

**ALVIS BROTHERS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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# ALVIS BROTHERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Alvis (Senior) M G Alvis J Alvis (as trustee) J Alvis (Junior) P Alvis
<b>Secretary</b>	Mrs P J Alvis
<b>Company number</b>	502230
<b>Registered office</b>	Lye Cross Farm Redhill, Wrington Bristol BS40 5RH
<b>Auditors</b>	Lentells Limited Ash House Cook Way Bindon Road Taunton Somerset TA2 6BJ
<b>Business address</b>	Lye Cross Farm Redhill, Wrington Bristol BS40 5RH
<b>Bankers</b>	HSBC Bank plc 30 High Street Weston-Super-Mare North Somerset BS23 1JE
<b>Solicitors</b>	Bennetts High Street Wrington Bristol BS18 7QB

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# **ALVIS BROTHERS LIMITED**

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# **ALVIS BROTHERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report together with financial statements for the year ended 31 March 2009

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of cheese making. Food grade protein is also extracted from the whey. The remaining permeate is fed to animals and the excess water recycled. Nothing is wasted.

Milk is produced, some of which is sold if not required for cheese. The company also generates income from its other assets, especially land and buildings. The company has a 50% interest in Alvis Contracting, a limited Liability Partnership, specialising in agricultural contracting.

#### **Business review**

The year has proved extremely difficult with the continued recession having a negative effect on most products. Volume of sales has been maintained but only with the help of major promotions and discounts. Investment in the export market is beginning to show rewards, aided by a comparatively weak currency and there are signs of some resurgence in demand in the home market. This possibility is enhanced by the growing awareness that the UK should be actively supporting food security from its sustainable resource as the world demand/supply balance becomes ever more critical.

#### **Principal risks facing the company**

World commodity prices for food have proved extremely volatile and have a direct effect on the domestic market. In such a climate the risks associated in contracting to secure milk supplies for sale 12 to 24 months later as matured cheese are self evident.

#### **Employment and environment**

Significant provision continues to be made to ensure full compliance with employment, environmental, animal welfare and disease control regulations. Significant investment continues to be made in heat recovery systems from refrigeration.

#### **Results and dividends**

The results for the year are set out on page 5.

#### **Directors**

The following directors have held office since 1 April 2010

J Alvis (Senior)  
M G Alvis  
J Alvis (as trustee)  
J Alvis (Junior)  
P Alvis

#### **Auditors**

The auditors, Lentells Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

# ALVIS BROTHERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2011**

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### Statement of directors' responsibilities

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

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

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

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

### Statement of disclosure to auditors

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

On behalf of the board



J Alvis (Senior)

Director

22/8/11

# **ALVIS BROTHERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ALVIS BROTHERS LIMITED**

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We have audited the financial statements of Alvis Brothers Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 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.

# **ALVIS BROTHERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ALVIS BROTHERS LIMITED**

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### **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



**Philip Stallard FCA (Senior Statutory Auditor)  
for and on behalf of Lentells Limited**

*30 August 2011*

**Chartered Accountants  
Statutory Auditor**

Ash House  
Cook Way  
Bindon Road  
Taunton  
Somerset  
TA2 6BJ

# ALVIS BROTHERS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
Turnover	2	20,184,948	17,507,041
Cost of sales		(15,256,470)	(12,862,286)
Gross profit		4,928,478	4,644,755
Distribution costs		(314,118)	(150,586)
Administrative expenses		(4,361,931)	(4,761,948)
Other operating income		117,268	83,507
Operating profit/(loss)	3	369,697	(184,272)
Loss on trade sale of property		(50,000)	-
Profit/(loss) on ordinary activities before interest		319,697	(184,272)
Investment income	4	175,797	171,004
Interest payable and similar charges	5	(272,026)	(239,906)
Profit/(loss) on ordinary activities before taxation		223,468	(253,174)
Tax on profit/(loss) on ordinary activities	6	91,728	40,469
Profit/(loss) for the year	19	315,196	(212,705)

