

**Company Registration No. SC206168**

**MURRAY CAPITAL LIMITED**

**Report and Financial Statements**

**For 18 months ended 30 June 2020**



# **MURRAY CAPITAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2020**

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# **MURRAY CAPITAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2020**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Sir D E Murray  
D D Murray  
E N Campbell

#### **REGISTERED OFFICE**

26 Charlotte Square  
Edinburgh  
EH2 4ET

#### **AUDITORS**

Ernst & Young LLP  
Atria One,  
144 Morrison Street,  
Edinburgh,  
EH3 8EX

# **MURRAY CAPITAL LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the 18 months ended 30 June 2020.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of an investment holding and management company.

### **REVIEW OF ACTIVITIES**

The loss for the 18 months ended 30 June 2020 was £2,250,226 (2018: profit £853,105) and this is primarily due to a write down in investment value as a result of the impact of the COVID19 pandemic.

### **GOING CONCERN**

The company is funded in the main by investment income. The company has liquid investments and cash significantly in excess of its current liabilities. Cashflow forecasts have been prepared for the company for a period from the date of approval of these financial statements to 30 June 2022. This shows the company will have adequate cash resources in place to continue in operation for the foreseeable future. Accordingly, the directors believe it is appropriate to continue to adopt the going concern basis of preparing the financial statements.

### **POST BALANCE SHEET EVENTS**

On 1 March 2021, the share capital of the Murray Capital Group Limited was sold to Murray Capital Holdings Limited.

### **DIVIDENDS**

A dividend of £nil (2018: £285,640) was proposed and paid during the year.

### **DIRECTORS**

The directors who served during the 18 months and to the date of this report were:

Sir D E Murray  
D D Murray  
E N Campbell

# **MURRAY CAPITAL LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **AUDITOR**

Ernst & Young LLP, having expressed their willingness to continue in office, will be deemed re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

# MURRAY CAPITAL LIMITED

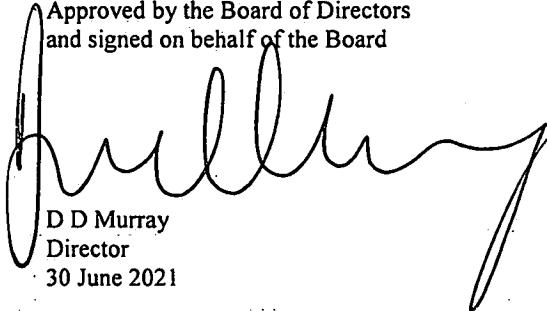
## DIRECTORS' REPORT (CONTINUED)

### SMALL COMPANIES

The directors have taken advantage of the exemption available under section 414B of the Companies Act 2006 not to prepare a Strategic Report.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under section 415A of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D D Murray', is written over the printed name and title.

D D Murray  
Director  
30 June 2021

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURRAY CAPITAL LIMITED**

## **Opinion**

We have audited the financial statements of Murray Capital Limited for the 18 months ended 30 June 2020 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2020 and of its loss 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 below. 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.

## **Conclusions relating to going concern**

The company is funded mainly by investment income. The company has liquid investments and cash significantly in excess of its current liabilities. Cashflow forecasts

## **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURRAY CAPITAL LIMITED (CONTINUED)**

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our 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

*Ernst & Young LLP*

Julie Cavin (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
30 June 2021



# MURRAY CAPITAL LIMITED

## Statement of Comprehensive Income For 18 months ended 30 June 2020

|  | Note | 2020<br>£          | 2018<br>£      |
|--|------|--------------------|----------------|
| <b>TURNOVER</b>  |      | 466,472            | 407,149        |
| <b>GROSS PROFIT</b>                                    |      | 466,472            | 407,149        |
| Administrative expenses                                |      | (3,166,544)        | (1,898,784)    |
| <b>OPERATING LOSS</b>                                  |      | (2,700,072)        | (1,491,635)    |
| Investment income                                      | 2    | 3,788,071          | 2,461,491      |
| Interest payable and similar charges                   |      |                    |                |
| Gain on sale of investments                            | 8    | 1,109,635          | 1,705,383      |
| Fair value movement on investments                     |      | (4,447,860)        | (612,862)      |
| Exceptional item                                       | 3    | -                  | (1,209,272)    |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 4    | (2,250,226)        | 853,105        |
| Tax on profit on ordinary activities                   | 6    | -                  | -              |
| <b>LOSS FOR THE YEAR</b>                               |      | (2,250,226)        | 853,105        |
| <b>TOTAL COMPREHENSIVE LOSS FOR<br/>THE YEAR</b>       |      | <u>(2,250,226)</u> | <u>853,105</u> |

The results are derived from continuing operations.

