & Dunn, Aberdeen
Chartered Accountants and Statutory Auditors



PAT MACHRAY OBE CA
CHAIRMAN



PETER WATSON
VICE-CHAIRMAN



PETER CHAPMAN
DIRECTOR



JIM CRUICKSHANK
OBE
DIRECTOR



JOHN FARQUHARSON
DIRECTOR

CURRENT DIRECTORS

CHAIRMAN

P.J. MACHRAY OBE CA

VICE-CHAIRMAN

P. WATSON

P. J. CHAPMAN

J. S. CRUICKSHANK OBE

J. I. FARQUHARSON

D. A. S. GREEN

J. F. GREGOR

T. C. JOHNSTON

M. MACAULAY

G. R. W. ROGERSON



DAVID GREEN
DIRECTOR



JOHN GREGOR
EXECUTIVE DIRECTOR



TOM JOHNSTON
DIRECTOR



MIKE MACAULAY
DIRECTOR



GRANT ROGERSON
EXECUTIVE DIRECTOR

OFFICIALS

SECRETARY
LC Secretaries Limited

GROUP ACCOUNTANT
A. Green

LIVESTOCK
AUCTION DIVISION
J.F. Gregor (Executive Director)

GROUP EXECUTIVE
SUPPORT MANAGER
A. McLeod

SPECIALIST
AUCTION DIVISION
G.R.W. Rogerson (Executive Director)

GROUP COMMUNICATIONS
MANAGER
M. Wibrew

Overall, I am very pleased with the efforts, commitment and performance demonstrated by our teams during the course of the year



John Gregor
EXECUTIVE DIRECTOR

ABERDEEN & NORTHERN MARTS

HIGHLAND CUISINE/ THAINSTONE EVENTS

THAINSTONE EXCHANGE

It has been a challenging year for our core division, Aberdeen & Northern Marts and the agricultural sector overall.

We saw considerable caution in the marketplace led by a difficult autumn, falling livestock and cereal prices and the uncertainty surrounding reduced subsidy payments as a result of the reformed Common Agricultural Policy (CAP). The highly-anticipated impact of delayed payments and bridging potential gaps – which has clearly come to fruition – was a looming threat resulting in immense cash-flow pressures on the Scottish agricultural industry as a whole.

Whilst the overall number of cattle and sheep traded was marginally down by 1.8%, the impact on the total value of livestock sold was a drop of almost £5 million to £105 million during 2015. Livestock prices in the autumn fell with store lambs trading at £5-£10 less than the previous year; whilst store cattle was running £100 less per head in comparison in the run up to year end.

Following this tough year for farming, which directly impacted on our results, we have taken action to ensure cost reduction and efficiency is at the top of our agenda. Across the board, we aimed to significantly reduce costs in our business operations including the investment in renewables (LED lighting, solar panels and biomass boiler) resulting in lower energy bills. This move was also made to ensure we remain a leading livestock auction centre and 'agri-hub' for the North and North-East of Scotland and are fit for the future. We are also hopeful that we are nearing conclusion with our rates appeal and will report further on this at the AGM. As many of you will know this has been a long haul.

To support the sector, we also extended our flexible livestock finance scheme to a cap of £8 million and continued to extend the new entrant's scheme to encourage new farmers into the industry. The new entrant's scheme, now in its third year, has so far loaned over £400,000 to 18 participants and also provides advice to those making a start in the industry. These schemes, offered as a benefit for members, are an ideal way for the Group to support the next generation of farmers and help strengthen the future of the industry. We also continue to deliver a programme of events for our young farmers through Overwintering competitions, cattle dressing or mock auctions and sections at our Christmas Classic and 'Rising Stars' Exhibition Calf Show.

As a co-operative, we fully understand our responsibility to ensure our members' and customers' interests are represented at a local and national level. Our role as a strong and proactive voice is even more important in the context of the difficulties now being faced by our members, and the farming industry as whole. We will continue to represent the sector at stakeholder

level on issues such as changing processor specifications around cattle moves, Beef 2020, the Beef Efficiency Scheme and the BVD Eradication programme. We also plan to be fully involved in the research project planned by the Institute of Auctioneers and Appraisers in Scotland (IAAS) and ScotEID to trial and develop the data management and electronic identification tagging for the recording of cattle movements in Scotland.

To ensure our business is sustainable for the future, we have made some staff changes, including the senior promotion of Alan Hutcheon to Auction Operations Manager. Alan's new position reflects his success over the last 36 years and includes a key role to develop and grow the Marts division, manage the team of auctioneers and canvassers, maintain strong links with our customers and seek out new business opportunities.

In addition, we have recently recruited two new young trainee auctioneers, Scott Chapman and Tommy Fairbairn, as we continue to invest in the next generation of auctioneers. We are also delighted that young auctioneer Stuart Slesser decided to make the move to Caithness Livestock Centre to take up the challenge in the North. During the course of the year, Stuart was awarded the M J Thomson Memorial Prize for being the top student in his year in Scotland which is an accolade to be extremely proud of. Stuart has settled in well at Quoybrae and is making good progress to strengthen links between Caithness and Thainstone.

Our catering and events arm, Thainstone Events, delivered a new and exciting programme in 2015 in addition to the return of ever-popular events for our members, customers and the local community. The festive period saw more than 3,000 guests join us at Thainstone for Christmas party nights and a sell-out success at Hogmanay. We are delighted to report a return to profitability for the division – with new team Graham Fryers and Yvette Harrison at the helm – thanks to a busy year and improvements made to operations and profit margins in the day-to-day business.

