

**Alphastrut Limited**

Annual report and financial statements for the  
year ended 31 December 2016

Registered number: SC352135

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# Annual report and financial statements

## Company Information

### **Directors**

A G Munro  
G Hill  
D B Lawson  
S Collard  
C J McDermid  
R Richmond (resigned 14 December 2016)

### **Auditors**

Ernst & Young LLP  
G1  
5 George Square  
Glasgow  
G2 1DY

### **Registered Office**

26 Charlotte Square  
Edinburgh  
EH2 4ET

### **Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

### **Solicitors**

HBJ Gateley  
Exchange Tower  
19 Canning Street  
Edinburgh  
EH3 8EH

## Annual report and financial statements

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## Directors' report

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 December 2016. A strategic report has not been prepared, taking advantage of the exemption in s414A of the Companies Act 2006.

### Principal activity and business model

The principal activity of the company is the design of lightweight aluminium raised access flooring, cable management, handrail and walkway systems, and the granting of distribution licences for these products.

During 2015 the company transitioned from UK GAAP to FRS 102 and has taken advantage of the reduced disclosure framework allowed under this standard. The accounting policies applied under the entity's previous accounting framework are not materially different to FRS102 and had no material impact on equity or profit or loss.

### Strategy, objectives and future developments

The company's main strategy is to grow the Alphastrut brand into a market leader in the design and supply of lightweight aluminium raised access flooring, cable management, handrail and walkway systems in a number of different market sectors. To achieve this the Company has licensed the distribution of the Alphastrut product to an established aluminium distributor, Multi Metals Limited, who continue to invest in the commercialisation and development of the Alphastrut product range. There is an intention that the Company will also begin to sell direct to end customers as well as through distribution arrangements.

### Results and business review

The audited financial statements for the year ended 31 December 2016 are set out on pages 7 to 16. The directors do not recommend the payment of a dividend (2015: no dividend recommended).

The trade and patents of the Company business were acquired by Murray Metals Investments Limited in April 2014. A licence was granted to an established aluminium distributor, Multi Metals Limited, a Murray Capital Group company, to manage the stock and supply chain and to distribute it to end users. The licence is royalty free, however a management charge is receivable from Multi Metals Limited for time spent by staff and management helping Multi Metals Limited sell products to the market.

The low level of income reflects the very difficult market conditions that continued during 2016 following the collapse of the oil price.

The business, through its distributor, has continued to invest in personnel, product development and the global supply chain to provide a growth platform to maximise sales opportunities when market activity returns. Delays in project tendering have meant revenues not increasing in line with investment during the year resulting in an operating loss.

The financial position at 31 December 2016 is shown in the Statement of Financial Position on page 8.

### Financial risk management

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, operations are financed through a distribution arrangement with Multi Metals Limited in terms of working capital management and by agreed intercompany creditor balances. The directors continue to monitor the intercompany balance to ensure sufficient liquidity.

## Directors' report (continued)

### Future Outlook

Management expect the business to increase the frequency of project wins as the end user experience of Alphastrut grows and knowledge of the product widens through the investment by its distributor. The business continues to invest in a pipeline of new products to both expand the brand offering and improve the current products. Increased management charges are anticipated as sales through the distributor channel grow with additional income derived from the Company starting to sell direct to end customers.

Management consider that investments made to diversify sales from the offshore market will generate returns in the years ahead.

While management expect the business to grow next year with the visibility of projects in the pipeline, the low oil price has delayed contract awards and this may impact on future results. Over a longer period management anticipate a return of the oil price to long run levels with the resultant pick up in demand for Alphastrut products.

### Going concern

Even though the Company has net liabilities the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This expectation is reinforced by a letter of support from the ultimate parent undertaking, Murray Capital Group Limited, covering a period of at least 12 months from the date of signing, and thus they continue to adopt the going concern basis in preparing the annual financial statements.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Directors

The directors who served during the period and to the date of this report are as follows:

A G Munro  
G Hill  
D B Lawson  
S Collard  
C J McDermid  
R Richmond (resigned 14 December 2016)

### Director's responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

## Directors' report (continued)

- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### Auditor

Ernst & Young LLP were appointed as auditors during the year.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that they ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

A resolution to reappoint Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

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



G. Hill  
Director

26 May 2017

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

We have audited the financial statements of Alphastrut Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHASTRUT LIMITED (continued)**

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

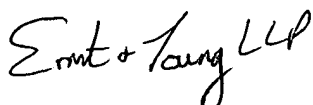
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



**Mark Harvey (Senior Statutory Auditor)**

for and on behalf of Ernst & Young LLP

Statutory Auditor

Glasgow, United Kingdom

27 May 2017

# Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Other operating income	2	5,223	237,953
Other operating expenses	2	(523,191)	(929,102)
<b>Loss on ordinary activities before taxation</b>	3	(517,968)	(691,149)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		<u>(517,968)</u>	<u>(691,149)</u>
<b>Total comprehensive loss for the year</b>		<u>(517,968)</u>	<u>(691,149)</u>

The results are derived from continuing operations.

