Company Registration No. SC375630

MURRAY CAPITAL GROUP LIMITED

Report and Financial Statements

for the 18 month period ended 30 June 2020

MURRAY CAPITAL GROUP LIMITED

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MURRAY CAPITAL GROUP LIMITED

COMPANY INFORMATION

Directors	Sir D E Murray D D Murray K A Murray E N Campbell C J McDermid
Registered office	26 Charlotte Square Edinburgh EH2 4ET
Auditors	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

STRATEGIC REPORT
18 month period ended 30 June 2020

The directors present their strategic report on the affairs of the company, together with the directors' report, financial statements and auditor's report, for the period ended 30 June 2020.

The accounting period was extended to 18 month period to allow the Group to focus on the restructure of certain subsidiaries.

Principal Activities

The Group's principal activities are:
- the provision of metal stockholding, processing and distribution; and
- the development of land for the residential and commercial sectors; and
- wine importing and distribution; and
- the provision of information technology services.

In addition, the Group's activities include investment in both listed and unlisted companies, and real estate.

There have been no significant changes in the nature of these activities during the period.

The Company's principal subsidiaries are listed in note 12 to the financial statements.

Business Review

The key performance indicators used by Murray Capital Group Limited and its subsidiaries (together 'the Group') to measure and assess performance are explained below.

Turnover

Turnover from continued operations for the 18 month period was £100.1m (2018 12 month: £78.7m), which the directors feel is an acceptable performance. The level of turnover across all of the Group's activities was impacted by the COVID19 global pandemic.

Profit before taxation

Loss before tax for the 18 month period was £11.6m (2018 12 month Loss: £1.8m). This loss is a result of the exceptional costs related to the significant restructure of the companies within Murray Metals Limited (£2.6m), together with the impairment of certain investments as a result of the COVID 19 pandemic (£2m), and trading losses within the portfolio companies.

The profitability of all subsidiary companies was impacted by the wider economic issues, and the continued large funding of our strategic land assets in Murray Estates Limited.

Detailed trading results and strategic reports for the portfolio of subsidiary companies (see note 12 for further details) can be found in the financial statements for each of those companies.

Net cash

Net cash has decreased to £3.2m from net cash of £8.7m, mainly as a result of the continued investment into our companies. As with previous years, the majority of the subsidiary companies debt is working capital in nature, at acceptable levels for a trading group of this size. Of the £10.1m of investments on the Group's balance sheet £7.5m was held in highly liquid equity funds that can be used to support the companies, as and when required.

Shareholders' funds

Shareholders' funds have decreased to £39.9m from £47.2m due to the losses generated by the Group.

Going concern

The parent company and its subsidiaries are funded by a combination of operating cash flows, bank overdrafts, loans and finance facilities. Each facility is negotiated on a standalone basis so that subsidiaries can operate their finances independently, with no cross guarantees to the rest of the Group. In the event that a subsidiary is unable to secure ongoing funding or operate within its existing facilities, the other investments held by the parent company would be unaffected and would continue to trade normally.

Cash flow forecasts have been prepared for the parent company for a period from the date of approval of these financial statements to June 2022. These show that the Group and Company will have adequate cash resources in place to continue in operational existence for the foreseeable future.

In the event that similar economic conditions arose due to future COVID lockdowns, the Group has access to sufficient funding to support its' operations.

As noted in Note 27, the sale of land within New Brannock Limited resulted in £6.6m of cash being received in December 2020, which has further strengetherd the Group's liquidity.

Accordingly, the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

View of future prospects

The Company has a portfolio of businesses that trade across a number of sectors and territories, which act a good source of diversification, especially in times of difficulty. Within our Metals Group, the restructure has resulted in a return to profitability in 2021 with a significant increase in margins and generation of cash. This is mainly due to more value added work, reduced overhead in the businesses, and increased steel prices . In April 2021, we also sold our aluminium business, Multi Metals, which allows us to focus on our core steels businesses.

During the period and despite the global pandemic, the Group continued to invest in the existing portfolio, seeking growth both organically and inorganically, where opportunities exist. We have led new funding rounds into Lending Crowd, the fintech lending platform, plus investing in Zumo, a Cryptocurrency business and Blackford, a start-up insurance broker. We also made a number of co-investments with other Private Equity houses, where we have a more passive position.

Within Murray Estates Limited, the Company holds, through several SPV's, strategic land assets in central Scotland at various stages of planning for residential, mixed use and commercial development. The Company has re-invested heavily (£2.5m) in the year to June 2021, and continues to invest in these assets with a view to realising the potential value within them. This investment includes infrastructure at certain sites and professional services.

On 30th April 2020, the Edinburgh Garden District was granted planning permission in principle following a lengthy and rigorous call-in process from the Scottish Government. Our consent consists of 1100 new homes (825 private and 275 affordable), a neighborhood centre, a new primary school, significant contribution to secondary education, and improved transport links. Following receipt of the planning permission we are now in detailed discussions with various delivery partners.

