Company Registration No. SC685454

MURRAY CAPITAL HOLDINGS LIMITED

Report and Financial Statements

for the year ended 30 June 2022

MURRAY CAPITAL HOLDINGS LIMITED

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MURRAY CAPITAL HOLDINGS 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
Year ended 30 June 2022

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 2022.

On 1 March 2021 Murray Capital Holdings entered into an agreement to buy 100% of the share capital of Murray Capital Group Limited in exchange for 100% of the share capital in Murray Capital Holdings Limited. This transaction met the criteria under SI 2008/410 of the Companies Act and the requirements of FRS102 for merger accounting. Ownership of the Murray group stayed the same before and after the transaction. There was no change in non-controlling interests nor controlling owners. The merger accounting applied has resulted in a merger reserve being created in the consolidated and company balance sheet as the recognition of goodwill is not appropriate under merger accounting. In this series of events, 277,978 shares were purchased by Murray Capital Holdings Limited from Sir David Murray for consideration of £12m split between cash and loan notes.

Principal Activities

The Group's principal activities are:

- the development of land for the residential and commercial sectors; and
- the provision of metal stockholding, processing and distribution; and
- wine importing and distribution;

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 financial year.

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

Business Review

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

Turnover

Turnover from continued operations for the year was £92.9m (2021: £83.5m) which was an increase of 11%, primarily driven by increased steel prices in our Metals Group. We believe this is a positive performance.

Profit before taxation

Profit before tax was £12.8m (2021: £9.8m). This represents a 31% increase which is a great result given the current economic uncertainties in global and national markets. The increased profitability for the year was driven by improved trading in our Metals Group and the sale of 12 acres of consented land at Ratho Station. Our Metals Group is split into two main businesses, Murray Steels and Hillfoot Steel. Both businesses have had a record year of profitability, which vindicates the additional investment and restructure of the businesses we made in 2020.

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.

We made some new investments and follow-on ones to support our portfolio of businesses as we continue to build a diversified and sustainable business. The largest new investment we made in this financial year was into Wavegarden. This £55m landmark development will build Scotland's first inland surfing destination just outside Edinburgh using revolutionary new technology and will become a unique leisure and recreational park.

In April 2022 we also sold our long-standing investment in Capito, an IT services business, to XMA, one of the UK's largest IT resellers.

Net cash

Net cash has decreased to £7.2m from net cash of £7.6m. 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 £8.5m of investments on the Group's balance sheet £2.9m was held in highly liquid equity funds that can be used to support the companies, as and when required.

Shareholders' funds

Shareholders' funds have increased to £43.9m from £35.5m due to the profits generated by the Group. This represents a return of 23% over the year.

Going concern

These financial statements have been prepared on the going concern basis. The directors are required to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties as to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements. The period of management's going concern assessment is the period to 31 December 2023.

The Directors 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 2023. This assessment included a review of forecast profits, cash flows, liquidity, and covenant compliance, and downside scenarios. The Directors also considered the ability to refinance the £7.8m of bank debt within the Metals businesses which matures on 4 July 2023. As the Group is in receipt of a number of term sheets to refinance this debt, coupled with strong trading performance within these businesses, the Directors are confident that a refinancing will be concluded well in advance of the maturity date.

Mitigating actions available to the Group, should they be required, have also been considered by the Directors including, but not limited to, measures to reduce costs through headcount reductions, suspending all uncommitted capital expenditure, preserving cash through working capital management, all of which are actions within managements control.

The Directors continue to closely monitor the current and projected trading performance of the business, the facilities available to the Group and conclude that the Group has adequate resources to continue to operate for the period to 31 December 2023. Accordingly, the financial statements have been prepared on a going concern basis.

View of future prospects

The current year has started well, with trading results positive at the date of signing these accounts. However, as we write this report, there are obvious signs of economic turmoil and a general nervousness about the coming months and year ahead. We are, of course, mindful of that backdrop, but will remain fully focused on the things we can control and continue to build on the solid foundations we have developed across the Group over many years. Being family-owned with and no external third-party debt at Murray Capital Holdings level, allows us to take a long term and patient view, which we believe will be necessary as the cost of money increases and higher inflation continues to impact the general environment.