The accompanying notes form an integral part of these financial statements.

# MURRAY CAPITAL LIMITED

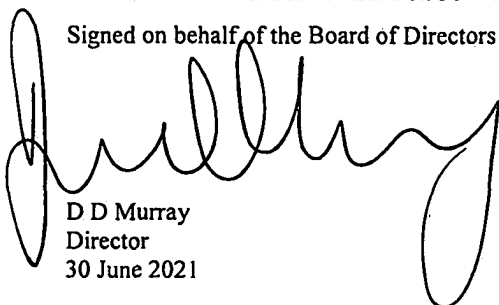
## Statement of Financial Position As at 30 June 2020

|   | Note | 2020<br>£                | 2018<br>£                |
|---|------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>   |      |                          |                          |
| Tangible fixed assets                                       | 7    | 233,982                  | 240,621                  |
| Investments   | 8    | 47,929,257               | 43,702,970               |
|   |      | <u>48,163,239</u>        | <u>43,943,591</u>        |
| <b>CURRENT ASSETS</b>                                       |      |                          |                          |
| Debtors   | 9    | 2,561,966                | 2,584,225                |
| Cash at bank and in hand                                    |      | 540,097                  | 7,642,731                |
|   |      | <u>3,102,063</u>         | <u>10,226,956</u>        |
| <b>CREDITORS: amounts falling due within one year</b>       | 10   | <u>(966,456)</u>         | <u>(932,195)</u>         |
| <b>NET CURRENT ASSETS</b>                                   |      | <u>50,298,846</u>        | <u>9,294,761</u>         |
| <b>CREDITORS: amounts falling due greater than one year</b> | 11   | -                        | (689,280)                |
| <b>NET ASSETS</b>   |      | <u><u>50,298,846</u></u> | <u><u>52,549,072</u></u> |
| <b>CAPITAL AND RESERVES</b>                                 |      |                          |                          |
| Called-up share capital                                     | 13   | 999,900                  | 999,900                  |
| Profit and loss account                                     |      | 49,298,946               | 51,549,172               |
| <b>SHAREHOLDERS' FUNDS</b>                                  |      | <u><u>50,298,846</u></u> | <u><u>52,549,072</u></u> |

The accompanying notes form an integral part of these financial statements.

The financial statements of Murray Capital Limited, registered number SC206168 were approved by the board of directors and authorised for issue on 30 June 2021.

Signed on behalf of the Board of Directors



D D Murray  
Director  
30 June 2021

# MURRAY CAPITAL LIMITED

## Statement of Changes in Equity As at 30 June 2020

|  | Share capital | Profit and loss<br>account | Total       |
|--|---------------|----------------------------|-------------|
|  | £             | £                          | £           |
| At 1 January 2018                          | 999,900       | 50,981,707                 | 51,981,607  |
| Profit for the year                        | -             | 853,105                    | 853,105     |
| Total comprehensive income for<br>the year | -             | 853,105                    | 853,105     |
| At 31 December 2018                        | -             | (285,640)                  | (285,640)   |
| Loss for the 18 months                     | 999,900       | 51,549,172                 | 52,549,072  |
| Total comprehensive income for<br>the year | -             | (2,250,226)                | (2,250,226) |
| Dividends paid                             | -             | -                          | -           |
| At 30 June 2020                            | 999,900       | 49,298,946                 | 50,298,846  |

# MURRAY CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 months ended 30 June 2020

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below and have been applied consistently throughout the current and prior year.

#### Statement of compliance

Murray Capital Limited is a limited liability company incorporated in Scotland. The Registered Office is 26 Charlotte Square, Edinburgh, EH2 4ET.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the 18 months ended 30 June 2020. The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. The accounting policies applied under the entity's previous accounting framework are not materially different to FRS102 and had no material impact on equity or profit or loss.

#### Basis of preparation

The financial statements of Murray Capital Limited were authorised for issue by the Board of Directors on 30 June 2021. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements as it is a subsidiary of Murray Capital Group Limited which itself produces consolidated financial statements.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- a) The requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv)
- b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d)
- c) the requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29; and
- d) the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Murray Capital Group Limited as of 30 June 2020 and these financial statements may be obtained from 26 Charlotte Square, Edinburgh, EH2. 4ET.

