

**REGISTERED NUMBER: 08197385 (England and Wales)**

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014  
FOR  
ALVAN BLANCH HOLDINGS LIMITED**

WEDNESDAY



\*A4H0X0MJ\*

A50

30/09/2015

#310

COMPANIES HOUSE

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Director</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Consolidated Profit and Loss Account</b>	<b>6</b>
<b>Consolidated Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Consolidated Balance Sheet</b>	<b>8</b>
<b>Company Balance Sheet</b>	<b>9</b>
<b>Consolidated Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>11</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>13</b>

**ALVAN BLANCH HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**DIRECTOR:** Mr A A Blanch

**SECRETARY:** Mrs H Blanch

**REGISTERED OFFICE:** Chelworth  
Malmesbury  
Wiltshire  
SN16 9SG

**REGISTERED NUMBER:** 08197385 (England and Wales)

**AUDITORS:** Shiner Mitchell Fisher & Co Ltd  
(Statutory Auditor)  
Smith House  
George Street  
Nailsworth  
Stroud  
Gloucestershire  
GL6 0AG

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The director presents his strategic report of the company and the group for the year ended 31 December 2014.

**REVIEW OF BUSINESS**

Ever since Alvan Blanch Development Company Limited, the subsidiary company, was formed in 1952 the risk of relying on the home market has been offset by seeking export markets and developing an extremely diverse range of products.

Exports are now around 75% of turnover and the group has moved from selling individual post-harvest crop processing machinery to complete systems. Alvan Blanch Development Company Limited has won the Queens Award for Export Achievement in 2005 and 2012.

Recognising the importance of the Middle East and North African markets a branch office was opened in Dubai in 2014 providing marketing and sales support and after sales service, further offices are planned to be opened in East and West Sub Saharan Africa and Asia Pacific shortly.

Further product diversity is being driven by two main factors: increasing the energy efficiency and output of existing products through better management of energy inputs and expansion into new sectors including drying and sorting solid and bio waste for recycling or fuel which are not dependent on agricultural markets.

In order to support the planned expansion and drive down the labour content of products the group has continued the investment programme, following the earlier installation of a new laser cutting machine and a punch press we have now added a tower feeder to the laser. This expansion in capacity has required the group to recruit more Design and Project Engineering staff.

The total costs of overhauling the facilities and investment in people have exceeded £3.5 million over the past 5 years.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The group is subject to many external forces;

Our costs are mostly incurred within the UK in GB Pounds, a strengthening of the GB Pound makes our equipment less competitive and adds pressure to margins.

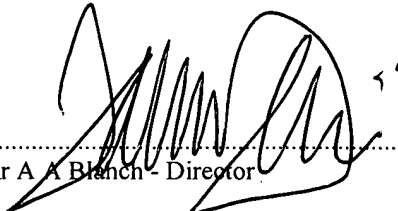
We compete with many manufacturers including those from low labour cost economies, we have to control our labour costs through mechanisation and automation of the production process and lean design and counter any remaining cost disadvantage by adding innovative and desirable features to our products.

Our customer's willingness and ability to buy is largely dependent on crop prices.

**RESEARCH AND DEVELOPMENT**

The group works with many companies and academic institutions developing and testing new processes for crop and waste treatment. Approximately £250,000 was spent on direct costs and wages in 2014.

**ON BEHALF OF THE BOARD:**



.....  
Mr A A Blanch - Director

Date: 29TH SEPTEMBER 2015

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014.

**RESEARCH AND DEVELOPMENT**

Expenditure on research and development, incurred in the year other than on fixed assets, is charged to the profit and loss as incurred.

