Registered number: 00953010

Murphy Project Gas 2 Limited

Directors' report and financial statements

For the year ended 31 December 2022

Murphy Project Gas 2 Limited

Contents

Murphy Project Gas 2 Limited

Directors and advisers

Directors	John Murphy Joseph Ledwidge
Company secretary	John Patrick Murphy
Registered number	00953010
Registered office	Hiview House Highgate Road London NW5 1TN
Independent auditors	RSM UK Audit LLP Chartered Accountants Third Floor, Priory Place New London Rd Chelmsford, Essex CM2 0PP

Murphy Project Gas 2 Limited

Directors' report
for the year ended 31 December 2022

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

Principal activities

The principal activity of the company during the year was property development.

Review of the business

The key financial highlights were as follows:

	2022	2021
	£	£
Assets under Development	**2,024,111**	-
Net assets	**100**	100

The company acquired land on 30 of March 2022 with the plans for property development in the coming years. The purchase was financed with the loan granted by J. Murphy and Sons Limited.

Results and dividends

The profit for the financial period amounted to £nil (2021: £nil). The directors are unable to recommend the payment of a dividend.

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

John Murphy
Joseph Ledwidge

Future developments and outlook

The directors continue to seek and evaluate suitable opportunities to acquire land and development opportunities in the UK in line with strict investment criteria. The impact of increased levels of inflation on materials and labour coupled with the emergence from the global recession could have material negative impact on the Company's future operations. The Board will monitor the impact on the Company and take this into account when making investment decisions.

Financial risk management

The company manages its financial risks, primarily cashflow, through J. Murphy & Sons Group banking facilities. The company participates in group banking and credit arrangements through which financial risks are managed. The company therefore has no material interest rate, currency or liquidity risk.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Murphy Project Gas 2 Limited

Directors' report (continued)
For the year ended 31 December 2022

Going concern

The Company's directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent undertaking J. Murphy & Sons Limited. J. Murphy & Sons Limited has confirmed its ongoing financial support in writing for a period of at least twelve months from the date of approval of the financial statements, which the directors believe to be sufficient to ensure the company can meet its liabilities as they fall due.

The directors have considered what impact increased levels of inflation and the emergence from the global recession will have on the Group headed by J. Murphy & Sons Limited and prepared cashflow forecasts for the period to December 2024 (the review period), showing a base case, a downside scenario and a reverse stress test.

The key assumptions in the base case relate to the level of margin generated from secured contracts, settlement of contractual discussions and disputes, capital expenditure on plant, and short-term working capital needs. The base case demonstrates comfortable levels of cash resources throughout the review period. Performance in 2023 to date is in line with the Base case.

The downside scenario demonstrates the effect of reduced order intake and reduced margin. The downside scenario was designed to demonstrate a pessimistic downside and shows that sufficient cash headroom can be maintained throughout the review period. The reverse stress test was designed to determine what would have to happen to fully deplete existing cash resources. This scenario is considered remote given the cash resources of the company, the strength of the underlying infrastructure business, the existing order book, and the quality of forecasting and contract management procedures.

Based on the confirmation of support received from J. Murphy & Sons Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

Statement of directors' responsibilities in respect of the financial statements

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 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 those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. 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 of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware and having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself / herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. In addition, the Company has taken advantage of the exemption available under S414B of the Companies Act 2006 in not preparing a strategic report.

Independent auditors

At the next General Meeting, it will be proposed for the auditors, RSM UK Audit LLP are re-appointed in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board on 25/05/2023 and signed on its behalf.

J Ledwidge
Director

Independent auditors' report to the members of Murphy Project Gas 2 Limited

Opinion

We have audited the financial statements of Murphy Project Gas 2 Limited (the 'company') for the year ended 31 December 2022 which comprise the balance sheet, statement of changes in equity 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 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to 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.

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 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 has 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent auditors' report to the members of Murphy Project Gas 2 Limited

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

We have not identified any significant laws and regulations critical to the company's operations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

N. C. CATTINI

NICHOLAS CATTINI (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor, Priory Place
New London Road
Chelmsford, Essex
CM2 0PP
Date
26/05/23

Murphy Project Gas 2 Limited

Registered number: 00953010

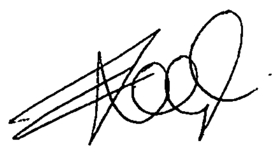
Balance sheet
As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Assets under development	7	**2,024,111**			-
			2,024,111		-
Current assets					
Debtors	8	-		100	
		-		100	
Creditors: amounts falling due within one year	9	**(2,024,011)**		-	
Net current assets / (liabilities)			**(2,024,011)**		100
Net assets			**100**		100
Capital and reserves					
Called up share capital	10		**100**		100
Retained earnings			-		-
Total shareholder's funds			**100**		100

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies eligible for the small companies' regime.

The financial statements were approved and authorised for issue by the board on 25/05/2023 and were signed on its behalf by:



J Ledwidge
Director

The notes on pages 10 to 14 form part of these financial statements.

Murphy Project Gas 2 Limited

Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital £	Retained earnings £	Total shareholders' funds £
At 1 January 2022	100	-	100
Comprehensive income for the year			
Profit for the financial year	-	-	-
At 31 December 2022	**100**	**-**	**100**

Statement of changes in equity
For the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Total shareholders' funds £
At 1 January 2021	100	-	100
Comprehensive income for the year			
Profit for the financial year	-	-	-
At 31 December 2021	**100**	**-**	**100**

The notes on pages 10 to 14 form part of these financial statements.