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

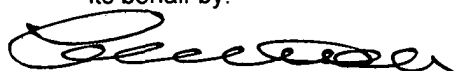
# Statement of Financial Position

As at 31 December 2016


	Notes	31 December 2016 £	31 December 2015 £
<b>Fixed assets</b>			
Tangible assets	6	-	14,704
<b>Current assets</b>			
Debtors	7	-	95,367
Cash at bank and in hand		7,281	126
		7,281	95,493
<b>Creditors: Amounts falling due within one year</b>	8	(1,603,358)	(1,188,306)
<b>Net current liabilities</b>		(1,596,077)	(1,092,813)
<b>Total assets less current liabilities</b>		(1,596,077)	(1,078,109)
<b>Net liabilities</b>		(1,596,077)	(1,078,109)
<b>Capital and reserves</b>			
Called-up share capital	9	2	2
Profit and loss account		(1,596,079)	(1,078,111)
<b>Shareholders' deficit</b>		(1,596,077)	(1,078,109)

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

The financial statements were approved and authorised by the Board of Directors on 26 May 2017 and signed on its behalf by:



G. Hill  
Director



S. Collard  
Director

**Alphastrut Limited**  
Company no: SC352135

**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	2	(386,962)	(386,960)
Total comprehensive loss for the period	-	(691,149)	(691,149)
At 1 January 2016	2	(1,078,111)	(1,078,109)
Total comprehensive loss for the year	-	(517,968)	(517,968)
At 31 December 2016	2	(1,596,079)	(1,596,077)

## Notes to the financial statements

For the year ended 31 December 2016

### 1. Accounting policies

The principal accounting policies are summarised below.

#### Statement of compliance

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

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2016.

#### Basis of accounting

The financial statements of Alphastrut Limited were authorised for issue by the Board of Directors on 26 May 2017. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

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

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

#### Going concern

Even though the Company has net liabilities the directors have reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. This expectation is reinforced by a letter of support from the ultimate parent undertaking, Murray Capital Group Limited, covering a period of at least 12 months from signing and thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management have assessed the activity of the Company during the year, and do not believe there are any significant accounting judgements, estimates or assumptions that would have a material effect on the financial statements.

## Notes to the financial statements(continued)

For the year ended 31 December 2016

### Significant accounting policies

#### Property, plant and equipment

Property, plant and equipment are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer and Office equipment	33.3%	per annum straight line
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Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Taxation

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

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Cash and cash equivalents

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

#### Short-term debtors and creditors

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

## Notes to the financial statements(continued)

For the year ended 31 December 2016

### 2 Other operating income and expenses

Other operating expenses is split as follows:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Selling and distribution costs	245,555	327,416
Administrative expenses	277,636	601,686
	<u>523,191</u>	<u>929,102</u>

Other operating income of £5,223 (2015: £237,953) is a management charge receivable from Multi Metals Limited, a Murray Capital Limited group company, for time spent by staff and management helping Multi Metals Limited sell products to the market.

### 3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Depreciation	4,128	4,337
Auditor's remuneration for the audit of the Company	<u>2,665</u>	<u>4,000</u>

There were no other services provided by the auditor in either the current period or the prior year.

## Notes to the financial statements(continued)

For the year ended 31 December 2016

### 4 Staff costs and directors' remuneration

The average monthly number of employees (excluding directors) was:

	Year ended 31 December 2016 Number	Year ended 31 December 2015 Number
Sales and administration	<u>3</u>	<u>2</u>

Their aggregate remuneration comprised:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Wages and salaries	147,051	149,083
Social security costs	6,150	5,124
Pension costs	<u>2,700</u>	<u>3,193</u>
	<u>155,901</u>	<u>157,400</u>

Directors' emoluments comprised:

	Year ended 31 December 2016 £	Year period ended 31 December 2015 £
Emoluments for qualifying services	<u>4,000</u>	<u>6,000</u>

The aggregate remuneration in respect of qualifying services relates to a single director, who is also the highest paid director.

### 5 Tax on loss on ordinary activities

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

No provision has been made for deferred tax as it is unlikely that the Company will generate sufficient future taxable profits to utilise this amount. There was an unrecognised deferred tax asset at 31 December 2016 of £263,719 (2015: £190,915).