During the summer, Porterhouse opened daily for breakfast and lunch complementing our popular evening dining offering and relaunched as Porterhouse Coffee Bar and Restaurant. The new set-up is proving popular with our regular centre visitors and local businesses for sit-in and grab and go Starbucks coffee and a bite to eat with the ease of free parking.

Taste of Grampian, the one-day food and drink festival at Thainstone, celebrated its sixteenth year which was a monumental one in attracting 14,000 visitors, a host of local and celebrity chefs and winning the title of 'Best Festival of the Year 2015' at the Aberdeen City & Shire Tourism Awards. As Chairman of the festival, I am delighted to see the event go from strength to strength with new stakeholders and celebrities each year to make the event fresh and enticing for the crowds.

Overall, I am very pleased with the efforts, commitment and performance demonstrated by our teams during the course of the year. Moving forward, the prospects for the year ahead look promising with many exciting new plans and ventures in the pipeline for 2016. Our priority is to ensure we continue to focus on delivering a professional, quality service with honesty and integrity to all of our members and customers for many years to come.

It is important that the Group constantly looks to improve the way we operate and how we communicate with members, customers and clients



Grant Rogerson

EXECUTIVE
DIRECTOR

THAINSTONE
SPECIALIST
AUCTIONS

ABERDEEN &
NORTHERN
(ESTATES)

MAVERSTON

GROUP
PROPERTY
PORTFOLIO

Over recent years, we are especially mindful of how challenging times have been right across the board in the North and North East of Scotland, particularly in our own sectors. The Group's focus remains firmly fixed on representing and protecting the sector's interests and ensuring the industry, and the co-operative model, is fit for the future.

The rural property market faced a number of significant challenges during the year. Although a more prevalent mood of caution was clear, our Aberdeen & Northern (Estates) Ltd team successfully marketed and sold a large number of farm properties and was able to report strong interest from both sellers and buyers. Increased demand for valuation advice from landowners, tenants and their professional advisers was also evident. These valuation instructions are sought for a broad range of purposes taxation, loans etc. from landowners seeking to maximise value from property assets.

With these results, we announced the promotion of Gervase Topp in recognition of his contribution to the growth of the divisions rural and commercial property services.

For our Thainstone Specialist Auctions (TSA) division, 2015 had a familiar feel as it closely resembled 2014 with a high demand for valuation services but fewer large offsite auction

sales. The trend is that more and more companies are choosing to remarket their surplus equipment through our Saturday collective sales of plant, machinery and equipment – taking place eight times per annum – these were ahead year on year thanks to the combination of directly consigned equipment and inputs from small liquidation and retirement sales. These sales, with an impressive annual throughput of £14.5 million, attract buyers from all over Europe and continue to heavily influence the Group as a whole.

The majority of offsite sales conducted by the team were held in the central belt with consignments from liquidators and administrators forming the large part of the equipment sold. Professional services remain a large part of the business and the team is very active in the market across Scotland.

Our twice-weekly vehicle sales continue to be popular with on average 200 lots presented each week from the motor trade, businesses, local authorities, finance houses and private individuals. In May, the team created a new record selling an Audi R8 for £60,000 - the highest price ever achieved at its vehicle auctions.

There has been a good take-up for the ANM Group Member's Vehicle Scheme – offering substantial savings from manufacturers and dealers on new cars and commercial vehicles – so much so we have received interest from an eighth car manufacturer wishing to join the scheme with potentially more to come.

In September, I was delighted to announce the promotion of Mark Barrack from Senior Auctioneer and Valuer to Head of Specialist Auctions. Over his 29-year career, Mark has played a vital role in successfully delivering the growth strategy of the division with its twice-weekly vehicles sales; plant, machinery and equipment sales; insolvency work; and the professional valuations element to what they are today. The promotion recognised the commitment, dedication and talent that Mark brings to the Group.

2015 has again seen considerable time and effort invested into all areas of the Group's property portfolio and good progress continues to be

made. The time spent working on our property is not capitalised so is reflected in the P&L figures. The value of our asset base however continues to grow which will be reflected on our balance sheet in years to come. Our aim is straightforward – to maximise its value. There have been significant developments around the Thainstone Business Park extension with the planning process moving forward, out to tender on the infrastructure process and we are very close to agreeing heads of terms for an eight-acre site. Our site in Dornoch has also seen good progress with the demolition of the old abattoir completed and we are working with two interested parties through the planning process for mixed use development.

2015 saw the completion of the renovation works on Burnside House – our five-bedroomed guest house – within a desirable location close to Royal Dornoch Golf Club and open to guests visiting the picturesque town of Dornoch. The house was in a state of disrepair and refurbished not just with the aim of looking for new revenue streams but also to offer additional benefits to our members who can stay at preferential rates. We have received excellent feedback from early visitors to the house since it opened.

Thainstone Centre continues to undergo improvements through a planned preventative maintenance (PPM) schedule to maintain it as the best multi-purpose auction venue in the country. We want to make sure it is fit for future generations and a hub for our customers and members to socialise, network, shop and trade and I believe we have delivered this through our facilities and tenants on-site covering agricultural supplies, animal feed and banking, property and professional services. The number of lease renewals in 2015 is a testament to the fact that our tenants have chosen to stay with us and support the Centre.