The International Business Gateway was granted planning permission in principle by Edinburgh City Council in May 2019. However, it was called in by the Scottish Government for a transport assessment. This is ongoing and has been delayed by Covid, however we are hopeful of positive decision soon.

In December 2020, we concluded on the sale of 68 acres of consented land at Torrance Park. This will see 638 new homes being built by Taylor Wimpey and Barratt Developments. Alongside these 13,000 square feet of retail and leisure facilities will be built by Crucible Alba. This completes the second phase of the development as we now look towards phase three.

Due to all of the above events, 2021 will see a strong return to profitability for the Company and the future prospects of our large strategic land assets look set to unlock some significant value over the coming years, after heavy investment and time.

Finally, on 1st March 2021, Murray Capital Holdings (MCH), a company owned by David D. Murray and Keith A Murray, acquired the share capital of the Company. This has allowed a planned and successful transition of ownership of the family business to the next generation.

Financial Risk Management

The principal risks, both financial and operational, are assessed regularly by the Board of the Company and by the Boards of the Company's subsidiaries.

Key risks are as follows:

Credit risk

The Group is primarily exposed to credit provided to customers. This risk is mitigated through its policy of selecting only counterparties with high credit ratings and ensuring credit insurance is obtained where required and available. The Group has no significant concentration of credit risk with exposure spread over a large number of customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term finance. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the Group.

Cash flow risk

The Group's policy is to arrange core debt, bank loans and overdrafts with a floating rate of interest plus an agreed margin at commercial rates. When appropriate, the Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings.

General market risk

The Company through its portfolio of investee companies is exposed to fluctuations with a number of markets. The Group is comprised of a number of different entities who operate within different geographical locations and markets. This diversification effectively mitigates the risks associated with these fluctuations.

Statement in compliance with section 172 of the Companies Act 2006

The following disclosure describes how the Board of Directors of the Group has had regard to the matters set out in section 172 (1a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006. The Board is aware of their duty under s172 of the Companies Act 2006 and have put in place the following measures to engage with the key stakeholders of the Group.

Long term planning

The Group's planning process is built on a 5 year plan. This plan is key to decision making, ensuring strategic decisions are made in alignment with the mid and long term goals of the Group.

Customers

The Group has a variety of customers across various sectors, and the customers are key to the success of our Group. Engagement and investment in long term relationships is our focus, together with providing excellent service and products.

Suppliers

The Group recognises the importance our suppliers have in the achievement of our goals, and the Board take an active role in ensuring all of our subsidiaries build appropriate and long standing relationships with them.

Employees

We encourage our subsidiary boards and management teams to maintain strong employee engagement. Subsidiaries report to the Group Board on health and safety measures and policies. As a result of COVID-19 this has become even more important, and we work with our teams to ensure safe working practices for all employees.

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

D D Murray
Director
21 June 2021

DIRECTORS' REPORT
18 period ended 30 June 2020

The directors present their report and the audited financial statements of the Group for the period ended 30 June 2020.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 9. No dividend was paid during the period (2018 - £286k).

Disabled employees

The Group has continued to examine ways and means of providing employment for disabled employees, under normal terms and conditions, with opportunities for training, career development and promotion as appropriate.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings.

Energy and carbon reporting

Although the Group meets the threshold for energy and carbon reporting, there are no companies within the Group that meet the SECR requirements at an individual company level. As a result, there is no requirement to make SECR disclosures.

Business relationships

Details of the Group's business relationships can be found on page 4 of the strategic report

Employee engagement

Details of the Group's business relationships can be found on page 4 of the strategic report

Directors

The directors who served during the year and to the date of this report were:
Sir D E Murray
D D Murray
K A Murray
E N Campbell
C J McDermid

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 of the Company and of the Group and of the comprehensive income statement of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistent;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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.

Disclosure of information to Auditor

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware: and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves 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 section 418 of the Companies Act 2006.

Auditor

Ernst & Young LLP, having expressed their willingness to continue in office, will be deemed re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

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

D D Murray
Director

E N Campbell
Director

21 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURRAY CAPITAL GROUP LIMITED

Opinion

We have audited the financial statements of Murray Capital Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group Statement of comprehensive income, the group and parent company Statement of Financial Position, group Statement of cash flows, , the group and parent Statement of changes in equity and the related notes 1 to 27 , 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

In our opinion, the financial statements:
• give a true and fair view of the group's and of the parent company's affairs as at 30 June 2020 and of the group's loss for the period 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 group and parent 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 group's or the parent company's ability to continue to adopt the going concern basis of

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.
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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURRAY CAPITAL GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 parent company 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...], 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 group's and the parent 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 group or the parent 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 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.

