Murray Metals Limited

Annual report and financial statements
For the year ended 30 June 2021

Registered number: SC417296

Annual report and financial statements

Company Information

Directors

Sir D E Murray
D D Murray
C J McDermid
S Collard (resigned 3/7/20)
E Campbell (appointed 3/7/20)

Auditors

Ernst & Young LLP
Atria One
Edinburgh
EH2 2DZ
United Kingdom

Registered Office

26 Charlotte Square
Edinburgh
EH2 4ET

Annual Report and Financial Statements

Contents

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 year ended 30 June 2021.

Business review

Following the restructure in the previous 18 month period to 30 June 2020, the company has no employees, as it is primarily a holding company of 2 subsidiaries. The trading results and strategic reports of those subsidiaries can be found in the financial statements for those companies.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors of the company are required to consider whether the company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements. The period of management's assessment is the period to 31 December 2022.

The company is funded by group financing from the ultimate parent entity, Murray Capital Group Limited. A letter of support from Murray Capital Group Limited to the Company has been signed and covers the Going Concern period to 31 December 2022.

The Directors of the parent have performed a robust appraisal of the Group's operational and financial strength and its ability to meet its obligations as they fall due over the period to 31 December 2022. In doing so, they have reviewed current performance, financial projections and sensitivities to test the robustness of the assumptions made. The going concern assessment included a review of forecast profits, cash flows, and liquidity and a further stress test downside scenario to establish the impact on the results through the going concern period. Under all scenarios the business had adequate liquidity headroom throughout the going concern period.

On the basis of the Company Directors review of the going concern assessment prepared by the Directors of the ultimate parent, the Company Directors are satisfied that the parent company has the ability to provide financial support if required. In conclusion, the Directors of the Company have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future, which is for the period to 31 December 2022. Accordingly, the financial statements have been prepared on a going concern basis.

Financial risk management

Credit risk

The company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but mitigates such risk through its policy of selecting only counterparties with high credit ratings and ensuring credit insurance is obtained where required.

Liquidity risk

Operations are financed by a mixture of shareholders' funds and company bank borrowings. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the company..

Cashflow risk

The company's policy is to arrange core intercompany financing in order to manage cashflow risk.

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

E Campbell
Director
12 November 2021

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2021.

Directors

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

Sir D.E. Murray
D.D. Murray
S. Collard (resigned 3 July 2020)
C.J. McDermid
E Campbell (appointed 3 July 2020)

Dividends

No dividends were paid or proposed in the current or prior years.

Auditor

Each director at the date of approval of the report confirms that:

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

A resolution to re-appoint 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:

E Campbell
Director
12 November 2021

Directors' report

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

Streamlined Energy Carbon Reporting (SECR)

Murray Metals Limited are not required to disclose their energy and carbon information within the Directors report, in line with the Streamlined Energy and Carbon Reporting (SECR) requirements of the Companies Act 2006; as they do not meet the criteria for a large company.

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

E Campbell
Director
12 November 2021

Independent Auditor's Report to the Member's of Murray Metals Limited

Opinion

We have audited the financial statements of Murray Metals Limited for the year ended 30 June 2021 which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 21, 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 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management; our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and relevant direct and indirect tax compliance regulations in the jurisdictions in which the company operates. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, GDPR and anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We verified our enquiries through our review of board minutes.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing focussed on specific risk criteria; management enquiries and focused testing over legal expenses incurred.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by identifying the accounting treatment of areas that are technically complex or require significant judgement.
- Where the risk of fraud was considered to be higher, we performed audit procedures, including challenging and auditing management estimates for appropriateness, considered the effectiveness of management controls to address fraud and performing audit procedures in relation to significant non-recurring transactions in the year.
- We incorporated unpredictability into our testing through the selection of journal entries for further verification.

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 Emst & Young LLP
Statutory Auditor
Edinburgh
12 November 2021

Profit and Loss Account

For the year ended 30 June 2021

	Notes	Year ended 30 June 2021 £	18 month period ended 30 June 2020 £
Turnover	2	-	840
Cost of sales		-	-
Gross profit		-	840
Other Income	2	645,677	-
Other operating expenses	3	(23,055)	(1,654,874)
Operating profit/(loss) before exceptional items		622,622	(1,654,034)
Loan waiver from subsidiaries		-	21,537,982
Impairment in value of fixed asset investment	8	-	(8,450,346)
Income from share in group undertakings		-	1,403,618
Redundancies associated with group reorganisation		-	(25,745)
Costs associated with sale of subsidiary		(286,733)	(204,661)
		335,889	12,606,814
Interest receivable/(payable) and similar charges	4	-	30
Profit on ordinary activities before taxation	5	335,889	12,606,844
Tax on profit/(loss) on ordinary activities	7	62,976	-
Profit for the financial year		272,913	12,606,844
Total comprehensive income for the year		272,913	12,606,844

The results are derived from continuing operations.