**DIRECTOR**

Mr A A Blanch held office during the whole of the period from 1 January 2014 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

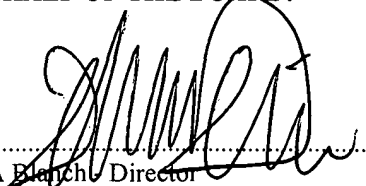
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Shiner Mitchell Fisher & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
Mr A A Blanch, Director

Date: 29TH SEPTEMBER 2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALVAN BLANCH HOLDINGS LIMITED**

We have audited the financial statements of Alvan Blanch Holdings Limited for the year ended 31 December 2014 on pages six to twenty seven. 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 a Report of the Auditors 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director 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 group's and of the parent company's affairs as at 31 December 2014 and of the group's 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**

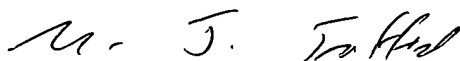
In our opinion the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ALVAN BLANCH HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr M J Trafford (Senior Statutory Auditor)  
for and on behalf of Shiner Mitchell Fisher & Co Ltd  
(Statutory Auditor)  
Smith House  
George Street  
Nailsworth  
Stroud  
Gloucestershire  
GL6 0AG

Date: ..... 29/9/15 .....

**ALVAN BLANCH HOLDINGS LIMITED (REGISTERED NUMBER: 08197385)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

		31.12.14		31.12.13 as restated	
	Notes	£	£	£	£
<b>TURNOVER</b>	2		9,659,405		11,244,611
Cost of sales			<u>5,701,831</u>		<u>7,954,772</u>
<b>GROSS PROFIT</b>			3,957,574		3,289,839
Distribution costs		70,306		69,691	
Administrative expenses		<u>3,659,834</u>		<u>3,105,922</u>	
			<u>3,730,140</u>		<u>3,175,613</u>
			227,434		114,226
Other operating income			<u>40,706</u>		<u>41,223</u>
<b>OPERATING PROFIT</b>	4		268,140		155,449
Interest receivable and similar income		752		2,207	
Other finance income	21	<u>13,000</u>		<u>-</u>	
			<u>13,752</u>		<u>2,207</u>
			281,892		157,656
Interest payable and similar charges	5		<u>62,692</u>		<u>51,917</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			219,200		105,739
Tax on profit on ordinary activities	6		<u>(38,856)</u>		<u>(3,749)</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>			<u>258,056</u>		<u>109,488</u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.



**ALVAN BLANCH HOLDINGS LIMITED (REGISTERED NUMBER: 08197385)**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31.12.14	31.12.13 as restated
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	258,056	109,488
Unrealised surplus on revaluation of properties	504,871	-
Actuarial losses on pension scheme	(174,000)	(252,000)
Movement on deferred tax relating to pension asset/(liability)	35,000	50,000
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	623,927	<u>(92,512)</u>
Prior year adjustment	Note 8	
	<u>(202,000)</u>	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<u>421,927</u>	

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2014**

		31.12.14		31.12.13 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		3,711,435		3,381,202
Investments	10		<u>-</u>		<u>-</u>
			3,711,435		3,381,202
<b>CURRENT ASSETS</b>					
Stocks	11	1,962,662		1,140,326	
Debtors	12	1,986,045		2,173,858	
Cash at bank		<u>4,308</u>		<u>510,256</u>	
		3,953,015		3,824,440	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>3,401,476</u>		<u>3,557,897</u>	
<b>NET CURRENT ASSETS</b>			<u>551,539</u>		<u>266,543</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,262,974		3,647,745
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(999,076)		(1,093,774)
<b>PROVISIONS FOR LIABILITIES</b>	18		(85,000)		(70,000)
<b>PENSION LIABILITY</b>	21		<u>(273,000)</u>		<u>(202,000)</u>
<b>NET ASSETS</b>			<u>2,905,898</u>		<u>2,281,971</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		86,356		86,356
Revaluation reserve	20		1,101,657		596,786
Profit and loss account	20		<u>1,717,885</u>		<u>1,598,829</u>
<b>SHAREHOLDERS' FUNDS</b>	24		<u>2,905,898</u>		<u>2,281,971</u>

The financial statements were approved by the director on 29TH SEPTEMBER 2015 and were signed by:

.....  
Mr A A Blanch - Director

**COMPANY BALANCE SHEET**  
**31 DECEMBER 2014**

		31.12.14		31.12.13 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		<u>86,356</u>		<u>-</u>
			86,356		-
<b>CURRENT ASSETS</b>					
Cash in hand		<u>-</u>		<u>1</u>	
<b>NET CURRENT ASSETS</b>			<u>-</u>		<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>86,356</u></u>		<u><u>1</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<u>86,356</u>		<u>1</u>
<b>SHAREHOLDERS' FUNDS</b>	24		<u><u>86,356</u></u>		<u><u>1</u></u>

