

# REGISTRAR OF COMPANIES

Registration number: SC295564

**A & J Murchie Limited**  
**Unaudited Financial Statements**  
**31 March 2019**



# **A & J Murchie Limited**

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
A & J Murchie Limited  
for the Year Ended 31 March 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of A & J Murchie Limited for the year ended 31 March 2019 as set out on pages 2 to 11 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 <http://www.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 25 April 2016. Our work has been undertaken solely to prepare for your approval the accounts of A & J Murchie Limited and state those matters that we have agreed to state to the Board of Directors of A & J Murchie Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. 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 accounts 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 accounts 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 accounts.

**Dodd & Co Limited**

Chartered Accountants  
FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

16 December 2019

**A & J Murchie Limited**  
**(Registration number: SC295564)**  
**Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	-	1,805
Tangible assets	<u>5</u>	422,843	391,533
Other financial assets	<u>6</u>	115,977	117,437
		<u>538,820</u>	<u>510,775</u>
<b>Current assets</b>			
Stocks		422,792	417,080
Debtors	<u>7</u>	71,801	80,433
Investments	<u>8</u>	200	200
Cash and cash equivalents		<u>47</u>	<u>47</u>
		494,840	497,760
<b>Creditors: Amounts falling due within one year</b>	<u>9</u>	<u>(738,240)</u>	<u>(668,036)</u>
<b>Net current liabilities</b>		<u>(243,400)</u>	<u>(170,276)</u>
<b>Total assets less current liabilities</b>		295,420	340,499
<b>Creditors: Amounts falling due after more than one year</b>	<u>9</u>	(165,919)	(188,153)
<b>Provisions for liabilities</b>		<u>(73,364)</u>	<u>(67,531)</u>
<b>Net assets</b>		<u><u>56,137</u></u>	<u><u>84,815</u></u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital		200	200
Profit and loss account		<u>55,937</u>	<u>84,615</u>
<b>Total equity</b>		<u><u>56,137</u></u>	<u><u>84,815</u></u>

The notes on pages 4 to 11 form an integral part of these financial statements.  
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**A & J Murchie Limited**

**(Registration number: SC295564)**

**Balance Sheet as at 31 March 2019 (continued)**

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 16 December 2019 and signed on its behalf by:

.....

A J Murchie

Director

.....

J W Murchie

Director

The notes on pages 4 to 11 form an integral part of these financial statements.

# **A & J Murchie Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Gullielands Farm  
ANNAN  
DG12 5LJ

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company has net current liabilities at 31 March 2019 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.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

#### **Government grants**

Government grants such as the basic payment scheme are included in the profit and loss account when all the necessary conditions for receipt have been met.

## **A & J Murchie Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	10% reducing balance
Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance
Furniture, fittings and office equipment	3 years straight line

Included in land and buildings is short leasehold property which relates 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.

## **A & J Murchie Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **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.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **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 represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs. Crop stock is valued at fair value less any anticipated costs to sell.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **A & J Murchie Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Equity shares and debt securities

##### ***Recognition and measurement***

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Dividends on equity securities are recognised in income when receivable.

##### ***Impairment***

For instruments measured at cost less impairment the impairment is the difference between the assets' carrying amount and the best estimate the entity would receive for the asset if it were sold at the reporting date.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 4 (2018 - 4).

# A & J Murchie Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

### 4 Intangible assets

	Other intangible assets £	Total £
<b>Cost or valuation</b>		
At 1 April 2018	63,144	63,144
At 31 March 2019	63,144	63,144
<b>Amortisation</b>		
At 1 April 2018	61,339	61,339
Amortisation charge	1,805	1,805
At 31 March 2019	63,144	63,144
<b>Carrying amount</b>		
At 31 March 2019	-	-
At 31 March 2018	1,805	1,805

### 5 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Furniture, fittings and office equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2018	31,885	738,956	33,387	892	805,120
Additions	-	115,327	25,147	483	140,957
Disposals	-	(61,800)	(7,121)	-	(68,921)
At 31 March 2019	31,885	792,483	51,413	1,375	877,156
<b>Depreciation</b>					
At 1 April 2018	16,538	372,227	23,930	892	413,587
Charge for the year	1,535	56,977	7,023	81	65,616
Eliminated on disposal	-	(17,994)	(6,896)	-	(24,890)
At 31 March 2019	18,073	411,210	24,057	973	454,313
<b>Carrying amount</b>					

At 31 March 2019	<u>13,812</u>	<u>381,273</u>	<u>27,356</u>	<u>402</u>	<u>422,843</u>
At 31 March 2018	<u>15,347</u>	<u>366,729</u>	<u>9,457</u>	<u>-</u>	<u>391,533</u>

# A & J Murchie Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

### 6 Other financial assets (current and non-current)

	2019 £	2018 £
<b>Non-current financial assets</b>		
Financial assets at cost less impairment	<u>115,977</u>	<u>117,437</u>
	<b>Financial assets at cost less impairment £</b>	<b>Total £</b>
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 April 2018	117,437	117,437
Disposals	<u>(1,460)</u>	<u>(1,460)</u>
At 31 March 2019	<u>115,977</u>	<u>115,977</u>
<b>Carrying amount</b>		
At 31 March 2019	<u>115,977</u>	<u>115,977</u>
At 31 March 2018	<u>117,437</u>	<u>117,437</u>

### 7 Debtors

	2019 £	2018 £
Trade debtors	40,046	43,602
Other debtors	<u>31,755</u>	<u>36,831</u>
	<u>71,801</u>	<u>80,433</u>

### 8 Current asset investments

	2019 £	2018 £
Other investments	<u>200</u>	<u>200</u>

# A & J Murchie Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

### 9 Creditors

	Note	2019 £	2018 £
<b>Due within one year</b>			
Loans and borrowings	<u>10</u>	607,727	534,134
Trade creditors		115,364	95,535
Taxation and social security		207	-
Corporation tax liability		-	12,913
Other creditors		14,942	25,454
		<u>738,240</u>	<u>668,036</u>
<b>Due after one year</b>			
Loans and borrowings	<u>10</u>	157,152	177,838
Other creditors		8,767	10,315
		<u>165,919</u>	<u>188,153</u>
		<b>2019 £</b>	<b>2018 £</b>
After more than five years by instalments		34,329	54,517
		<u>34,329</u>	<u>54,517</u>

### 10 Loans and borrowings

	2019 £	2018 £
<b>Current loans and borrowings</b>		
Bank borrowings	19,659	22,124
Bank overdrafts	299,007	299,642
Finance lease liabilities	48,537	32,822
Other borrowings	240,524	179,546
	<u>607,727</u>	<u>534,134</u>

# A & J Murchie Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2019 £	2018 £
Bank borrowings	19,659	22,124
Bank overdrafts	299,007	299,642
Finance lease liabilities	48,537	32,822
	<u>367,203</u>	<u>354,588</u>

Bank borrowings are secured by fixed and floating charges over the company's assets.

Bank overdrafts are secured by fixed and floating charges over the company's assets.

Finance lease liabilities are secured on the assets to which they relate.

	2019 £	2018 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	109,068	128,577
Finance lease liabilities	48,084	49,261
	<u>157,152</u>	<u>177,838</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2019 £	2018 £
Bank borrowings	109,068	128,577
Finance lease liabilities	48,084	49,261
	<u>157,152</u>	<u>177,838</u>

Bank borrowings are secured by fixed and floating charges over the company's assets.

Finance lease liabilities are secured on the assets to which they relate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.