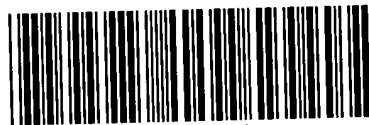


Company Registration No. 0625731 (England and Wales)

MURLEY AGRICULTURAL SUPPLIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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MURLEY AGRICULTURAL SUPPLIES LIMITED

COMPANY INFORMATION

Directors	W G Crawford J E Woodrow S J Willmott J T Hamilton	(Appointed 30 June 2021)
Secretary	S J Willmott	
Company number	0625731	
Registered office	Nelson Lane Warwick Warwickshire CV34 5JB	
Auditor	Burgis & Bullock 23-25 Waterloo Place Warwick Street Leamington Spa Warwickshire CV32 5LA	
Bankers	Lloyds Bank plc 125 Colmore Row Birmingham B3 3AE	

MURLEY AGRICULTURAL SUPPLIES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Balance sheet	10 - 11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 32

MURLEY AGRICULTURAL SUPPLIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

On 30 June 2021 the Company completed an Asset Purchase agreement with T H White Limited and T H White Holdings Limited who purchased the business, operational fixed assets and stock at book values. All staff were transferred to the purchasers under TUPE.

The results for the period prior to that date and the financial position of the company are as shown in the annexed financial statements.

Murley Agricultural Supplies Limited operated the New Holland and allied agricultural equipment franchises within its agreed territories, based at Warwick and Stourport on Severn. In addition it operated the Doosan and Mecalac construction equipment franchises based at Stourport on Severn, together with a garden machinery division based at Warwick. Servicing and parts were offered at all sites.

Following the sale of the business the Company operates as an investment company.

A profit before taxation of £225k, including revaluation gains of £55k, was made (2020 £137k) and the profit and loss reserves of the business at the year end were £2,824k (2020 £2,054k) after payment of a dividend for the year amounting to £100k.

Principal risks and uncertainties

The company's operational risks were assessed and controlled whilst the business was trading. Since the sale of its trading activities the company's risks are minimal with the principal risk now being restricted to adverse market influences on the value of its investments, including liquid assets.

Key performance indicators

Whilst the company was trading it monitored various performance objectives including turnover and gross margins. The company now relies on setting a benchmark for the return on its investments and its ability to return dividends to its shareholder. During the year dividends amounting to £100k were paid to the shareholder.

Turnover for the six month trading period was £14,802k (2020 £18,105k).

Gross margin for the trading period was 10% (2020 13.5%) during that time.

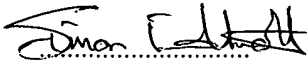
Reserves at the year end were £2,824k (2020 £2,054k) giving a solid base to fund any future plans.

MURLEY AGRICULTURAL SUPPLIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

By order of the board



S J Willmott

Secretary

Date: 22.03.2022

MURLEY AGRICULTURAL SUPPLIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

Until 30 June 2021 the principal activity of the company was the operation of agricultural and construction machinery dealerships. Since that date the company operates as an investment company.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £100,000. 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

A D Chatham

(Resigned 30 June 2021)

S J Willmott

P B Simpson

(Resigned 30 June 2021)

J T Hamilton

(Appointed 30 June 2021)

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities

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:

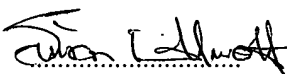
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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: 22.03.2022

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 2021 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 FRS 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 2021 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 and the directors' report.

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.

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. During the period when the company was carrying on its trading activities it was also required to comply with employment legislation, the Financial Conduct Authority and the terms of its franchise agreements.

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.

