

Murphy Investments (Holdings) Limited

Directors' report and financial statements

for the year ended 31 December 2022

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Murphy Investments (Holdings) Limited

Contents

	Page(s)
Directors and advisers	1
Directors' report	2 - 4
Independent auditors' report	5 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 17

Murphy Investments (Holdings) Limited

Directors and advisers

Directors

John Murphy
Joseph Ledwidge

Company secretary

John Patrick Murphy

Registered number

11394340

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 Investments (Holdings) Limited

Directors' report

For the period 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 activity and review of business

The principal activity of the company during the period was that of an investment holding company.

Results and Dividend

The loss for the financial period amounted to £748,200 (2021: loss £934,829). The directors are unable to recommend the payment of a dividend.

Directors

The directors who served during the period and up to the date of approval of the financial statements were:

John Murphy
Joseph Ledwidge

Future developments

The operations of the Company and its subsidiaries are regularly reviewed to determine the future strategy: there are no plans to dispose of the company's investments in its subsidiaries.

Financial risk management

The company participates in banking and credit arrangements made by J. Murphy & Sons Limited through which all financial risks are managed. The Company is exposed to risks relating to interest rates with the HSBC working capital facility. The directors are continuing to monitor interest rates and exploring options to mitigate this risk. The company has no material currency or liquidity risks given the funding arrangements in place with its parent, J. Murphy & sons Limited.

The only external debt on the balance sheet relates to the HSBC working capital facility. Credit risk attached to trade and other debtors is considered to be low as the company seeks to trade only with creditworthy third parties and monitors amounts outstanding on a regular basis.

The Company, and other group undertakings are obligors for a working capital facility with HSBC Bank plc. The Company has provided a guarantee to HSBC Bank plc for the working capital facility. This facility is up to £50m. This facility is secured against the Company's assets.

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.

Murphy Investments (Holdings) Limited

Directors' report (continued)

For the period ended 31 December 2022

Going concern (continued)

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.

Qualifying third party and 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.

Statement of directors' responsibilities

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.

Murphy Investments (Holdings) Limited

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

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 be re-appointed in accordance with section 485 of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'J Ledwidge', with a stylized flourish at the end.

J Ledwidge
Director

Independent auditors' report to the members of Murphy Investments (Holdings) Limited

Opinion

We have audited the financial statements of Murphy Investments (Holdings) Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, 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 loss 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.

Independent auditors' report to the members of Murphy Investments (Holdings) Limited (continued)

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.

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.

Independent auditors' report to the members of Murphy Investments (Holdings) Limited (continued)

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 Investments (Holdings) Limited

Profit and loss account

For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative costs		(743)	(61,289)
Operating loss	5	(743)	(61,289)
Interest receivable		-	-
Interest payable		(922,961)	(873,540)
Loss before tax		(923,704)	(934,829)
Taxation	7	175,504	-
Loss for the financial year and total comprehensive income		(748,200)	(934,829)

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 11 to 17 form part of these financial statements.

Murphy Investments (Holdings) Limited**Registered number: 11394340****Balance Sheet
As at 31 December 2022**

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	8		2		4
			<u>2</u>		<u>4</u>
Current assets					
Debtors	9	18,084,589		14,790,951	
Cash at bank		1,394,856		431,017	
		<u>19,479,445</u>		<u>15,221,968</u>	
Creditors: amounts falling due within one year	10	(6,162,474)		(1,156,799)	
Net current assets			<u>13,316,971</u>		<u>14,065,169</u>
Creditors: amounts falling after due more than one year	11	(15,000,000)		(15,000,000)	
Net liabilities			<u>(1,683,027)</u>		<u>(934,827)</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account			(1,683,029)		(934,829)
Total shareholders' funds			<u>(1,683,027)</u>		<u>(934,827)</u>

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 11 to 17 form part of these financial statements.

Murphy Investments (Holdings) Limited

**Statement of changes in equity
for the year ended 31 December 2022**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance as at 1 January 2022	2	(934,829)	(934,827)
Comprehensive loss for the year			
Loss for the financial year	-	(748,200)	(748,200)
At 31 December 2022	2	(1,683,029)	(1,683,027)

**Statement of changes in equity
for the year ended 31 December 2021**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance as at 1 January 2021	2	-	2
Comprehensive income for the year			
Profit for the financial year	-	(934,829)	(934,829)
At 31 December 2021	2	(934,829)	(934,827)

The notes on pages 11 to 17 form part of these financial statements.

Murphy Investments (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

1. General information

Murphy Investments (Holdings) Limited ("the Company") is an investment holding company.

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 Investments (Holdings) 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") and the Companies Act 2006.

The Company is a wholly-owned subsidiary of J. Murphy & Sons Limited (its immediate parent undertaking) and is included in the consolidated financial statements of J. Murphy & Sons Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of 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, and rounded to the nearest pound. 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.

3. Summary of significant accounting policies (continued)

3.2 Going concern (continued)

For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

3.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain financial statements disclosure exemptions.

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.

3.4 Investments

Investments held as fixed assets are shown at cost less accumulated impairment losses. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Any changes in carrying value are recognised in profit or loss.

3.5 Current and deferred 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.

Current or deferred taxation assets and liabilities are not discounted.

