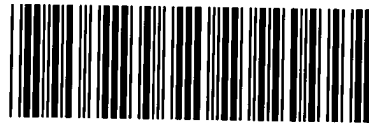


Alphastrut Limited

**Annual report and financial statements for the
year ended 31 December 2017**

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

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 2017. 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.

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 2017 are set out on pages 8 to 17. The directors do not recommend the payment of a dividend (2016: 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. During the year no management charge was receivable as no sales were made.

The low level of income reflects the continued difficult market conditions through 2017 resulting from a reduced 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 2017 is shown in the Statement of Financial Position on page 9.

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

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.

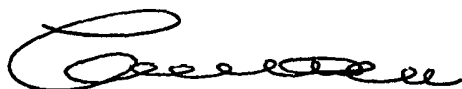
Each of the persons who is a director at the date of approval of this report confirms that:

- 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
7 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHASTRUT LIMITED

Opinion

We have audited the financial statements of Alphastrut Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of 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 company's affairs as at 31 December 2017 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHASTRUT LIMITED (Continued)

Other information (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 directors' report have 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 strategic report or 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.

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.


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHASTRUT LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

A handwritten signature in black ink, appearing to read 'Mark Harvey', followed by a large, stylized '10'.

Mark Harvey (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Glasgow, United Kingdom
Date 13 June 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Other operating income	2	-	5,223
Other operating expenses	2	-	(523,191)
Loss on ordinary activities before taxation	3	-	(517,968)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		-	(517,968)
Total comprehensive loss for the year		-	(517,968)

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 2017

	Notes	31 December 2017 £	31 December 2016 £
Fixed assets			
Tangible assets	6	-	-
Current assets			
Cash at bank and in hand		250	7,281
		250	7,281
Creditors: Amounts falling due within one year	7	(1,596,327)	(1,603,358)
Net current liabilities		(1,596,077)	(1,596,077)
Total assets less current liabilities		(1,596,077)	(1,596,077)
Net liabilities		(1,596,077)	(1,596,077)
Capital and reserves			
Called-up share capital	8	2	2
Profit and loss account		(1,596,079)	(1,596,079)
Shareholders' deficit		(1,596,077)	(1,596,077)

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

The financial statements were approved and authorised by the Board of Directors on 7 June 2018 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 2017

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	2	(1,078,111)	(1,078,109)
Total comprehensive loss for the period	-	(517,968)	(517,968)
At 1 January 2017	2	(1,596,079)	(1,596,077)
Total comprehensive loss for the year	-	-	-
At 31 December 2017	2	(1,596,079)	(1,596,077)

Notes to the financial statements

For the year ended 31 December 2017

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 2017.

Basis of accounting

The financial statements of Alphastrut Limited were authorised for issue by the Board of Directors on 7 June 2018. 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 2017

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 2017

2 Other operating income and expenses

Other operating expenses is split as follows:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Selling and distribution costs	-	245,555
Administrative expenses	-	277,636
	<hr/>	<hr/>
	-	523,191
	<hr/>	<hr/>

Other operating income of £nil (2016: £5,223) 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 2017 £	Year ended 31 December 2016 £
Depreciation	-	4,128
Auditor's remuneration for the audit of the Company	-	2,665
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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 2017

4 Staff costs and directors' remuneration

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

	Year ended 31 December 2017 Number	Year ended 31 December 2016 Number
Sales and administration	-	3

Their aggregate remuneration comprised:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Wages and salaries	-	147,051
Social security costs	-	6,150
Pension costs	-	2,700
	-	155,901

Directors' emoluments comprised:

	Year ended 31 December 2017 £	Year period ended 31 December 2016 £
Emoluments for qualifying services	-	4,000

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 2017 of £248,765 (2016: £263,719).

Notes to the financial statements(continued)

For the year ended 31 December 2017

5 Tax on loss on ordinary activities (continued)

The unrecognised deferred tax asset comprises:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Fixed asset timing differences	-	-
Losses and other deductions	(248,765)	(263,719)
	<u>(248,765)</u>	<u>(263,719)</u>

The tax assessed for the year is at the standard rate of corporation tax in the UK at 19.25% (2016: was higher than the standard rate at 20%). The differences are reconciled below:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Loss on ordinary activities before taxation	-	(517,968)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20%)	-	(103,594)
Effects of:		
Expenses not deductible for tax purposes	-	5,464
Changes in tax rates	-	25,326
Deferred tax adjustments in respect of prior periods	14,954	-
Deferred tax not recognised	(14,954)	72,804
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At 31 December 2017, the company had tax losses of £1,463,325 (2016: £1,551,290) available to carry forward and offset against future taxable profits.

The main rate of corporation tax reduced from 20% to 19%, effective from 1 April 2017. 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 assets and liabilities in the accounts have been recognised at the rate at which timing differences are expected to reverse.

Notes to the financial statements(continued)
For the year ended 31 December 2017

6 Tangible fixed assets

	Computer & Office Equipment £	Total £
Cost		
At 1 January 2017	-	-
Additions	-	-
Transfers	-	-
	<hr/>	<hr/>
At 31 December 2017	-	-
Depreciation		
At 1 January 2017	-	-
Charge for the year	-	-
Transfers	-	-
	<hr/>	<hr/>
At 31 December 2017	-	-
Net book value		
At 31 December 2017	-	-
	<hr/>	<hr/>
At 31 December 2016	-	-
	<hr/>	<hr/>

7 Creditors: Amounts falling due within one year

	31 December 2017 £	31 December 2016 £
Amounts owed to related undertakings	<u>1,596,327</u>	<u>1,603,358</u>

Amounts owed to related undertakings are non-interest bearing.

8 Called-up share capital

	31 December 2017 £	31 December 2016 £
<i>Allotted, called-up and fully paid</i>		
200 ordinary shares of £0.01 each	<u>2</u>	<u>2</u>

Notes to the financial statements(continued)

For the year ended 31 December 2017

9 Guarantees

The Company has guaranteed borrowing to Murray Capital Limited. The total contingency as at 31 December 2017 amounted to £823,535 (2016: £2,492,958). Security for the borrowing consists of cross guarantees and fixed and floating charge over the assets of the company.

10 Related party transactions

During the year ended 31 December 2017 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 2017 £	Amounts owed by/(to) related parties as at 31 December 2017 £	Profit and loss account income/(expense) period ended 31 December 2016 £	Amounts owed by/(to) related parties as at 31 December 2016 £
Murray Metals Limited	-	(741,980)	(125,000)	(741,980)
Multi Metals Limited	-	(854,347)	5,223	(861,378)
Amtec Solutions Limited	-	-	(37,523)	-
A G Munro	-	-	(677)	-

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 £nil (2016 - £677) represents royalties payable to A G Munro.

11 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, 4th 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.