

Company Registration No. SC304913 (Scotland)

CAPITO HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CAPITO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs A Burnside Mr C Lennox Mr A Quinn Mr E Campbell Mr M Gibson
Secretary	Mrs A Burnside
Company number	SC304913
Registered office	Caputhall Road Livingston West Lothian United Kingdom EH54 8AS
Auditor	Azets Audit Services Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

CAPITO HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 19

CAPITO HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The results show a loss before tax of £47,159 (2020: £43,561). The company has a balance sheet deficit of £445,916 (2020: £399,243) at 31 December 2021.

Principal risks and uncertainties

Capito Holdings Limited is not a trading company. Capito Holdings Limited owns 100% of the trading company Capito Limited. The following business risks and company outlook relate to the trading activities of Capito Limited.

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to be:

- Competition from ICT solutions providers – the company has impressive referenceable service delivery across a number of sectors differentiating them from the competition.
- Supply chain management – lack of availability of some IT equipment could drive increased costs and lead time to delivery. Capito continues to hold established relationships with both technology and resource partners.
- Staff retention – Capito is an Accredited Living Wage Employer and Silver Level Accredited Investors In People, accredited as "We invest in People". Capito's people are at the heart of what they do and they are constantly exploring ways to ensure the experienced and dedicated workforce are retained.

Outlook

The company objectives are focused on continuing to grow its profitability through increasing our customer base and geographic delivery capability. The company increased its headcount by 18% in 2021 and will use this increased sales and delivery capability to increase services sales and margin % by delivering from our fixed cost basis.

On behalf of the board

Mrs A Burnside
Director

10 March 2022

CAPITO HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of a holding company.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs A Burnside
Mr C Lennox
Mr A Quinn
Mr E Campbell
Mr M Gibson

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mrs A Burnside
Director

10 March 2022

CAPITO HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual 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 these 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;
- 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.

CAPITO HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITO HOLDINGS LIMITED

Opinion

We have audited the financial statements of Capito Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CAPITO HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAPITO HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

CAPITO HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAPITO HOLDINGS LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Greig McKnight (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

10 March 2022

Chartered Accountants
Statutory Auditor

Titanium 1
Kings Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

CAPITO HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Administrative expenses		(32,660)	(17,358)
Interest payable and similar expenses	5	(14,499)	(26,203)
Loss before taxation		(47,159)	(43,561)
Tax on loss	6	-	-
Loss for the financial year		(47,159)	(43,561)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CAPITO HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Loss for the year	(47,159)	(43,561)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(47,159)</u>	<u>(43,561)</u>

CAPITO HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	7		2,000,000		2,000,000
Current assets					
Debtors	9	12,984		-	
Cash at bank and in hand		2,330		559	
		<u>15,314</u>		<u>559</u>	
Creditors: amounts falling due within one year	10	<u>(2,450,046)</u>		<u>(2,124,802)</u>	
Net current liabilities			<u>(2,434,732)</u>		<u>(2,124,243)</u>
Total assets less current liabilities			<u>(434,732)</u>		<u>(124,243)</u>
Creditors: amounts falling due after more than one year	11		-		(275,000)
Net liabilities			<u>(434,732)</u>		<u>(399,243)</u>
Capital and reserves					
Called up share capital	13		191,266		190,780
Share premium account	14		3,019,929		3,008,745
Capital redemption reserve	14		8,934		8,934
Other reserves	14		1,708,415		1,708,415
Profit and loss reserves	14		<u>(5,363,276)</u>		<u>(5,316,117)</u>
Total equity			<u>(434,732)</u>		<u>(399,243)</u>

The financial statements were approved by the board of directors and authorised for issue on 10 March 2022 and are signed on its behalf by:

Mrs A Burnside
Director

Company Registration No. SC304913

CAPITO HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Capital redemption reserve	Other reserves/loss	Profit and reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2020	190,780	3,008,745	8,934	1,708,415	(5,272,556)	(355,682)
Year ended 31 December 2020:						
Loss and total comprehensive income for the year	-	-	-	-	(43,561)	(43,561)
Balance at 31 December 2020	190,780	3,008,745	8,934	1,708,415	(5,316,117)	(399,243)
Year ended 31 December 2021:						
Loss and total comprehensive income for the year	-	-	-	-	(47,159)	(47,159)
Issue of share capital	13 486	11,184	-	-	-	11,670
Balance at 31 December 2021	191,266	3,019,929	8,934	1,708,415	(5,363,276)	(434,732)

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Capito Holdings Limited is a private company limited by shares incorporated in Scotland. The registered office is Caputhall Road, Livingston, West Lothian, United Kingdom, EH54 8AS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Capito Holdings Limited is a majority owned subsidiary of Murray Capital Group Limited and the results of Capito Holdings Limited are included in the consolidated financial statements of Murray Capital Group Limited which are available from 26 Charlotte Square, Edinburgh, EH2 4ET.