The accounting period was extended to an 18 month period to allow the company to remain aligned with the group reporting period. The comparative period remains 12 months.

#### Going concern

The company is funded in the main by investment income. The company has liquid investments and cash significantly in excess of its current liabilities. Cashflow forecasts have been prepared for the company for a period from the date of approval of these financial statements to 30 June 2022. This shows the company will have adequate cash resources in place to continue in operation for the foreseeable future. Accordingly, the directors believe it is appropriate to continue to adopt the going concern basis of preparing the financial statements.

# MURRAY CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 months ended 30 June 2020

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### Impairment of fixed asset investments

Management perform a review of impairment indicators on an annual basis to assess the necessity for a full value in use analysis to be performed. This review of impairment indicators includes a variety of factors, including the operating performance and net cash flows of the entity in the current and prior periods, in addition to significant adverse changes in the market or regulatory environments.

#### Significant accounting policies

##### Tangible Fixed Assets

Fixed assets are shown at cost, net of depreciation and provisions for impairment.

Depreciation is provided on fixed assets in order to reduce the net cost of the assets on a straight line basis to estimated net residual value over the anticipated useful life of the assets.

The anticipated useful life of each asset class is as follows:

|                               |            |
|-------------------------------|------------|
| Freehold buildings            | - 50 years |
| Computer equipment            | - 3 years  |
| Office furniture and fittings | - 10 years |
| Motor vehicles                | - 4 years  |

Land is not depreciated.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

##### Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## **MURRAY CAPITAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18 months ended 30 June 2020**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Significant accounting policies (continued)**

###### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by other group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertakings.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

###### **Turnover and revenue recognition**

Turnover, all of which is generated within the United Kingdom, represents the amounts (excluding VAT) receivable for services provided in the normal course of business. Revenue is recognised as services are provided.

###### **Fixed asset investments**

Unlisted fixed asset investments and investments in subsidiaries are shown at cost less provisions for impairment. Listed investments are measured at fair value through profit and loss at year end. Income from fixed asset investments, where applicable, is included within the financial statements in the period in which it is receivable or earned.

###### **Pension costs**

Pension contributions are paid to pension schemes by the company on behalf of certain employees. The charge to the profit and loss account represents the amounts payable during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

###### **Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

## MURRAY CAPITAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 18 months ended 30 June 2020

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### Loan notes

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

#### 2. INVESTMENT INCOME

|                                    | 2020<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Interest on loan stock             | 3,667,162        | 2,359,110        |
| Bank interest received             | 20,988           | 15,321           |
| Dividends received from subsidiary | 99,921           | 87,060           |
|                                    | <u>3,788,071</u> | <u>2,461,491</u> |

#### 3. EXCEPTIONAL ITEM

At 31 December 2018, following legal consultation from Queen's Counsel and communication from HMRC, the Group had recorded a provision regarding tax treatment of payments made under the Group's Share Based Payment Scheme. As at 30 June 2020, the remaining tax provision in respect of this matter (included in creditors) was £482,980 (2018: £1,209,272).

#### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

|   | 2020<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Depreciation of fixed assets              | 7,862         | 5,713         |
| Auditor's remuneration for audit services | 48,015        | 38,717        |
| Operating Lease Payments                  | <u>85,000</u> | <u>85,000</u> |

# MURRAY CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 18 months ended 30 June 2020

#### 5. STAFF COSTS AND DIRECTORS' REMUNERATION

The average monthly number of employees (including executive directors), was:

|                | 2020<br>Number | 2018<br>Number |
|----------------|----------------|----------------|
| Administration | 9              | 9              |

Their aggregate remuneration comprised:

|                       | 2020<br>£        | 2018<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,588,920        | 944,724          |
| Social security costs | 200,393          | 114,977          |
| Pension costs         | 80,583           | 57,524           |
|                       | <u>1,869,896</u> | <u>1,117,225</u> |

Directors' remuneration during the year amounted to:

|   | 2020<br>£        | 2018<br>£      |
|---|------------------|----------------|
| Emoluments                                      | 991,343          | 474,828        |
| Contributions to money purchase pension schemes | 41,216           | 15,386         |
|   | <u>1,032,559</u> | <u>490,214</u> |

The directors' remuneration shown above included the following in respect of the highest paid director:

|   | 2020<br>£      | 2018<br>£      |
|---|----------------|----------------|
| Emoluments                                      | 412,133        | 214,322        |
| Contributions to money purchase pension schemes | 14,500         | -              |
|   | <u>426,633</u> | <u>214,322</u> |

The number of directors who were members of pension schemes was:

|                        | 2020<br>Number | 2018<br>Number |
|------------------------|----------------|----------------|
| Money purchase schemes | 3              | 3              |



## MURRAY CAPITAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 18 months ended 30 June 2020

#### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge or credit in the current or prior year.