Our Murray Estates portfolio is progressing through the various stages of planning and/or development in the projects in which we have an interest. Our Edinburgh Garden District has secured final outline planning approval for 1,350 homes which includes family and affordable accommodation, a primary school, commercial retail centre and supporting infrastructure. We hope work can start soon on the site; however, it is not immune to the current housing market uncertainty. There remains an additional 520 acres of our site there after this current phase has been delivered and we are reviewing our options in light of the ongoing planning issues in Edinburgh and the overall housing market dynamics.

Our plans for a 23-acre site at the Edinburgh International Business Gateway, next to Edinburgh Airport, were called in for review by the Scottish Government in May 2019 and remain on hold, pending feedback. We hope this will progress in 2023.

In August 2022 we sold 5.5 acres to Persimmon Homes at our Kingdom Park site in Kirkcaldy. This sale completes phase 1 & 2 of the development. We now look to phases 3-5, which will include over 500 new homes, retail park, primary school and supporting infrastructure.

Finally, Murray Capital Holdings also continues to provide support to our Family Foundation, with a percentage of profits going to the Foundation to support local charities in a time of great need. Supporting the Family Foundation will become an increasing focus for the business in the future.

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:

Foreign currency risk

The Group's activities expose it to the financial risk of changes in foreign currency exchange rates and the Group uses foreign exchange forward contracts to hedge these exposures. The Group does not use forward contracts for speculative purposes.

Financial Risk Management (continued)

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.

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

D D Murray
Managing Director
11 October 2022

DIRECTORS' REPORT
Year ended 30 June 2022

The directors present their report and the audited financial statements of the Group for the year ended 30 June 2022.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 9. A dividend of £750k was paid during the year (2021: £518k).

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.

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.

Streamlined Energy Carbon Reporting (SECR)

In the year to June 2022 the Group's UK energy use was 437,155 KWH of electricity (2021: 446,106kwh) and 0 KWH of natural gas (2021: 5,455 KWH). The declared associated greenhouse gas emissions within the EU-UTS Scheme was 105 tonnes of CO2 and the carbon intensity was 0.002 per tonne of steel sold.

The Group is reviewing all operations with a view to reducing its Carbon Footprint, reducing the number and size of operational facilities, increasing the level of home working, removing all company cars and introducing a scheme to promote the use of Electric Vehicles.

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

D D Murray
Managing Director

11 October 2022

E N Campbell
Finance Director

Opinion

We have audited the financial statements of Murray Capital Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 28, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2022 and of the group's 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 group 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 with these requirements.

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

Other Matter

The corresponding figures for the year ended 30 June 2021 are unaudited.

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 group and parent company's ability to continue as a going concern for a period of 14 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group'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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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 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 5, 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.

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 group 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 group 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 Ernst & Young LLP, Statutory Auditor
Edinburgh
11th October 2022

STATEMENT OF COMPREHENSIVE INCOME
Year ended 30 June 2022
Group

	Notes	2022	2021
		£'000	£'000
Turnover	2	92,872	83,545
Cost of sales		(61,173)	(58,730)
Gross profit		31,699	24,815
Administrative expenses		(18,911)	(17,711)
Other Income	3	-	1,540
Total administrative expenses		(18,911)	(16,171)
Operating profit		12,788	8,644
Gain on sale of investments	4	995	1,200
Profit before investment income and interest		13,783	9,844
Investment income	5	207	246
Interest payable and similar charges	6	(695)	(333)
Impairment of investments		(467)	-
Profit before taxation		12,828	9,757
Tax on profit on ordinary activities	9	(1,476)	(417)
Profit on ordinary activities after taxation		11,352	9,340
Non-controlling interests	20	(2,026)	(1,420)
Profit for the year		9,326	7,920
Other comprehensive income			
Foreign exchange differences on translation		(120)	214
Total other comprehensive(loss)/ income		(120)	214
Total comprehensive income for the year		9,206	8,134
Total comprehensive income for the year attributable to:			
Non-controlling interests		(2,026)	(1,420)
Owners of the parent company		11,232	9,554
		9,206	8,134

