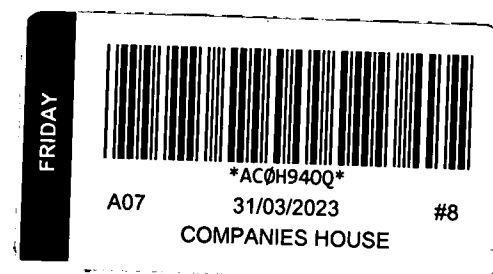


Company registration number 0625731 (England and Wales)

MURLEY AGRICULTURAL SUPPLIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



MURLEY AGRICULTURAL SUPPLIES LIMITED

COMPANY INFORMATION

Directors	W G Crawford J E Woodrow S J Willmott J T Hamilton
Secretary	S J Willmott
Company number	0625731
Registered office	Nelson Lane Warwick Warwickshire CV34 5JB
Auditor	Burgis & Bullock 23-25 Waterloo Place Leamington Spa Warwickshire CV32 5LA
Bankers	Lloyds Bank plc 125 Colmore Row Birmingham B3 3AE

MURLEY AGRICULTURAL SUPPLIES LIMITED

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MURLEY AGRICULTURAL SUPPLIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Fair review of the business

The transactions during the year relate to the run-off of the former trading business, and no trading has taken place.

On 19 August 2022 the company sold its interest in freehold land to a fellow group subsidiary.

A profit before taxation of £4k was made (2021 profit 225k) and the profit and loss reserves of the business at the year end were £406k (2021 £2,824k) after payment of a dividend for the year amounting to £2,450k.

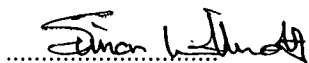
Principal risks and uncertainties

Since the sale of its trading activities the company's risks are minimal, the principal risk now being restricted to the loss of liquidity from its investments.

Key performance indicators

As the Company is not trading, there is no need for performance management KPI's, apart from monitoring liquidity to ensure that Company remains solvent.

By order of the board



S J Willmott

Secretary

Date: 17.3.23.....

MURLEY AGRICULTURAL SUPPLIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

Until 30 June 2021 the principal activity of the company was the operation of agricultural and construction machinery dealerships.

On the 19th August 2022 the company transferred its investment property to another group company. Up until this date the company operated as an investment company. Since the 19th August 2022 the company has ceased to trade.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,450,000. The directors do not recommend payment of a further dividend.

Directors

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

W G Crawford

J E Woodrow

S J Willmott

J T Hamilton

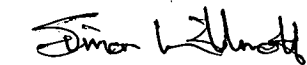
Auditor

In accordance with the company's articles, a resolution proposing that Burgis & Bullock 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.

By order of the board



S J Willmott

Secretary

Date: 17.3.23

MURLEY AGRICULTURAL SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MURLEY AGRICULTURAL SUPPLIES LIMITED

Opinion

We have audited the financial statements of Murley Agricultural Supplies Limited (the 'company') for the year ended 31 December 2022 which comprise 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 December 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.

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MURLEY AGRICULTURAL SUPPLIES LIMITED

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 directors' 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MURLEY AGRICULTURAL SUPPLIES LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the company and industry we identified that the principal risk of non-compliance with laws and regulations related to breaches of Companies Act 2006 and UK tax legislation.

We evaluated management incentive and opportunities for fraudulent manipulations of the financial statements.

Audit procedures performed included:

- Making enquiries of management as to any instances of non-compliance with laws and regulations;
- Reviewing returns made to Companies House and HMRC;
- Review recent Health & Safety Audit findings;
- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud;
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias;
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the company's normal course of business;
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the company's normal course of business;
- Testing a sample of debit entries in the profit and loss account to check they are bona-fide costs of the business.

MURLEY AGRICULTURAL SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MURLEY AGRICULTURAL SUPPLIES LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, 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.

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.