The team at Maverston continues to receive excellent feedback for its high standards and customer care and have made Maverston Golf Course amongst the best in the area in a very short space of time. The golf course is vital to bring in traffic to the Maverston Highland Estate and attract interest in the available sites from potential purchasers. Since its opening in 2014, nine plots have been sold and we have interest in many of the plots that border the Golf Course. We need to maximise the existing infrastructure so we were delighted when we were granted planning permission for the development of 16 houses within the steading area, it means we can keep momentum going.

Year two at Maverston – our first full year of trading – brought the summer launch of the new nine-hole course and an uptake of 54 winter memberships, bringing our membership total to 270. As the Club Manager, Sean Blacklaw's role includes increasing footfall to the course, I am delighted to report that he has successfully increased the number of competitions by 135% to 54 and will deliver 31 events as part of the 2016 programme on offer to our members and visitors.

It is important that the Group constantly looks to improve the way we operate and how we communicate with members, customers and clients – and a modern IT system is key to achieving this. The Board continues to support investment in our IT provision, which now plays a huge part in everyone's lives. We're making steady progress updating hardware, as well as data back-up and recovery. We are also well underway with the implementation of our new webcams for live sale broadcasts and the development of our new websites – launching the new Group, Marts and Estates dedicated sites recently. The websites remain a work in progress and we welcome your feedback to ensure this is an effective tool for us to communicate and share information with you all on a regular basis.

Finally, all of this could not be achieved without the dedication and commitment of our people here at the ANM Group. I would like to record my thanks to our staff, Executive Team and Board of Directors for their support and efforts over the course of the year. I look forward to working with you all in the future to progress our shared vision for the Group whilst continuing to maximise value for our members and customers.



Consolidated profit and loss account for year ended 31 December 2015

	NOTES	2015 £'000	2014 £'000
THROUGHPUT	3	123,503	129,706
TURNOVER	3	8,365	8,503
OPERATING PROFIT		115	503
Interest receivable and similar charges		558	520
Interest payable and similar charges		(319)	(341)
TRADING PROFIT	4	354	682
Investment property revaluations		(72)	-
Release of provisions		50	27
Gain/(loss) on fixed assets		18	521
Defined benefit pension scheme	5	(285)	(151)
Interest on share capital - at 2.5% (2014 – 2.5%)	7	(150)	(111)
Trading bonus		(39)	(68)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES		(124)	900
Taxation on (loss)/profit for year	8	(3)	(167)
Deferred tax movement on defined benefit pension scheme deficit		(195)	824
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(322)	1,557
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(322)	1,557
OTHER COMPREHENSIVE INCOME			
Remeasurements of net defined benefit obligation		382	(4,584)
Deferred tax relating to revaluation reserve		13	12
Prior year adjustment		-	(58)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		395	(4,630)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		73	(3,073)

Consolidated statement of financial position as at 31 December 2015

	NOTES	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	21,674	21,823
Investment properties	10	5,460	4,988
Investments	11	832	879
		<u>27,966</u>	<u>27,690</u>
CURRENT ASSETS			
Stocks and work in progress		85	88
Livestock		7,871	7,061
Debtors	12	5,069	5,980
Cash in hand		50	35
		<u>13,075</u>	<u>13,164</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft		2,920	3,438
Creditors	13	2,297	2,530
Members loans		7,024	6,430
		<u>(12,241)</u>	<u>(12,398)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>834</u>	<u>766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,800</u>	<u>28,456</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
Creditors	14	-	14
Members loans		1,855	1,711
		<u>(1,855)</u>	<u>(1,725)</u>
PROVISIONS		<u>26,945</u>	<u>26,731</u>
Deferred tax	15	(469)	(488)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT		<u>26,476</u>	<u>26,243</u>
Defined benefit pension scheme deficit	16	(5,575)	(5,976)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT		<u>20,901</u>	<u>20,267</u>
CAPITAL AND RESERVES			
Called up share capital	17	5,127	4,566
Capital reserves	18	10,505	10,492
Profit and loss account	18	10,844	11,185
		<u>26,476</u>	<u>26,243</u>
Defined benefit pension scheme deficit	18	(5,575)	(5,976)
	19	<u>20,901</u>	<u>20,267</u>

Approved by the directors on 8 March 2016
Signed on behalf of the Board of Directors

P J MACHRAY, OBE CA, Chairman

P WATSON, Vice-Chairman

LC Secretaries Limited, Secretary

Society statement of financial position as at 31 December 2015

	NOTES	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	21,295	21,518
Investment properties	10	5,460	4,988
Investments	11	882	929
		<u>27,637</u>	<u>27,435</u>
CURRENT ASSETS			
Stocks and work in progress		60	66
Livestock		7,871	7,061
Debtors	12	4,960	6,050
Cash in hand		50	26
		<u>12,941</u>	<u>13,203</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft		3,391	4,172
Creditors	13	1,855	2,159
Members loans		7,024	6,430
		<u>(12,270)</u>	<u>(12,761)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>671</u>	<u>442</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,308</u>	<u>27,877</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
Creditors	14	-	14
Members loans		1,855	1,711
		<u>(1,855)</u>	<u>(1,725)</u>
PROVISIONS		<u>26,453</u>	<u>26,152</u>
Deferred tax	15	(475)	(488)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT		<u>25,978</u>	<u>25,664</u>
Defined benefit pension scheme deficit	16	(5,575)	(5,976)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT		<u>20,403</u>	<u>19,688</u>
CAPITAL AND RESERVES			
Called up share capital	17	5,127	4,566
Capital reserves	18	10,505	10,492
Profit and loss account	18	10,346	10,606
		<u>25,978</u>	<u>25,664</u>
Defined benefit pension scheme deficit	18	(5,575)	(5,976)
	19	<u>20,403</u>	<u>19,688</u>