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

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



# ALVIS BROTHERS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Intangible assets	7	22,681		22,702	
Tangible assets	8	7,230,797		6,808,249	
Herd	9	478,910		397,935	
Investments	10	767,187		728,117	
		<u>8,499,575</u>		<u>7,957,003</u>	
<b>Current assets</b>					
Stocks	11	9,081,721	10,053,874		
Debtors	12	2,826,419	2,426,399		
Cash at bank and in hand		1,011	1,036		
		<u>11,909,151</u>	<u>12,481,309</u>		
<b>Creditors: amounts falling due within one year</b>	13	(6,781,608)	(7,037,495)		
<b>Net current assets</b>		<u>5,127,543</u>		<u>5,443,814</u>	
<b>Total assets less current liabilities</b>		<u>13,627,118</u>		<u>13,400,817</u>	
<b>Creditors: amounts falling due after more than one year</b>	14	(6,011,607)	(6,004,620)		
<b>Provisions for liabilities and charges</b>	15				
Deferred tax liability		(63,828)	(156,062)		
<b>Accruals and deferred income</b>	16	(2,430)	(6,078)		
		<u>7,549,253</u>	<u>7,234,057</u>		
<b>Capital and reserves</b>					
Called up share capital	18	30,000	30,000		
Profit and loss account	19	7,519,253	7,204,057		
<b>Shareholders' funds - equity interests</b>	20	<u>7,549,253</u>	<u>7,234,057</u>		

Approved by the Board and authorised for issue on

22-08-2011

*John Alvis*

J Alvis (Senior)  
Director

Company Registration No 502230

# ALVIS BROTHERS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	£	2011 £	£	2010 £
<b>Net cash inflow/(outflow) from operating activities</b>		1,786,677		(2,561,026)
<b>Returns on investments and servicing of finance</b>				
Interest received	175,797		171,004	
Interest paid	(239,903)		(239,906)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(64,106)		(68,902)
<b>Taxation</b>		-		(26,416)
<b>Capital expenditure and financial investment</b>				
Payments to acquire intangible assets	(5,645)		-	
Payments to acquire tangible assets	(1,616,915)		(1,643,483)	
Payments to acquire investments	(175,797)		(171,004)	
Receipts from sales of tangible assets	54,000		62,725	
Receipts from sales of investments	136,727		46,075	
<b>Net cash outflow for capital expenditure</b>		(1,607,630)		(1,705,687)
Sale of freehold property purchased for resale		700,000		-
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		814,941		(4,362,031)
<b>Financing</b>				
Other new long term loans	-		5,000,000	
Repayment of long term bank loan	-		(448,938)	
Repayment of other long term loans	-		(348,558)	
Capital element of hire purchase contracts	15,654		-	
<b>Net cash inflow from financing</b>		15,654		4,202,504
<b>Increase/(decrease) in cash in the year</b>		830,595		(159,527)

# ALVIS BROTHERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2011

1	Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities	2011	2010
		£	£
	Operating profit/(loss)	369,697	(184,272)
	Depreciation of tangible assets	350,903	491,810
	Amortisation of intangible assets	5,666	2,390
	Profit on disposal of tangible assets	(41,511)	(4,835)
	Decrease/(increase) in stocks	972,153	(1,334,400)
	Increase in debtors	(400,020)	(226,291)
	Increase/(decrease) in creditors within one year	533,437	(1,294,767)
	Movement on grant provision	(3,648)	(10,661)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,786,677</b>	<b>(2,561,026)</b>

  

2	Analysis of net debt	1 April 2010	Cash flow	Other non-cash changes	31 March 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,036	(25)	-	1,011
	Bank overdrafts	(2,901,175)	830,620	-	(2,070,555)
		(2,900,139)	830,595	-	(2,069,544)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(6,300)	1,679	(17,333)	(21,954)
	Debts falling due after one year	(6,000,000)	-	-	(6,000,000)
		(6,006,300)	1,679	(17,333)	(6,021,954)
	<b>Net debt</b>	<b>(8,906,439)</b>	<b>832,274</b>	<b>(17,333)</b>	<b>(8,091,498)</b>

