Company Registration No. 01091652 (England and Wales)

ALVIS BROTHERS (LYE CROSS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Lentells

Chartered Certified Accountants

ALVIS BROTHERS (LYE CROSS) LIMITED

COMPANY INFORMATION

Directors	Mr J Alvis (Senior) Mr J Alvis (Junior) Mr P Alvis Mr M Alvis
Secretary	Mrs P Alvis
Company number	01091652
Registered office	Lye Cross Farm Redhill Wrington Bristol BS40 5RH
Auditor	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 (LYE CROSS) LIMITED

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ALVIS BROTHERS (LYE CROSS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business
The company's principal activity continued to be that of purchasing and reselling milk. Income is also generated from agricultural properties that are let. Pleasingly, both activities remained stable in the period despite volatility elsewhere within the sector.

Principal risks and uncertainties
Principle risks facing the company
Volatility in world commodity prices along with extremes in the weather continue to provide the greatest risks facing the company.

On behalf of the board

Mr P Alvis
Director

22 December 2022

ALVIS BROTHERS (LYE CROSS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities
The principal activity of the company is that of purchasing and reselling of milk. It also owns agricultural properties which are let and generates solar electricity.

Results and dividends
The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

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

Auditor
In accordance with the company's articles, a resolution proposing that Lentells Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

Mr P Alvis
Director

22 December 2022

ALVIS BROTHERS (LYE CROSS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the annual 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.

ALVIS BROTHERS (LYE CROSS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALVIS BROTHERS (LYE CROSS) LIMITED

Opinion

We have audited the financial statements of Alvis Brothers (Lye Cross) Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry/sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, review certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were food safety standards including traceability.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006 and relevant UK tax law.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

We also evaluated the risk of fraud through management override but have concluded that there are no key risks impacting the financial statements.

Given the inherent limitations of an audit, the more remote the non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the greater the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

P A Stallard FCA
Senior Statutory Auditor
For and on behalf of Lentells Limited

22 December 2022

Chartered Certified Accountants
Statutory Auditors

Ash House
Cook Way
Bindon Road
Taunton
Somerset
TA2 6BJ

ALVIS BROTHERS (LYE CROSS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Turnover	3	12,520,110	11,396,273
Cost of sales		(12,523,052)	(11,395,278)
Gross (loss)/profit		(2,942)	995
Administrative expenses		(77,959)	(84,814)
Other operating income		81,683	85,041
Profit before taxation		782	1,222
Tax on profit	6	648	(232)
Profit for the financial year		1,430	990

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

ALVIS BROTHERS (LYE CROSS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Profit for the year	1,430	990
Other comprehensive income		
Tax relating to other comprehensive income	-	(113,042)
Total comprehensive income for the year	1,430	(112,052)

ALVIS BROTHERS (LYE CROSS) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**7**		3,858,129		3,866,696
Current assets					
Debtors	**9**	3,872,418		2,562,170	
Creditors: amounts falling due within one year	**10**	(2,393,295)		(1,091,416)	
Net current assets			1,479,123		1,470,754
Total assets less current liabilities			5,337,252		5,337,450
Provisions for liabilities			(466,960)		(468,588)
Net assets			4,870,292		4,868,862
Capital and reserves					
Called up share capital	**13**		270		270
Revaluation reserve			3,103,047		3,103,047
Capital redemption reserve			30		30
Profit and loss reserves			1,766,945		1,765,515
Total equity			4,870,292		4,868,862

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

Mr P Alvis
Director

Company Registration No. 01091652

ALVIS BROTHERS (LYE CROSS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2020	270	3,216,089	30	1,764,525	4,980,914
Year ended 31 March 2021:					
Profit for the year	-	-	-	990	990
Other comprehensive income:					
Tax relating to other comprehensive income	-	(113,042)	-	-	(113,042)
Total comprehensive income for the year	-	(113,042)	-	990	(112,052)
Balance at 31 March 2021	270	3,103,047	30	1,765,515	4,868,862
Year ended 31 March 2022:					
Profit and total comprehensive income for the year	-	-	-	1,430	1,430
Balance at 31 March 2022	270	3,103,047	30	1,766,945	4,870,292

ALVIS BROTHERS (LYE CROSS) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash absorbed by operations	**16**		(1,146,762)		(18,456)
Income taxes paid			-		(1,509)
Net cash outflow from operating activities			(1,146,762)		(19,965)
Net decrease in cash and cash equivalents			(1,146,762)		(19,965)
Cash and cash equivalents at beginning of year			(271,581)		(251,616)
Cash and cash equivalents at end of year			(1,418,343)		(271,581)
Relating to:					
Bank overdrafts included in creditors payable within one year			(1,418,343)		(271,581)

1 Accounting policies

Company information

Alvis Brothers (Lye Cross) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lye Cross Farm, Redhill, Wrington, Bristol, BS40 5RH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties to deemed cost upon transition to FRS 102. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or deemed cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or deemed cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	The company does not depreciate its freehold land and buildings, as the majority of these assets comprise agricultural land with a useable life exceeding 50 years.
Plant and machinery	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies **(Continued)**

