

Company Registration No. 502230 (England and Wales)

ALVIS BROTHERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012



ALVIS BROTHERS LIMITED

COMPANY INFORMATION

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

ALVIS BROTHERS LIMITED

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ALVIS BROTHERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

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 2011

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

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 2012

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


P. Alvis
Director
12/12/12

ALVIS BROTHERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALVIS BROTHERS LIMITED

We have audited the financial statements of Alvis Brothers Limited for the year ended 31 March 2012 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ALVIS BROTHERS LIMITED

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

Matters on which we are required to report by exception

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

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



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

17/12/12

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 2012

	Notes	2012 £	2011 £
Turnover	2	21,126,317	20,184,948
Cost of sales		(15,145,383)	(15,256,470)
Gross profit		5,980,934	4,928,478
Distribution costs		(440,109)	(314,118)
Administrative expenses		(5,176,195)	(4,361,931)
Other operating income		156,101	117,268
Operating profit	3	520,731	369,697
Loss on trade sale of property		-	(50,000)
Profit on ordinary activities before interest		520,731	319,697
Investment income	4	305,565	175,797
Interest payable and similar charges	5	(279,948)	(272,026)
Profit on ordinary activities before taxation		546,348	223,468
Tax on profit on ordinary activities	6	(118,080)	91,728
Profit for the year	19	428,268	315,196

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 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	7		17,015		22,681
Tangible assets	8		7,290,182		7,230,797
Herd	9		529,179		478,910
Investments	10		1,024,024		767,187
			<u>8,860,400</u>		<u>8,499,575</u>
Current assets					
Stocks	11	10,315,263		9,081,721	
Debtors	12	3,380,323		2,826,419	
Cash at bank and in hand		2,485		1,011	
		<u>13,698,071</u>		<u>11,909,151</u>	
Creditors' amounts falling due within one year	13	(8,443,655)		(6,781,608)	
Net current assets			<u>5,254,416</u>		<u>5,127,543</u>
Total assets less current liabilities			14,114,816		13,627,118
Creditors. amounts falling due after more than one year	14		(6,001,260)		(6,011,607)
Provisions for liabilities and charges	15				
Deferred tax liability			(136,034)		(63,828)
Accruals and deferred income	16		-		(2,430)
			<u>7,977,522</u>		<u>7,549,253</u>
Capital and reserves					
Called up share capital	18		30,000		30,000
Profit and loss account	19		7,947,522		7,519,253
Shareholders' funds - equity interests	20		<u>7,977,522</u>		<u>7,549,253</u>

Approved by the Board and authorised for issue on 17th December 2012


P. Alvis
Director

Company Registration No. 502230

ALVIS BROTHERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	£	2012 £	£	2011 £
Net cash (outflow)/inflow from operating activities		(1,354,465)		1,786,677
Returns on investments and servicing of finance				
Interest received	305,565		175,797	
Interest paid	(279,948)		(239,903)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		25,617		(64,106)
Taxation		37,561		-
Capital expenditure and financial investment				
Payments to acquire intangible assets	(50,270)		(5,645)	
Payments to acquire tangible assets	(514,653)		(1,616,915)	
Payments to acquire investments	(305,565)		(175,797)	
Receipts from sales of tangible assets	33,009		754,000	
Receipts from sales of investments	48,728		136,727	
Net cash outflow for capital expenditure		(788,751)		(907,630)
Net cash (outflow)/inflow before management of liquid resources and financing		(2,080,038)		814,941
Financing				
Capital element of hire purchase contracts	(10,422)		15,654	
Net cash (outflow)/inflow from financing		(10,422)		15,654
(Decrease)/increase in cash in the year		(2,090,460)		830,595

ALVIS BROTHERS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011
		£	£
	Operating profit	520,731	369,697
	Depreciation of tangible assets	433,877	350,903
	Amortisation of intangible assets	5,666	5,666
	Profit on disposal of tangible assets	(11,618)	(41,511)
	(Increase)/decrease in stocks	(1,233,542)	972,153
	Increase in debtors	(595,147)	(400,020)
	(Decrease)/Increase in creditors within one year	(472,002)	533,437
	Movement on grant provision	(2,430)	(3,648)
	Net cash (outflow)/inflow from operating activities	(1,354,465)	1,786,677

