

ALNWICK FARMERS' LIVESTOCK
AUCTION COMPANY LIMITED
TRADING AS
NORTH EAST LIVESTOCK SALES

DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2011

GREAVES WEST AND AYRE

CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS

BERWICK UPON TWEED

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES

COMPANY INFORMATION

Directors	C.G. Manners (Chairman) D.S. Frater (Vice-Chairman) W.A. Curry H.H. Annett W.M. Davy A. Davy
Secretary	Miss K. Hill
Company Number	00575515
Registered Office	Acklington Auction Mart Acklington Morpeth NE65 9SU
Auditors	Greaves West and Ayre Chartered Accountants & Statutory Auditors 1/3 Sandgate Berwick upon Tweed TD15 1EW
Bankers	Lloyds Bank P.L.C. Alnwick Northumberland NE66 1TD

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES

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ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2011

The directors present their report and the financial statements for the year ended 31st July 2011.

Directors

The directors who served during the year are as stated below :

C.G. Manners (Chairman)
D.S. Frater (Vice-Chairman)
W.A. Curry
H.H. Annett
W.M. Davy
A. Davy

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal activity

The principal activity of the company continues to be that of livestock auctioneers, valuers and estate agents.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2011

Auditors

The auditors, Greaves West and Ayre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Exemptions

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board on 8th November 2011

And signed on its behalf by

.....
Miss K. Hill
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED

We have audited the financial statements of Alnwick Farmers Livestock Auction Company Limited, Trading as North East Livestock Sales for the year ended 31st July 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor's 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 auditor

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 (APB'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 directors report to identify material inconsistencies with the audited financial statements. 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 31st July 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

.....
Stuart Faed CA
Senior Statutory Auditor
For and on behalf of
Greaves West and Ayre
Chartered Accountants and
Statutory Auditors
Berwick upon Tweed

10TH NOVEMBER 2011

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
BALANCE SHEET AS AT 31ST JULY 2011

<u>2010</u>		<u>Notes</u>	<u>2011</u>
£			£
	Capital and Reserves		
30,000	Called up share capital	8	30,000
254,340	Revaluation reserve	9	254,340
482,087	Profit and loss account	9	559,785
<u>766,427</u>	Shareholders' Funds	15	<u>844,125</u>

The financial statements are prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 8th November 2011

And signed on its behalf by

.....
C.G. Manners, Director

.....
D.S. Frater, Director

The notes on pages 8 to 15 form an integral part of these financial statements.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2011

<u>2010</u>		<u>Notes</u>	<u>2011</u>
£			£
487,607	Turnover	2	526,099
(401,539)	Administrative expenses		(440,455)
44,497	Other operating income		33,358
<u>130,565</u>	Operating profit	10	<u>119,002</u>
9,832	Profit on sale of fixed assets		-
<u>(7,990)</u>	Interest payable and similar charges	11	<u>(10,165)</u>
132,407	Profit on ordinary activities before taxation		108,837
(31,110)	Tax on profit on ordinary activities	14	(25,139)
<u>101,297</u>	Profit on ordinary activities after taxation	9	<u>83,698</u>

The notes on pages 8 to 15 form an integral part of these financial statements.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Buildings	-	Straight Line over Thirty Years
Plant and Machinery	-	20% Reducing Balance
Office and Canteen Equipment	-	10% - 25% Reducing Balance

1.4. Leasing

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

1.5. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	<u>2011</u>	<u>2010</u>
Analysis of turnover by activity :-		
Throughput of mart	17,388,334	16,591,792
	<u> </u>	<u> </u>
Commission earned : Normal	523,984	486,568
Certifying fees	2,115	1,039
Valuation fees	-	-
	<u> </u>	<u> </u>
	<u>526,099</u>	<u>487,607</u>

3. Tangible fixed assets

	<u>Freehold Land and Buildings</u>	<u>Plant and Machinery</u>	<u>Office And Canteen Equipment</u>	<u>Total</u>
	£	£	£	£
Cost/revaluation				
Brought forward	705,047	158,744	66,497	930,288
Additions	-	17,745	730	18,475
	<u>705,047</u>	<u>176,489</u>	<u>67,227</u>	<u>948,763</u>
Depreciation				
Brought forward	240,079	95,917	42,092	378,088
Charge for the year	19,479	12,553	5,238	37,270
	<u>259,558</u>	<u>108,470</u>	<u>47,330</u>	<u>415,358</u>
Net book values				
At 31st July 2011	<u>445,489</u>	<u>68,019</u>	<u>19,897</u>	<u>533,405</u>
At 31st July 2010	<u>464,968</u>	<u>62,827</u>	<u>24,405</u>	<u>552,199</u>

The company's freehold land and property were valued by Messrs J.M. Clark and Partners, Chartered Surveyors, on an existing use basis at £425,000 on 1st July 1991. The directors consider this to be a fair valuation at 31st July 2011. Included within this total is land valued at £100,000 which is not depreciated.