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Milk sales	12,520,110	11,396,273

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	12,520,110	11,396,273

4 Operating profit

	2022	2021
Operating profit for the year is stated after charging:	£	£
Depreciation of owned tangible fixed assets	8,567	10,079
Cost of stocks recognised as an expense	12,523,052	11,395,278
Operating lease charges	24,000	24,000

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	-	-

6 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	980	1,300
Deferred tax		
Origination and reversal of timing differences	(1,628)	(1.068)
Total tax (credit)/charge	(648)	232

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	782	1,222
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	149	232
Capital allowances in excess of depreciation	831	1,068
Deferred tax adjustments	(1,628)	(1,068)
Taxation (credit)/charge for the year	(648)	232

In addition to the amount (credited)/charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022	2021
	£	£
Deferred tax arising on:		
Revaluation of property	-	113,042

7 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 April 2021 and 31 March 2022	3,809,582	79,051	3,888,633
Depreciation and impairment			
At 1 April 2021	-	21,937	21,937
Depreciation charged in the year	-	8,567	8,567
At 31 March 2022	-	30,504	30,504
Carrying amount			
At 31 March 2022	3,809,582	48,547	3,858,129
At 31 March 2021	3,809,582	57,114	3,866,696

Freehold land and buildings with a carrying amount of £3,809,582 (2021 - £3,809,582) have been pledged to secure borrowings of Alvis Brothers Limited, a company under common control. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

7 Tangible fixed assets **(Continued)**

Upon transition to FRS 102 land and buildings with a carrying amount of £235,527 were revalued based on market values at the transition date of 1 April 2014. The valuations were provided by independent professional valuers not connected with the company. The market value is now deemed cost and a revaluation policy has not been adopted.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	2022	2021
	£	£
Cost	235,527	235,527

8 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,739,245	5,113,210
Carrying amount of financial liabilities		
Measured at amortised cost	2,390,677	1,089,757

9 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Amounts owed by companies under common control	3,866,827	2,551,040
Prepayments and accrued income	5,591	11,130
	3,872,418	2,562,170

10 Creditors: amounts falling due within one year

		2022	2021
	Notes	£	£
Bank loans and overdrafts	11	1,418,343	271,581
Trade creditors		960,039	805,881
Corporation tax		2,280	1,300
Other taxation and social security		338	359
Other creditors		12,295	12,295
		2,393,295	1,091,416

All creditors are repayable on demand based on normal credit terms.

11 Loans and overdrafts

	2022	2021
	£	£
Bank overdrafts	1,418,343	271,581
Payable within one year	1,418,343	271,581

The bank overdraft is secured by fixed and floating charges over the assets of the company. The overdraft facility is of a group nature with Alvis Brothers Limited.

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
Balances:	£	£
Accelerated capital allowances	(4,048)	(2,420)
Revaluations	471,008	471,008
	466,960	468,588

	2022
Movements in the year:	£
Liability at 1 April 2021	468,588
Credit to profit or loss	(1,628)
Liability at 31 March 2022	466,960

The deferred tax liability set out above is expected to reverse upon the sale of the freehold land and property and arise from the revaluation of these assets.

13 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	270	270	270	270

14 Financial commitments, guarantees and contingent liabilities

The bank security described in note 10 covers a 'group' composite overdraft facility for companies under common control. At 31 March 2022 the total 'group' overdraft was £1,418,343 (2021: £1,342,377).

There were no other contingent liabilities at 31 March 2022.

15 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Company under common control	12,520,111	11,396,273	1,844,521	1,754,756

	Rents received 2022 £	Rents received 2021 £	Management charges 2022 £	Management charges 2021 £
Company under common control	42,492	42,492	21,000	21,000

The company also paid rent of £24,000 (2021: £24,000) to a company under control.

The audit costs of Alvis Brothers (Lye Cross) Limited are dealt with by the company under common control.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
Key management personnel	12,295	12,295

The balance owed to the directors by the company is provided interest free and is repayable on demand. The balance is shown within 'Other creditors'.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022 £	2021 £
Company under common control	3,866,827	2,551,040

The amount owing to the company under common control is interest free and repayable on demand.

No guarantees have been given or received,

16 Cash absorbed by operations

	2022	2021
	£	£
Profit for the year after tax	1,430	990
Adjustments for:		
Taxation (credited)/charged	(648)	232
Depreciation and impairment of tangible fixed assets	8,567	10,079
Movements in working capital:		
Increase in debtors	(1,310,248)	(55,493)
Increase in creditors	154,137	25,736
Cash absorbed by operations	(1,146,762)	(18,456)

17 Analysis of changes in net debt

	1 April 2021	Cash flows	31 March 2022
	£	£	£
Bank overdrafts	(271,581)	(1,146,762)	(1,418,343)