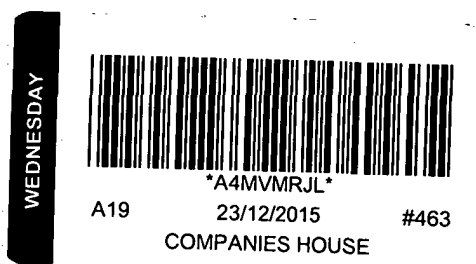


Company Registration No. 00502230 (England and Wales)

**ALVIS BROTHERS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**



# ALVIS BROTHERS LIMITED

## COMPANY INFORMATION

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**Directors** Mr J Alvis (Senior)  
Mr M Alvis  
Mr J Alvis (Junior)  
Mr P Alvis

**Secretary** Mrs P Alvis

**Company number** 00502230

**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

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# **ALVIS BROTHERS LIMITED**

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# **ALVIS BROTHERS LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2015***

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The directors present the strategic report and financial statements for the year ended 31 March 2014.

### **Introduction**

The company's principle activity continues to be cheese making, alongside the production of food and feed grade by-products

### **Review of the business**

Despite tough competition and a challenging market with deflated milk prices, cheese sales have increased modestly during the period.

Investment took place in renewable energy sources during the year, aimed at giving the company more security over the future availability and price of the energy it consumes. Further investment will be considered in the forthcoming year.

With the poor outlook for commodity prices it will be equally important for the company to invest where possible in equipment that lowers the cost of cheese production and thus increases profitability.

### **Principle risks facing the company**

As an established maker of cheese, the principal risks and uncertainties that the business faces are related to those inherent in a commodity market.

Supply chain stability, product demand and competition in our marketplace are all a function of milk price which in turn is a function of how well the supply and demand of milk and milk-based products are matched in a global market.

Beyond monitoring global market prices and predictions it is difficult to set KPI's that appropriately monitor these risks and uncertainties. On that basis none have been included in this strategic report.

On behalf of the board



Mr P Alvis

**Director**

22 December 2015

# **ALVIS BROTHERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2015**

---

The directors present their report and financial statements for the year ended 31 March 2015.

#### **Results and dividends**

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

#### **Directors**

The following directors have held office since 1 April 2014:

Mr J Alvis (Senior)  
Mr M Alvis  
Mr J Alvis (Junior)  
Mr P Alvis

#### **Auditors**

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

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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:

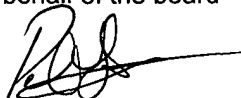
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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



Mr P Alvis  
**Director**

22 December 2015

# **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 2015 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss 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 Strategic Report and 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.



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

22 December 2015

**Chartered Certified 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 2015

	Notes	2015 £	2014 £
Turnover	2	28,402,660	27,596,955
Cost of sales		(21,962,372)	(21,532,983)
<b>Gross profit</b>		<b>6,440,288</b>	<b>6,063,972</b>
Distribution costs		(380,485)	(302,462)
Administrative expenses		(6,555,674)	(5,718,778)
Other operating income		200,103	190,845
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(295,768)</b>	<b>233,577</b>
Investment income	4	340,724	138,712
Interest payable and similar charges	5	(334,661)	(371,787)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(289,705)</b>	<b>502</b>
Tax on (loss)/profit on ordinary activities	6	50,483	(34,556)
<b>Loss for the year</b>	<b>19</b>	<b>(239,222)</b>	<b>(34,054)</b>

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 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Intangible assets	8		61,968		116,587
Tangible assets	9		8,067,718		8,296,078
Herd	10		586,070		649,170
Investments	11		1,193,314		1,032,387
			<u>9,909,070</u>		<u>10,094,222</u>
<b>Current assets</b>					
Stocks	12	13,614,127		11,104,968	
Debtors	13	3,753,206		3,954,930	
Cash at bank and in hand		1,245		1,835	
		<u>17,368,578</u>		<u>15,061,733</u>	
<b>Creditors: amounts falling due within one year</b>	14	(11,342,828)		(8,404,865)	
<b>Net current assets</b>			<u>6,025,750</u>		<u>6,656,868</u>
<b>Total assets less current liabilities</b>			<u>15,934,820</u>		<u>16,751,090</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(8,342,302)		(8,627,433)
<b>Provisions for liabilities and charges</b>	16				
Deferred tax liability			(160,170)		(212,087)
			<u>7,432,348</u>		<u>7,911,570</u>
<b>Capital and reserves</b>					
Called up share capital	18		30,000		30,000
Profit and loss account	19		7,402,348		7,881,570
<b>Shareholders' funds</b>	20		<u>7,432,348</u>		<u>7,911,570</u>