## Notes to the financial statements(continued)

For the year ended 31 December 2016

### 5 Tax on loss on ordinary activities (continued)

The unrecognised deferred tax asset comprises:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Fixed asset timing differences	-	914
Losses and other deductions	(263,719)	(191,829)
	<u>(263,719)</u>	<u>(190,915)</u>

The tax assessed for the year is at the standard rate of corporation tax in the UK at 20 % (2015: was higher than the standard rate at 20.25%). The differences are reconciled below:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Loss on ordinary activities before taxation	(517,968)	(691,149)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	(103,594)	(139,934)
Effects of:		
Expenses not deductible for tax purposes	5,464	3,435
Changes in tax rates	25,326	22,876
Deferred tax not recognised	72,804	113,623
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

### Factors that may affect future tax charges

The main rate of corporation tax reduced from 21% to 20%, effective from 1 April 2015. The Finance Act (No 2) 2015, which was substantively enacted on 26 October 2015, includes legislation to reduce the main rate of corporation tax to 19%, effective from 1 April 2017, and to 18%, effective from 1 April 2020. The Finance Act 2016 substantively enacted on 6 September 2016, includes legislation that will further reduce the main rate of corporation tax to 17%, effective from 1 April 2020. The deferred tax in the accounts has been recognised at the rate at which timing differences are expected to reverse, based on the rates substantively enacted as at the balance sheet date.

At 31 December 2016, the company had tax losses of £1,551,290 (2015: £1,065,717) available to carry forward and offset against future taxable profits.

# Notes to the financial statements(continued)

For the year ended 31 December 2016

## 6 Tangible fixed assets

	Computer & Office Equipment £	Total £
<b>Cost</b>		
At 1 January 2016	20,495	20,495
Additions	1,607	1,607
Transfers	(22,102)	(22,102)
At 31 December 2016	-	-
<b>Depreciation</b>		
At 1 January 2016	5,791	5,791
Charge for the year	4,128	4,128
Transfers	(9,919)	(9,919)
At 31 December 2016	-	-
<b>Net book value</b>		
At 31 December 2016	-	-
At 31 December 2015	14,704	14,704

## 7 Debtors

	31 December 2016 £	31 December 2015 £
Amounts falling due within one year:		
Other taxation and social security	-	75,068
Other debtors and prepayments	-	20,299
	-	95,367

## 8 Creditors: Amounts falling due within one year

	31 December 2016 £	31 December 2015 £
Trade Creditors	-	6,991
Amounts owed to related undertakings	1,603,358	1,157,295
Accruals and deferred income	-	24,020
	1,603,358	1,188,306

## Notes to the financial statements(continued)

For the year ended 31 December 2016

Amounts owed to related undertakings are non-interest bearing.

### 9 Called-up share capital

	31 December 2016 £	31 December 2015 £
<i>Allotted, called-up and fully paid</i>		
200 ordinary shares of £0.01 each	2	2

### 10 Guarantees

The Company has guaranteed borrowing to Murray Capital Limited. The total contingency as at 31 December 2016 amounted to £2,492,958 (2015: £703,562). Security for the borrowing consists of cross guarantees and fixed and floating charge over the assets of the company.

### 11 Related party transactions

During the year ended 31 December 2016 the company entered into transactions in the ordinary course of business with related parties as follows:

	Profit and loss account income/(expense) period ended 31 December 2016 £	Amounts owed by/(to) related parties as at 31 December 2016 £	Profit and loss account income/(expense) period ended 31 December 2015 £	Amounts owed by/(to) related parties as at 31 December 2015 £
Murray Metals Limited	(125,000)	(741,980)	(360,000)	(557,534)
Multi Metals Limited	5,223	(861,378)	237,953	(594,761)
Amtec Solutions Limited	(37,523)	-	(66,627)	-
A G Munro	(677)	-	(18,952)	-

Murray Metals Limited and Multi Metals Limited are related parties due to common ownership and common directors. Amtec Solutions Limited is a related party due to the common directorship of A G Munro. The amount of £677 (2015 - £18,952) represents royalties payable to A G Munro.

### 12 Ultimate controlling party

The immediate parent company is Murray Metals Investments Limited and the ultimate parent company is Murray Capital Group Limited. The smallest and largest group for which consolidated financial statements are drawn up is headed by Murray Capital Group Limited. Copies of the consolidated financial statements of Murray Capital Group Limited are available from Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The ultimate controlling party is Sir D E Murray who directly owns 51% of Murray Capital Group Limited.