Approved by the directors on 8 March 2016
Signed on behalf of the Board of Directors

Consolidated statement of changes in equity as at 31 December 2015

	Called up share capital £'000	Capital reserves £'000	Profit and loss account £'000	Other revenue reserve £'000	Defined benefit pension scheme deficit £'000	Total £'000
Balance as at 1 January 2014	4,389	11,141	7,022	3,175	(2,564)	23,163
Profit/(loss) for the year	-	(186)	571	-	1,172	1,557
Other comprehensive income for the year	-	12	-	-	(4,584)	(4,572)
Prior year adjustment	-	-	(58)	-	-	(58)
Total comprehensive income for the year	-	(174)	513	-	(3,412)	(3,073)
Issue of shares	173	-	-	-	-	173
Dividends retained to credit of share capital	4	-	-	-	-	4
Surplus on revaluation now realised	-	(475)	-	475	-	-
Transfer	-	-	3,650	(3,650)	-	-
Total transactions with owners recognised directly in equity	177	(475)	3,650	(3,175)	-	177
Balance at 31 December 2014	4,566	10,492	11,185	-	(5,976)	20,267
Profit/(loss) for the year	-	-	(322)	-	-	(322)
Other comprehensive income for the year	-	13	(19)	-	401	395
Total comprehensive income for the year	-	13	(341)	-	401	73
Issue of shares	556	-	-	-	-	556
Dividends retained to credit of share capital	5	-	-	-	-	5
Total transactions with owners recognised directly in equity	561	-	-	-	-	561
Balance as at 31 December 2015	5,127	10,505	10,844	-	(5,575)	20,901

Society statement of changes in equity as at 31 December 2015

	Called up share capital £'000	Capital reserves £'000	Profit and loss account £'000	Other revenue reserve £'000	Defined benefit pension scheme deficit £'000	Total £'000
Balance as at 1 January 2014	4,389	11,141	5,945	3,783	(2,564)	22,694
Profit/(loss) for the year	-	(186)	437	-	1,172	1,423
Other comprehensive income for the year	-	12	-	-	(4,584)	(4,572)
Prior year adjustment	-	-	(34)	-	-	(34)
Total comprehensive income for the year	-	(174)	403	-	(3,412)	(3,183)
Issue of shares	173	-	-	-	-	173
Dividends retained to credit of share capital	4	-	-	-	-	4
Surplus on revaluation now realised	-	(475)	-	475	-	-
Transfer	-	-	4,258	(4,258)	-	-
Total transactions with owners recognised directly in equity	177	(475)	4,258	(3,783)	-	177
Balance at 31 December 2014	4,566	10,492	10,606	-	(5,976)	19,688
Profit/(loss) for the year	-	-	(241)	-	-	(241)
Other comprehensive income for the year	-	13	(19)	-	401	395
Total comprehensive income for the year	-	13	(260)	-	401	154
Issue of shares	556	-	-	-	-	556
Dividends retained to credit of share capital	5	-	-	-	-	5
Total transactions with owners recognised directly in equity	561	-	-	-	-	561
Balance as at 31 December 2015	5,127	10,505	10,346	-	(5,575)	20,403

Consolidated statement of cash flows for year ended 31 December 2015

	NOTES	2015 £'000	2014 £'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			
	(a)	873	(542)
Taxation repaid/(paid)		12	(57)
		<u>885</u>	<u>(599)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net (expenditure on)/sale of tangible fixed assets		(1,086)	(73)
(Purchase) of investment properties		-	(67)
Disposal/(purchase) of trade investments		47	(162)
Interest receivable		558	520
		<u>(481)</u>	<u>218</u>
NET CASH (USED IN)/FROM INVESTING ACTIVITIES			
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on share capital		(113)	(108)
Increase in share capital		561	177
Interest payable		(319)	(341)
		<u>129</u>	<u>(272)</u>
NET CASH FROM/(USED IN) FINANCING ACTIVITIES			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		533	(653)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(3,403)	(2,750)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(b)	<u>(2,870)</u>	<u>(3,403)</u>

Consolidated statement of cash flows for year ended 31 December 2015

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

	2015 £'000	2014 £'000
Note (a)		
RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS		
Operating profit	115	503
Exceptional pension contribution	(499)	(499)
Release of provisions	50	27
Prior year adjustments	-	(58)
Depreciation	711	519
Gain on sale of fixed assets, other than property	(2)	(30)
Trading bonus provision	(39)	(68)
Working capital movements -		
(Increase) in stocks, work in progress and livestock	(807)	(335)
(Increase)/decrease in debtors	899	(998)
Increase/(decrease) in creditors	445	397
	<u>873</u>	<u>(542)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Note (b)		
CASH AND CASH EQUIVALENTS CONSISTS OF -		
Cash in hand	50	35
Bank overdraft	(2,920)	(3,438)
	<u>(2,870)</u>	<u>(3,403)</u>

Notes on accounts for year ended 31 December 2015

I ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The accounts are prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The particular accounting policies adopted are described below.

(a) BASIS OF PREPARATION

These accounts have been prepared under the historical cost convention, modified to include the revaluation of fixed assets.

The accounts are prepared in sterling, which is the functional currency of the entity.