W A Hubbard

Wende Hubbard FCCA (Senior Statutory Auditor)
For and on behalf of Burgis & Bullock

Date: *22nd March 2022*

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Warwick Street
Leamington Spa
Warwickshire
CV32 5LA

MURLEY AGRICULTURAL SUPPLIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Continuing operations £'000	Discontinued operations £'000	31 December 2021 £'000	Continuing operations £'000	Discontinued operations £'000	31 December 2020 £'000
Turnover	3	-	14,802	14,802	-	18,105	18,105
Cost of sales		-	(13,339)	(13,339)	-	(15,671)	(15,671)
Gross profit		-	1,463	1,463	-	2,434	2,434
Distribution costs		-	(845)	(845)	-	(1,533)	(1,533)
Administrative expenses		-	(575)	(575)	-	(923)	(923)
Other operating income	4	1	46	47	-	240	240
Operating profit	5	1	89	90	-	218	218
Interest payable and similar expenses	8	-	(20)	(20)	-	(82)	(82)
Fair value gains and losses on investment properties	14	55	-	55	-	-	-
Profit/(loss) on disposal of operations		-	100	100	-	-	-
Profit before taxation		56	169	225	-	136	136
Tax on profit	9	(18)	(37)	(55)	-	(28)	(28)
Profit for the financial year		38	132	170	-	108	108
Revaluation of tangible fixed assets		-	-	-	-	(40)	(40)
Tax relating to other comprehensive income		-	83	83	-	-	-
Total comprehensive income for the year		38	215	253	-	68	68

MURLEY AGRICULTURAL SUPPLIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

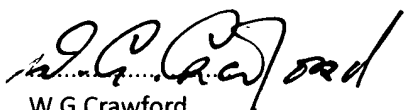
		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		-		1,305
Investment properties	14		495		-
			<u>495</u>		<u>1,305</u>
Current assets					
Stocks	15	-		3,339	
Debtors	16	819		1,717	
Cash at bank and in hand		2,195		452	
		<u>3,014</u>		<u>5,508</u>	
Creditors: amounts falling due within one year	17	(157)		(3,523)	
Net current assets			<u>2,857</u>		<u>1,985</u>
Total assets less current liabilities			<u>3,352</u>		<u>3,290</u>
Provisions for liabilities					
Deferred tax liability	19	28		119	
		<u>28</u>	<u>(28)</u>	<u>119</u>	<u>(119)</u>
Net assets			<u>3,324</u>		<u>3,171</u>
Capital and reserves					
Called up share capital	21		500		500
Revaluation reserve			-		617
Non-distributable profits reserve	22		247		-
Distributable profit and loss reserves			2,577		2,054
Total equity			<u>3,324</u>		<u>3,171</u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

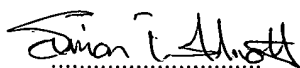
BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 22.03.22 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 2021

		Share capital	Revaluation reserve	Non-distributable profits	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020		500	664	-	1,939	3,103
Year ended 31 December 2020:						
Profit for the year		-	-	-	108	108
Other comprehensive income:						
Revaluation of tangible fixed assets		-	(40)	-	-	(40)
Total comprehensive income for the year		-	(40)	-	108	68
Transfers		-	(7)	-	7	-
Balance at 31 December 2020		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

MURLEY AGRICULTURAL SUPPLIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	27		3,236		2,440
Interest paid			(20)		(82)
Income taxes paid			(31)		-
			<u> </u>		<u> </u>
Net cash inflow from operating activities			3,185		2,358
Investing activities					
Proceeds of disposal of business		100		-	
Purchase of tangible fixed assets		(38)		(54)	
Proceeds on disposal of tangible fixed assets		867		24	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			929		(30)
Financing activities					
Repayment of borrowings		(2,271)		(2,063)	
Payment of finance leases obligations		-		(20)	
Dividends paid		(100)		-	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(2,371)		(2,083)
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			1,743		245
Cash and cash equivalents at beginning of year			452		207
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			2,195		452
			<u> </u>		<u> </u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 investment properties 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 has retained its freehold land and will generate rental income until 2026. The company is expected to continue as an investment company and the directors believe that the company has adequate financial resources to continue in operational existence for the foreseeable future and therefore 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.

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

1.4 Tangible fixed assets

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

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

Land	- is not depreciated
Freehold	- 2% straight line
Short leasehold	- Straight line over the life of the lease
Plant, equipment and motor vehicles	- 12.5% - 33.33% straight line

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

1.5 Investment properties

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

1.6 Stocks

Stocks were stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration were measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost was calculated using the AVCO method.

At each reporting date, an assessment was made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses were also recognised in profit or loss.

1.7 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.