The financial statements were approved by the director on 29TH SEPTEMBER 2015 and were signed by:

.....  
 Mr A A Blanch - Director

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

		31.12.14		31.12.13 as restated	
	Notes	£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(409,244)		571,980
<b>Returns on investments and servicing of finance</b>	2		(61,940)		(49,710)
<b>Taxation</b>			94,847		(64,229)
<b>Capital expenditure and financial investment</b>	2		(108,950)		(784,344)
			(485,287)		(326,303)
<b>Financing</b>	2		(468,537)		424,770
<b>(Decrease)/increase in cash in the period</b>			<u>(953,824)</u>		<u>98,467</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
(Decrease)/increase in cash in the period		(953,824)		98,467	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>468,537</u>		<u>(424,770)</u>	
Change in net debt resulting from cash flows			(485,287)		(326,303)
New finance leases			<u>(276,608)</u>		<u>(706,778)</u>
<b>Movement in net debt in the period</b>			(761,895)		(1,033,081)
<b>Net debt at 1 January</b>			<u>(1,051,095)</u>		<u>(18,014)</u>
<b>Net debt at 31 December</b>			<u>(1,812,990)</u>		<u>(1,051,095)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.12.14	31.12.13 as restated
	£	£
Operating profit	268,140	155,449
Depreciation charges	561,546	462,556
Profit on disposal of fixed assets	(1,350)	(135,521)
(Increase)/decrease in stocks	(822,336)	316,687
Decrease/(increase) in debtors	187,813	(1,329,352)
(Decrease)/increase in creditors	(531,057)	1,102,161
Difference between pension charge and cash contributions	(72,000)	-
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(409,244)</u></b>	<b><u>571,980</u></b>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.14	31.12.13 as restated
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	752	2,207
Interest paid	(16,051)	(10,648)
Interest element of hire purchase payments	(46,641)	(41,269)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(61,940)</u></b>	<b><u>(49,710)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(116,950)	(1,336,964)
Purchase of fixed asset investments	-	(6,017)
Sale of tangible fixed assets	8,000	155,000
Sale of fixed asset investments	-	403,637
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(108,950)</u></b>	<b><u>(784,344)</u></b>
<b>Financing</b>		
New loans in year	64,000	662,860
Loan repayments in year	(234,182)	(22,072)
Capital repayments in year	(298,355)	(216,018)
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(468,537)</u></b>	<b><u>424,770</u></b>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	Other non-cash changes £	At 31.12.14 £
Net cash:				
Cash at bank	510,256	(505,948)		4,308
Bank overdraft	<u>-</u>	<u>(447,876)</u>		<u>(447,876)</u>
	<u>510,256</u>	<u>(953,824)</u>		<u>(443,568)</u>
Debt:				
Hire purchase	(917,731)	298,355	(276,608)	(895,984)
Debts falling due within one year	(208,860)	140,484	-	(68,376)
Debts falling due after one year	<u>(434,760)</u>	<u>29,698</u>	<u>-</u>	<u>(405,062)</u>
	<u>(1,561,351)</u>	<u>468,537</u>	<u>(276,608)</u>	<u>(1,369,422)</u>
Total	<u>(1,051,095)</u>	<u>(485,287)</u>	<u>(276,608)</u>	<u>(1,812,990)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% and 10% on cost
Plant and machinery	- varying rates on reducing balance & cost
Fixtures and fittings	- varying rates on reducing balance & cost
Motor vehicles	- varying rates on reducing balance & cost

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

The cost of work in progress includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a multiple benefit scheme, comprising a defined benefit section for pre 1 October 1992 service and a defined contribution section for post 1 October 1992 service. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Operating leases as lessor**

Assets leased under operating leases are included in tangible fixed assets and are depreciated over their estimated useful lives. Rental income from operating leases is included in the profit and loss on a straight line basis over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