2	Analysis of net debt	1 April 2011	Cash flow	Other non- 31 March 2012 cash changes
		£	£	£
	Net cash			
	Cash at bank and in hand	1,011	1,474	2,485
	Bank overdrafts	(2,070,555)	(2,091,934)	(4,162,489)
		(2,069,544)	(2,090,460)	(4,160,004)
	Bank deposits	-	-	-
	Debt			
	Finance leases	(21,954)	10,422	(11,532)
	Debts falling due after one year	(6,000,000)	-	(6,000,000)
		(6,021,954)	10,422	(6,011,532)
	Net debt	(8,091,498)	(2,080,038)	(10,171,536)

ALVIS BROTHERS LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

3 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
(Decrease)/increase in cash in the year	(2,090,460)	830,595
Cash outflow from decrease in debt and lease financing	10,422	1,679
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(2,080,038)	832,274
New finance lease	-	(17,333)
	<hr/>	<hr/>
Movement in net debt in the year	(2,080,038)	814,941
Opening net debt	(8,091,498)	(8,906,439)
	<hr/>	<hr/>
Closing net debt	(10,171,536)	(8,091,498)
	<hr/>	<hr/>

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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 2012

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	
	2012	2011
	£	£
United Kingdom	19,604,182	19,076,306
Other	1,522,135	1,108,642
	<u>21,126,317</u>	<u>20,184,948</u>

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	5,666	5,666
Depreciation of tangible assets	433,877	350,903
Operating lease rentals		
- Plant and machinery	-	6,299
- Other assets	57,000	52,010
Auditors' remuneration	12,500	11,000
and after crediting		
Profit on disposal of tangible assets	(11,618)	(41,511)
Profit on foreign exchange transactions	(34,819)	(8,288)
	<u></u>	<u></u>

4 Investment income

	2012	2011
	£	£
Income from fixed asset investments	<u>305,565</u>	<u>175,797</u>

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

5	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	270,354	258,630
	Other interest	9,594	13,396
		<u>279,948</u>	<u>272,026</u>
6	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	45,874	-
	Adjustment for prior years	-	506
	Total current tax	<u>45,874</u>	<u>506</u>
	Deferred tax		
	Deferred tax	72,206	(92,234)
		<u>118,080</u>	<u>(91,728)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>546,348</u>	<u>223,468</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.08% (2011 - 21.00%)	<u>131,561</u>	<u>46,928</u>
	Effects of		
	Non deductible expenses	11,118	3,006
	Depreciation add back	102,591	74,484
	Capital allowances	(126,191)	(137,992)
	Tax losses utilised	(66,596)	-
	Adjustments to previous periods	-	506
	Dividends and distributions received	-	(356)
	Other tax adjustments	(6,609)	13,930
		<u>(85,687)</u>	<u>(46,422)</u>
	Current tax charge for the year	<u>45,874</u>	<u>506</u>

The company has estimated losses of £ nil (2011 - £ 203,053) available for carry forward against future trading profits

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

7 Intangible fixed assets

	Single Payment Scheme Entitlement £	Milk Quota £	Total £
Cost			
At 1 April 2011 & at 31 March 2012	5,645	1,864,998	1,870,643
Amortisation			
At 1 April 2011	1,882	1,846,080	1,847,962
Charge for the year	1,882	3,784	5,666
At 31 March 2012	3,764	1,849,864	1,853,628
Net book value			
At 31 March 2012	1,881	15,134	17,015
At 31 March 2011	3,763	18,918	22,681

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

8 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2011	7,003,192	7,947,077	668,896	15,619,165
Additions	91,389	418,564	4,700	514,653
Disposals	-	(41,592)	(2,400)	(43,992)
At 31 March 2012	7,094,581	8,324,049	671,196	16,089,826
Depreciation				
At 1 April 2011	1,769,565	6,092,588	526,216	8,388,369
On disposals	-	(22,601)	-	(22,601)
Charge for the year	168,722	236,158	28,996	433,876
At 31 March 2012	1,938,287	6,306,145	555,212	8,799,644
Net book value				
At 31 March 2012	5,156,294	2,017,904	115,984	7,290,182
At 1 April 2011	5,233,628	1,854,489	142,680	7,230,797

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

	Plant and machinery £
Net book values	
At 31 March 2012	39,773
At 31 March 2011	49,330
Depreciation charge for the year	
31 March 2012	9,563
31 March 2011	1,810

The value of land included in within land & property that is not depreciated is £2,537,971 (2011 - £2,537,971)

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

9 Other assets

	Herd £
Cost	
At 1 April 2011	478,909
Transfers in	50,270
	<u>529,179</u>
At 31 March 2012	<u>529,179</u>