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

Statement of Financial Position
As at 30 June 2020

	Notes	2021 £	2020 £
Fixed assets			
Investments	8	6,000,000	6,000,000
		6,000,000	6,000,000
Current assets			
Debtors	9	161,554	92,579
Cash at bank and in hand		52,842	2,954
		214,396	95,533
Creditors: Amounts falling due within one year	10	(3,605,152)	(3,759,202)
Net current liabilities		(3,390,756)	(3,663,669)
Total assets less current liabilities		2,609,244	2,336,331
Net assets		2,609,244	2,336,331
Capital and reserves			
Called-up share capital	13	99,000	99,000
Share premium account		9,000	9,000
Profit and loss account		2,501,244	2,228,331
Shareholder's surplus		2,609,244	2,336,331

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

The financial statements were approved and authorised by the Board of Directors on 12 November 2021 and signed on its behalf by:

E Campbell
Director

Murray Metals Limited
Company no: SC417296

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2020	99,000	9,000	2,228,331	2,336,331
Profit for the period	-	-	272,913	272,913
At 30 June 2021	99,000	9,000	2.501,244	2,609,244

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	99,000	9,000	(9,617,786)	(9,509,786)
Profit for the period	-	-	12,606,844	12,606,844
Loan waiver treated as equity distribution to parent			(760,727)	(760,727)
At 30 June 2020	99,000	9,000	2,228,331	2,336,331

1. Accounting policies

The principal accounting policies are summarised below.

Statement of compliance

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

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 30 June 2021.

Basis of preparation

The financial statements have been prepared covering 12 months period ending 30th June 2021. The comparative period is 18 months as in the prior year the accounting period was extended to allow the company to remain aligned with the group reporting period.

The financial statements of Murray Metals Limited were authorised for issue by the Board of Directors on 12 November 2021 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 requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors of the company are required to consider whether the company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements. The period of management's assessment is the period to 31 December 2022.

The company is funded by group financing from the ultimate parent entity, Murray Capital Group Limited. A letter of support from Murray Capital Group Limited to the Company has been signed and covers the Going Concern period to 31 December 2022.

The Directors of the parent have performed a robust appraisal of the Group's operational and financial strength and its ability to meet its obligations as they fall due over the period to 31 December 2022. In doing so, they have reviewed current performance, financial projections and sensitivities to test the robustness of the assumptions made. The going concern assessment included a review of forecast profits, cash flows, and liquidity and a further stress test downside scenario to establish the impact on the results through the going concern period. Under all scenarios the business had adequate liquidity headroom throughout the going concern period.

On the basis of the Company Directors review of the going concern assessment prepared by the Directors of the ultimate parent, the Company Directors are satisfied that the parent company has the ability to provide financial support if required. In conclusion, the Directors of the Company have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future, which is for the period to 31 December 2022. Accordingly, the financial statements have been prepared on a going concern basis.

1. Accounting policies (continued)

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. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Deferred Tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

Tangible fixed assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, with the exception of freehold land and assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	2%	per annum straight line
Leasehold improvements		over the remaining term of the lease
Plant and machinery	5 - 33%	per annum straight line
Computer and office equipment	10 - 50%	per annum straight line
Motor vehicles	20%	per annum straight line

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.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Turnover

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover 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 turnover is recognised:

1. Accounting policies (continued)

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed 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.

Rendering of services

Turnover from the provision of health and safety consultancy services is recognised on the completion of services provided. The Company does not enter into long term contracts for the provision of such services.

Stocks

Stocks, which comprise goods for resale, are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost including transport. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current taxation 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.

Pension costs

The company operates defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The costs of providing pensions for employees are charged in the profit and loss account as they become payable.

Leases

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

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, 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 balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Derivative instruments

The company use forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

The company do not undertake any hedge accounting transactions.