Ernst & Young LLP

Julie Cavin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Edinburgh
21 June 2021

MURRAY CAPITAL GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
18 month period ended 30 June 2020
Group

	Notes	2020 * £'000	2018 £'000
Turnover	2	100,107	78,686
Cost of sales		(84,981)	(65,356)
Gross profit		15,126	13,330
Administrative expenses		(22,894)	(15,217)
Operating (loss)		(7,768)	(1,887)
Gain on sale of investments		260	1,516
(Loss) before investment income and interest		(7,508)	(371)
Investment income	3	1,050	256
Interest payable and similar charges	4	(603)	(428)
Impairment of investments	7	(1,991)	-
Exceptional Item	6	(2,558)	(1,209)
(Loss) before taxation	5	(11,610)	(1,752)
Tax on profit on ordinary activities	9	77	(12)
(Loss)on ordinary activities after taxation		(11,533)	(1,764)
Non-controlling interests	20	4,202	1,262
(Loss) for the year		(7,331)	(502)
Other comprehensive income			
Foreign exchange differences on translation		(31)	(23)
Total other comprehensive (loss)		(31)	(23)
Total comprehensive (loss) for the year		(7,362)	(525)
Total comprehensive income for the year attributable to:			
Non-controlling interests		4,202	1,262
Owners of the parent company		(11,564)	(1,787)
		(7,362)	(525)

All amounts relate to continuing operations.
The accompanying notes on pages 13 - 30 form an integral part of these financial statements.

* Please note the 2020 period is 18 months, and 2018 is 12 months.

STATEMENT OF FINANCIAL POSITION
18 month period ended 30 June 2020

	Notes	Group 2020 £'000	Group 2018 £'000	Company 2020 £'000	Company 2018 £'000
Fixed assets					
Intangible assets	10	-	480	-	-
		-	480	-	-
Tangible assets	11	2,067	2,252	-	-
Investments	12	10,188	12,282	1,052	1,052
		12,255	15,014	1,052	1,052
Current assets					
Stocks	13	30,902	30,237	-	-
Debtors					
- due within one year	14	14,911	20,045	-	-
- due after one year	14	12	27	-	-
Cash at bank and in hand	21	3,226	8,674	-	-
		49,051	58,983	-	-
Creditors: amounts falling due within one year	15	(19,492)	(19,577)	(52)	(52)
Net current assets/(liabilities)		29,559	39,406	(52)	(52)
Total assets less current liabilities		41,814	54,420	1,000	1,000
Creditors: amounts falling due after more than one year	16	(12,696)	(13,738)	-	-
Net assets		29,118	40,682	1,000	1,000
Capital and reserves					
Called-up share capital	18	1,000	1,000	1,000	1,000
Merger reserve	19	(1,000)	(1,000)	-	-
Translation Reserve		(109)	(78)	-	-
Profit and loss account		39,970	47,301	-	-
Shareholders' funds		39,861	47,223	1,000	1,000
Non-controlling interests	20	(10,743)	(6,541)	-	-
Total equity		29,118	40,682	1,000	1,000

These financial statements were approved by the Board of Directors and were signed on its behalf on 21 June 2021.

D D Murray
Director

E N Campbell
Director

The accompanying notes on pages 13 - 31 form an integral part of these financial statements.

MURRAY CAPITAL GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
18 month period ended 30 June 2020

Group

	Called up share capital £'000	Merger reserve £'000	Translation reserve £'000	Profit and loss account £'000	**Shareholders' equity £'000**	Non-controlling interest £'000	**Total equity £'000**
At 1 January 2018	-	-	(55)	48,089	**48,034**	(5,279)	**42,755**
Loss for the year	-	-	-	(502)	**(502)**	(1,262)	**(1,764)**
Other comprehensive (Loss)	-	-	(23)	-	**(23)**	-	**(23)**
Total comprehensive (Loss) for the year	-	-	(23)	(502)	(525)	(1,262)	(1,787)
Dividends	-	-	-	(286)	(286)	-	(286)
At 31 December 2018	1,000	- 1,000	(78)	47,301	47,223	(6,541)	40,682
Loss for the year	-	-	-	(7,331)	**(7,331)**	(4,202)	**(11,533)**
Other comprehensive (Loss)	-	-	(31)	-	**(31)**	-	**(31)**
Total comprehensive (Loss) for the year	-	-	(31)	(7,331)	(7,362)	(4,202)	(11,564)
Dividends	-	-	-	- #	-	-	-
At 30 June 2020	1,000	- 1,000	(110)	39,970	39,861	(10,743)	29,118

Company

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018 and 31 December 2018	1,000	-	1,000
Profit and total comprehensive income for the year	-	-	-
Dividends	-	-	-
At 30 June 2020	1,000	-	1,000