(b) BASIS OF CONSOLIDATION

The Group accounts consolidate the accounts of ANM Group Limited with those of its subsidiaries for the year ended 31 December 2015, using the acquisition method of accounting. Details of the subsidiaries are shown in Note 11.

(c) GOING CONCERN

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, included an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Group maintains an appropriate level of liquidity, sufficient to meet the demands of the business.

In addition, the Group's assets are assessed for recoverability on a regular basis, and the directors consider that the Group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Group's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

(d) TRANSITION TO FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance are given in note 22.

(e) REVENUE RECOGNITION

Turnover is based on the invoiced value of sales and commission excluding VAT.

(f) TANGIBLE FIXED ASSETS

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

(g) DEPRECIATION

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

No depreciation is provided on freehold land. Freehold buildings are depreciated over their useful lives which range from 30 to 67 years. Other fixed assets are depreciated on the straight-line method over expected useful lives as follows:-

Equipment, fittings etc.	3 - 10 years
Motor vehicles	3 - 5 years

Notes on accounts for year ended 31 December 2015

I ACCOUNTING POLICIES (Continued)

(h) IMPAIRMENT OF FIXED ASSETS

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(i) INVESTMENT PROPERTY

Land and buildings are classified as investment properties when they are held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost which comprises purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value at each reporting date with changes in fair value recognised in profit or loss. Revaluations are carried out by a professional qualified valuer.

(j) STOCKS, WORK IN PROGRESS AND LIVESTOCK

Stocks, work in progress and livestock are valued at the lower of cost and net realisable value.

(k) TAXATION

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

(l) GRANTS RECEIVED

Grants received in respect of capital expenditure are deducted from the cost of the relevant assets. Revenue grants are released to profit over the life of the project to which they relate.

(m) LEASES AND HIRE PURCHASE CONTRACTS

Assets held under finance leases and hire purchase contracts are capitalised as fixed assets and depreciated in the normal way. Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Notes on accounts for year ended 31 December 2015

1 ACCOUNTING POLICIES (Continued)

(n) PENSIONS

The Group operates a defined contribution pension scheme. Payments to the defined contribution scheme are charged to the profit and loss account. The Group also operates a defined benefit scheme for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method and reviewed annually by independent actuaries. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments. Service costs are charged to profit or loss so as to spread the costs over the service lives of employees. Net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate, as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is charged to profit or loss in the period. Remeasurements of the net defined benefit liability are charged through other comprehensive income in the period in which they occur. Remeasurement of the net defined benefit liability recognised in other comprehensive income is not reclassified to profit or loss in a subsequent period. Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability. For reasons of clarity, all adjustments to the profit and loss account and hence revenue reserves in respect of FRS 102 have been separately disclosed.

(o) INVESTMENTS

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

(p) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions.

(q) 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 Group after deducting all of its liabilities. Details of all financial assets and liabilities are dealt with in the accounts at carrying values equating to fair value. All credit, liquidity and currency risks associated with financial instruments are continuously reviewed to ensure the Group's exposure is minimised.

(r) INTEREST RECEIVABLE AND SIMILAR CHARGES

Interest receivable on livestock agreements has been accounted for in the year on an accruals basis to match the accounting treatment of interest payable and similar charges.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including, life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Notes on accounts for year ended 31 December 2015

3 TURNOVER AND THROUGHPUT

Turnover and throughput were contributed as follows. All sales between Group companies have been fully eliminated on consolidation.

	2015 £'000	2014 £'000
TURNOVER		
Parent Society -		
Commission from sales of livestock and other goods	4,876	5,181
Direct sales – fees for valuations and other services rendered and income from farming activities	1,461	1,545
Aberdeen & Northern (Estates) Limited -		
Rendering of services	636	539
Highland Cuisine Limited -		
Direct sales – sales from the supply of catering services	1,137	1,166
Thainstone Leasing Company Limited -		
Direct sales – from the sale of motor vehicles	255	72
	<u>8,365</u>	<u>8,503</u>

Notes on accounts for year ended 31 December 2015

3 TURNOVER AND THROUGHPUT (Continued)

	2015 £'000	2014 £'000
THROUGHPUT		
Parent Society -		
Value of livestock and other goods sold on commission	120,014	126,384
Direct sales	1,461	1,545
Aberdeen & Northern (Estates) Limited -		
Rendering of services	636	539
Direct sales -		
Total value of direct sales by other Group companies	1,392	1,238
	<u>123,503</u>	<u>129,706</u>

4 TRADING PROFIT/(LOSS)

Group trading profit/(loss) was contributed as follows:-

Parent Society	135	512
Aberdeen & Northern (Estates) Limited	173	168
Highland Cuisine Limited	7	(33)
Thainstone Leasing Co. Ltd.	39	35
	<u>354</u>	<u>682</u>
Group trading profit is arrived at after charging/(crediting):-		
Depreciation of tangible fixed assets	711	519
Gain on sale of fixed assets other than property	(2)	(30)
Directors' emoluments for services	51	47
Auditor's remuneration	38	37
	<u>798</u>	<u>573</u>

Notes on accounts for year ended 31 December 2015

5 DEFINED BENEFIT PENSION SCHEME BEFORE TAXATION

	2015 £'000	2014 £'000
The charge to profit and loss for the year is:		
- Service cost	-	-
- Net interest expense	(285)	(151)
	<u>(285)</u>	<u>(151)</u>

6 STAFF NUMBERS AND COSTS

The average number of persons employed (including part-time staff) by the Group during the year was

	2015	2014
	No.	No.
	<u>203</u>	<u>203</u>
	£'000	£'000
Wages and salaries	3,811	3,681
National insurance	360	341
Other pension costs - defined contribution scheme	135	121
	<u>4,306</u>	<u>4,143</u>

7 INTEREST ON SHARE CAPITAL

The interest relates to the 15 month period to 31 March 2016. Going forward, interest will be paid for the 12 month period April through to March.

