

# REGISTRAR OF COMPANIES

Registration number: SC295564

**A & J Murchie Limited**

**Unaudited Abbreviated Accounts**

**31 March 2015**

**dodd&co**

WEDNESDAY



\*A4MVSU7S\*

A40

23/12/2015

#128

COMPANIES HOUSE

The following reproduces the text of the accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 8) have been prepared.

**Chartered Accountants' Report to the Board of Directors on the Preparation of  
the Unaudited Financial Statements of  
A & J Murchie Limited  
for the Year Ended 31 March 2015**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of A & J Murchie Limited for the year ended 31 March 2015 set out on pages 4 to 17 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook).

This report is made solely to the Board of Directors of A & J Murchie Limited, as a body, in accordance with the terms of our engagement letter dated 1 May 2013. Our work has been undertaken solely to prepare for your approval the financial statements of A & J Murchie Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A & J Murchie Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that A & J Murchie Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of A & J Murchie Limited. You consider that A & J Murchie Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of A & J Murchie Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Dodd & Co Limited**  
Chartered Accountants  
FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW  
30 July 2015

**A & J Murchie Limited**  
**(Registration number: SC295564)**  
**Abbreviated Balance Sheet at 31 March 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible fixed assets	2	73,398	108,011
Tangible fixed assets	2	340,407	381,460
Investments	2	101,947	101,947
		<u>515,752</u>	<u>591,418</u>
<b>Current assets</b>			
Stocks		388,636	349,759
Debtors		99,158	107,719
Cash at bank and in hand		-	5,880
		<u>487,794</u>	<u>463,358</u>
Creditors: Amounts falling due within one year	3	<u>(503,819)</u>	<u>(495,267)</u>
Net current liabilities		<u>(16,025)</u>	<u>(31,909)</u>
Total assets less current liabilities		499,727	559,509
Creditors: Amounts falling due after more than one year	3	(306,966)	(402,197)
Provisions for liabilities		<u>(62,795)</u>	<u>(70,307)</u>
Net assets		<u>129,966</u>	<u>87,005</u>
<b>Capital and reserves</b>			
Called up share capital	4	200	200
Profit and loss account		<u>129,766</u>	<u>86,805</u>
Shareholders' funds		<u>129,966</u>	<u>87,005</u>

**A & J Murchie Limited**  
**(Registration number: SC295564)**  
**Abbreviated Balance Sheet at 31 March 2015**

**..... continued**

For the year ending 31 March 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

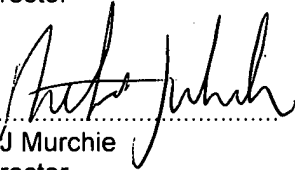
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved by the Board on 30 July 2015 and signed on its behalf by:



.....  
J W Murchie  
Director



.....  
A J Murchie  
Director

## **A & J Murchie Limited**

### **Notes to the Abbreviated Accounts for the Year Ended 31 March 2015**

#### **1 Accounting policies**

##### **Basis of preparation**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008).

The company has net current liabilities at 31 March 2015 and meets its day to day working capital requirements through its bank overdraft facility which, in common with all such facilities, is repayable on demand. In addition the directors have provided financial support by way of short term loans. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the company not have the support of its bankers, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### **Other grants**

Grants received in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets on a basis consistent with the depreciation policy.

##### **Milk Quota**

Purchased milk quota has been amortised on a straight line basis over its useful economic life. As it now holds no economic value it has been removed from the balance sheet at nil proceeds.

##### **Single Farm Payment**

The amount paid in connection with the purchase of the single farm payment entitlement was amortised over the useful economic life of that entitlement. As it now holds no economic value it has been removed from the balance sheet at nil proceeds.

##### **Other intangible fixed assets**

Other Intangible assets represent an investment in AMCo Common Consolidation which is a contractual requirement in order to benefit from the AMCo milk purchasing agreement. This investment is non refundable and is therefore being amortised over its useful life to the business. As there is no fixed period for the contract the directors have considered it appropriate to adopt an amortisation period of 5 years for the asset on a straight line basis. In addition an annual impairment review is performed.