Approved by the Board and authorised for issue on 22 December 2015



Mr P Alvis  
Director

Company Registration No. 00502230

# ALVIS BROTHERS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	£	2015 £	£	2014 £
<b>Net cash (outflow)/inflow from operating activities</b>		(2,074,716)		396,338
<b>Returns on investments and servicing of finance</b>				
Interest received	165,995		138,712	
Interest paid	(266,045)		(371,787)	
Dividends received	1,713		-	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(98,337)		(233,075)
<b>Taxation</b>		(1,502)		(46,619)
<b>Capital expenditure and financial investment</b>				
Payments to acquire intangible assets	-		(329,464)	
Payments to acquire tangible assets	(232,910)		(1,583,601)	
Payments to acquire investments	(160,927)		(138,712)	
Receipts from sales of tangible assets	2,000		74,350	
Receipts from sales of investments	173,016		-	
<b>Net cash outflow for capital expenditure</b>		(218,821)		(1,977,427)
<b>Equity dividends paid</b>		(240,000)		(120,000)
<b>Net cash outflow before management of liquid resources and financing</b>		(2,633,376)		(1,980,783)
<b>Financing</b>				
Other new long term loans	-		3,000,000	
Repayment of other long term loans	(270,813)		(133,199)	
Capital element of hire purchase contracts	(6,709)		41,596	
<b>Net cash (outflow)/inflow from financing</b>		(277,522)		2,908,397
<b>Increase/(decrease) in cash in the year</b>		(2,910,898)		927,614

# ALVIS BROTHERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating (loss)/profit	(295,768)	233,577
Depreciation of tangible assets	523,520	512,732
Amortisation of intangible assets	49,575	42,226
Profit on disposal of tangible assets	(1,150)	(33,148)
Loss on disposal of intangible assets	5,044	-
Increase in stocks	(2,509,159)	(1,436,621)
Decrease/(increase) in debtors	201,724	(630,869)
(Decrease)/Increase in creditors within one year	(48,502)	1,708,441
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,074,716)</b>	<b>396,338</b>

2 Analysis of net debt	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,835	(590)	-	1,245
Bank overdrafts	(2,379,531)	(2,910,308)	-	(5,289,839)
	<u>(2,377,696)</u>	<u>(2,910,898)</u>	<u>-</u>	<u>(5,288,594)</u>
Bank deposits	-	-	-	-
Debt:				
Finance leases and hire purchase	(42,856)	6,709	-	(36,147)
Debts falling due within one year	(271,519)	(6,768)	-	(278,287)
Debts falling due after one year	(8,595,282)	277,581	-	(8,317,701)
	<u>(8,909,657)</u>	<u>277,522</u>	<u>-</u>	<u>(8,632,135)</u>
<b>Net debt</b>	<b>(11,287,353)</b>	<b>(2,633,376)</b>	<b>-</b>	<b>(13,920,729)</b>

3 Reconciliation of net cash flow to movement in net debt	2015	2014
	£	£
(Decrease)/increase in cash in the year	(2,910,898)	927,614
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	277,522	(2,908,397)
<b>Movement in net debt in the year</b>	<b>(2,633,376)</b>	<b>(1,980,783)</b>
Opening net debt	(11,287,353)	(9,306,570)
<b>Closing net debt</b>	<b>(13,920,729)</b>	<b>(11,287,353)</b>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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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 2015 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. This is now fully amortised.

##### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of three years.

##### 1.6 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

##### 1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

##### 1.8 Investments

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

##### 1.9 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

##### 1.10 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.

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 1 Accounting policies

(Continued)

#### 1.11 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.

#### 1.12 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.

### 2 Turnover

#### Geographical market

	Turnover 2015 £	2014 £
United Kingdom	23,848,908	23,593,752
Other	4,553,752	4,003,203
	<u>28,402,660</u>	<u>27,596,955</u>

### 3 Operating (loss)/profit

	2015 £	2014 £
Operating (loss)/profit is stated after charging:		
Amortisation of intangible assets	49,575	42,226
Depreciation of tangible assets	523,520	512,732
Loss on disposal of intangible assets	5,044	-
Loss on foreign exchange transactions	80,100	-
Operating lease rentals	44,000	35,012
Auditors' remuneration	13,500	12,100
and after crediting:		
Profit on disposal of tangible assets	(1,150)	(33,148)
Profit on foreign exchange transactions	-	(7,369)
	<u></u>	<u></u>

During the year, the company paid £2,000 to the auditors for work carried out for the Alvis Brothers Pension Scheme.