The transitional provisions of the FRSSE are being followed under which there is no requirement to revalue on a five year basis, therefore the valuation has not been updated.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

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

Asset description	<u>2011</u>		<u>2010</u>	
	<u>Net</u> <u>Book Value</u>	<u>Depreciation</u> <u>Charge</u>	<u>Net</u> <u>Book Value</u>	<u>Depreciation</u> <u>Charge</u>
	£	£	£	£
John Deere 6230 Tractor	22,814	5,703	28,517	483

4. Debtors	<u>2011</u>	<u>2010</u>
	£	£
Trade debtors	1,135,291	897,877
Prepayments and accrued income	7,204	6,807
	<u>1,142,495</u>	<u>904,684</u>

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

5. Creditors : Amounts falling due within one year	<u>2011</u>	<u>2010</u>
	£	£
Bank overdraft	726,106	579,732
Net obligations under finance leases and hire purchase contracts	5,167	5,217
Trade creditors	4,083	17,580
Corporation tax	26,302	17,389
Other taxes and social security costs	21,953	17,238
Other creditors	863	863
Accruals and deferred income	25,430	22,483
	<u>809,904</u>	<u>660,502</u>

The bank overdraft is secured by a charge over the company's property.

The hire purchase creditor is secured on the asset to which it relates.

Summary of bank current account balance/(overdraft)

	<u>2011</u>	<u>2010</u>
	£	£
Balance/(overdraft) per statement	(221,537)	5,775
Less : Unpresented purchase ledger cheques	(271,280)	(259,590)
	(492,817)	(253,815)
Less : Unpresented sale cheques	(233,289)	(325,917)
Balance/(overdraft) per accounts	<u>(726,106)</u>	<u>(579,732)</u>

6. Creditors: amounts falling due after more than one year	<u>2011</u>	<u>2010</u>
	£	£
Net obligations under finance leases and hire purchase contracts	-	5,167
	<u>-</u>	<u>5,167</u>

The hire purchase creditor is secured on the asset to which it relates.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

7. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	<u>Provided</u>	
	<u>2011</u>	<u>2010</u>
	£	£
Accelerated capital allowances	26,101	27,264

Movements on the provision for deferred taxation are:

	<u>2011</u>	<u>2010</u>
	£	£
At 1st August 2010	27,264	13,543
Transferred to profit and loss account	(1,163)	13,721
At 31st July 2011	<u>26,101</u>	<u>27,264</u>

8. Share capital

Allotted, called up and fully paid

30,000 Ordinary shares of £1 each

	<u>2011</u>	<u>2010</u>
	£	£
	30,000	30,000

9. Reserves

	<u>Revaluation</u>	<u>Profit</u>	
	<u>Reserve</u>	<u>And Loss</u>	<u>Total</u>
	£	£	£
At 1st August 2010	254,340	482,087	736,427
Profit for the year	-	83,698	83,698
Equity dividends	-	(6,000)	(6,000)
At 31st July 2011	<u>254,340</u>	<u>559,785</u>	<u>814,125</u>

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

10. Operating profit	<u>2011</u>	<u>2010</u>
	£	£
Operating profit is stated after charging :		
Depreciation of tangible assets	37,270	27,610
Loss on disposal of tangible fixed assets	-	2,924
Auditors' remuneration	<u>5,400</u>	<u>5,250</u>
11. Interest payable and similar charges	<u>2011</u>	<u>2010</u>
	£	£
Included in this category is the following :		
On loans and overdrafts	<u>10,165</u>	<u>7,990</u>
12. Directors' remuneration	<u>2011</u>	<u>2010</u>
	£	£
Remuneration and other benefits	<u>14,000</u>	<u>12,250</u>
13. Pension costs		

The company operates a defined contribution pension scheme for one employee. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,600 (2010 £1,600). An amount of £133 was outstanding at the year end (2010 £133).

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

14. Tax on profit on ordinary activities

Analysis of charge in period	<u>2011</u>	<u>2010</u>
	£	£
Current tax		
UK corporation tax at 21% (2010 - 21%)	26,302	17,389
Total current tax charge	<u>26,302</u>	<u>17,389</u>
Deferred tax		
Timing differences, origination and reversal	(1,163)	13,721
Total deferred tax	<u>(1,163)</u>	<u>13,721</u>
Tax on profit on ordinary activities	<u><u>25,139</u></u>	<u><u>31,110</u></u>

15. Reconciliation of movements in shareholders' funds

	<u>2011</u>	<u>2010</u>
	£	£
(Loss)/profit for the year	83,698	101,297
Dividends	(6,000)	(6,000)
	<u>77,698</u>	<u>95,297</u>
Opening shareholders' funds	<u>766,427</u>	<u>671,130</u>
Closing shareholders' funds	<u><u>844,125</u></u>	<u><u>766,427</u></u>

16. Financial commitments

At 31st July 2011 the company had annual commitments under non-cancellable operating leases as follows :

	<u>2011</u>	<u>2010</u>
	£	£
Expiry date:		
Between one and five years	<u>3,927</u>	<u>3,840</u>

17. Ultimate controlling party

There is no one controlling party, due to the shares being held by a number of small minority interests.

ALNWICK FARMERS' LIVESTOCK AUCTION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2011

18. Post balance sheet events

The directors have declared a final dividend after the year end of £9,000 to be paid in 2012.

19. Related party transactions

The amount of commission earned by the mart on sales by the directors via their independent farming operations requiring disclosure under of the Companies Act are given below :-

	£
H.H. Annett	4,516
W.A. Curry	2,162
W.M. Davy	5,887
A. Davy	9,278
D.S. Frater	5,706
C.G. Manners	5,403

Transactions with directors or their farming operations are carried out on an "arms length" basis. Balances owed by related parties amounted to £Nil (2010 £978) at the year end. Amounts due to related parties at 31st July 2011 amounted to £Nil (2010 £Nil).