## **A & J Murchie Limited**

### **Notes to the Abbreviated Accounts for the Year Ended 31 March 2015**

**..... continued**

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short leasehold land and buildings	10% reducing balance basis
Plant and machinery	15% reducing balance basis
Motor vehicles	25% reducing balance basis
Office equipment	3 years straight line basis

Short leasehold land and buildings relate to tenants improvements on land leased by the company from the directors. As the long term intention is for the farming operation to continue, it is deemed a true and fair view to depreciate the assets at 10% reducing balance over their useful economic life, and not the duration of the lease.

#### **Stocks**

Trading stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. The cost of livestock is determined on an individual basis, and represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs.

#### **Fixed asset investments**

Fixed asset investments represent an investment in AMCo Individual Consolidation which is a contractual requirement in order to benefit from the AMCo milk purchasing agreement. This investment is refundable and is stated at historical cost less provision for any diminution in value.

#### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

## A & J Murchie Limited

### Notes to the Abbreviated Accounts for the Year Ended 31 March 2015

..... **continued**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

#### **2 Fixed assets**

	<b>Intangible assets £</b>	<b>Tangible assets £</b>	<b>Investments £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2014	274,897	660,315	101,947	1,037,159
Additions	-	19,037	-	19,037
Disposals	(176,085)	(600)	-	(176,685)
At 31 March 2015	<u>98,812</u>	<u>678,752</u>	<u>101,947</u>	<u>879,511</u>
<b>Depreciation</b>				
At 1 April 2014	166,886	278,855	-	445,741
Charge for the year	20,383	60,090	-	80,473
Eliminated on disposals	(161,855)	(600)	-	(162,455)
At 31 March 2015	<u>25,414</u>	<u>338,345</u>	<u>-</u>	<u>363,759</u>
<b>Net book value</b>				
At 31 March 2015	<u>73,398</u>	<u>340,407</u>	<u>101,947</u>	<u>515,752</u>
At 31 March 2014	<u>108,011</u>	<u>381,460</u>	<u>101,947</u>	<u>591,418</u>

# **A & J Murchie Limited**

## **Notes to the Abbreviated Accounts for the Year Ended 31 March 2015**

**..... continued**

### **3 Creditors**

Creditors includes the following liabilities, on which security has been given by the company:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year	274,424	270,517
Amounts falling due after more than one year	<u>259,328</u>	<u>313,358</u>
Total secured creditors	<u><u>533,752</u></u>	<u><u>583,875</u></u>

Included in the creditors are the following amounts due after more than five years:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	112,422	126,449
After more than five years not by instalments	<u>8,767</u>	<u>10,314</u>
	<u><u>121,189</u></u>	<u><u>136,763</u></u>

### **4 Share capital**

**Allotted, called up and fully paid shares**

	<b>2015</b>		<b>2014</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary A shares of £1 each	100	100	100	100
Ordinary B shares of £1 each	50	50	50	50
Ordinary C shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
	<u><u>200</u></u>	<u><u>200</u></u>	<u><u>200</u></u>	<u><u>200</u></u>



## A & J Murchie Limited

### Notes to the Abbreviated Accounts for the Year Ended 31 March 2015

..... *continued*

#### 5 Related party transactions

##### Directors' advances and credits

	2015 Advance/ Credit £	2015 Repaid £	2014 Advance/ Credit £	2014 Repaid £
<b>A J Murchie</b>				
Advances	31,420	-	29,687	-
Interest on loan account	258	-	172	-
Undrawn remuneration and charges	-	7,293	-	4,610
Repayment	-	18,192	-	25,249
	<u>31,678</u>	<u>25,485</u>	<u>29,859</u>	<u>29,859</u>

Directors' advances are repayable on demand.

Interest is charged on overdrawn balances at 3.25%.

The maximum amount owed by A J Murchie during the year was £17,246.

#### 6 Control

The company is controlled by the directors who own 100% of the called up share capital.