Notes on accounts for year ended 31 December 2015

8 TAXATION

	2015 £'000	2014 £'000
The taxation charge/(credit) which is based on the results of the year is made up as follows:-		
Corporation tax	-	-
Adjustments in respect of previous periods	(7)	(24)
	<u>(7)</u>	<u>(24)</u>
Transfer to/(from) deferred taxation	10	5
Deferred tax relating to revaluation reserve	-	186
	<u>10</u>	<u>191</u>
	<u>3</u>	<u>167</u>
Factors affecting current tax charge -		
(Loss)/Profit on ordinary activities before taxation	<u>(124)</u>	<u>900</u>
(Loss)/Profit on ordinary activities at 20.25% (2014-21.49%)	(25)	193
Expenses not deductible for tax purposes	27	6
Capital allowances in excess of depreciation	(5)	(67)
Surplus on disposal of property	(4)	(112)
Short term timing differences	(36)	(29)
Tax losses unutilised	96	101
Defined benefit pension	(43)	(74)
Prior year adjustment	-	(13)
Adjustment to tax charge in respect of previous periods	(7)	(24)
Deferred tax relating to revaluation reserve	-	186
	<u>3</u>	<u>167</u>

Notes on accounts for year ended 31 December 2015

9 TANGIBLE FIXED ASSETS

	£'000 At 31.12.14	£'000 Additions	£'000 Disposals	£'000 Transfers	£'000 At 31.12.15
THE GROUP					
Cost or valuation:					
Freehold properties	20,520	574	-	(547)	20,547
Equipment, fittings etc.	3,682	489	(50)	-	4,121
Motor vehicles	646	55	(32)	-	669
	<u>24,848</u>	<u>1,118</u>	<u>(82)</u>	<u>(547)</u>	<u>25,337</u>
	At 31.12.14	Charge for Year	On Disposals	On Transfers	At 31.12.15
Depreciation:					
Freehold properties	337	165	-	(3)	499
Equipment, fittings etc.	2,458	421	(44)	-	2,835
Motor vehicles	230	125	(26)	-	329
	<u>3,025</u>	<u>711</u>	<u>(70)</u>	<u>(3)</u>	<u>3,663</u>
Net book value	<u>21,823</u>				<u>21,674</u>
	At 31.12.14	Charge for Year	On Disposals	On Transfers	At 31.12.15
PARENT SOCIETY					
Cost or valuation:					
Freehold properties	20,520	574	-	(547)	20,547
Equipment, fittings etc.	3,376	322	(20)	-	3,678
Motor vehicles	113	-	(3)	-	110
	<u>24,009</u>	<u>896</u>	<u>(23)</u>	<u>(547)</u>	<u>24,335</u>
	At 31.12.14	Charge for Year	On Disposals	On Transfers	At 31.12.15
Depreciation:					
Freehold properties	337	165	-	(3)	499
Equipment, fittings etc.	2,086	388	(15)	-	2,459
Motor vehicles	68	16	(2)	-	82
	<u>2,491</u>	<u>569</u>	<u>(17)</u>	<u>(3)</u>	<u>3,040</u>
Net book value	<u>21,518</u>				<u>21,295</u>

Notes on accounts for year ended 31 December 2015

9 TANGIBLE FIXED ASSETS (Continued)

Note - The cost or valuation figures at 31 December 2015 are arrived at as follows:-

	Group £'000	Parent Society £'000
Freehold properties –		
Valuation at 31 October 2012	18,033	18,033
Subsequent additions at cost	2,514	2,514
	<u>20,547</u>	<u>20,547</u>

Freehold properties were revalued in 2012 by independent Chartered Surveyors on the basis of open market value for existing use.

	Group		Parent Society	
10 INVESTMENT PROPERTIES	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At 31 December 2014	4,988	4,921	4,988	4,921
Additions in year	-	67	-	67
Transferred from fixed assets at valuation	544	-	544	-
Revaluations in year	(72)	-	(72)	-
At 31 December 2015	<u>5,460</u>	<u>4,988</u>	<u>5,460</u>	<u>4,988</u>

The investment properties were revalued in 2015 by independent Chartered Surveyors on the basis of current market value, subject to existing tenancies.

Notes on accounts for year ended 31 December 2015

11 INVESTMENTS

NOTES	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Subsidiary undertakings – at cost (a)	-	-	50	50
Associated undertakings and trade investments – at cost (b)	832	879	832	879
	<u>832</u>	<u>879</u>	<u>882</u>	<u>929</u>

All of the above investments are unlisted.

Note:-

(a) Details of the trading subsidiaries are as follows:-

	Country of incorporation	Principal Activity	Percentage of equity shares held	
			Group	Parent Society
Aberdeen & Northern (Estates) Limited	Scotland	Land and estate agents	100%	100%
Highland Cuisine Limited	Scotland	Caterers	100%	100%
Thainstone Leasing Co. Ltd.	Scotland	Vehicle leasing/sales	100%	100%
Taste of Grampian Limited	Scotland		100%	100%

The Parent Society holds 100% of the equity shares, directly and indirectly, in its non trading subsidiaries, Scotch Premier Meat Limited and YPM 2012 Limited. These subsidiaries are incorporated in Scotland and England respectively.