Wende Hubbard FCCA

Senior Statutory Auditor

For and on behalf of Burgis & Bullock

Date: 17th March 2023

Chartered Accountants

Statutory Auditor

23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

MURLEY AGRICULTURAL SUPPLIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		Continuing operations	Discontinued operations	31 December 2022	Continuing operations	Discontinued operations	31 December 2021
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3	-	10	10	-	14,802	14,802
Cost of sales		-	13	13	-	(13,339)	(13,339)
Gross profit		-	23	23	-	1,463	1,463
Distribution costs		-	(25)	(25)	-	(845)	(845)
Administrative expenses		-	5	5	-	(575)	(575)
Other operating income	4	-	1	1	1	46	47
Operating profit	5	-	4	4	1	89	90
Interest payable and similar expenses	8	-	-	-	-	(20)	(20)
Fair value gains and losses on investment properties	13	-	-	-	55	-	55
Profit/(loss) on disposal of operations		-	-	-	-	100	100
Profit before taxation		-	4	4	56	169	225
Tax on profit	9	-	28	28	(18)	(37)	(55)
Profit for the financial year		-	32	32	38	132	170
Tax relating to other comprehensive income		-	-	-	-	-	83
Total comprehensive income for the year		-	32	32	-	253	253

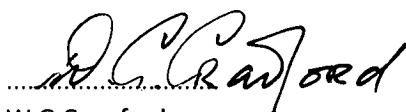
MURLEY AGRICULTURAL SUPPLIES LIMITED

BALANCE SHEET

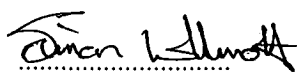
AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investment properties	13		-		495
Current assets					
Debtors	14	854		819	
Cash at bank and in hand		77		2,195	
		931		3,014	
Creditors: amounts falling due within one year	15	(25)		(157)	
Net current assets			906		2,857
Total assets less current liabilities			906		3,352
Provisions for liabilities					
Deferred tax liability	16	-		28	
			-		(28)
Net assets			906		3,324
Capital and reserves					
Called up share capital	18		500		500
Non-distributable profits reserve	19		-		247
Distributable profit and loss reserves			406		2,577
Total equity			906		3,324

The financial statements were approved by the board of directors and authorised for issue on 17.3.23 and are signed on its behalf by:



W G Crawford
Director



S J Willmott
Director

Company Registration No. 0625731

MURLEY AGRICULTURAL SUPPLIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Revaluation reserve	Non-distributable profits	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021		500	617	-	2,054	3,171
Year ended 31 December 2021:						
Profit for the year		-	-	34	136	170
Other comprehensive income:						
Tax relating to other comprehensive income		-	83	-	-	83
Total comprehensive income for the year		-	83	34	136	253
Dividends	11	-	-	-	(100)	(100)
Transfers		-	(700)	213	487	-
Balance at 31 December 2021		500	-	247	2,577	3,324
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	32	32
Dividends	11	-	-	-	(2,450)	(2,450)
Transfers		-	-	(247)	247	-
Balance at 31 December 2022		500	-	-	406	906

MURLEY AGRICULTURAL SUPPLIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	23	394	3,236
Interest paid		-	(20)
Income taxes paid		(62)	(31)
Net cash inflow from operating activities		332	3,185
Investing activities			
Proceeds from disposal of business		-	100
Purchase of tangible fixed assets		-	(38)
Proceeds from disposal of tangible fixed assets		-	867
Net cash (used in)/generated from investing activities		-	929
Financing activities			
Repayment of borrowings		-	(2,271)
Dividends paid		(2,450)	(100)
Net cash used in financing activities		(2,450)	(2,371)
Net (decrease)/increase in cash and cash equivalents		(2,118)	1,743
Cash and cash equivalents at beginning of year		2,195	452
Cash and cash equivalents at end of year		77	2,195

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Murley Agricultural Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nelson Lane, Warwick, Warwickshire, CV34 5JB.

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 £'000.

The financial statements have been prepared under the historical cost convention, modified to include to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

On the 30th June 2021 the company sold its trading assets and transferred its employees to T H White Limited.

The company retained its freehold land until 19 August 2022 when it was transferred to another group company. The company hence ceased to continue as an investment company at this date.