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

STATEMENT OF FINANCIAL POSITION
Year ended 30 June 2022

	Notes	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Fixed assets					
Tangible assets	10	3,230	1,743		-
Investments	12	8,476	6,837	43,385	43,385
		11,706	8,580	43,385	43,385
Current assets					
Stocks	13	32,530	22,739	-	-
Debtors					
- due within one year	14	26,720	25,939	-	-
- due after one year	14	-	10	-	-
Cash at bank and in hand	21	7,177	7,597	-	722
		66,427	56,285	-	722
Creditors: amounts falling due within one year	15	(34,744)	(22,492)	(2,002)	(1,940)
Net current assets/(liabilities)		31,683	33,793	(2,002)	1,218
Total assets less current liabilities		43,389	42,373	41,383	42,167
Creditors: amounts falling due after more than one year	16	(6,180)	(16,219)	(5,820)	(7,760)
Net assets		37,209	26,154	35,563	34,407
Capital and reserves					
Called-up share capital	18	722	722	722	722
Merger reserve	19	(12,722)	(12,722)	30,447	30,447
Translation Reserve		(15)	105	-	-
Profit and loss account		55,948	47,372	4,394	3,238
Shareholders' funds		43,933	35,477	35,563	34,407
Non-controlling interests	20	(6,724)	(9,323)	-	-
Total equity		37,209	26,154	35,563	34,407

These financial statements were approved by the Board of Directors and were signed on its behalf on 11 October 2022.

D D Murray
Managing Director

E N Campbell
Finance Director

The accompanying notes on pages 13 - 30 form an integral part of these financial statements.

MURRAY CAPITAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 30 June 2022

Group

	Called up share capital	Merger reserve	Translation reserve	Profit and loss account	**Shareholders' equity**	Non-controlling interest	**Total equity**
	£'000	£'000	£'000	£'000	**£'000**	£'000	**£'000**
At 1 July 2020	1,000	(1,000)	(109)	39,970	**39,861**	(10,743)	**29,118**
Profit for the year	-	-	-	7,920	**7,920**	1,420	**9,340**
Other comprehensive Income	-	-	214	-	**214**	-	**214**
Merger reserve	(278)	(11,722)	-		**(12,000)**		**(12,000)**
Total comprehensive Income for the year and movement in reserves	(278)	(11,722)	214	7,920	**(3,866)**	1,420	**(2,446)**
Dividends	-	-	-	(518)	**(518)**	-	**(518)**
At 30 June 2021	722	(12,722)	105	47,372	**35,477**	(9,323)	**26,154**
Profit for the year	-	-		9,326	**9,326**	2,026	**11,352**
Other comprehensive Income	-	-	(120)		**(120)**		**(120)**
Total comprehensive Income for the year	-	-	(15)	9,326	**9,206**	2,026	**11,232**
Dividends	-	-	-	(750)	**(750)**	-	**(750)**
Minority Interest on disposal						573	**573**
At 30 June 2022	722	(12,722)	(15)	55,948	**43,933**	(6,724)	**37,209**

Company

	Called up share capital	Profit and loss account	Merger reserve	Total equity
	£'000	£'000	£'000	£'000
At 30 June 2021	722	3,238	30,446	34,406
Profit and total comprehensive income for the year	-	1,907	-	1,907
Dividends	-	(750)	-	(750)
At 30 June 2022	722	4,395	30,446	35,563

MURRAY CAPITAL HOLDINGS LIMITED

STATEMENT OF CASH FLOWS
Year ended 30 June 2022

Group

	Notes	2022 £'000	2021 £'000
Cash generated from operations		6,443	7,392
Interest paid		(695)	(333)
Tax paid		(1,359)	(549)
Net cash flow from operating activities	21(a)	4,389	6,510
Investment activities			
Purchase of tangible fixed assets	10	(1,924)	(205)
Purchase of investments	12	(2,307)	(4,251)
Proceeds from sale of investment		2,551	8,999
Dividends received		147	221
Interest received		60	25
Proceed from sale of tangible fixed assets		209	12
Net cash flow from investing activities		(1,264)	4,801
Financing activities			
Dividends paid		(750)	(518)
Net decrease in invoice finance creditor		(81)	(25)
Repayment of bank loans		1,320	(1,884)
Loan Notes		(4,142)	(4,499)
Repayment of finance leases		108	(14)
Net cash flow from financing activities		(3,545)	(6,940)
Increase/(Decrease) in cash and cash equivalents		(420)	4,371
Cash and cash equivalents at 1 July 2021		7,597	3,226
Cash and cash equivalents at 30 June 2022	21(b)	7,177	7,597

1. ACCOUNTING POLICIES

Statement of compliance

Murray Capital Holdings 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 year ended 30 June 2022.

Basis of preparation

The financial statements of Murray Capital Holdings Limited were authorised for issue by the Board of Directors on 7 October 2022. 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 Holdings 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 Holdings Limited was £nil (2021: £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.