(b) Associated undertakings and trade investments :-

The Parent Society has investments in Scotbeef Inverurie Ltd and Yorkshire Premier Meat Ltd and an interest in Maverston LLP, a limited liability partnership, whose principal activity is property development. The investment in Maverston LLP has been fully written off previously.

Notes on accounts for year ended 31 December 2015

12 DEBTORS

	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade debtors	1,347	1,403	993	1,200
Other debtors	95	944	118	818
Prepayments	334	420	309	403
Current taxation	-	12	47	41
Owed by subsidiary undertakings	-	-	200	387
Owed by associated undertakings	3,293	3,201	3,293	3,201
	<u>5,069</u>	<u>5,980</u>	<u>4,960</u>	<u>6,050</u>

Amounts owed by subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	659	741	565	604
Amount owed to subsidiary undertakings	-	-	10	75
Current taxation	-	-	-	-
PAYE - national insurance and VAT	341	376	254	301
Accruals and deferred income	535	626	535	626
Other creditors	568	579	297	345
Proposed trading bonus	35	68	35	68
Proposed interest on share capital	145	108	145	108
Hire purchase	14	32	14	32
	<u>2,297</u>	<u>2,530</u>	<u>1,855</u>	<u>2,159</u>

Amounts owed to subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Hire purchase	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>
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Notes on accounts for year ended 31 December 2015

15 DEFERRED TAXATION

	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
The accounting policy for deferred taxation is explained in note 1(k). The provision made for deferred taxation is as follows:-				
Provision -				
Accelerated capital allowances	(6)	-	-	-
Other timing differences	-	-	-	-
Movement in revaluation reserve	475	488	475	488
	<u>469</u>	<u>488</u>	<u>475</u>	<u>488</u>

16 PENSION SCHEMES

The Group operates a defined contribution pension scheme.

The defined contribution scheme, which commenced on 1 January 2000, is a Group personal pension plan operating on a defined contribution basis and is available to all Group employees.

The defined benefit scheme, closed to new entrants as of 28 February 1999, provides members with defined benefits based on salary. The benefit promises are funded in advance and the scheme assets are held in a separate trustee administered fund. Contributions to the scheme are assessed in accordance with the advice of a qualified actuary on the basis of triennial valuations using the projected unit method of valuation.

The last triennial valuation was conducted as at 1 January 2013. At this valuation the market value of the scheme's assets amounted to £21.0 million and the actuary determined that this represents 75.0% of the scheme's liabilities.

In accordance with FRS 102 the defined benefit pension scheme is now recognised in the Parent Society accounts as they are the sponsoring entity.

	2015 £'000	2014 £'000
Movement in defined benefit pension scheme deficit during the year		
Deficit at 1 January	(7,565)	(3,329)
Prior year adjustment	-	-
Movement in year:		
- Current service cost	-	-
- Contributions	499	499
- Settlements / curtailments	-	-
- Net interest expense	(285)	(151)
- Actuarial gain/(loss) in Other comprehensive income	382	(4,584)
Deficit at 31 December	<u>(6,969)</u>	<u>(7,565)</u>
Less: Deferred taxation	1,394	1,589
Deficit net of taxation	<u>(5,575)</u>	<u>(5,976)</u>

Notes on accounts for year ended 31 December 2015

16 PENSION SCHEMES (Continued)

	2015 £'000	2014 £'000
Analysis of the amount in Other Comprehensive Income		
Asset return less interest	(459)	372
Experience gains/(losses) on benefit obligation	695	(365)
Effect of assumptions changes on benefit obligation	146	(4,591)
	<u>382</u>	<u>(4,584)</u>
Actuarial gain/(loss) in Other comprehensive income	<u>382</u>	<u>(4,584)</u>
 History of experience gains and losses-		
Difference between the asset return and the interest income	(459)	372
- as % of scheme assets	2%	2%
Experience gains/(losses) on obligation	695	(365)
- as % of obligation	2%	1%
Total amount recognised in Other comprehensive income	382	(4,584)
- as % of obligation	1%	14%

In terms of the requirements of FRS 102, the scheme actuary has reported the following:

The major assumptions used (in nominal terms) -	As at 31.12.15	As at 31.12.14
Pension escalation in payment (limited price indexation)	2.3%-3.7%	2.2%-3.6%
Consumer price inflation (CPI)	2.1%	2.0%
Discount rate	3.9%	3.9%
Retail price inflation (RPI)	3.1%	3.0%
 The mortality assumptions used were as follows -		
Longevity at age 65 for current pensioners:		
- Men	22.3	22.3
- Women	24.6	24.5
Longevity at age 65 for future pensioners:		
- Men	24.1	24.0
- Women	26.5	26.5

Notes on accounts for year ended 31 December 2015

16 PENSION SCHEMES (Continued)

Reconciliation of scheme assets and liabilities -

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2015	24,419	(31,984)	(7,565)
Benefits paid	(2,557)	2,557	-
Employer contributions	499	-	499
Interest income/(expense)	913	(1,198)	(285)
Remeasurement gains/(losses)			
- Actuarial gains/(losses)	-	841	841
- Return on plan assets excluding interest income	(459)	-	(459)
At 31 December 2015	<u>22,815</u>	<u>(29,784)</u>	<u>(6,969)</u>

Total cost recognised as an expense:

Net interest expense

No amounts (2014 – nil) were included in the cost of assets.