### 4 Investment income

	2015 £	2014 £
Income from fixed asset investments	340,724	138,712
	<u>340,724</u>	<u>138,712</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	136,417	364,199
	On loans repayable after five years	189,300	-
	Hire purchase interest	1,349	-
	Other interest	7,595	7,588
		<u>334,661</u>	<u>371,787</u>
<b>6</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	(23,743)
	Adjustment for prior years	1,434	-
	<b>Total current tax</b>	<u>1,434</u>	<u>(23,743)</u>
	<b>Deferred tax</b>		
	Deferred tax	(51,917)	58,299
		<u>(50,483)</u>	<u>34,556</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(289,705)</u>	<u>502</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0% (2014 - 20.00%)	<u>-</u>	<u>100</u>
	Effects of:		
	Non deductible expenses	-	2,774
	Depreciation add back	-	96,926
	Capital allowances	-	(129,559)
	Tax losses utilised	-	17,126
	Dividends and distributions received	-	(606)
	Other tax adjustments	1,434	(10,504)
		<u>1,434</u>	<u>(23,843)</u>
	<b>Current tax charge for the year</b>	<u>1,434</u>	<u>(23,743)</u>

The company has estimated losses of £ 483,747 (2014 - £ nil) available for carry forward against future trading profits.

Current trading losses could generate a deferred tax asset. This has not been provided for in the accounts.

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

<b>7</b>	<b>Dividends</b>			<b>2015</b>	<b>2014</b>
				<b>£</b>	<b>£</b>
	Ordinary interim paid			240,000	120,000
				<u>          </u>	<u>          </u>
<b>8</b>	<b>Intangible fixed assets</b>				
		<b>Single Payment Scheme Entitlement</b>	<b>Milk Quota</b>	<b>Goodwill</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>				
	At 1 April 2014	5,645	1,864,998	148,724	2,019,367
	Disposals	-	(1,864,998)	-	(1,864,998)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	At 31 March 2015	5,645	-	148,724	154,369
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Amortisation</b>				
	At 1 April 2014	5,645	1,859,954	37,181	1,902,780
	Amortisation on disposals	-	(1,859,954)	-	(1,859,954)
	Charge for the year	-	-	49,575	49,575
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	At 31 March 2015	5,645	-	86,756	92,401
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Net book value</b>				
	At 31 March 2015	-	-	61,968	61,968
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	At 31 March 2014	-	5,044	111,543	116,587
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 9 Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2014	8,307,631	8,988,905	699,695	17,996,231
Additions	1,000	283,311	11,700	296,011
Disposals	-	(1,384)	(10,500)	(11,884)
At 31 March 2015	8,308,631	9,270,832	700,895	18,280,358
<b>Depreciation</b>				
At 1 April 2014	2,301,860	6,834,175	564,119	9,700,154
On disposals	-	(534)	(10,500)	(11,034)
Charge for the year	196,447	297,618	29,455	523,520
At 31 March 2015	2,498,307	7,131,259	583,074	10,212,640
<b>Net book value</b>				
At 31 March 2015	5,810,324	2,139,573	117,821	8,067,718
At 1 April 2014	6,005,772	2,154,730	135,576	8,296,078

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 2015	50,319
At 31 March 2014	61,947
<b>Depreciation charge for the year</b>	
31 March 2015	12,107
31 March 2014	14,688

The value of land included within land & property that is not depreciated is £3,014,921 (2014: £3,014,921).



# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 10 Other assets

	Herd £
<b>Cost</b>	
At 1 April 2014	649,170
Transfer out	(63,100)
	<u>586,070</u>
At 31 March 2015	<u>586,070</u>

#### 11 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 2014	1,032,387
Additions	160,927
	<u>1,193,314</u>
At 31 March 2015	<u>1,193,314</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.

12 Stocks	2015 £	2014 £
Stocks	<u>13,614,127</u>	<u>11,104,968</u>
13 Debtors	2015 £	2014 £
Trade debtors	3,415,407	3,690,492
Other debtors	264,433	219,647
Prepayments and accrued income	73,366	44,791
	<u>3,753,206</u>	<u>3,954,930</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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14 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	5,289,839	2,379,531
Net obligations under hire purchase contracts	11,546	10,705
Trade creditors	3,116,805	3,257,953
Corporation tax	(24,585)	(24,517)
Other taxes and social security costs	78,266	76,105
Directors' current accounts	219,901	225,935
Other creditors	2,499,076	2,418,590
Accruals and deferred income	151,980	60,563
	<hr/>	<hr/>
	11,342,828	8,404,865
	<hr/>	<hr/>

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

During the year ended 31 March 2015 additional floating charges were given in respect of invoice financing arrangements.