1.8 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.9 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.

1.10 Taxation

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

Current tax

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

Deferred tax

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

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

MURLEY AGRICULTURAL SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 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.

1.14 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Revaluation of investment property

The company measures land and buildings held within investment properties under the revaluation model at fair value with changes in fair value being recognised in other comprehensive income. The company engaged independent advisors to advise of the market value of the properties in March 2022 and the directors consider this to be an accurate reflection of the fair value of the property at 31 December 2021.

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 2021

3 Turnover and other revenue

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

	2021 £'000	2020 £'000
Turnover analysed by class of business		
Sale of goods	13,713	13,229
Rendering of services	1,089	4,876
	<u>14,802</u>	<u>18,105</u>

	2021 £'000	2020 £'000
Turnover analysed by geographical market		
UK	14,773	17,343
Europe	29	762
	<u>14,802</u>	<u>18,105</u>

4 Other operating income

	2021 £'000	2020 £'000
Government grants		
Coronavirus Job Retention Scheme (CRJS)	46	240
Rental Income	1	-
	<u>47</u>	<u>240</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 2021

5 Operating profit

	2021	2020
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Government grants	(46)	(240)
Fees payable to the company's auditor for the audit of the company's financial statements	13	17
Depreciation of owned tangible fixed assets	49	100
Profit on disposal of tangible fixed assets	(13)	-
Impairment of stocks recognised or reversed	18	24
Operating lease charges	40	80
	<u> </u>	<u> </u>

6 Employees

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

	2021	2020
	Number	Number
Average number of employees up to 30 June 2021	49	54
Average number of employees for the 6 months ended 31 December 2021	2	-
	<u> </u>	<u> </u>
Total	51	54
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£'000	£'000
Wages and salaries	791	1,711
Social security costs	94	189
Pension costs	57	36
	<u> </u>	<u> </u>
	942	1,936
	<u> </u>	<u> </u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	64	163
Company pension contributions to defined contribution schemes	41	2
	<u>105</u>	<u>165</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 1).

8 Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	3
Other finance costs:		
Interest on finance leases and hire purchase contracts	-	2
Other interest	20	77
	<u>20</u>	<u>82</u>

9 Taxation

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on profits for the current period	63	31
	<u>63</u>	<u>31</u>
Deferred tax		
Origination and reversal of timing differences	(8)	(3)
	<u>(8)</u>	<u>(3)</u>
Total tax charge	<u>55</u>	<u>28</u>

Of the charge to current tax in relation to discontinued operations, £37k 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 2021

9 Taxation

(Continued)

The actual 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:

	2021 £'000	2020 £'000
Profit before taxation	225	136
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	43	26
Tax effect of expenses that are not deductible in determining taxable profit	7	2
Effect of change in corporation tax rate	7	-
Group relief	(5)	-
Deferred tax adjustments in respect of prior years	3	-
Taxation charge for the year	55	28

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

	2021 £'000	2020 £'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. The company has retained certain freehold property and will continue for the foreseeable future holding investment assets.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Dividends

	2021 £'000	2020 £'000
Final paid	100	-
	<u> </u>	<u> </u>

12 Impairments

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

	2021 £'000	2020 £'000
Recognised in:		
Cost of sales in respect of stock	18	24
	<u> </u>	<u> </u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

	Land and buildings freehold	Short leasehold	Plant, equipment and motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2021	1,040	362	854	2,256
Additions	-	-	38	38
Disposals	(600)	(362)	(892)	(1,854)
Transfer to investment property	(440)	-	-	(440)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2021	-	351	600	951
Depreciation charged in the year	-	5	44	49
Eliminated in respect of disposals	-	(356)	(644)	(1,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2021	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	1,040	11	254	1,305
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Tangible fixed assets with a carrying amount of £nil (2020 - £1,345k) have been pledged to secure borrowings of the company.