**Research and development**

Expenditure on research and development, incurred in the year other than on fixed assets, is charged to the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.14	31.12.13 as restated
	£	£
United Kingdom	2,490,651	2,342,228
Europe	3,593,664	4,258,970
Rest of World	3,575,090	4,643,413
	<u>9,659,405</u>	<u>11,244,611</u>

3. STAFF COSTS

	31.12.14	31.12.13 as restated
	£	£
Wages and salaries	2,942,568	2,836,039
Social security costs	279,258	254,257
Other pension costs	74,999	132,635
	<u>3,296,825</u>	<u>3,222,931</u>

The average monthly number of employees during the year was as follows:

	31.12.14	31.12.13 as restated
Office, management & sales	51	44
Production & distribution	52	50
	<u>103</u>	<u>94</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.14	31.12.13 as restated
	£	£
Hire of plant and machinery	8,435	28,081
Depreciation - owned assets	266,342	220,883
Depreciation - assets on hire purchase contracts	295,204	241,674
Profit on disposal of fixed assets	(1,350)	(135,521)
Foreign exchange differences	1,264	-
Research & development costs	16,915	34,653
Auditors remuneration	8,575	7,750



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

4. OPERATING PROFIT - continued

Director's remuneration	33,779	32,937
Director's pension contributions to money purchase schemes	<u>5,272</u>	<u>5,118</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.14	31.12.13 as restated
	£	£
Bank interest	2,596	170
Bank loan interest	13,455	10,478
Hire purchase interest	<u>46,641</u>	<u>41,269</u>
	<u>62,692</u>	<u>51,917</u>

6. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	31.12.14	31.12.13 as restated
	£	£
Current tax:		
UK corporation tax	25,250	1,259
Prior year adjustment	<u>(96,106)</u>	<u>(30,608)</u>
Total current tax	<u>(70,856)</u>	<u>(29,349)</u>
Deferred tax:		
Accelerated capital allowances	15,000	25,600
Pension contributions	<u>17,000</u>	<u>-</u>
Total deferred tax	<u>32,000</u>	<u>25,600</u>
Tax on profit on ordinary activities	<u>(38,856)</u>	<u>(3,749)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

6. TAXATION - continued

**Factors affecting the tax credit**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.14	31.12.13 as restated
	£	£
Profit on ordinary activities before tax	<u>219,200</u>	<u>105,739</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	43,840	21,148
Effects of:		
Expenses not deductible for tax purposes	659	654
Capital allowances in excess of depreciation	(2,249)	(20,543)
Adjustments to tax charge in respect of previous periods	(96,106)	(30,608)
Pension contributions	<u>(17,000)</u>	<u>-</u>
Current tax credit	<u>(70,856)</u>	<u>(29,349)</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2013 - £0).

8. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the first time adoption of FRS 17 - 'Retirement Benefits'. The pension scheme liability was included in the balance sheet at 31 December 2013 and was made up as follows:

	31.12.13 £
Fair value of scheme assets	1,270,000
Present value of scheme liabilities	<u>(1,522,000)</u>
Liability to be recognised	(252,000)
Deferred tax adjustment	<u>50,000</u>
Net liability to be recognised	<u>(202,000)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2014	2,269,340	2,606,287	540,801	133,485	5,549,913
Additions	23,778	267,566	65,914	36,300	393,558
Disposals	-	(13,480)	-	-	(13,480)
Revaluations	(43,118)	-	-	-	(43,118)
At 31 December 2014	<u>2,250,000</u>	<u>2,860,373</u>	<u>606,715</u>	<u>169,785</u>	<u>5,886,873</u>
<b>DEPRECIATION</b>					
At 1 January 2014	480,765	1,182,195	385,028	120,723	2,168,711
Charge for year	67,224	393,937	83,193	17,192	561,546
Eliminated on disposal	-	(6,830)	-	-	(6,830)
Revaluation adjustments	(547,989)	-	-	-	(547,989)
At 31 December 2014	<u>-</u>	<u>1,569,302</u>	<u>468,221</u>	<u>137,915</u>	<u>2,175,438</u>
<b>NET BOOK VALUE</b>					
At 31 December 2014	<u>2,250,000</u>	<u>1,291,071</u>	<u>138,494</u>	<u>31,870</u>	<u>3,711,435</u>
At 31 December 2013	<u>1,788,575</u>	<u>1,424,092</u>	<u>155,773</u>	<u>12,762</u>	<u>3,381,202</u>