The Directors 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 2023. This assessment included a review of forecast profits, cash flows, liquidity, and covenant compliance, and downside scenarios. The Directors also considered the ability to refinance the £7.8m of bank debt within the Metals businesses which matures on 4 July 2023. As the Group is in receipt of a number of term sheets to refinance this debt, coupled with strong trading performance within these businesses, the Directors are confident that a refinancing will be concluded well in advance of the maturity date.

Mitigating actions available to the Group, should they be required, have also been considered by the Directors including, but not limited to, measures to reduce costs through headcount reductions, suspending all uncommitted capital expenditure, preserving cash

The Directors continue to closely monitor the current and projected trading performance of the business, the facilities available to the Group and conclude that the Group has adequate resources to continue to operate for the period to 31 December 2023. Accordingly, the financial statements have been prepared on a going concern basis.

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.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgements, estimates and assumptions (continued)

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.

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)

Derivative financial instruments

The company does not undertake any hedge accounting transactions.

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 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 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.

	2022	2021
	£'000	£'000
Sale of goods	90,908	79,488
Rendering of services	1,964	4,057
	92,872	83,545

3. OTHER INCOME

	2022	(18 months
	£'000	£'000
Other income	-	1,540
	-	1,540

During the year to 30 June 2021, the Metals Group had a succesful £1,540k insurance claim for business interruption caused by the global pandemic. Of this £1m was received by 30 June 2021, with the remainder in August 2021.

4. GAIN ON SALE OF INVESTMENTS

	2022	(18 months
	£'000	£'000
Gain on sale of investments	786	1,397
Gain/(Loss) on disposal of subsidiary	209	(197)
	995	1,200

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

On 26th April 2022 the share holding in Capito Holdings was sold for £1,565k and a gain was recongnised of £209k.

5. INVESTMENT INCOME

	2022	2021
	£'000	£'000
Bank & other interest received	60	25
Dividends received	147	221
Other income	-	-
	207	246

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£'000	£'000
Bank interest	(380)	(333)
Other interest paid	(315)	-
	(695)	(333)

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

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

	2022	2021
	£'000	£'000
Depreciation of tangible fixed assets		
- Owned	274	321
- Held under finance lease	89	83
Rentals under operating leases - minimum lease payments		
- Land and buildings	422	420
- Other	259	551
Exchange gains	(54)	(16)

The analysis of auditor's remuneration is as follows:

	2022	2021
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's consolidated and company only annual accounts	55	47
Fees payable to the Company's auditor for the audit of the Company's subsidiaries pursuant to legislation	120	118
Total audit fees	175	165

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

8. STAFF COSTS AND DIRECTORS' REMUNERATION

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

	2022	2021
	Number	Number
Production and distribution	45	45
Administration	180	165
	225	210

Their aggregate remuneration comprised:

	2022	2021
	£'000	£'000
Wages and salaries	9,187	8,099
Social security costs	989	820
Pension costs	331	550
	10,507	9,469

Directors' remuneration during the period amounted to:

	2022	2021
	£'000	£'000
Emoluments	1,144	753
Contributions to money purchase pension schemes	40	38
	1,184	791

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

	2022	2021
	£'000	£'000
Emoluments	642	231
Contributions to money purchase pension schemes	10	10
	652	241

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

	2022	2021
	Number	Number
	3	3

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

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the current and prior year and comprises:

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax	1,247	386
Adjustment in respect of previous periods	(13)	67
	1,234	453
Deferred tax charge		
- Changes in tax rates	-	(190)
- Origination and reversal of temporary differences	395	61
- Adjustment in respect of previous periods	(153)	93
	242	(36)
Tax charge on profit on ordinary activities	1,476	417

Deferred tax asset

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

	2022	2021
	£'000	£'000
At 1 July	742	705
Charged to the statement of comprehensive income	(394)	(91)
Prior year adjustment	138	128
At 31 June	486	742
Analysed as follows:		
- Fixed asset temporary differences	364	(62)
- Short term temporary differences	(13)	(8)
- Losses and other deductions	(837)	(672)
	(486)	(742)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit from continuing operations before taxation	12,828	9,757
Gain from discontinued operations before taxation		-
Accounting profit before taxation	12,828	9,757
Tax at standard rate of 19% (2022: 19%)	2,437	1,854
Effects of:		
Expenses not deductible for tax purposes	233	132
Fixed asset differences	(89)	4
Income not taxable for tax purposes	(699)	(308)
Chargeable gains/(losses)	397	142
Other permanent differences	61	412
Adjustments in respect of previous periods- current tax	(13)	
Adjustments in respect of previous periods- deferred tax	(152)	93
Differences in foreign tax rates		
Deferred tax not recognised	(1,042)	161
Deferred tax charge in rates	343	(2,073)
Total tax expense for the year	1,476	417

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.
The 2021 budget proposal, substantively enacted into law in the Finance Act 2021 on 24 May 2021, increased the corporation tax rate to 25% from 1 April 2023.