The fair value of the plan assets was:

Equities (including property)

Bonds

Cash

Total market value of assets

	2015	2014
Net interest expense	<u>285</u>	<u>151</u>
Equities (including property)	14,122	15,358
Bonds	8,570	8,695
Cash	123	366
Total market value of assets	<u>22,815</u>	<u>24,419</u>

Notes on accounts for year ended 31 December 2015

	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
17 SHARE CAPITAL				
1,301 (2014 – 1,301) cumulative preference shares of £1 each fully paid	1	1	1	1
5,109,228 (2014 – 4,553,616) ordinary shares of £1 each fully paid	5,109	4,554	5,109	4,554
Dividends retained to credit of share capital	17	11	17	11
	<u>5,127</u>	<u>4,566</u>	<u>5,127</u>	<u>4,566</u>

18 RESERVES

Capital Reserves – This reserve consists of property revaluations less the associated deferred tax.

Profit and loss account – This reserve records retained earnings and accumulated losses

Defined benefit pension scheme deficit – This comprises the deficit on the defined benefit contribution scheme.

Notes on accounts for year ended 31 December 2015

19 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Movement for the financial year after taxation	(322)	1,557	(241)	1,423
Remeasurements of net defined benefit obligation	382	(4,584)	382	(4,584)
Share capital issued	561	177	561	177
Deferred tax movement on revaluation reserve	13	12	13	12
Opening shareholders funds at 1 January	20,267	23,163	19,688	22,694
Prior year adjustment	-	(58)	-	(34)
Closing shareholders funds at 31 December	<u>20,901</u>	<u>20,267</u>	<u>20,403</u>	<u>19,688</u>

All of the above funds are attributable to members.

20 CAPITAL COMMITMENTS

	Group		Parent Society	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
The directors have authorised future capital expenditure which amounts to - Contracted for	<u>362</u>	<u>440</u>	<u>362</u>	<u>440</u>

21 RELATED PARTY TRANSACTIONS

In the year to 31 December 2015, in normal arms length transactions, in the ordinary course of business and on normal terms the Group have –

- purchased goods at a total cost of £73,174 (2014 - £92,618) from non-executive directors or their businesses.
- derived commission of £18,924 (2014 - £23,387) from sales of livestock consigned by these directors or their businesses.
- purchased a motor vehicle at open market valuation of £- (2014 - £26,833).
- Sold motor vehicles at open market valuation of £68,250 (2014 - £-).

Notes on accounts for year ended 31 December 2015

22 TRANSITION TO FRS 102

This is the first year that the Group has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

	2014	
	£'000	
Profit/(loss) for the financial year		
UK GAAP - as previously reported	2,201	
Defined benefit pension scheme	(458)	
Deferred tax impact of adjustments		
- Revaluation of tangible fixed assets	(186)	
	<u>1,557</u>	
FRS 102		
Other comprehensive income		
UK GAAP – as previously reported	(5,100)	
Defined benefit pension scheme	458	
Deferred tax impact of adjustments		
- Revaluation of tangible fixed assets	12	
	<u>(4,630)</u>	
FRS 102		
	<u>31 December</u>	<u>1 January</u>
	<u>2014</u>	<u>2014</u>
Total equity		
UK GAAP – as previously reported	20,777	23,499
Defined benefit pension scheme	(28)	(28)
Deferred tax impact of adjustments		
- Defined benefit pension scheme	6	6
- Revaluation of tangible fixed assets	(488)	(314)
	<u>20,267</u>	<u>23,163</u>
FRS 102		

Notes on accounts for year ended 31 December 2015

22 TRANSITION TO FRS 102 (Continued)

Defined benefit scheme

Under previous UK GAAP, the Group recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. The defined benefit liability at 1 January 2014 and 31 December 2014 has also been amended. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 by £458,000 and increase the credit in other comprehensive income by an equivalent amount.

Revaluation of land and buildings

Under previous UK GAAP the Group was not required to provide for taxation on revaluation, unless the Group had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. A deferred tax charge of £314,094 arose on transition to FRS 102. In the year ending 31 December 2014 there is a tax charge arising of £185,518 in the profit and loss account and a credit of £11,766 in other comprehensive income.

Notes on accounts for year ended 31 December 2015

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The directors are required by legislation to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Society and the Group at the end of the financial year and of the profit for that year. They are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the accounts comply with the requirements of the Co-operative and Community Benefit Societies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and prevent and detect fraud and other irregularities.

The directors confirm that suitable accounting policies have been applied consistently, that reasonable and prudent judgements and estimates have been used in the preparation of the accounts, that applicable accounting standards have been followed and that the accounts have been prepared on a going concern basis.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANM GROUP LIMITED

We have audited the foregoing accounts which have been prepared under the historical cost convention (as modified by the revaluation of freehold property) and the accounting policies as set out in note 1 to the accounts.

This report is made solely to the Society's shareholders, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's shareholders 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 Society and the Society's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above, the Society's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' fees and transactions with the Group is not disclosed.

We read the Directors' Report and consider the implications for our report, if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the Group and the Society at 31 December 2015 and of the profit and cash flows for the year ended on that date, have been properly prepared in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014, and the information given in the Report of the Directors is consistent with the accounts.

WILLIAMSON & DUNN

Chartered Accountants and Statutory Auditors
3 West Craibstone Street, Aberdeen, AB11 6YW
8 March 2016

FOR SALE
01467 623800

www.abnregroup.co.uk/estates

**ABERDEEN
&
NORTHERN
ESTATES**



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