The directors believe that the company has adequate financial resources to continue in operational existence for the foreseeable future along with the financial support from the rest of the Murley Group. On this basis the directors feel the going concern basis of accounting is considered to be appropriate.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of value added tax.

The turnover and pre-tax profit were attributable to the operation of agricultural and construction machinery franchises up until the company ceased to trade as a trading company,

Income from rentals and other investment income is recognised when amounts become receivable.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, was initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it was measured at fair value at the reporting end date. The surplus or deficit on revaluation was recognised in profit or loss.

Cost was calculated using the AVCO method.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

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.

1.6 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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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 through 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.

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.

Derecognition of financial liabilities

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

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

1.8 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Contributions payable under money purchase schemes are charged to the profit and loss account as they are incurred.

1.11 Leases

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.

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

Amounts due from group undertakings

In relation to intercompany debt the directors have made key assumptions regarding the likely repayment dates and applicable discount rates such that any impact of discounting would be immaterial to the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tax

The company establishes provisions based on reasonable estimates in relation to the company's self assessment requirements from HMRC. The amount of such provisions is based on various factors, such as experience with previous HMRC audits, differing interpretations of tax regulations by the taxable entity and the responsible tax authority and advice given by the company's professional advisors.

Revenue recognition and allowance for doubtful receivables

At each reporting date the company evaluates the recoverability of trade receivables and record allowances for doubtful receivables based on experience.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

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

	2022 £'000	2021 £'000
Turnover analysed by class of business		
Sale of goods	10	13,713
Rendering of services	-	1,089
	<u>10</u>	<u>14,802</u>

	2022 £'000	2021 £'000
Turnover analysed by geographical market		
UK	10	14,773
Europe	-	29
	<u>10</u>	<u>14,802</u>

4 Other operating income

	2022 £'000	2021 £'000
Government grants		
Coronavirus Job Retention Scheme (CRJS)	-	46
Rental Income	-	1
	<u>-</u>	<u>47</u>

The Coronavirus Job Retention Scheme (CRJS), is a government scheme set up to cover certain employment costs for employees who have been unable to work due to COVID-19.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(46)
Fees payable to the company's auditor for the audit of the company's financial statements	5	13
Depreciation of owned tangible fixed assets	-	49
Profit on disposal of tangible fixed assets	-	(13)
Impairment of stocks recognised or reversed	-	18
Operating lease charges	-	40
	<u> </u>	<u> </u>

6 Employees

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

	2022 Number	2021 Number
Average number of employees up to 30 June 2021	-	49
Average number of employees for the year /6 months ended 31 December 2021	-	2
	<u> </u>	<u> </u>
Total	-	51
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	-	791
Social security costs	17	94
Pension costs	-	57
	<u> </u>	<u> </u>
	17	942
	<u> </u>	<u> </u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	-	64
Company pension contributions to defined contribution schemes	-	41
	<u>-</u>	<u>105</u>
	<u>-</u>	<u>105</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2021 - 2).

8 Interest payable and similar expenses

	2022 £'000	2021 £'000
Other finance costs:		
Other interest	-	20
	<u>-</u>	<u>20</u>

9 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	1	63
	<u>1</u>	<u>63</u>
Deferred tax		
Origination and reversal of timing differences	(29)	(8)
	<u>(29)</u>	<u>(8)</u>
Total tax (credit)/charge	<u>(28)</u>	<u>55</u>

Of the charge to current tax in relation to discontinued operations, £0k relates to tax on profits and £0 arose on disposal.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

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 £'000	2021 £'000
Profit before taxation	4	225
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1	43
Tax effect of expenses that are not deductible in determining taxable profit	-	7
Tax effect of income not taxable in determining taxable profit	(21)	-
Effect of change in corporation tax rate	(7)	7
Group relief	-	(5)
Deferred tax adjustments in respect of prior years	(1)	3
Taxation (credit)/charge for the year	(28)	55

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 £'000	2021 £'000
Deferred tax arising on:		
Release of revaluation of property on disposal	-	(83)