MURRAY CAPITAL GROUP LIMITED

STATEMENT OF CASH FLOWS
18 month period ended 30 June 2020

Group

	Notes	2020 £'000	2018 £'000
Cashflows generated from operating activities			
Cash generated from operations	21(a)	(8,509)	
Interest paid		(603)	
Net cash flow from operating activities		(9,112)	(1,843)
Investment activities			
Purchase of tangible fixed assets	11	(524)	(1,311)
Purchase of investments	12	(4,450)	(711)
Proceeds from sale of investment		6,705	-
Dividends received		100	-
Interest received		28	-
Net cash flow from investing activities		1,859	(2,022)
Financing activities			
Dividends paid		0	(286)
Net decrease in invoice finance creditor		106	(106)
Repayment of bank loans		(4,049)	2,145
Repayment of finance leases		(216)	529
Loan Notes		5,964	-
Net cash flow from financing activities		1,805	2,282
(Decrease)/Increase in cash and cash equivalents		(5,448)	(1,583)
Cash and cash equivalents at 1 January		8,674	10,257
Cash and cash equivalents at 30 June 2020	21(b)	3,226	8,674

1. ACCOUNTING POLICIES

Statement of compliance

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

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the 18 month period ended 30 June 2020.

Basis of preparation

The accounting period was extended to an 18 month period to allow the Group to focus on the restructure of certain subsidiaries. The comparative period remains 12 months.

The financial statements of Murray Capital Group Limited were authorised for issue by the Board of Directors on 21 June 2021. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in pound sterling which is the functional currency of the Group, rounded to the nearest thousand.

Basis of consolidation

The Group financial statements consolidate the financial statements of Murray Capital Group Limited and all its subsidiary undertakings made up to 30 June each year on the basis set out above. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

As permitted by Section 408 of the Companies Act 2006, a separate statement for comprehensive income for the parent company has not been presented as the results of the company are disclosed in the group's statement of comprehensive income. The profit for the year for Murray Capital Group Limited was £nil (2018: £nil).

Going concern

The parent company and its subsidiaries are funded by a combination of operating cash flows, bank overdrafts, loans and finance facilities. Each facility is negotiated on a standalone basis so that subsidiaries can operate their finances independently, with no cross guarantees to the rest of the Group. In the event that a subsidiary is unable to secure ongoing funding or operate within its existing facilities, the other investments held by the parent company would be unaffected and would continue to trade normally.

Cash flow forecasts have been prepared for the parent company for a period from the date of approval of these financial statements to June 2022 . These show that the Group and Company will have adequate cash resources in place to continue in operational existence for the foreseeable future.

In the event that similar economic conditions arose due to future COVID lockdowns, the Group has access to sufficient funding to support its' operations.

The sale of land within New Brannock Limited resulted in £6.6m of cash being received in December 2020.

Accordingly, the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the view of the directors there are no critical judgements affecting the Group's financial statements.

Key source of estimation uncertainty - impairment of investments
On an annual basis, management perform an impairment review of the investments held by the Group at the reporting date. When impairment indicators are identified, management will perform a further impairment analysis with respect to specific investments. This involves an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.

Significant accounting policies

Goodwill

On the acquisition of a business, any difference between the fair value of the cost of acquisition and the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which ranges from 5 years to a maximum of 20 years. Provision is made for any impairment.

Negative goodwill is similarly included in the statement of financial position and is credited to the statement of comprehensive income in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the statement of comprehensive income in the periods expected to benefit.

Management performs a value-in-use analysis on intangibles (other than goodwill) annually. This led to an impairment charge during the year which is due to a downturn in the main sector in which the subsidiary operates. Patents are amortised over a period of 10 years.

Property, plant and equipment

Property, plant and equipment are shown at cost, net of depreciation and any provision for impairment.

Depreciation is provided on fixed assets in order to reduce the net cost of the assets on a straight line basis to estimated net residual value over the expected useful life of the assets.

The expected useful life of each asset class is as follows:

Freehold buildings	50 years
Plant and machinery	10 years
Fixtures and fittings	10 years
Motor vehicles	3 years

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Property, plant and equipment (continued)

Freehold land is not depreciated.

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.

The allocation of cost and accumulated depreciation has been re-assessed, as part of FRS102 transition, resulting in certain opening balances being reclassified between asset classes.

Investments

Unlisted fixed asset investments are shown at cost less any provision for impairment. Listed investments are stated at cost at the year end, net of any provision for impairment. Income from fixed asset investments, where applicable, is included within the financial statements in the period in which it is receivable or earned.

Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment charge in the statement of comprehensive income. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable overheads based on normal levels of activity. Provision is made for any obsolete and slow moving stock.

Development properties held for development and resale are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development until legal completion of sale, is valued at cost. Work in progress on development properties is valued at the cost of labour and materials plus capitalised legal and professional fees.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted as at the date of the reporting period.