1. General information

Murphy Project Gas 2 Limited undertakes property development.

The company is privately owned and limited by shares. The company is incorporated and domiciled in England and Wales and its registered office is Hiview House, Highgate Road, London, NW5 1TN.

2. Statement of compliance

The financial statements of Murphy Project Gas 2 Limited have been prepared in compliance with applicable accounting standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102", Section 1A) and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Basis of preparation of financial statements

The financial statements are presented in pounds sterling which is also the functional currency of the company. The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 4).

3.2 Going concern

The Company's directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent undertaking J. Murphy & Sons Limited. J. Murphy & Sons Limited has confirmed its ongoing financial support in writing for a period of at least twelve months from the date of approval of the financial statements, which the directors believe to be sufficient to ensure the company can meet its liabilities as they fall due.

The directors have considered what impact increased levels of inflation and the emergence from the global recession will have on the Group headed by J. Murphy & Sons Limited and prepared cashflow forecasts for the period to December 2024 (the review period), showing a base case, a downside scenario and a reverse stress test.

The key assumptions in the base case relate to the level of margin generated from secured contracts, settlement of contractual discussions and disputes, capital expenditure on plant, and short-term working capital needs. The base case demonstrates comfortable levels of cash resources throughout the review period. Performance in 2023 to date is in line with the Base case.

The downside scenario demonstrates the effect of reduced order intake and reduced margin. The downside scenario was designed to demonstrate a pessimistic downside and shows that sufficient cash headroom can be maintained throughout the review period. The reverse stress test was designed to determine what would have to happen to fully deplete existing cash resources. This scenario is considered remote given the cash resources of the company, the strength of the underlying infrastructure business, the existing order book, and the quality of forecasting and contract management procedures.

Based on the confirmation of support received from J. Murphy & Sons Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

3. Summary of significant accounting policies (continued)

3.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain financial statements disclosure exemptions under the reduced disclosure regime, subject to certain conditions, which have been complied with by the Company.

The company has taken advantage of the following exemptions:

- From disclosing the company's key management personnel compensation as required by FRS 102 para 33.7;
- From disclosing certain financial instruments disclosures, required under FRS 102 para 11.39 to 11.48A and para 12.26 to 12.29; and
- From disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A of FRS 102.

The financial statements of the Company are consolidated in the financial statements of J. Murphy & Sons Limited. The consolidated financial statements of J. Murphy & Sons Limited are available from its registered office, Hiview House, Highgate Road, London, NW5 1TN.

3.4 Tangible assets, assets under development and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year end. The effect of any change is accounted for prospectively.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

	Years
Buildings	20 – 40

Land is not depreciated.

Assets under development are accounted for at cost. The cost includes the original purchase price and direct costs incurred to 31 December. They are not depreciated until the accounting period in which they are brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

3.5 Financial instruments

(a) Trade creditors and other payables

Trade creditors and other payables with no stated interest rate are stated initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method. Any changes in fair value are recognised in the profit and loss account.

3.6 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case tax is also recognised in Other Comprehensive Income or directly in equity respectively.

(a) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(b) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and Total Comprehensive Income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are only offset if the company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to income taxes covered by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current or deferred taxation assets and liabilities are not discounted.

3.7 Share capital

Ordinary shares are classified as equity and recorded at the value of consideration received. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Critical accounting judgements and estimation uncertainty

In the preparation of the financial statements management makes certain judgements and estimates that impact the financial statements. While these judgements are continually reviewed the facts and circumstances underlying these judgements may change resulting in a change to the estimates that could impact the results of the Company.

The Company also makes estimates and judgements concerning the future. The resulting accounting estimates and judgements will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on amounts recognised in the financial statements are as follows:

(a) Land

Land included within assets under development has a significant carrying value. The land is not depreciated. The carrying values of land are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any changes in carrying values are recognised in the profit and loss account.

5. Audit fees

Auditors' remuneration of £7,500 (2021 - £nil) was borne by another group company, J. Murphy & Sons Limited. There were no non-audit fees paid to the auditor (2021: £nil).

6. Directors' remuneration

There was no remuneration paid to the directors by the company during the year (2021: £nil), nor are there any other benefits accruing in favor of directors (2021: none). The directors are employed under employment contracts with the company's parent undertaking, J. Murphy & Sons Limited. There is no specific recharge or other amounts either payable to the directors, or any third party, for the provision of directors' services to the company (2021: £nil).

7. Assets under development

Cost and Net Book Value	**£**
At 1 January 2022	-
Additions	2,024,111
At 31 December 2022	**2,024,111**

Assets under development comprises land purchased on 30/03/2022 with plans for property developments.

8. Debtors

	2022	2021
	£	£
Amounts owed by fellow group undertakings	-	100
	-	100

Amounts owed by fellow group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to fellow group undertakings	**2,024,011**	-
	2,024,011	-

Amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand.

10. Called up share capital

	2022	2021
	£	£
Allotted called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

11. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, not to disclose relevant related party transactions on the grounds that at 31 December 2022 it was a wholly owned subsidiary.

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking is J. Murphy & Sons Limited. J. Murphy & Sons Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of J. Murphy & Sons Limited can be obtained from Hiview House, Highgate Road, London, NW5 1TN.

Drilton Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Drilton Limited are available from Hiview House, Highgate Road, London, NW5 1TN.

In the opinion of the directors the ultimate parent undertaking and ultimate controlling party is Maryland Limited, a company incorporated in Bermuda. Maryland Limited is controlled by a Murphy family trust.