# ALVIS BROTHERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2011**

<b>3 Reconciliation of net cash flow to movement in net debt</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Increase/(decrease) in cash in the year	830,595	(159,527)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	1,679	(4,202,504)
Change in net debt resulting from cash flows	832,274	(4,362,031)
New finance lease	(17,333)	(6,300)
<b>Movement in net debt in the year</b>	<b>814,941</b>	<b>(4,368,331)</b>
Opening net debt	(8,906,439)	(4,538,108)
<b>Closing net debt</b>	<b>(8,091,498)</b>	<b>(8,906,439)</b>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention, and in compliance with UK accounting standards

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **1.3 Milk Quota**

Purchased milk quota is classified as an intangible asset. Milk quota is amortised in equal annual instalments to the year 2016 to reflect its useful economic life.

#### **1.4 Single Payment Scheme Entitlement**

Purchased Single Payment Scheme Entitlement is classified as an intangible asset. Single Payment Scheme Entitlement is amortised in equal annual instalments to the year 2013 to reflect its useful economic life.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	25 or 30 years straight line on buildings only
Plant and machinery	5% - 20% straight line or reducing balance
Motor vehicles	20% reducing balance

#### **1.6 Leasing**

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

#### **1.7 Investments**

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

#### **1.8 Stock and work in progress**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.9 Pensions**

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

#### **1.10 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.11 Foreign currency translation**

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

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

### 1 Accounting policies (continued)

#### 1.12 Government grants

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

### 2 Turnover

#### Geographical market

	Turnover	
	2011	2010
	£	£
United Kingdom	(19,076,306)	16,739,143
Other	1,108,642	767,898
	<u>(17,967,664)</u>	<u>17,507,041</u>

### 3 Operating profit/(loss)

	2011	2010
	£	£

Operating profit/(loss) is stated after charging

Amortisation of intangible assets	5,666	2,390
Depreciation of tangible assets	350,903	491,810
Loss on foreign exchange transactions	-	10,084
Operating lease rentals		
- Plant and machinery	6,299	-
- Other assets	52,010	52,010
Auditors' remuneration	11,000	9,000

and after crediting

Profit on disposal of tangible assets	(41,511)	(4,835)
Profit on foreign exchange transactions	(8,288)	-
	<u>(49,799)</u>	<u>(4,835)</u>

### 4 Investment income

	2011	2010
	£	£

Income from fixed asset investments	<u>175,797</u>	<u>171,004</u>
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# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

<b>5</b>	<b>Interest payable</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	258,630	230,112
	Other interest	13,396	9,794
		<u>272,026</u>	<u>239,906</u>
 <b>6</b>	 <b>Taxation</b>	 <b>2011</b>	 <b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	-	(41,300)
	Adjustment for prior years	506	-
	<b>Total current tax</b>	<u>506</u>	<u>(41,300)</u>
	<b>Deferred tax</b>		
	Deferred tax	(92,234)	831
		<u>(91,728)</u>	<u>(40,469)</u>
	 <b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>223,468</u>	<u>(253,174)</u>
	 Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2010 - 21.00%)	<u>46,928</u>	<u>(53,167)</u>
	<b>Effects of</b>		
	Non deductible expenses	3,006	-
	Depreciation add back	74,484	102,766
	Capital allowances	(137,992)	(87,121)
	Adjustments to previous periods	506	-
	Dividends and distributions received	(356)	-
	Other tax adjustments	13,930	(3,778)
		<u>(46,422)</u>	<u>11,867</u>
	<b>Current tax charge for the year</b>	<u>506</u>	<u>(41,300)</u>

The company has estimated losses of £ 203,053 (2010 - £ 39,787) available for carry forward against future trading profits

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

### 7 Intangible fixed assets

	Single Payment Scheme Entitlement £	Milk Quota £	Total £
<b>Cost</b>			
At 1 April 2010	-	1,864,998	1,864,998
Additions	5,645	-	5,645
At 31 March 2011	5,645	1,864,998	1,870,643
<b>Amortisation</b>			
At 1 April 2010	-	1,842,296	1,842,296
Charge for the year	1,882	3,784	5,666
At 31 March 2011	1,882	1,846,080	1,847,962
<b>Net book value</b>			
At 31 March 2011	3,763	18,918	22,681
At 31 March 2010	-	22,702	22,702



# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

### 8 Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2010	6,807,785	7,460,144	739,710	15,007,639
Additions	945,407	486,933	103,600	1,535,940
Disposals	(750,000)	-	(174,414)	(924,414)
At 31 March 2011	7,003,192	7,947,077	668,896	15,619,165
<b>Depreciation</b>				
At 1 April 2010	1,635,923	5,897,629	665,838	8,199,390
On disposals	-	-	(161,925)	(161,925)
Charge for the year	133,641	194,959	22,303	350,903
At 31 March 2011	1,769,564	6,092,588	526,216	8,388,368
<b>Net book value</b>				
At 31 March 2011	5,233,628	1,854,489	142,680	7,230,797
At 1 April 2010	5,171,862	1,562,515	73,872	6,808,249

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

	Plant and machinery £
<b>Net book values</b>	
At 31 March 2011	49,330
At 31 March 2010	7,140
<b>Depreciation charge for the year</b>	
31 March 2011	1,810
31 March 2010	1,260

The value of land included in within land & property that is not depreciated is £2,537,971 (2010 - £2,537,971)

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2011

#### 9 Other assets

	Herd £
<b>Cost</b>	
At 1 April 2010	397,935
Transfers in	80,975
	<u>478,910</u>
At 31 March 2011	<u>478,910</u>

#### 10 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 2010	728,117
Additions	175,797
Disposals	(136,727)
	<u>767,187</u>
At 31 March 2011	<u>767,187</u>

The company holds a 50% interest in a joint venture that is a Limited Liability Partnership called Alvis Contracting

The company's share of profit is shown in the profit and loss account

The carrying value of the investment as shown above represents the company's capital account balance in that partnership

#### 11 Stocks

	2011 £	2010 £
Stocks	<u>9,081,721</u>	<u>10,053,874</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Debtors	2011 £	2010 £
Trade debtors	2,270,684	2,242,791
Corporation tax	41,416	41,416
Other debtors	500,396	116,980
Prepayments and accrued income	13,923	25,212
	<u>2,826,419</u>	<u>2,426,399</u>

Amounts falling due after more than one year and included in the debtors above are

	2011 £	2010 £
Other debtors	<u>28,025</u>	<u>15,477</u>

13 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	2,070,555	2,901,175
Net obligations under finance leases	10,347	1,680
Trade creditors	1,125,309	656,959
Corporation tax	506	-
Other taxes and social security costs	54,587	52,265
Directors' current accounts	340,851	219,582
Other creditors	3,119,733	3,168,633
Accruals and deferred income	59,720	37,201
	<u>6,781,608</u>	<u>7,037,495</u>

The bank loans and overdraft are secured by a First Floating Charge over all assets and undertakings both present and future dated 7th January 2005

The AMC loan is secured by a legal charge over Havyatt Farm, Chapel Pili Farm, Stepstones Farm, Chancellors Farm and Regilbury Park Farm together with land at Stock Farm, Regilbury Court Farm, Legges Farm, Kingdown and Aldwick. The loan is on an interest only basis. The current rate applied is 1.90% variable.

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2011**

<b>14 Creditors: amounts falling due after more than one year</b>	<b>2011 £</b>	<b>2010 £</b>
Other loans	6,000,000	6,000,000
Net obligations under finance leases	11,607	4,620
	<u>6,011,607</u>	<u>6,004,620</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years other than by instalments	6,000,000	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>
<b>Loan maturity analysis</b>		
In more than five years	6,000,000	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>
<b>Net obligations under finance leases</b>		
Repayable within one year	10,347	1,680
Repayable between one and five years	11,607	4,620
	<u>21,954</u>	<u>6,300</u>
Included in liabilities falling due within one year	(10,347)	(1,680)
	<u>11,607</u>	<u>4,620</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 15 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2010	156,062
Profit and loss account	(92,234)
Balance at 31 March 2011	<u>63,828</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	116,622	156,062
Tax losses available	(52,794)	-
	<u>63,828</u>	<u>156,062</u>