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

The current and future financial position of the company, its cash flows and liquidity position have been reviewed by the directors. Cashflow projections have been prepared that extend beyond one year from the date of approval of these financial statements.

The directors have obtained assurances that the immediate parent company Murray Capital Limited ("the group") will continue to provide support as necessary.

The directors have reviewed the latest projections of the group and are satisfied as to the validity of these assurances and that the group has the means and authority to provide such funding if it is required.

After reviewing the measures taken against the business risk, the cashflow projections and the Group's support, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging:		
	<u> </u>	<u> </u>

Auditors remuneration is borne by Capito Limited, a subsidiary undertaking.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

5 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable to group undertakings	14,499	26,203
	<u> </u>	<u> </u>

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(47,159)	(43,561)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(8,960)	(8,277)
Tax effect of expenses that are not deductible in determining taxable profit	2,660	-
Group relief	6,300	8,277
Taxation charge for the year	-	-

A deferred tax asset amounting to £267,477 (2020: £203,282) relating to trading losses has not been recognised at 31 December 2021 given the uncertainty over future taxable profits.

7 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	8	2,000,000	2,000,000

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Capito Limited	Caputhall Road, Livingston, West Lothian, EH54 8AS	Ordinary shares of 10p each	100.00

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	12,984	-

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,400	-
Amounts owed to group undertakings	2,444,646	2,124,802
	<u>2,450,046</u>	<u>2,124,802</u>

Amounts due to group undertakings are non interest bearing and have no fixed repayment date.

The bank facilities are secured over the assets of Capito Limited and a cross guarantee supported by floating charges between Capito Holdings Limited and Capito Limited.

11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	12	-	275,000
		<u>-</u>	<u>275,000</u>

12 Loans and overdrafts

	2021 £	2020 £
Other loans	-	275,000
	<u>-</u>	<u>275,000</u>
Payable after one year	-	275,000
	<u>-</u>	<u>275,000</u>

At 31 December 2021, secured loan stock of £nil (2020: £275,000) bearing interest at 8.5% was due to Murray Capital Limited and is included within creditors falling due after more than one year.

13 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	119,407	114,538	11,940	11,454
'A' Ordinary shares of 10p each	116,255	116,255	11,626	11,626
	<u>235,662</u>	<u>230,793</u>	<u>23,566</u>	<u>23,080</u>

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Share capital

(Continued)

	2021 Number	2020 Number	2021 £	2020 £
Preference share capital Issued and fully paid				
Preference shares of 10p each	1,677,000	1,677,000	167,700	167,700
Preference shares classified as equity			167,700	167,700
Total equity share capital			191,266	190,780

The preference shares have no fixed repayment date, redemption is entirely at the discretion of the company and have no dividend rights.

Redemption of preference shares rank above the 'A' Ordinary and Ordinary shares on liquidation, reduction of capital of otherwise the Company. The 'A' Ordinary shares rank above the Ordinary shares.

The "A" Ordinary and Ordinary shares carry one vote per share, and rank parri passu on the distribution of dividends.

On 24 June 2021 the company issued 4,869 ordinary shares with an aggregate nominal value of £487 for cash at £2.39 each.

14 Reserves

Share premium

Share premium represents the amounts received above nominal value for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the Company.

Other reserves

Other reserves comprises of a capital contribution which arose following the forgiveness of debt from the Company's parent entity.

15 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Included within creditors due within one year is an amount of £22,249 (2020: £283,590) due to Murray Capital Limited, the parent company of Capito Holdings Limited for monitoring fees. During the year, interest and monitoring fees of £33,040 (2020: £44,021) were charged to the company.

CAPITO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Ultimate controlling party

The ultimate parent undertaking and controlling party of the Company is Murray Capital Group Limited. The smallest and largest group in which the results of Capito Holdings Limited are consolidated is that headed by Murray Capital Group Limited.

Copies of Murray Capital Group Limited consolidated financial statements can be obtained from its company secretary at 26 Charlotte Square, Edinburgh EH2 4ET.

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