The taxation liabilities of certain Group undertakings are reduced wholly or in part by the surrender of losses by other Group undertakings. The tax benefits arising from Group relief are recognised in the financial statements of the surrendering undertakings.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Taxation (continued)

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the date of the reporting period 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 date of the reporting period. Temporary differences are differences between the Group'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 temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted as at the date of the reporting period. Deferred tax is measured on a non-discounted basis.

Turnover and revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passes to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividends
Revenue is recognised when the Group's right to receive payment is established.

Pension costs

Pension contributions are paid to pension schemes by subsidiary undertakings on behalf of certain employees. The charge to the statement of comprehensive income represents the amounts payable during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of comprehensive income so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Research and development

All expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the reporting period are reported at the rates of exchange prevailing at that date, or, if appropriate, at the relevant forward contract rate.

Exchange differences arising on the defined benefit scheme are recognised in the statement of total recognised gains and losses. All other foreign exchange and translation differences are recorded in the statement of comprehensive income.

Loan notes

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position 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 statement of comprehensive income in other operating expenses.

2. TURNOVER

Turnover, which is stated net of value added tax, represents the amount derived from the group's principal activities.

	2020	2018
	£'000	£'000
Sale of goods	92,696	73,854
Rendering of services	7,411	4,832
	100,107	78,686

3. INVESTMENT INCOME

	2020	2018
	£'000	£'000
Bank & other interest received	28	81
Dividends received	100	87
Other income	922	88
	1,050	256

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2018
	£'000	£'000
Bank interest	(603)	(428)
	(603)	(428)

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting):

	2020	2018
	£'000	£'000
Depreciation of tangible fixed assets		
- Owned	606	373
- Held under finance lease	143	60
Amortisation of goodwill and intangible assets (note 8)	-	69
Rentals under operating leases - minimum lease payments		
- Land and buildings	504	98
- Other	1,293	1,251
Write-off of receivables balance	-	424
Exchange gains	-	(3)

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The analysis of auditor's remuneration is as follows:

	2020 £'000	2018 £'000
Fees payable to the Company's auditor for the audit of the Company's consolidated and company only annual accounts	47	32
Fees payable to the Company's auditor for the audit of the Company's subsidiaries pursuant to legislation	116	88
Total audit fees	163	120
Non-audit fees - tax services	-	-
	163	120

The fees payable to the Company's auditor are borne by subsidiary undertakings and not by Murray Capital Group Limited.

6. EXCEPTIONAL ITEMS

During the period the decision was taken to restructure certain companies within the Group. This resulted in costs being incurred relating to the closure of operating facilities (£662k), restructuring (£294k), redundancies (£726k), costs associated with sale of subsidiary (£205k), and the write off of investment (£671k). The total of these costs for the period were £2,558,262.

For the year ended 31 December 2018, following legal consultation from Queen's Counsel and communication from HMRC, the Group had recorded a provision regarding tax treatment of payments made under the Group' s Share Based Payment Scheme (2018: £1,209,272).

7. IMPAIRMENT OF INVESTMENTS

Included within impairment of investments in the period are:

	2020 £'000
Kingdom Park Stock Impairment	1,000
Unlisted investments impairment	1,021
Foreign Currency impact on unlisted investment impairment	(30)
	1,991

As at 30 June 2020 the impact of COVID-19 led to uncertainty on the future costs and proceeds at the Kingdom Park development. The Directors decided to impair the net realisable value of this site.

The impact of the pandemic also resulted in the impairment of certain unlisted investments with the portfolio.

8. STAFF COSTS AND DIRECTORS' REMUNERATION

The average monthly number of employees, including executive directors, was:

	2020 Number	2018 Number
Production and distribution	58	53
Administration	204	198
	262	251

Their aggregate remuneration comprised:

	2020 £'000	2018 £'000
Wages and salaries	13,080	9,183
Social security costs	1,319	921
Pension costs	541	329
	14,940	10,433

Directors' remuneration during the period amounted to:

	2020 £'000	2018 £'000
Emoluments	1,285	716
Contributions to money purchase pension schemes	66	38
	1,351	754

The directors' remuneration shown above included the following in respect of the highest paid director:

	2020 £'000	2018 £'000
Emoluments	412	214
Contributions to money purchase pension schemes	15	-
	427	214

The number of directors who were members of pension schemes was:

	2020 Number	2018 Number
	3	4

The directors of the Company represent the only key management personnel during the year.