10 Discontinued operations

Profit on disposal

On the 30th June 2021 the company sold its business, trading assets (details of which are disclosed in Note 13) and stocks and transferred its employees to T H White Limited and T H White Holdings Limited. Up until the 19th August 2022 the company retained certain freehold property for investment assets purpose. On the 19th August 2022 the freehold property was transferred to another group company.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Dividends

	2022 £'000	2021 £'000
Final paid	2,450	100

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2022 £'000	2021 £'000
Recognised in:		
Cost of sales in respect of stock	-	18

13 Investment property

	2022 £'000
Fair value	
At 1 January 2022	495
Disposals	(495)
At 31 December 2022	-

Freehold land which was valued on an open market basis on 3rd March 2022 by Bromwich Hardy, Chartered Surveyors (MRCS), was disposed of on the 19th August 2022.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022 £'000	2021 £'000
Cost	-	220
Accumulated depreciation	-	-
	<hr/>	<hr/>
Carrying amount	-	220
	<hr/>	<hr/>

14 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	3	41
Amount due from parent undertaking	352	777
Amounts due from fellow group undertakings	495	-
Other debtors	4	-
Prepayments and accrued income	-	1
	<hr/>	<hr/>
	854	819
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	15	56
Amounts due to fellow group undertakings	4	21
Corporation tax payable	1	63
Other taxation and social security	-	6
Accruals and deferred income	5	11
	<hr/>	<hr/>
	25	157
	<hr/>	<hr/>

Creditors falling due within one year totalling £nil (2021 - £nil) are secured.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £'000	Liabilities 2021 £'000
Balances:		
Investment property	-	28
Movements in the year:		2022 £'000
Liability at 1 January 2022		28
Transfer on disposal		(28)
Liability at 31 December 2022		-

17 Retirement benefit schemes

	2022 £'000	2021 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	57

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2022 Number	2021 Number	2022 £'000	2021 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	500,000	500,000	500	500

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Non-distributable profits reserve

	2022 £'000	2021 £'000
At the beginning of the year	247	-
Non distributable profits in the year	-	247
Transfer of non-distributable profits on sale of investment property	(247)	-
	<u> </u>	<u> </u>
At the end of the year	<u> </u>	<u> </u>

20 Financial commitments, guarantees and contingent liabilities

An unlimited debenture, an unlimited all money guarantee, a floating charge over all the assets and a first and second legal charge over the freehold land and buildings owned by Murley Agricultural Supplies Limited have been made by the company in favour of group undertakings to the extent of those companies' bank overdrafts and loans. The balance on those overdrafts and loans at the year end was £nil (2021 - £nil).

A guarantee has been made by the company in favour of a group undertaking to the extent of the facility provided for stocking finance. The balance on that stocking finance as at the year end was £1,042k (2021 - £862k).

21 Related party transactions

Transactions with related parties

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

	Rent payable	
	2022 £'000	2021 £'000
Murley Limited Pension Scheme	-	30
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Other information

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Related party transactions

(Continued)

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

22 Ultimate controlling party

The company's controlling party is the board of directors of its immediate and ultimate parent company, Murley Limited.

The company's immediate and ultimate parent undertaking is Murley Limited. The registered office of Murley Limited is Nelson Lane, Warwick, Warwickshire, CV34 5JB and its accounts can be obtained from Companies House.

23 Cash generated from operations

	2022 £'000	2021 £'000
Profit for the year after tax	32	170
Adjustments for:		
Taxation (credited)/charged	(28)	55
Finance costs	-	20
Gain on disposal of tangible fixed assets	-	(13)
Gain on disposal of business	-	(100)
Fair value gain on investment properties	-	(55)
Depreciation and impairment of tangible fixed assets	-	49
Movements in working capital:		
Decrease in stocks	-	3,339
Decrease in debtors	460	898
Decrease in creditors	(70)	(1,127)
Cash generated from operations	394	3,236

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Analysis of changes in net funds

	1 January 2022 £'000	Cash flows £'000	31 December 2022 £'000
Cash at bank and in hand	2,195	(2,118)	77
	<u> </u>	<u> </u>	<u> </u>