

Registered number: 11394340

**Murphy Investments (Holdings) Limited**

**Directors report and financial statements**

**for the year ended 31 December 2020**



## **Murphy Investments (Holdings) Limited**

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## **Murphy Investments (Holdings) Limited**

### **Directors and advisers**

<b>Directors</b>	John Murphy Joseph Ledwidge
<b>Company secretary</b>	J P Murphy
<b>Registered number</b>	11394340
<b>Registered office</b>	Hiview House Highgate Road London NW5 1TN
<b>Independent auditors</b>	RSM UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

## **Murphy Investments (Holdings) Limited**

### **Directors report**

**For the period ended 31 December 2020**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

### **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 profit for the financial period amounted to £nil (2019: £nil). 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:

David Burke	(resigned 23 September 2020)
John Murphy	
Joseph Ledwidge	(appointed 1 February 2021)

### **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. The impact of the coronavirus (Covid-19) on the public health and economy of the UK continues to develop and to date has not had a 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 participates in banking and credit arrangements made by J. Murphy & Sons Limited through which all financial risks are managed.

The company does not have a bank account. All funds are held by the parent company. In the opinion of the Directors therefore, the company has no material interest rate, currency or liquidity risks.

### **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 Company, together with its subsidiaries, Murphy Investments (Mammoth) Limited and Murphy Investments (Morson Road) Limited, are obligors for a working capital facility to the value of £30m. This, together with support from J. Murphy & Sons Limited, provides the Company with sufficient access to liquidity.

The directors have considered what impact the Covid-19 pandemic will have on the Group headed by J. Murphy & Sons Limited and prepared cashflow forecasts for the period to December 2022 (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, government assistance on Covid-19 related schemes, 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 2021 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.

## **Murphy Investments (Holdings) Limited**

### **Directors report (continued) For the period ended 31 December 2020**

#### **Going concern (continued)**

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 director is responsible for preparing the Directors report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards and applicable law ("United Kingdom Generally Accepted Accounting Practice") including Financial Reporting Standard 102 ("FRS 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

#### **Subsequent events**

In March 2021 the Company entered into a new committed rolling working capital credit facility of £50m with HSBC Bank plc for 3 years which will ensure that working capital requirements are met. The Company's subsidiaries, Murphy Investments (Mammoth) Limited and Murphy Investments (Morson Road) Limited are part of the obligor group for this facility. This replaced the credit facility of £30m that was in place with Lloyds Bank plc.

In March 2021, the Company's immediate parent, J. Murphy & Sons Limited sold its 100% shareholding in the Company to Murphy Rail Projects Limited.

#### **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 2020**

**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**

RSM UK Audit LLP were appointed as the auditor to the Company during the year. 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 30 July

2021 and signed on its behalf.



**J Ledwidge**  
Director

## **Murphy Investments (Holdings) Limited**

### **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 2020 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 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.

#### **Other matters**

The comparative figures for the period ended 31 December 2019 are unaudited.

#### **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.

## **Murphy Investments (Holdings) Limited**

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

#### **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.



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

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.

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 external tax advisors.

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

The audit engagement team identified the risk of management override of controls as the areas 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.

**Murphy Investments (Holdings) Limited**

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

**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.

RSM UK AUDIT LLP

NICHOLAS CATTINI (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Marlborough House  
Victoria Road South  
Chelmsford  
Essex  
CM1 1LN  
Date : 30 July 2021

**Murphy Investments (Holdings) Limited**

**Profit and loss account**

**For the year ended 31 December 2020**

	Note	2020 £	2019 (unaudited) £
Turnover		-	-
Administrative costs		-	-
		<hr/>	<hr/>
<b>Operating result and result on ordinary activities before tax</b>		-	-
Tax on result on ordinary activities		-	-
		<hr/>	<hr/>
<b>Result for the financial period</b>		-	-
		<hr/>	<hr/>

The company has no recognised gains or losses and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 12 to 18 form part of these financial statements.

**Murphy Investments (Holdings) Limited****Registered number: 11394340****Balance sheet****As at 31 December 2020**

	Note	2020 £	2020 £	2019 *Restated (unaudited)	2019 *Restated (unaudited)
<b>Fixed assets</b>					
Investments	7		4		4
			<u>4</u>		<u>4</u>
<b>Current assets</b>					
Debtors	8	-	-	-	-
		<u>-</u>		<u>-</u>	
Creditors: amounts falling due within one year	9	(2)		(2)	
		<u>(2)</u>		<u>(2)</u>	
<b>Net current liabilities</b>			(2)		(2)
<b>Total assets less current liabilities</b>			<u>2</u>		<u>2</u>
<b>Net assets</b>			<u>2</u>		<u>2</u>
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Profit and loss account			<u>-</u>		<u>-</u>
<b>Total shareholder's funds</b>			<u>2</u>		<u>2</u>

\*Refer to note 7

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

The financial statements were approved and authorised for issue by the board on 30 July 2021 and were signed by



**J Ledwidge**  
Director

The notes on pages 12 to 18 form part of these financial statements.

**Murphy Investments (Holdings) Limited**

**Statement of changes in equity  
For the period ended 31 December 2020**

	Note	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2020 and 31 December 2020</b>		<b>2</b>	<b>-</b>	<b>2</b>

**Statement of changes in equity  
For the period ended 31 December 2019**

	Note	Called up share capital (unaudited) £	Profit and loss account (unaudited) £	Total equity (unaudited) £
<b>At 1 January 2019 and 31 December 2019</b>		<b>2</b>	<b>-</b>	<b>2</b>

The notes on pages 12 to 18 form part of these financial statements.