9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the (loss)/profit for the current and prior year and comprises:

	2020	2018
	£'000	£'000
Current tax		
UK corporation tax	49	12
Adjustment in respect of previous periods	(168)	
Foreign tax	-	-
	(119)	12
Deferred tax charge		
- Changes in tax rates	(80)	-
- Origination and reversal of temporary differences	63	(50)
- Adjustment in respect of previous periods	59	65
	42	15
Tax charge on (loss)/profit on ordinary activities	(77)	27

Deferred tax asset

The movement in deferred tax asset during the year is as follows:

	2020	2018
	£'000	£'000
At 1 January	749	764
Charged to the statement of comprehensive income	44	(15)
Disposal of investment	-	-
At 30 June	705	749
Analysed as follows:		
- Fixed asset temporary differences	87	303
- Short term temporary differences	4	3
- Losses and other deductions	614	443
	705	749

The tax assessed for the year is greater than (2018: greater than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2020	2018
	£'000	£'000
(Loss)/Profit from continuing operations before taxation	(11,610)	(1,751)
Gain from discontinued operations before taxation	-	-
Accounting profit before taxation	(11,610)	(1,751)

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

Tax at standard rate of 19% (2018: 19%)	(2,205)	(333)
Effects of:		
Expenses not deductible for tax purposes	308	256
Fixed asset differences	152	
Income not taxable for tax purposes	(230)	(362)
Chargeable gains/(losses)	38	
Other permanent differences	613	-
Adjustments in respect of previous periods- current tax	(168)	1
Adjustments in respect of previous periods- deferred tax	51	65
Differences in foreign tax rates	-	1
Deferred tax not recognised	1,644	403
Deferred tax charge in rates	(280)	(4)
Total tax expense for the year	(77)	27

Factors which may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This change was substantively enacted on 17 March 2020 therefore deferred tax has been recognised at 19%. In the Spring Budget 2021, the Government announced that from 1 April 2023, the tax rate will increase 25% for large companies. The rate has not been enacted yet such that deferred tax continues to be recognised at 19% in the year ended 30 June 2020

The Group's deferred tax asset represents the directors' estimate of amounts considered more likely than not to be recoverable against anticipated future taxable profits in the UK. Of this total, £694k (2018: £737k) is expected to be recoverable within one year. Of this total, £12k (2018:£27k) is expected to be recoverable after more than one year. The recognition of this deferred tax credit reflects the expected improvement in trading and market conditions.

At 30 June 2020, the Group had a further unrecognised deferred tax asset of £2,732k (2018: £6,040k) due to the availability of taxable trading losses for carry forward, depreciation in excess of capital allowances and other short term temporary differences. This has not been recognised given the uncertainty as to the availability of further future taxable profits to utilise these remaining tax losses.

In addition the Group also has an unrecognised deferred tax asset of £298k (2018: £244k) in relation to capital losses carried forward. This has not been recognised due to uncertainty as to when these losses will be utilised against future gains.

10. GOODWILL AND INTANGIBLE ASSETS

Group

	Patents £'000	Total £'000
Cost		
At 1 January 2019	1,687	1,687
At 30 June 2020	1,687	1,687
Accumulated amortisation		
At 1 January 2019	1,207	1,207
Charge for the period	-	69
Impairment charge	480	480
At 30 June 2020	1,687	1,207
Net book value		
At 30 June 2020	-	480
At 31 December 2018	480	480

As a result of the restructure within the Metals Group, it was decided to impair the patents held within Alphastrut Limited

11. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Plant & machinery £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2019	368	2,316	2,731	148	5,563
Additions	94	321	91	18	524
Disposals	(118)	(721)	(197)	(49)	(1,085)
At 30 June 2020	344	1,916	2,625	117	5,002
Accumulated depreciation					
At 1 January 2019	293	1,008	1,917	93	3,311
Charge for the year	45	344	188	29	606
Disposal adjustments	(112)	(627)	(202)	(41)	(982)
At 30 June 2020	226	725	1,903	81	2,935
Net book value					
At 30 June 2020	118	1,191	722	36	2,067
At 31 December 2018	82	1,861	1,199	46	3,188

12. INVESTMENTS

The following are included in the net book value of fixed asset investments:

	Group Unlisted £'000	Listed £'000	Total £'000	Company Total £'000
Cost and net book value				
At 1 January 2019	7,057	5,225	12,282	1,052
Additions	2,200	2,250	4,450	-
Fair value movement on investments	(1,021)	727	(294)	-
Disposals	(5,500)	(750)	(6,250)	-
At 30 June 2020	2,736	7,452	10,188	1,052

At 30 June 2020, the listed investments had a market value of £7,452k (2018: £5,225k).