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 2015

15 Creditors: amounts falling due after more than one year	2015 £	2014 £
Other loans	8,317,701	8,595,282
Net obligations under hire purchase contracts	24,601	32,151
	<u>8,342,302</u>	<u>8,627,433</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years other than by instalments:		
	7,133,120	7,132,261
Wholly repayable within five years	1,462,868	1,734,540
	<u>8,595,988</u>	<u>8,866,801</u>
Included in current liabilities	(278,287)	(271,519)
	<u>8,317,701</u>	<u>8,595,282</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	285,253	278,316
In more than two years but not more than five years	899,327	1,184,705
In more than five years	7,133,120	7,132,261
	<u>8,317,701</u>	<u>8,595,282</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	11,546	10,705
Repayable between one and five years	24,601	32,151
	<u>36,147</u>	<u>42,856</u>
Included in liabilities falling due within one year	(11,546)	(10,705)
	<u>24,601</u>	<u>32,151</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 16 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2014	212,087
Profit and loss account	(51,917)
Balance at 31 March 2015	<u>160,170</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>160,170</u>	<u>212,087</u>

#### 17 Retirement Benefits

##### Defined contribution scheme

During the year contributions were paid by the company. At the year end contributions owed to pension schemes amounted to £268 (2013: £0).

	2015 £	2014 £
Contributions payable by the company for the year	<u>78,190</u>	<u>17,308</u>

#### 18 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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

	Profit and loss account £
Balance at 1 April 2014	7,881,570
Loss for the year	(239,222)
Dividends paid	(240,000)
Balance at 31 March 2015	<u>7,402,348</u>

#### 20 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Loss for the financial year	(239,222)	(34,054)
Dividends	(240,000)	(120,000)
Net depletion in shareholders' funds	<u>(479,222)</u>	<u>(154,054)</u>
Opening Shareholders' funds	7,911,570	8,065,624
Closing Shareholders' funds	<u>7,432,348</u>	<u>7,911,570</u>

#### 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 £111,140 (2014: £84,800).

#### 22 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Between two and five years	<u>44,000</u>	<u>44,000</u>	<u>10,464</u>	<u>9,720</u>

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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<b>23 Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	106,626	104,266

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The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 0).

### **24 Employees**

#### **Number of employees**

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

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
	149	133

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#### **Employment costs**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,365,506	2,898,788
Social security costs	311,808	286,477
Other pension costs	78,190	17,308
	<hr/>	<hr/>
	3,755,504	3,202,573

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### **25 Control**

Mr M Alvis and Mr J Alvis (Senior) with Mrs P Alvis are the company's controlling parties by virtue of their shareholdings.

# ALVIS BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 26 Related party relationships and transactions

##### Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2015 £	2014 £
Mr J Alvis (Senior)	24,000	12,000
Mr P Alvis	30,000	15,000
Mr J Alvis (Junior)	30,000	15,000
Mrs P Alvis	24,000	12,000
Mr M Alvis	72,000	36,000
	<u>180,000</u>	<u>90,000</u>

In addition to the above dividends paid to directors, J Alvis (Snr) and J Alvis (Jnr) received £24,000 (2014: £12,000) in their capacity as trustees of a trust.

##### Related party transactions

Amounts owed to related parties of Alvis Brothers Limited as at 31 March 2015 (included in creditors: amounts falling due within one year) are set out below:

Mrs P Alvis: £15,539 (2014: £17,254)  
Company directors: £14,506 (2014: £18,826)  
Family shareholders: £189,855 (2013: £189,855)

Aggregate interest of £7,595 (2014: £7,588) was paid in respect of the above loans.

The company made rental payments during the year of £29,000 (2013: £29,000) to the directors in respect of the land used by the company. The company also paid its pension scheme £13,040 (2014: £13,040) 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 2015 the company owed Alvis Brothers (Lye Cross) Limited £2,218,256 (2014: £2,178,176).

The company has sold dairy products with a value of £2,399,698 (2014: £2,364,129) to; and purchased dairy products valued at £9,492,692 (2014: £9,359,881) from Alvis Brothers (Lye Cross) Limited. In addition to this the company has paid rents of £42,492 (2014: £42,492) to Alvis Brothers (Lye Cross) Limited and received management charges of £25,975 (2014: £24,200) from them.

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

Alvis Contracting is a Limited Liability Partnership in the form of a joint venture between Daniel Harding Ltd and Alvis Brothers Limited. Each party holds a 50% interest and neither exercises overall control. For the year ended 31st March 2015, the turnover for Alvis Contracting amounted to £2,882,818 (2014: £2,924,635). During the period, Alvis Contracting paid £12,000 (2014: £10,000) to Alvis Brothers Limited for the rent of storage facilities. In the same period, Alvis Brothers Limited paid £1,382,308 (2014: £1,771,395) net of VAT to Alvis Contracting for contract work at normal commercial terms.

At the year end, the following balances existed between the company and the joint venture:

Trade balance due from Alvis Contracting £3,839 (2014: £5,418).  
Trade balance due to Alvis Contracting £669,632 (2014: £307,267).