### 16 Accruals and deferred income

	Government grants £
Balance at 1 April 2010	6,078
Amortisation in the year	(3,648)
Balance at 31 March 2011	<u>2,430</u>

### 17 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>5,461</u>	<u>38,842</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

18 Share capital	2011 £	2010 £
Allotted, called up and fully paid 30,000 Ordinary shares of £1 each	30,000	30,000

### 19 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2010	7,204,057
Profit for the year	315,196
Balance at 31 March 2011	7,519,253

### 20 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit/(Loss) for the financial year	315,196	(212,705)
Opening shareholders' funds	7,234,057	7,446,762
Closing shareholders' funds	7,549,253	7,234,057

### 21 Contingent liabilities

There is a contingent liability in respect of an unlimited composite cross guarantee given to secure all bank borrowings of Alvis Brothers (Lye Cross) Limited amounting to £1,158,361 (2010 £989,503)

### 22 Financial commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012

	Land and buildings	
	2011 £	2010 £
Operating leases which expire Between two and five years	55,260	52,010

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

23 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	122,295	121,474
Amounts receivable under long term incentive schemes	265,843	212,162
	<u>388,138</u>	<u>333,636</u>

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>38,173</u>	<u>38,385</u>
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### 24 Employees

#### Number of employees

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

2011 Number	2010 Number
<u>114</u>	<u>111</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	3,353,844	3,342,650
Social security costs	224,883	219,304
Other pension costs	5,461	38,842
	<u>3,584,188</u>	<u>3,600,796</u>

### 25 Control

Mr J Alvis is the company's controlling related party by virtue of his and his wife's shareholdings, together with the shareholdings of trusts where he is the first named trustee

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2011

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#### 26 Related party relationships and transactions

Amounts owed to related parties of Alvis Brothers Limited as at 31 March 2011 are set out below (included in creditors' amounts falling due within one year)

Mrs P Alvis £111,475 (2010 £8,466)  
Company directors £39,514 (2010 £19,736)  
Family shareholders £189,862 (2010 £191,381)

Aggregate interest of £13,396 (2010 £9,794) was paid in respect of the above loans

The company made rental payments during the year of £14,500 (2010 £14,500) to the directors in respect of the land used by the company. The company also paid its pension scheme £6,200 (2010 £6,200) for rental of land.

Alvis Brothers (Lye Cross) Limited is connected to the company as the directors and certain shareholders of Alvis Brothers (Lye Cross) Limited are also directors and shareholders of Alvis Brothers Limited. At 31 March 2011 the company owed Alvis Brothers (Lye Cross) Limited £3,119,082 (2010 £2,823,753).

The company has sold dairy products with a value of £1,730,972 (2010 £1,688,160) to, and purchased dairy products valued at £8,426,427 (2010 £8,413,911) from Alvis Brothers (Lye Cross) Limited. In addition to this the company has paid rental of £21,246 (2010 £21,246) to Alvis Brothers (Lye Cross) Limited and received management charges of £24,200.

The audit and accountancy charges in the financial statements include the related audit costs of Alvis Brothers (Lye Cross) Limited.

#### Transactions with joint venture

Alvis Contracting is a Limited Liability Partnership in the form of a joint venture between Mr D Harding and Alvis Brothers Limited. Each party holds a 50% interest and neither exercises overall control. For the year ended 31st March 2011, the turnover for Alvis Contracting amounted to £2,373,101 (2010 £2,157,024). During the period, Alvis Contracting paid £12,000 (2010 £12,000) to Alvis Brothers Limited for the rent of storage facilities. In the same period, Alvis Brothers Limited paid £1,257,295 (2010 £1,077,168) net of VAT to Alvis Contracting for contract work at normal commercial terms.

At the year end, the following balances existed:

Trade balance due from Alvis Contracting £3,833 (2010 £7,965)  
Trade balance due to Alvis Contracting £161,298 (2010 £127,655)