12. INVESTMENTS (CONTINUED)

Subsidiary undertakings

At 30 June 2020 the Group held investments in the following subsidiary undertakings:

Name of subsidiary	*Principal Activity*	*% holding*
Murray Capital Limited	Investment & management company	100%
Murray Capital Ventures Limited*	Investment company	100%
Murray Metals Limited*	Holding company	100%
Hillfoot Steel Limited**	Steel stockholding & processing	100%
Multi Metals Limited**	Steel stockholding & processing	100%
Murray Plate Group Limited**	Steel stockholding & processing	100%
Capito Holdings Limited*	Holding company	42.60%
Capito Limited***	Information technology	42.60%
Murray Estates Developments Limited*	Investment holding & management	51%
Murray Estates Limited****	Management	51%
Murray Estates Lothian Limited*****	Land & residential development	51%
New Brannock Limited*****	Land & residential development	51%
Kingdom Park Limited*****	Land & residential development	51%
Murray Estates (Redheughs Village) Limited*****	Land & residential development	51%
Murray Estates (Redheughs Village South) Limited*****	Land & residential development	51%
Murray Estates (Kellerstain) Limited*****	Land & residential development	51%
Murray Estates (Gogarbank Village) Limited*****	Land & residential development	51%
Murray Estates (Calyx Village (North)) Limited*****	Land & residential development	51%
Murray Estates (Wester Hermiston (North)) Limited*****	Land & residential development	51%
Murray Estates (Calyx Village (South)) Limited*****	Land & residential development	51%
Murray Estates (Wester Hermiston (South)) Limited*****	Land & residential development	51%
Murray Estates (Easter Hermiston (East)) Limited*****	Land & residential development	51%
Murray Estates (Easter Hermiston (West)) Limited*****	Land & residential development	51%
Murray Estates (Riccarton Village (West)) Limited*****	Land & residential development	51%
Murray Estates (Riccarton Village (East)) Limited*****	Land & residential development	51%
Chardon Wines Limited*	Investment company	100%
Wine Importers (Edinburgh) Limited*******	Wine importing & distribution	83%
Murray Energy PTE*	Steel stockholding & processing	100%
Murray Metals Investments Limited*	Holding company	100%
Alphastrut Limited******	Manufacture & sales	100%

Murray Energy PTE is incorporated in Singapore and all other subsidiaries are incorporated in the United Kingdom.

* Held directly by Murray Capital Limited
** Held directly by Murray Metals Limited
*** Held directly by Capito Holdings Limited
**** Held directly by Murray Estates Developments Limited
***** Held directly by Murray Estates Limited
****** Held directly by Murray Metals Investments Limited
******* Held directly by Chardon Wines Limited

13. STOCKS

Group

	2020	2018
	£'000	£'000
Development properties	21,333	16,425
Finished goods and goods for resale	9,569	13,812
	30,902	30,237

There is no material difference between the value of stocks in the statement of financial position and their replacement cost. Development properties held for development and resale are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development until legal completion of sale, is valued at cost. Work in progress on development properties is valued at the cost of labour and materials plus capitalised legal and professional fees.

14. DEBTORS

Group

	2020	2018
	£'000	£'000
Due within one year		
Trade debtors	11,783	17,125
Prepayments and accrued income	1,037	1,221
Amounts due from related parties	707	646
Other debtors	690	316
Deferred tax asset	694	737
	14,911	20,045
Due after one year		
Deferred tax asset	12	27
	14,923	20,072

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2018	2020	2018
	£'000	£'000	£'000	£'000
Bank loans & overdrafts (note 21)	-	15	-	-
Invoice finance creditor (note 17)	106	-	-	-
Obligations under finance lease contracts (note 17)	33	167	-	-
Trade creditors	10,916	15,890	-	-
Taxation and social security	2,546	1,309	-	-
Amounts due to group parties	-	-	52	52
Other creditors	267	433	-	-
Accruals and deferred income	2,941	1,243	-	-
Loan notes	2,200	-		
Tax liability	483	520		
	19,492	19,577	52	52

16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

Group

	2020	2018
	£'000	£'000
Obligations under finance lease contracts (note 17)	509	591
Bank loans (note 17)	8,388	12,422
Loan notes (note 17)	3,799	35
Tax liability	-	690
	12,696	13,738

17. BORROWINGS

Group

Borrowings are repayable as follows:

	2020	2018
	£'000	£'000
Bank loans and overdrafts	8,388	12,438
Invoice finance creditor	106	-
Obligations under finance lease contracts	542	759
Loan notes	5,999	35
	15,035	13,232

Finance leases are repayable as follows:

	2020	2018
	£'000	£'000
Within one year	33	207
Between one and two years	509	552
Between two and five years	-	-
After five years	-	-
	542	759

Total borrowings including finance leases are repayable as follows:

	2020	2018
	£'000	£'000
Within one year	2,339	218
Between one and two years	10,696	13,014
Between two and five years	2,000	-
After five years	-	-
	15,035	13,232

Bank loans relate to asset based finance and bear interest at rates of 2.5% and 2.75% above base rate per annum. Security for these loans consists of cross guarantees, fixed charges and floating charges over the assets and undertakings of certain subsidiaries of the Group.

18. CALLED-UP SHARE CAPITAL

	Group and Company	
	2020	2018
	£'000	£'000
Allotted, called-up and fully paid		
1,000,001 (2018: 1,000,001) ordinary shares of £1 each)	1,000	1,000

19 RESERVES

Merger reserve

The merger reserve represents a non-distributable reserve created by the exercise of s612 merger relief for the amount in excess of the nominal value of the 999,899 ordinary shares issued in connection with the acquisition of Murray Capital Ventures Limited.