No provision has been made for deferred taxation, as it is unlikely that the Company will generate sufficient taxable profits in the future to utilise this amount. There was an unrecognised deferred taxation asset in respect of tax losses carried forward at 30 June 2020 of £318,024 (2018: £318,024 ).

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

|  | 2020<br>£      | 2018<br>£      |
|--|----------------|----------------|
| <b>Profit on ordinary activities before tax</b>  | <b>853,107</b> | <b>853,107</b> |
| Profit on ordinary activities at standard UK corporation tax rate of 19% (2018 – 19 %) | 162,090        | 162,090        |
| Effects of:  |                |                |
| Expenses not deductible for tax purposes   | 232,052        | 232,052        |
| Income not taxable for tax purposes  | (338,630)      | (338,630)      |
| Other permanent differences  | -              | -              |
| Deferred tax not recognised  | (55,512)       | (55,512)       |
| <b>Total tax expense for the year</b>  | <b>-</b>       | <b>-</b>       |

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This change was substantively enacted on 17 March 2020 therefore deferred tax has been recognised at 19%. In the Spring Budget 2021, the Government announced that from 1 April 2023, the tax rate will increase 25% for large companies. The rate has not been enacted yet such that deferred tax continues to be recognised at 19% in the year ended 30 June 2020.

# MURRAY CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 18 months ended 30 June 2020

### 7. TANGIBLE FIXED ASSETS

|                          | Computer<br>Equipment<br>£ | Office<br>Furniture<br>& Fittings<br>£ | Total<br>£ |
|--------------------------|----------------------------|--|------------|
| <b>COST</b>              |                            |  |            |
| At 1 January 2019        | 34,834                     | 382,672                                | 417,506    |
| Additions                | 1,224                      | -                                      | 1,224      |
| At 30 June 2020          | 36,058                     | 382,672                                | 418,730    |
| <b>DEPRECIATION</b>      |                            |  |            |
| At 1 January 2019        | (34,403)                   | (142,482)                              | (176,885)  |
| Charge for the 18 months | (838)                      | (7,024)                                | (7,862)    |
| At 30 June 2020          | (35,241)                   | (149,506)                              | (184,747)  |
| <b>NET BOOK VALUE</b>    |                            |  |            |
| At 30 June 2020          | 817                        | 233,166                                | 233,983    |
| At 31 December 2018      | 431                        | 240,190                                | 240,621    |

### 8. INVESTMENTS

The following are included in the net book value of fixed asset investments:

|                                    | Subsidiary<br>undertakings<br>£ | Listed<br>investments<br>£ | Total<br>£  |
|------------------------------------|---------------------------------|----------------------------|-------------|
| <b>COST AND NET BOOK VALUE</b>     |                                 |                            |             |
| At 1 January 2019                  | 38,478,221                      | 5,224,749                  | 43,702,970  |
| Additions                          | 13,778,572                      | 2,977,812                  | 16,756,384  |
| Loan notes redeemed at par         | (5,640,000)                     | -                          | (5,640,000) |
| Disposals                          | (2,726,691)                     | (750,000)                  | (3,476,691) |
| Fair value movement on investments | (3,413,406)                     | -                          | (3,413,406) |
| At 30 June 2020                    | 40,476,696                      | 7,452,561                  | 47,929,257  |

The Gain on Sale of Investments is result of the realisation of investments held at nil cost, and those included in subsidiary undertakings above.

At 30 June 2020 the company held investments in the following subsidiary undertakings:

| Investment                             | Country of<br>incorporation | Principal<br>activity           | %<br>Holding |
|--|-----------------------------|---------------------------------|--------------|
| Murray Metals Limited & subsidiaries   | UK                          | Metal stockholding & processing | 100%         |
| Capito Holdings Limited & subsidiaries | UK                          | Information Technology          | 41%          |
| Murray Capital Ventures Limited        | UK                          | Investment Company              | 100%         |
| Chardon Wines Limited                  | UK                          | Investment Company              | 100%         |
| Murray Metals Investments Limited      | UK                          | Metal stockholding & processing | 100%         |
| Murray Energy PTE                      | SG                          | Metal stockholding & processing | 100%         |
| Murray Estates Developments Limited    | UK                          | Investment & Management         | 51%          |