10 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2011	767,187
Additions	305,565
Disposals	(48,728)
	<u>1,024,024</u>
At 31 March 2012	<u>1,024,024</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

	2012 £	2011 £
Stocks	<u>10,315,263</u>	<u>9,081,721</u>

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

12 Debtors	2012 £	2011 £
Trade debtors	2,767,841	2,270,684
Corporation tax	173	41,416
Other debtors	610,559	500,396
Prepayments and accrued income	1,750	13,923
	<u>3,380,323</u>	<u>2,826,419</u>

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

	2012 £	2011 £
Other debtors	<u>13,940</u>	<u>28,025</u>

13 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	4,162,489	2,070,555
Net obligations under finance leases	10,272	10,347
Trade creditors	1,692,428	1,125,309
Corporation tax	42,696	506
Other taxes and social security costs	69,137	54,587
Directors' current accounts	231,536	340,851
Other creditors	2,189,907	3,119,733
Accruals and deferred income	45,190	59,720
	<u>8,443,655</u>	<u>6,781,608</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 Pill 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 to £3 million of the loan and the rate applied to the remaining £3 million is 4.41% fixed for 20 years.

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

14 Creditors: amounts falling due after more than one year	2012 £	2011 £
Other loans	6,000,000	6,000,000
Net obligations under finance leases	1,260	11,607
	<u>6,001,260</u>	<u>6,011,607</u>
Analysis of loans		
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>
Loan maturity analysis		
In more than five years	6,000,000	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>
Net obligations under finance leases		
Repayable within one year	10,272	10,347
Repayable between one and five years	1,260	11,607
	<u>11,532</u>	<u>21,954</u>
Included in liabilities falling due within one year	(10,272)	(10,347)
	<u>1,260</u>	<u>11,607</u>

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

15 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2011	63,828
Profit and loss account	72,206
	<u>136,034</u>
Balance at 31 March 2012	<u>136,034</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	136,034	116,622
Tax losses available	-	(52,794)
	<u>136,034</u>	<u>63,828</u>

16 Accruals and deferred income

	Government grants £
Balance at 1 April 2011	2,430
Amortisation in the year	(2,430)
	<u>-</u>
Balance at 31 March 2012	<u>-</u>

17 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>25,500</u>	<u>5,461</u>

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

18 Share capital	2012 £	2011 £
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 2011	7,519,254
Profit for the year	428,268
Balance at 31 March 2012	7,947,522

20 Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the financial year	428,268	315,196
Opening shareholders' funds	7,549,253	7,234,057
Closing shareholders' funds	7,977,522	7,549,253

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 £16,213 (2011 £1,158,361)

22 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire Between two and five years	57,000	55,260	9,720	-

ALVIS BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

23 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	<u>123,238</u>	<u>122,295</u>

24 Employees

Number of employees

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

2012	2011
Number	Number
<u>111</u>	<u>114</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	3,447,029	3,088,001
Social security costs	251,336	224,883
Other pension costs	<u>25,500</u>	<u>5,461</u>
	<u>3,723,865</u>	<u>3,318,345</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 2012

26 Related party relationships and transactions

Amounts owed to related parties of Alvis Brothers Limited as at 31 March 2012 are set out below (included in creditors amounts falling due within one year)

Mrs P Alvis £30,440 (2011 £111,475)
Company directors £11,234 (2011 £39,514)
Family shareholders £189,862 (2011 £189,862)

Aggregate interest of £13,396 (2011 £13,396) was paid in respect of the above loans

The company made rental payments during the year of £14,500 (2011 £14,500) to the directors in respect of the land used by the company. The company also paid its pension scheme £6,200 (2011 £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 2012 the company owed Alvis Brothers (Lye Cross) Limited £2,189,256 (2011 £3,119,082).

The company has sold dairy products with a value of £2,108,276 (2011 £1,730,972) to, and purchased dairy products valued at £8,892,313 (2011 £8,426,427) from Alvis Brothers (Lye Cross) Limited. In addition to this the company has paid rental of £21,246 (2011 £21,246) to Alvis Brothers (Lye Cross) Limited and received management charges of £24,200 (2011 £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 2012, the turnover for Alvis Contracting amounted to £2,744,263 (2011 £2,373,101). During the period, Alvis Contracting paid £12,000 (2011 £12,000) to Alvis Brothers Limited for the rent of storage facilities. In the same period, Alvis Brothers Limited paid £1,383,018 (2011 £1,257,295) 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 £7,286 (2011 £3,833)
Trade balance due to Alvis Contracting £312,260 (2011 £161,298)