14 Investment property

	2021 £'000
Fair value	
At 1 January 2021	-
Transfers from owner-occupied property	440
Net gains or losses through fair value adjustments	55
	<u> </u>
At 31 December 2021	495
	<u> </u>

Freehold land was valued on an open market basis on 3rd March 2022 by Bromwich Hardy, Chartered Surveyors (MRCS). This is considered by the directors to represent their fair value.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 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:

	2021 £'000	2020 £'000
Cost	220	-
Accumulated depreciation	-	-
Carrying amount	220	-

15 Stocks

	2021 £'000	2020 £'000
Parts	-	464
Work in progress	-	87
Equipment and machinery	-	2,788
	-	3,339

A debit representing a charge of impairment losses of £18k (2020 - a debit representing a charge of impairment losses of £34k) has been recognised within the year's profit and loss account.

The carrying amount of stocks includes £nil (2020 - £2,271k) pledged as security for liabilities included in note 15.

16 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	41	788
Amount due from parent undertaking	777	802
Other debtors	-	50
Prepayments and accrued income	1	77
	819	1,717

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Creditors: amounts falling due within one year

	Notes	2021 £'000	2020 £'000
Borrowings	18	-	2,271
Trade creditors		56	686
Amounts due to fellow group undertakings		21	5
Corporation tax payable		63	31
Other taxation and social security		6	274
Other creditors		-	35
Accruals and deferred income		11	221
		<u>157</u>	<u>3,523</u>

Creditors falling due within one year totalling £nil (2020 - £2,271k) are secured.

18 Borrowings

	2021 £'000	2020 £'000
Stocking finance	-	2,271
	<u>-</u>	<u>2,271</u>
Payable within one year	-	2,271
	<u>-</u>	<u>2,271</u>

Bank overdrafts were secured by 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 and Murley Auto Limited until 30th June 2021 when the trade and assets of Murley Agricultural Supplies Limited were sold to T H White Limited and T H White Holdings Limited and certain charges were released.

Stocking finance borrowings were secured by a floating charge over all the assets and undertakings of the company. The company repaid all stocking finance during the year.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 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 2021 £'000	Liabilities 2020 £'000
Balances:		
ACAs	-	29
Revaluations	-	91
Investment property	28	-
Provisions	-	(1)
	<u>28</u>	<u>119</u>
Movements in the year:		2021 £'000
Liability at 1 January 2021		119
Credit to profit or loss		(8)
Transfer on disposal		(83)
		<u>28</u>
Liability at 31 December 2021		<u>28</u>

20 Retirement benefit schemes

	2021 £'000	2020 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>57</u>	<u>36</u>

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.

21 Share capital

	2021 Number	2020 Number	2021 £'000	2020 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500</u>	<u>500</u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Non-distributable profits reserve

	2021 £'000	2020 £'000
At the beginning of the year	-	-
Non distributable profits in the year	247	-
	<u>247</u>	<u>-</u>
At the end of the year	<u>247</u>	<u>-</u>

23 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 (2020 - £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 £862k (2020 - £2,881k).

A first legal charge containing a negative pledge over certain freehold land owned by Murley Agricultural Supplies Limited has been made by the company in favour of other loans provided by the Murley Limited Pension Fund to a group undertaking. This charge was released on the 29th June 2021.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £'000	2020 £'000
Within one year	-	141
Between two and five years	-	206
	<u>-</u>	<u>347</u>

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Related party transactions

Transactions with related parties

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

	Rent payable	
	2021	2020
	£'000	£'000
Murley Limited Pension Scheme	30	59
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2021	2020
	£'000	£'000
Amounts due to related parties		
Murley Limited Pension Scheme	-	35
	<u> </u>	<u> </u>

Other information

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.

26 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.

MURLEY AGRICULTURAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash generated from operations

	2021 £'000	2020 £'000
Profit for the year after tax	170	108
Adjustments for:		
Taxation charged	55	28
Finance costs	20	82
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	100
Movements in working capital:		
Decrease in stocks	3,339	1,691
Decrease in debtors	898	285
(Decrease)/increase in creditors	(1,127)	146
Cash generated from operations	3,236	2,440

28 Analysis of changes in net funds/(debt)

	1 January 2021 £'000	Cash flows £'000	31 December 2021 £'000
Cash at bank and in hand	452	1,743	2,195
Borrowings excluding overdrafts	(2,271)	2,271	-
	(1,819)	4,014	2,195