Cost or valuation at 31 December 2014 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 1991	700,000	-	-	-	700,000
Valuation in 2014	1,550,000	-	-	-	1,550,000
Cost	<u>-</u>	<u>2,860,373</u>	<u>606,715</u>	<u>169,785</u>	<u>3,636,873</u>
	<u>2,250,000</u>	<u>2,860,373</u>	<u>606,715</u>	<u>169,785</u>	<u>5,886,873</u>

If freehold land and buildings had not been revalued it would have been included at the following historical cost:

	31.12.14 £	31.12.13 as restated £
Cost	<u>1,711,563</u>	<u>118,445</u>

Freehold land and buildings were valued on an existing use basis on 3 December 2014 by a firm of professional valuers.

No depreciation has been provided on the revalued amount of freehold land and buildings as the valuation was carried out in December 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. TANGIBLE FIXED ASSETS - continued****Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2014	1,438,186	57,221	46,985	1,542,392
Additions	230,249	40,211	36,300	306,760
Disposals	(13,480)	-	-	(13,480)
Transfer to ownership	(69,015)	-	(46,985)	(116,000)
At 31 December 2014	<u>1,585,940</u>	<u>97,432</u>	<u>36,300</u>	<u>1,719,672</u>
<b>DEPRECIATION</b>				
At 1 January 2014	447,622	4,770	34,230	486,622
Charge for year	268,351	20,420	6,433	295,204
Eliminated on disposal	(6,830)	-	-	(6,830)
Transfer to ownership	(59,048)	-	(35,208)	(94,256)
At 31 December 2014	<u>650,095</u>	<u>25,190</u>	<u>5,455</u>	<u>680,740</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	<u>935,845</u>	<u>72,242</u>	<u>30,845</u>	<u>1,038,932</u>
At 31 December 2013	<u>990,564</u>	<u>52,451</u>	<u>12,755</u>	<u>1,055,770</u>

**10. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>86,356</u>
At 31 December 2014	<u>86,356</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>86,356</u>

**ALVAN BLANCH HOLDINGS LIMITED (REGISTERED NUMBER: 08197385)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Alvan Blanch Development Company Limited**

Nature of business: Manufacturer of agricultural machinery

Class of shares:	%
Ordinary	holding 100.00

	31.12.14
	£
Aggregate capital and reserves	2,905,898
Profit for the year	<u>258,056</u>

**11. STOCKS**

	<b>Group</b>	
	31.12.14	31.12.13 as restated
	£	£
Raw materials, spares & consumables	1,758,857	1,093,940
Work-in-progress	<u>203,805</u>	<u>46,386</u>
	<u>1,962,662</u>	<u>1,140,326</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	31.12.14	31.12.13 as restated
	£	£
Trade debtors	1,724,552	1,766,416
VAT	120,326	296,166
Prepayments and accrued income	<u>141,167</u>	<u>111,276</u>
	<u>1,986,045</u>	<u>2,173,858</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	31.12.14	31.12.13
		as restated
	£	£
Bank loans and overdrafts (see note 15)	516,252	26,000
Other loans (see note 15)	-	182,860
Hire purchase contracts (see note 16)	301,970	258,717
Trade creditors	1,210,514	1,995,741
Payments on account	803,652	543,856
Tax	25,250	1,259
Social security and other taxes	66,888	58,601
Accruals and deferred income	<u>476,950</u>	<u>490,863</u>
	<u><u>3,401,476</u></u>	<u><u>3,557,897</u></u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	31.12.14	31.12.13
		as restated
	£	£
Bank loans (see note 15)	405,062	434,760
Hire purchase contracts (see note 16)	<u>594,014</u>	<u>659,014</u>
	<u><u>999,076</u></u>	<u><u>1,093,774</u></u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	31.12.14	31.12.13
		as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	447,876	-
Bank loan	68,376	26,000
Other loans	<u>-</u>	<u>182,860</u>
	<u><u>516,252</u></u>	<u><u>208,860</u></u>
Amounts falling due between one and two years:		
Bank loan	<u>26,000</u>	<u>26,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>78,000</u>	<u>78,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	<u>301,062</u>	<u>330,760</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS****Group**