Translation reserve

The translation reserve arises on the translation into GBP sterling of the net assets of the Group's foreign operations.

20. NON-CONTROLLING INTERESTS

Group

	2020	2018
	£'000	£'000
At 1 January	(6,541)	(5,279)
Share of loss for the year	(4,202)	(1,262)
At 30 June 2020 (2018:31 December)	(10,743)	(6,541)

21. NOTES TO THE STATEMENT OF CASH FLOWS

Group

(a) Reconciliation of profit to net cash flow from operating activities

	2020	2018
	£'000	£'000
(Loss)/Profit before taxation	(11,610)	(1,752)
Adjustments to reconcile profit for the year to net cash flow from operating activities:		
Interest income	(28)	-
Interest expense	603	-
Gain on sale of investment	(260)	150
Exceptional item	-	1,210
Gain on foreign exchange	-	(3)
Depreciation	606	373
Amortisation of patents	0	69
Goodwill impairment	480	-
Dividends received	(100)	-
Investment Income	(922)	-
Fair value movement in investments	1,021	-
Loss on disposal	103	-
(Increase)/Decrease in stocks	(665)	(2,030)
(Increase)/Decrease in debtors	5,149	(1,990)
Increase in creditors	(2,886)	2,130
	(8,509)	(1,843)
Tax paid	-	-
Net cash flow from operating activities	(8,509)	(1,843)

21. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(b) Cash and cash equivalents

Group

	2020	2018
	£'000	£'000
Cash at bank and in hand	3,226	8,690
Bank loans & overdraft	-	(16)
	3,226	8,674

22. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE AGREEMENTS

The company uses finance leases and hire purchase contracts to acquire office equipment. Future minimum lease payments due under finance leases and hire purchase contracts are as follows:

	2020	2018
	£'000	£'000
Expiring:		
Within one year	128	195
In two to five years	581	539
	709	734

Future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2018
	£'000	£'000
Not later than one year	1,169	1,317
Later than one year and not later than five years	3,112	1,317
Later than five years	2,055	549
	6,336	3,183

23. FINANCIAL INSTRUMENTS

The carrying values of the Group's financial assets and liabilities are summarised by category below:

Financial assets

	2020	2018
	£'000	£'000
Measured at undiscounted amount receivable		
- Trade debtors	11,783	17,125
- Other debtors	964	962
	12,747	18,087

Financial liabilities

	2020	2018
	£'000	£'000
Measured at amortised cost		
- Obligations under finance lease contracts	509	591
- Loan notes	5,999	35
Measured at undiscounted amount payable		
- Trade and other creditors	11,183	16,323
- Cash flow finance creditor	106	-
- Bank loans and overdrafts	8,388	12,422
	26,185	29,731

24. PENSION COMMITMENTS

The Group operates number of defined contribution pension schemes whose assets are held separately from those of the group in independent trustee administered funds. The pension cost charge represents contributions payable and paid by the group and amounts to £431,525 (2018: £329,367). Within accruals and deferred income is a pension balance owing of £39,23 (2018: £37,716).

25. CONTINGENT LIABILITIES

The Group does not provide cross guarantees or grant security for the borrowings of its subsidiaries, however certain subsidiaries provide guarantees.

The Murray Metals Limited group has guaranteed bank borrowings of £8,087,797 (2018: £12,421,989). Security for the bank facilities consists of cross guarantees, fixed charges and floating charges over the assets of the Metals group.

26. RELATED PARTY TRANSACTIONS

Group

In accordance with the exemptions provided under FRS 102, transactions with subsidiaries which are wholly-owned by the Group have not been disclosed.

SDM Estates LP, Lister Partnership, and SARL Rouviere Plane are considered related parties due to their ownership by a director.

During the year the Group entered into transactions in the ordinary course of business with other related parties as follows:

	Statement of comprehensive income		Amounts owed by related parties	
	2020	2018	2020	2018
	£'000	£'000	£'000	£'000
Lister Partnership	212	275	-	5,948
SARL Rouviere Plane	91	-	697	-
SDM Estates LP	-	-	-	226

27. POST BALANCE SHEET EVENTS

On 11 December 2020, New Brannock Limited sold Phase 2 of the Torrance Park development for £6.6m.

On 12 April 2021, the Group disposed of Multi Metals Limited, which had Net Assets of £197k for £1.

On 1 March 2021, the share capital of the Company was sold to Murray Capital Holdings Limited, as disclosed in Note 28.

28. CONTROLLING PARTY

As at 30 June 2020 Sir David E Murray controlled the Company as a result of holding 51% of the issued share capital.

On 1 March 2021 the share capital of the Company was sold to Murray Capital Holdings Limited. That company is controlled by David D Murray and Keith A Murray.