In the 2022 Mini Budget delivered on 23 September 2022, the UK Government announced plans to cancel the UK-wide rise in corporation tax from 19% to 25% due to take effect in April 2023.

At 30 June 2022, the Group had a further unrecognised deferred tax asset of £6,062k (2021: £7,900k) due to the availability of taxable trading losses for carry forward, depreciation in excess of capital allowances and other short term temporary differences. These losses mainly relate to the Estates Group and this has not been recognised given the uncertainty as to future land sales to utilise these remaining tax losses.

In addition the Group also has an unrecognised deferred tax asset of £139k (2021: £156k) 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. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Plant & machinery £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 July 2021	81	2,022	2,290	97	4,490
Additions	43	1,475	323	83	1,924
Subsidiary disposal	-	(40)	(1,084)	-	(1,124)
Disposals	(23)	(168)	(18)	-	(209)
At 30 June 2022	101	3,289	1,511	180	5,081
Accumulated depreciation					
At 1 July 2021	28	1,024	1,616	79	2,747
Charge for the year	23	235	88	19	365
Subsidiary disposal	-	(32)	(1,025)	-	(1,057)
Disposal adjustments	(23)	(163)	(18)	-	(204)
At 30 June 2022	28	1,064	661	98	1,851
Net book value					
At 30 June 2022	73	2,225	850	82	3,230
At 30 June 2021	53	998	674	18	1,743

11. Dividends

	2022 £'000	(18 months £'000
Dividends Paid	750	518
	750	518

12. INVESTMENTS

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

	Group Unlisted £'000	Group Listed £'000	Group Total £'000	Company Total £'000
Cost and net book value				
At 1 July 2021	3,747	3,090	6,837	43,385
Additions	2,307	-	2,307	-
Fair value movement on investments	(234)	(234)	(468)	-
Disposals	(200)	-	(200)	-
At 30 June 2022	5,620	2,856	8,476	43,385

At 30 June 2022, the listed investments had a market value of £2,856k (2021: £3,090k).

12. INVESTMENTS (CONTINUED)

Subsidiary undertakings

At 30 June 2022 the Group held investments in the following subsidiary undertakings:

Name of subsidiary	*Principal Activity*	*% holding*
Murray Capital Group Limited	Investment & management company	100%
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	80%
Murray Plate Group Limited**	Steel stockholding & processing	84%
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	70%

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 Murray Estates Developments Limited
***** Held directly by Murray Estates Limited
******* Held directly by Chardon Wines Limited

Capito Holdings was disposed of on 26th April 2022.

13. STOCKS

Group

	2022	2021
	£'000	£'000
Development properties	13,268	13,890
Finished goods and goods for resale	19,262	8,849
	32,530	22,739

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

	2022	2021
	£'000	£'000
Due within one year		
Trade debtors	24,443	22,795
Prepayments and accrued income	756	938
Business interruption insuance receivable	-	540
Amounts due from related parties	933	867
Other debtors	102	105
Deferred tax asset	486	694
	26,720	25,939
Due after one year		
Deferred tax asset	-	10
	26,720	25,949

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans & overdrafts (note 20)	7,824	-	-	-
Invoice finance creditor (note 16)	-	81	-	-
Obligations under finance lease contracts (note 16)	276	173	-	-
Trade creditors	17,557	13,834	-	-
Taxation and social security	2,746	1,924	-	-
Amounts due to group parties	-	-	-	-
Other creditors	301	192	62	-
Accruals and deferred income	2,502	1,794	-	-
Loan notes	3,538	4,140	-	-
Tax liability	-	354	-	-
	34,744	22,492	62	-

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

Group

	2022	2021
	£'000	£'000
Obligations under finance lease contracts (note 17)	360	355
Bank loans (note 17)	-	6,504
Loan notes (note 17)	5,820	9,360
	6,180	16,219

17. BORROWINGS

Group

Borrowings are repayable as follows:

	2022	2021
	£'000	£'000
Bank loans and overdrafts	7,824	6,504
Invoice finance creditor	-	81
Obligations under finance lease contracts	636	528
Loan notes	9,359	13,499
	17,819	20,612

Finance leases are repayable as follows:

	2022	2021
	£'000	£'000
Within one year	276	173
Between one and two years	360	355
Between two and five years	-	-
After five years	-	-
	636	528

Total borrowings including finance leases are repayable as follows:

	2022	2021
	£'000	£'000
Within one year	11,639	6,332
Between one and two years	360	8,460
Between two and five years	5,820	5,820
After five years	-	-
	17,819	20,612

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.