	Hire purchase contracts	
	31.12.14	31.12.13 as restated
	£	£
Gross obligations repayable:		
Within one year	336,228	296,215
Between one and five years	629,154	696,796
In more than five years	<u>-</u>	<u>7,870</u>
	<u>965,382</u>	<u>1,000,881</u>
Finance charges repayable:		
Within one year	34,258	37,498
Between one and five years	35,140	45,629
In more than five years	<u>-</u>	<u>23</u>
	<u>69,398</u>	<u>83,150</u>
Net obligations repayable:		
Within one year	301,970	258,717
Between one and five years	594,014	651,167
In more than five years	<u>-</u>	<u>7,847</u>
	<u>895,984</u>	<u>917,731</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	31.12.14	31.12.13 as restated
	£	£
Bank overdraft	447,876	-
Bank loans	473,438	460,760
Hire purchase contracts	<u>895,984</u>	<u>917,731</u>
	<u>1,817,298</u>	<u>1,378,491</u>

The bank loan is secured by a first charge over the company's freehold properties, a debenture over all assets of the company and a charge on cash deposits. The rate of interest is 2.45% per annum over base and is repayable in monthly instalments over its term of 15 years.

Obligations under finance lease and hire purchase contracts are secured on the underlying

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	31.12.14	31.12.13 as restated
	£	£
Deferred tax		
Accelerated capital allowances	<u>85,000</u>	<u>70,000</u>

**Group**

	Deferred tax £
Balance at 1 January 2014	70,000
Credit to Profit and Loss Account during year	<u>15,000</u>
Balance at 31 December 2014	<u>85,000</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14	31.12.13 as restated
			£	£
86,356	ordinary	£1	<u>86,356</u>	<u>86,356</u>

During the year £86,355 ordinary shares of £1 each were allotted and fully paid in exchange for shares in Alvan Blanch Development Company Limited.

**20. RESERVES****Group**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2014	1,800,829	596,786	2,397,615
Prior year adjustment	<u>(202,000)</u>		<u>(202,000)</u>
	1,598,829		2,195,615
Profit for the year	258,056		258,056
Revaluation of freehold land and buildings during the year	-	504,871	504,871
Actuarial losses on pension scheme (net of deferred tax)	<u>(139,000)</u>	<u>-</u>	<u>(139,000)</u>
At 31 December 2014	<u>1,717,885</u>	<u>1,101,657</u>	<u>2,819,542</u>
Profit and loss account excluding pension liability	1,990,885		
Pension deficit	<u>(273,000)</u>		
Profit and loss account	<u>1,717,885</u>		



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**20. RESERVES - continued****Company**

	Profit and loss account £
Profit for the year	-
At 31 December 2014	-

**21. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined benefit scheme in the UK. This disclosure covers benefits accrued in the scheme prior to 6 April 1997 only. All post 5 April 1997 benefits are on a pure money purchase basis. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 September 2013 and updated to 31 December 2014 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