Loan notes

Loan notes which are basis 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 balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements

For the year ended 30 June 2021

2 Turnover

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

	Year ended 30 June 2021	18 month period ended 30 June 2020
	£	£
Other income	645,677	
Sale of goods	-	-
Rendering of services	-	840
	645,677	840

An analysis of turnover by destination is given below.

	Year ended 30 June 2021	18 month period ended 30 June 2020
	£	£
United Kingdom	-	840
Europe	-	-
Rest of the world	-	-
	-	840

3 Other operating expenses

	Year ended 30 June 2021	18 month period ended 30 June 2020
	£	£
Selling and distribution costs	-	168,374
Administrative expenses	23,055	1,486,500
	23,055	1,654,874

4 Interest (receivable)/payable

	Year ended 30 June 2021	18 month period ended 30 June1 2020
	£	£
Finance leases	-	-
Other interest	-	(30)
	-	(30)

5 Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	Year ended 30 June 2021 £	18 month period ended 30 June 2020 £
Depreciation and amounts written off tangible fixed assets		
- owned	-	11,604
- held under finance leases	-	-
Operating lease rentals	-	
- plant and machinery	-	31,500
- other	-	32,727
Foreign exchange gains	-	-
Loss on disposal of tangible fixed assets	-	782
Auditor's remuneration – audit services	8,539.83	16,680

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

6 Staff costs and directors' remuneration

The average monthly number of employees (including executive directors) was:

	Year ended 30 June 2021 Number	Period ended 30 June 2020 Number
Administration	-	12
	-	12

The aggregate remuneration comprised:	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Wages and salaries	27,901	1,018,999
Social security costs	-	115,730
Other pension costs (note 17)	-	54,269
	27,901	1.188.998

Directors' emoluments comprised:

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Emoluments for qualifying services	27,901	474,002
Compensation for loss of office	-	496,509
Pension contributions	-	19,841
	27,901	990,352
Highest paid director:		
Emoluments for qualifying services	27,901	252,682
Pension contributions	-	-
	27,901	252,682

One director was a member of a defined contribution pension scheme (year ended 30 June 2020: one).

No key management personnel were identified other than directors of the company.

7 Tax on profit/(loss) on ordinary activities

The tax (charge)/credit comprises:

	Year ended 30 June 2021 £	18 month period ended 30 June 2020 £
Current tax		
UK corporation tax	62,976	-
Total current tax	62,976	-
Deferred tax		
Origination and reversal of timing difference	(391,386)	63
Adjustments in respect of prior periods	297,453	(63)
Effect of tax rate on opening balance	93,933	-
Total deferred tax	-	-
Total tax on profit/(loss) on ordinary activities	62,976	-

The difference between the total tax and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	Year ended 30 June 2021 £	18 month period ended 30 June 2020 £
Profit/(loss) on ordinary activities before tax	335,889	12,606,844
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 19.0% (2018: 19.0%)	63,819-	2,395,301
Tax effect of non-deductible or non-taxable items	63,049	1,647,168
Income not taxable for tax purposes	-	(4,225,217)
Exempt ABGH distributions	-	(266,687)
Transfer pricing adjustment	-	-
Change in tax rates	(61,672)	(11,285)
Deferred tax not recognised	(299,674)	460,784
Deferred tax adjustments in respect of prior periods	297,454	(63)
Total tax charge for the period	62,976	-

The company has tax losses available to carry forward at 30 June 2021 of £1,027,866 (30 June 2020: £1,359,317).

7 Tax on (loss)/profit on ordinary activities (continued)

Deferred tax

	30 June 2021 £	30 June 2020 £
Beginning of year	-	-
Charged to profit and loss account	-	-
End of year	-	-

Deferred tax is provided as follows:

	30 June 2021 £	30 June 2020 £
Fixed asset timing differences	-	-
Other short term timing differences	-	-
Tax losses carried forward	-	-
	-	-

Recognition of the deferred tax asset is based on an assessment by management of the ability of the company to generate future taxable profits.

Factors that may affect future tax charges

In the 2021 Budget, it was announced that the UK Corporation tax main rate will increase from 19% to 25% from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19% and there will be relief for businesses with profits under £250,000.