## **Murphy Investments (Holdings) Limited**

### **Notes to the financial statements**

**For the period ended 31 December 2020**

#### **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 Company, together with its subsidiaries, Murphy Investments (Mammoth) Limited and Murphy Investments (Morson Road) Limited, are obligors for a working capital facility to the value of £30m. This, together with support from J. Murphy & Sons Limited, provides the Company with sufficient access to liquidity.

The directors have considered what impact the Covid-19 pandemic will have on the Group headed by J. Murphy & Sons Limited and prepared cashflow forecasts for the period to December 2022 (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, government assistance on Covid-19 related schemes, 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 2021 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.

## **Murphy Investments (Holdings) Limited**

### **Notes to the financial statements For the period ended 31 December 2020**

#### **3. Summary of significant accounting policies (continued)**

##### **3.2 Going concern (continued)**

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.

##### **3.3 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:

- Under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows;
- 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.

## **Murphy Investments (Holdings) Limited**

### **Notes to the financial statements For the period ended 31 December 2020**

#### **3. Summary of significant accounting policies (continued)**

##### **3.5 Current and deferred taxation (continued)**

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.

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.



## Murphy Investments (Holdings) Limited

### Notes to the financial statements For the period ended 31 December 2020

#### 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 £5,000 (2019: £nil) was borne by another group company, J. Murphy & Sons Limited. There were no fees for non-audit services paid to the auditors (2019: £nil).

#### 6 Directors and employees

The Company did not directly employ any staff during the year (2019: none).

There was no remuneration paid to the directors by the company during the period (2019: £nil).

#### 7 Investments

	2020	2019 *Restated (unaudited)
Cost and net book value	£	£
At 1 January 2020 (restated)	4	3
Addition	-	1
At 31 December 2020	<u>4</u>	<u>4</u>

\*The prior year comparative has been restated as the Company purchased shares of £1 in Murphy Asset Services Holdings Limited in 2019.

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

## Murphy Investments (Holdings) Limited

### Notes to the financial statements For the period ended 31 December 2020

#### 7 Investments (continued)

##### Subsidiary undertakings

The company has the following directly owned subsidiary companies as at 31 December 2020:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Murphy Homes Limited	United Kingdom	Ordinary	100%	Development of building projects
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
Murphy Asset Services Holdings Limited	United Kingdom	Ordinary	100%	Investment holding company

The company has the following indirectly owned subsidiary company:

Dalston Lane Terrace Management Company Limited	United Kingdom	Limited by guarantee	100%	Own and operate utility distribution systems across locations throughout mainland UK
Murphy Asset Services Limited	United Kingdom	Ordinary	50%	Distribution and trade of gaseous fuels through mains
Murphy Gas Networks Limited	United Kingdom	Ordinary	50%	Distribution and trade of gaseous fuels through mains
Murphy Power Distribution Limited	United Kingdom	Ordinary	50%	Transmission and distribution of electricity

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

#### 8. Debtors

	2020	2019 *Restated (unaudited)
	£	£
Amounts owed by immediate parent undertaking	-	-

Amounts owed by immediate parent undertaking are unsecured, interest free and repayable on demand.

\*Refer to note 7.

**Murphy Investments (Holdings) Limited**  
**Notes to the financial statements**  
**For the period ended 31 December 2020**

**9. Creditors: amounts falling due within one year**

	2020	2019 (unaudited)
	£	£
Amounts owed to fellow group undertakings	<u>2</u>	<u>2</u>

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

**10. Called up share capital**

	2020	2019 (unaudited)
	£	£
<b>Allotted called up and unpaid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Ordinary shares grant the holder to full voting rights and dividend and capital distribution rights.

**11. 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 2020 it was a wholly owned subsidiary.

**12. Contingent liabilities**

At the balance sheet date, the Company, together with J. Murphy & Sons Limited, and other group undertakings provided a guarantee to Lloyds Bank PLC who provided J. Murphy & Sons Limited, with a revolving credit facility of up to £30m. The amount drawn on this facility was £30m at the balance sheet date.

In March 2021, the Company, together with its subsidiaries, Murphy Investments (Mammoth) Limited and Murphy Investments (Morson Road) Limited, provided a guarantee to HSBC Bank plc who provide the Company with a working capital facility of up to £50m. This facility is restricted to £30m until certain conditions are met.

The Company's bankers hold composite guarantees for the banking facilities of certain related party companies for which no provision has been made in the financial statements.

**13. Subsequent events**

In March 2021 the Company entered into a new committed rolling working capital credit facility of £50m with HSBC Bank plc for 3 years which will ensure that working capital requirements are met. The Company's subsidiaries, Murphy Investments (Mammoth) Limited and Murphy Investments (Morson Road) Limited are part of the obligor group for this facility. This replaced the credit facility of £30m that was in place with Lloyds Bank plc.

In March 2021, the Company's immediate parent, J. Murphy & Sons Limited sold it's 100% shareholding in the Company to Murphy Rail Projects Limited.

**Murphy Investments (Holdings) Limited**  
**Notes to the financial statements**  
**For the period ended 31 December 2020**

**14. Ultimate controlling party**

At the balance sheet date, J. Murphy & Sons Limited, was the immediate parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2020. 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 2020. 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 controlling party is Maryland Limited, a company incorporated in Bermuda. Maryland Limited is controlled by a Murphy family trust.