In accordance with the Schedule of Contributions applicable over the period, the company contributions are payable at the rate of £6,000 per month, increasing at 3% per annum in October each year, with the first such increase applying to the contribution paid in October 2015. The company also meet the cost of levies to the Pension Protection Fund and management and administration expenses.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Present value of funded obligations	(1,690,000)	(1,522,000)
Fair value of plan assets	<u>1,349,000</u>	<u>1,270,000</u>
	(341,000)	(252,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	(341,000)	(252,000)
Deferred tax asset	<u>68,000</u>	<u>50,000</u>
Net liability	<u><u>(273,000)</u></u>	<u><u>(202,000)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Current service cost	-	-
Interest cost	65,000	-
Expected return	(78,000)	-
Past service cost	-	-
	<u>(13,000)</u>	<u>-</u>
Actual return on plan assets	<u>110,000</u>	<u>-</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Opening defined benefit obligation	1,522,000	1,522,000
Interest cost	65,000	-
Actuarial losses/(gains)	206,000	-
Benefits paid	<u>(103,000)</u>	<u>-</u>
	<u>1,690,000</u>	<u>1,522,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Opening fair value of scheme assets	1,270,000	1,270,000
Contributions by employer	72,000	-
Expected return	78,000	-
Actuarial gains/(losses)	32,000	-
Benefits paid	<u>(103,000)</u>	<u>-</u>
	<u>1,349,000</u>	<u>1,270,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Actuarial gains/(losses)	<u>(174,000)</u>	<u>(252,000)</u>
	<u>(174,000)</u>	<u>(252,000)</u>
Cumulative amount of actuarial gains/(losses)	<u>(426,000)</u>	<u>(252,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13 as restated
	£	£
Equities	834,000	780,000
Government Bonds	130,000	5,000
Corporate Bonds	195,000	264,000
Cash and Other	<u>190,000</u>	<u>221,000</u>
	<u>1,349,000</u>	<u>1,270,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.14	31.12.13 as restated
Discount rate	3.40%	4.40%
Inflation (RPI)	3.10%	3.60%
Inflation (CPI)	2.10%	2.60%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.10%	2.60%
Allowance for commutation of pension for cash at retirement	100.00%	100.00%
	of Post A Day	of Post A Day

The mortality assumptions adopted at 31 December 2014 imply the following life expectancies:

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2014	22.2
Female retiring in 2014	24.5
Male retiring in 2034	23.9
Female retiring in 2034	26.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous two periods are as follows:

	Year Ended 31.12.14	Year Ended 31.12.13 as restated	Period 31.8.12 to 31.12.12
	£	£	£
<b>Defined benefit pension plans</b>			
Defined benefit obligation	(1,690,000)	(1,522,000)	-
Fair value of scheme assets	1,349,000	1,270,000	-
Deficit	(341,000)	(252,000)	-
Experience adjustments on scheme liabilities	(6,000)	-	-
Experience adjustments on scheme assets	32,000	-	-

The best estimate of contributions to be paid by the company to the scheme for the period commencing 1 January 2015 is £72,540.

**Defined contribution scheme**

All post 6 April 1997 contributions are on a pure money purchase basis. The pension cost charge for the year includes contributions payable by the company to the fund of £74,999 (2013 - £64,739). Contributions totalling £25,000 (2013 - £25,000) were prepaid to the fund at 31 December 2014.

22. RELATED PARTY DISCLOSURES

During the year the company supplied goods and services to and received goods and services from businesses owned by Mr J J Blanch, a director of Alvan Blanch Development Company Limited. The value of these transactions during the year, all of which were on normal commercial terms, was £2,490 (2013 - £10,350). The balance due to Alvan Blanch Development Company Limited at 31 December 2014 in respect of these transactions was £12,121 (2013 - £17,923).

During previous years the company supplied goods and services to and received goods and services from Alvan Blanch (Overseas) Limited, a company in which Mr A A Blanch is also a director. The net balance due to Alvan Blanch (Overseas) Limited at 31 December 2014 in respect of these transactions was £34,840 (2013 - £34,840).

Mr A A Blanch has made an unsecured, interest free loan to the company, which subsisted throughout the year. The balance outstanding at 31 December 2014 was £nil (2013 - £6,729).

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A A Blanch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	31.12.14	31.12.13 as restated
	£	£
Profit for the financial year	258,056	109,488
Other recognised gains and losses relating to the year (net)	<u>365,871</u>	<u>(202,000)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	623,927	(92,512)
Opening shareholders' funds (originally £2,483,971 before prior year adjustment of £(202,000))	<u>2,281,971</u>	<u>2,374,483</u>
<b>Closing shareholders' funds</b>	<u><u>2,905,898</u></u>	<u><u>2,281,971</u></u>

**Company**

	31.12.14	31.12.13 as restated
	£	£
Profit for the financial year	-	-
New share capital subscribed	<u>86,355</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	86,355	-
Opening shareholders' funds	<u>1</u>	<u>1</u>
<b>Closing shareholders' funds</b>	<u><u>86,356</u></u>	<u><u>1</u></u>