The Finance Act 2021 was substantively enacted on 24 May 2021. At the balance sheet date, as the rate changes have been enacted, they have been reflected in the deferred tax workings where applicable. The rate changes will also impact the amount of future tax payments to be made by the company

8 Investments

	£
Cost	
At 1 July 2020	6,000,000
Provision for Impairment in value	-
At 30 June 2021	6,000,000
At 30 June 2020	6,000,000

At 30 June 2021 the Company held investments in the following subsidiary undertakings:

Multi Metals Limited was sold on 12 April 2021 for £1.

Company	Principal activity	Country of incorporation	Holding	Shareholding
Hillfoot Steel Limited	Steel stockholding and processing	England	Ordinary	80%
Murray Plate Group Limited	Steel stockholding and processing	Scotland	Ordinary	84%

9 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	-	-
Amounts owed by related undertakings (note 19)	82,015	82,015
VAT	2,907	10,563
Other debtors and prepayments	76,632	1
	161,554	92,579

10 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Loan note	1,026,867	1,026,867
Trade creditors	-	13,760
Amounts owed to group undertakings	1,009,801	495,125
Amounts owed to related undertakings (note 19)	1,485,289	1,886,977
Other taxation and social security	-	83,722
Accruals and deferred income	20,219	252,751
	3,542,176	3,759,202

11 Loans

Repayments on borrowings are due as follows:

	2021	2020
	£	£
Bank loans and notes:		
Less than one year	1,026,867	1,026,867
Between one and two years	-	-
	1,026,867	1,026,867

The loan note issued by the company to its immediate parent undertaking, Murray Capital Limited, is secured by way of a floating charge over the assets and undertakings of the company. Interest is accrued at a rate of 10.5% per annum. Murray Capital Limited has waived the interest charge for the year (2020: charge £102,667). The loan note is repayable on demand.

12 Called-up share capital	2021	2020
	£	£
Allotted, called-up and fully paid		
99,000 ordinary 'A' shares of £1 each	99,000	59,400
39,600 ordinary 'B' shares of £1 each	-	39,600
	99,000	99,000

The ordinary 'A' and ordinary 'B' shares rank equally in terms of voting rights, dividend rights and capital returns.

13 Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

14 Guarantees

Contingent liabilities

The company has guaranteed bank borrowings of £6,504,382 (2020: £8,087,797). Security for the bank facilities consists of cross guarantees, fixed charges and floating charges over the assets of the company.

The company has also guaranteed a loan note issued by the company to its immediate parent undertaking, Murray Capital Limited. This guarantee consists of a floating charge over the assets and undertakings of the company.

15 Pension commitments

The company operates defined contribution pension schemes whose assets are held separately from those of the company in independent trustee administered funds. The pension cost charge represents contributions payable and paid by the company and amounts to £nil (2020: £54,269). Within accruals and deferred income is a pension balance owing of £nil (2020: £4,824).

16 Obligations under leases

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

	2021 £	2020 £
Not later than one year	-	52,800
Later than one year and not later than five years	-	35,520
Later than five years	-	-
	-	88,320

17 Related party transactions

The company has taken advantage of the exemption in FRS 102 and has not disclosed transactions with fellow wholly owned subsidiaries within the Murray Metals Limited group of companies. The company entered into transactions in the ordinary course of business outside the Murray Metals Limited charged to operating expenses as follows:

	Profit and loss account charge/ (credit) period ended 30 June 2021 £	Amounts owed (to)/by related parties as at 30 June 2021 £
Murray Capital Group Limited members:		
Murray Capital Limited	-	(1,485,289)
Murray Metals Investments Limited	-	-
Alphastrut Ltd	-	-
Murray Energy Pte Limited	-	82,015
	-	(1,403,274)

The company has previously issued a loan note in favour of Murray Capital Limited (see note 10). Interest of £Nil was charged to the profit and loss account during the year (2020: £ Nil). The loan note balance due to Murray Capital Limited as at 30 June 2021 was £1,026,867 (2020: £1,026,867).

18 Controlling party

The immediate parent company is Murray Capital Limited and the ultimate holding company is Murray Capital Holdings Limited both of which are registered in Scotland. The largest group which the results of the company are consolidate is that headed by the ultimate holding company whose principal place of business is 26 Charlotte Square, Edinburgh, EH2 4ET. Copies of the Murray Capital Holdings Limited financial statements are available from the above address.

The ultimate controlling parties are David D Murray and Keith Murray who directly own Murray Capital Holdings Limited.

19 Post Balance Sheet Events

There were no post balance sheet events.