(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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

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.

Murphy Investments (Holdings) Limited

Notes to the financial statements For the period ended 31 December 2022

3. Summary of significant accounting policies (continued)

3.5 Current and deferred taxation (continued)

(b) Deferred tax (continued)

Deferred tax relating to investment property that is measured at fair value is measured using the tax rates and allowances that would apply to the sale of the asset.

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 liability 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 amount of deferred tax liabilities or assets are expected to be settled or recovered.

There is no current or deferred taxation for the period as the company has not engaged in any relevant activities.

3.6 Financial instruments

(a) Trade debtors and other receivables

Trade debtors and other receivables are stated initially at fair value and subsequently measured at amortised cost less impairment losses. A provision for 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 with the trade debtor. Any losses arising from impairment are recognised in the profit and loss account.

(b) 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.

3.7 Share capital

Ordinary shares are classified as equity and recorded at the value of consideration receivable. 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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical judgements in applying the entity's accounting policies

No critical judgements have been made in applying the entity's accounting policies.

4.2 Key accounting estimates and assumptions

No key accounting estimates and assumptions have been made in applying the entity's accounting policies.

5. Operating profit

Auditors' remuneration for the year of £4,651 (2021: £4,500) was borne by another group company, J. Murphy & Sons Limited. There were no fees for non-audit services paid to the auditors (2021: £nil).

Murphy Investments (Holdings) Limited

Notes to the financial statements For the period ended 31 December 2022

6. Directors and employees

The Company did not directly employ any staff during the year (2021: none).

There was no remuneration paid to the directors by the company during the year (2021: £nil), nor are there any other benefits accruing in favour 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. Tax on profit on ordinary activities

	2022 £	2021 £
Corporation tax		
Current tax on loss for the year	175,504	-
Tax on profit	175,504	-

There was no deferred tax charge during the year (2021: £nil).

Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss before taxation	(923,704)	(934,829)
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(175,504)	(177,618)
Effects of:		
Effects of group relief / other reliefs	-	172,602
Expenses not deductible	-	5,016
Total tax credit for the year	(175,504)	-

Factors that may affect future tax charges

The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Murphy Investments (Holdings) Limited

Notes to the financial statements For the period ended 31 December 2022

8. Investments

	2022	2021
	£	£
Cost and net book value		
At 1 January 2022	4	4
Disposal	(2)	-
At 31 December 2022	<u>2</u>	<u>4</u>

Following the Murphy Group restructure, the company has transferred ownership in Murphy Homes Limited to Murphy Group Investments Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets and/or future cash flows.

Subsidiary undertakings

The company has the following directly owned subsidiary companies as at 31 December 2022:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Murphy Investments (Mammoth) Limited	United Kingdom	Ordinary	100%	Leasing property and property investment
Murphy Investments (Morson Road) Limited	United Kingdom	Ordinary	100%	Leasing property and property investment

The registered address of all subsidiary undertakings listed above is: Hiview House, Highgate Road, London, NW5 1TN.

9. Debtors

	2022 £	2021 £
Amounts owed by fellow group undertakings	<u>18,084,589</u>	<u>14,790,951</u>
	<u>18,084,589</u>	<u>14,790,951</u>

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

Murphy Investments (Holdings) Limited

Notes to the financial statements For the period ended 31 December 2022

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to fellow group undertakings	5,988,391	965,979
Accruals and deferred income	174,083	190,820
	<u>6,162,474</u>	<u>1,156,799</u>

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

11. Creditors: amounts falling after more than one year

	2022	2021
	£	£
Long term loans	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

On the 31 March 2021, the company signed and entered an agreement with HSBC Bank plc that provides facilities of up to £50m from the date of the agreement for a period of 3 years. As of 31 December 2022, the company had drawn £15m under the terms of this facility, which is repayable in full on 31 March 2024.

The loan is secured against the assets of the company's subsidiary undertakings (see note 8) by way of fixed and floating charges, including fixed charges over investment properties reported by the subsidiary undertakings with a fair value of £145m as of 31 December 2022.

12. Called up share capital

	2022	2021
	£	£
Allotted called up and paid		
2 Ordinary share of £1 each	2	2

13. Related party transactions

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

14. Contingent Liabilities

The entity is party to a group VAT registration headed by the company's parent undertaking, J. Murphy & Sons Limited, and is jointly and severally liable for the VAT due by the representative member which totalled £17,890,377 as at 31 December 2022 (2021: £12,651,982).

Murphy Investments (Holdings) Limited

Notes to the financial statements For the period ended 31 December 2022

15. Financial Commitments and Guarantees

Since March 2021, the Company, together with other group undertakings are obligors for a working capital facility with HSBC Bank plc. The Company has provided a guarantee to HSBC Bank plc, who provide the working capital facility of up to £50m. This facility is restricted to £30m until certain conditions are met and are secured against the Company's assets. In April 2021, £15m was drawn down on this facility and remains outstanding as at 31 December 2022. The facility renewal date is March 2024.

The facilities are secured against the assets of the company, including a fixed charge over the investment properties reported by the subsidiary undertakings with a fair value of £145m as of 31 December 2022.

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Murphy Group Investments Limited, a company registered in England & Wales. 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.