The Bank facilities expire on 2nd July 2023 and as the Group is in receipt of a number of term sheets to refinance this debt, coupled with strong trading performance within these businesses, the Directors are confident that a refinancing will be concluded well in advance of the maturity date.

18. CALLED-UP SHARE CAPITAL

	Group and Company	
	2022	2021
	£'000	£'000
Allotted, called-up and fully paid		
722,023 (2021: 722,023) ordinary shares of £1 each)	722	722

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, together with an amount in excess of the nominal value of 277,978 shares in Murray Capital Group Limited which were elminated in the merger with Murray Capital Holdings 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

	2022	2021
	£'000	£'000
At 1 July	(9,323)	(10,743)
Share of profit/loss for the year	2,026	1,420
Minority interest on disposal	573	-
At 31 June 2022	(6,724)	(9,323)

21. NOTES TO THE STATEMENT OF CASH FLOWS

Group

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

	2022	2021
	£'000	£'000
Profit/(Loss) before taxation	12,828	9,757
Adjustments to reconcile profit for the year to net cash flow from operating activities:		
Interest income	(60)	(25)
Interest expense	695	333
Goodwill impairment	-	-
Dividends received	(147)	(221)
Investment Income	(207)	-
Fair value movement in investments	-	-
Gain/(Loss) on disposal	(209)	197
Gain on sale of subsidiary		
Gain on sale of investment	(786)	(1,397)
Gain on sale of fixed assets		
Other income	-	(540)
Proceeds from sale of tangible fixed assets	-	(12)
Depreciation	363	404
Loss on fixed asset disposals	-	125
(Increase)/Decrease in stocks	(9,791)	6,723
(Increase)/Decrease in debtors	(783)	(10,870)
Increase in creditors	4,540	2,918
	6,443	7,392
Tax paid	-	-
Net cash flow from operating activities	6,443	7,392

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

(b) Cash and cash equivalents

Group

	2022	2021
	£'000	£'000
Cash at bank and in hand	7,177	7,597
Bank loans & overdraft	-	-
	7,177	7,597

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:

	2022	2021
	£'000	£'000
Expiring:		
Within one year	275	175
In two to five years	260	368
	535	543

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

	2022	2021
	£'000	£'000
Not later than one year	868	1,169
Later than one year and not later than five years	2,451	3,112
Later than five years	840	2,055
	4,159	6,336

23. FINANCIAL INSTRUMENTS

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

Financial assets

	2022 £'000	2021 £'000
Measured at undiscounted amount receivable		
- Trade debtors	24,443	22,795
- Other debtors	1,035	973
	25,478	23,768

Financial liabilities

	2022 £'000	2021 £'000
Measured at amortised cost		
- Obligations under finance lease contracts	360	355
- Loan notes	9,359	3,799
Measured at undiscounted amount payable		
- Trade and other creditors	20,059	15,629
- Cash flow finance creditor	-	81
- Bank loans and overdrafts	7,824	6,504
	37,602	26,368

Fair value gains and losses

	2022 £'000	2021 £'000
On derivative financial assets and liabilities measured at fair value through profit or loss (note 4)	-	-

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 £260,493 (2021: £550,238). Within accruals and deferred income is a pension balance owing of £35,457 (2021: £33,298).

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 £7,824,478 (2021: £6,504,382). Security for the bank facilities consists of cross guarantees, fixed charges and floating charges over the assets of the Metals group. This bank facility has a covenant relating to capital expenditure. This covenant was breached during the year, however the bank waived the covenant and amended the facility.

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.

SARL Rouviere Plane is considered related parties due to its 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	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Sir David Murray	315	-	7,760	9,700
SARL Rouviere Plane	-	-	905	853

27. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

28. CONTROLLING PARTY

The controlling parties of the Company are David D Murray and Keith A Murray.