# MURRAY CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 18 months ended 30 June 2020

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 2020             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| Amounts due from parent undertaking        | 52,265           | 52,265           |
| Amounts due from other group undertakings  | 1,755,480        | 1,754,665        |
| Amounts due from related parties (note 15) | 706,892          | 727,652          |
| Prepayments and accrued income             | 44,015           | 44,015           |
| Other debtors                              | 3,314            | 5,628            |
|  | <u>2,561,966</u> | <u>2,584,225</u> |

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2020           | 2018           |
|------------------------------|----------------|----------------|
|                              | £              | £              |
| Trade creditors              | 26,881         | 18,922         |
| Other creditors              | 72,193         | 113,127        |
| Accruals and deferred income | 384,402        | 280,154        |
| Tax liability                | 482,980        | 519,992        |
|                              | <u>966,456</u> | <u>932,195</u> |

The tax liability relates to the exceptional item detailed in Note 3.

### 11. CREDITORS: AMOUNTS FALLING DUE GREATER ONE YEAR

|               | 2020     | 2018           |
|---------------|----------|----------------|
|               | £        | £              |
| Tax Liability | -        | 689,280        |
|               | <u>-</u> | <u>689,280</u> |

The tax liability relates to the exceptional item detailed in Note 3.

### 12. OBLIGATIONS UNDER LEASE CONTRACTS

At 30 June 2020 the company had the following minimum lease payments under non-cancellable operating leases as set out below:

|   | 2020           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Not later than one year                           | 80,000         | 80,000         |
| Later than one year and not later than five years | 200,000        | 320,000        |
| Later than five years                             | -              | -              |
|   | <u>280,000</u> | <u>400,000</u> |

## MURRAY CAPITAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 months ended 30 June 2020

#### 13. CALLED-UP SHARE CAPITAL

|   | 2020<br>£ | 2018<br>£ |
|---|-----------|-----------|
| <i>Allotted, called-up and fully paid:</i>    |           |           |
| 999,900 (2018: 999,900) ordinary shares of £1 | 999,900   | 999,900   |

#### 14. ULTIMATE HOLDING COMPANY

At 30 June 2020 the immediate and ultimate holding company was Murray Capital Group Limited. The ultimate controlling interest is held by Sir David E Murray. The largest and smallest group in which the results of the company were consolidated as at 31 December 2018 was that headed by the ultimate holding company whose principal place of business is 26 Charlotte Square, Edinburgh, EH2 4ET. Copies of Murray Capital Group Limited financial statements are available from the above address.

On 1 March 2021 the share capital of the Murray Capital Group Limited was sold to Murray Capital Holdings Limited. That company is controlled by David D Murray and Keith A Murray.

#### 15. RELATED PARTY TRANSACTIONS

In accordance with the exemptions provided under FRS 102, the company has not disclosed transactions with other wholly-owned subsidiary undertakings of the ultimate holding company (Note 14).

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

##### Amounts due from related parties

The company charges directors' fees or recharges costs to certain related parties and companies in which investments are held directly or through the company's subsidiary undertakings. Those companies include SDM Estates LP, the Lister Property Partnership, and Sarl Rouviere Plane which are considered related parties due to their ownership by a director. Aggregate fees charged in the year were £148,933 (2018: £100,000).

At the year end, balances receivable from these companies were, in aggregate, £697,089 (2018: £673,382). The remaining outstanding balance £9,803 (2018: £54,270) is due from other related parties.

##### Amounts due from other group undertakings

The company charges fees and interest on loan notes at 8% and 8.5% to Capito Holdings Limited. The total charged during the 18 months was £34,521 (2018: £23,554) of which £18,118 (2018: £17,305) is outstanding at 30 June 2020.

The company charges fees and interest on loan notes at 8.5% and 12% to Murray Estates Developments Limited. The total charged during the 18 months for fees and other costs was £450,696 (2018: £275,187) of which £1,729,072 (2018: ££1,278,376) is outstanding at 30 June 2020. The total charged during the 18 months for interest was £3,468,670 (2018: £2,158,599) which has been added to the value of the investment per Note 7.

The remaining outstanding balance of £8,291 (2018: £7,189) is due from 100% owned subsidiaries exempt from disclosure.

#### 16. Post Balance Sheet Events

On 1 March 2021, the share capital of the ultimate parent company was sold to Murray Capital Holdings Limited, as disclosed in Note 14.