REGISTERED NUMBER: SC304913 (Scotland)

Strategic Report, Report of the Directors and Financial Statements for the Year Ended 31 December 2014 for Capito Holdings Limited

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Company Information
for the Year Ended 31 December 2014

DIRECTORS:	Mrs A Burnside M Gammie C Lennox A Middleton K Wallace A Quinn
SECRETARY:	Mrs A Burnside
REGISTERED OFFICE:	Caputhall Road Deans Livingston EH54 8AS
REGISTERED NUMBER:	SC304913 (Scotland)
AUDITORS:	Campbell Dallas LLP Chartered Accountants Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF

Strategic Report
for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS
The results for the year show a loss before tax of £169,917 (2013 - £177,856). The company has a net balance sheet value of £557,362 (2013 - £727,279) at 31 December 2014.

GOING CONCERN
In their consideration of going concern, the directors have prepared cash flow forecasts which extend for a period beyond one year from the date of approval of these financial statements. The directors have reviewed the latest financial projections of its ultimate parent company, Murray Capital Group Limited ("the group") and have confirmation from the group of its continued support for a minimum of twelve months from the date of approval of these financial statements. The directors are of the opinion the company will be able to operate within current facilities available.

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Given this, the financial statements have been prepared on a going concern basis.

ON BEHALF OF THE BOARD:

Mrs A Burnside - Director

Date: 15/09/15

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Mrs A Burnside
M Gammie
C Lennox
A Middleton
K Wallace

Other changes in directors holding office are as follows:

A Quinn was appointed as a director after 31 December 2014 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

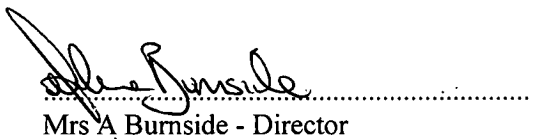
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs A Burnside - Director

Date: 15/09/15

We have audited the financial statements of Capito Holdings Limited for the year ended 31 December 2014 on pages seven to fourteen. 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).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Campbell Dallas LLP

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 16.9.2015

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER		-	-
Administrative expenses		15,467	15,066
OPERATING LOSS	3	(15,467)	(15,066)
Interest payable and similar charges	4	154,450	162,790
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(169,917)	(177,856)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR		(169,917)	(177,856)

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

Balance Sheet
31 December 2014

	Notes	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Investments	6		4,050,297		4,050,297
CURRENT ASSETS					
Cash at bank		78		66	
CREDITORS					
Amounts falling due within one year	7	2,036,741		1,791,812	
NET CURRENT LIABILITIES			(2,036,663)		(1,791,746)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,013,634		2,258,551
CREDITORS					
Amounts falling due after more than one year	8		1,456,272		1,531,272
NET ASSETS			557,362		727,279
CAPITAL AND RESERVES					
Called up share capital	11		191,709		191,709
Share premium	12		3,008,745		3,008,745
Profit and loss account	12		(2,643,092)		(2,473,175)
SHAREHOLDERS' FUNDS	15		557,362		727,279

The financial statements were approved by the Board of Directors on 15/09/15 and were signed on its behalf by:

.....
Mrs A Burnside - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the exemption provided by s400 of the Companies Act 2006 from the need to prepare consolidated financial statements as it is a subsidiary of Murray Capital Group Limited, a company incorporated in Scotland which prepares consolidated financial statements. Accordingly, the financial statements provide information about the company, not its group.

Going Concern
In their consideration of going concern, the directors have prepared cash flow forecasts which extend beyond one year from the date of approval of these financial statements. The directors have reviewed the latest financial projections of its ultimate parent company, Murray Capital Group Limited ('the group') and have confirmation from the group of its continued support for a minimum of twelve months from the date of approval of these financial statements. The directors are of the opinion the company will be able to operate within current facilities available.

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Given this, the financial statements have been prepared on a going concern basis.

Financial Reporting Standard number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

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 assets and liabilities are not discounted.

Investments
Investments held as fixed assets are stated at cost less provision for impairment.

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of the realisable value and value in use.

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2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

3. OPERATING LOSS

Auditors remuneration of £2,000 (2013: £2,000) was borne by Capito Limited, a subsidiary undertaking.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank overdraft & loan interest	-	2,340
Interest payable to group undertakings	154,450	160,450
	154,450	162,790

5. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Loss on ordinary activities before tax	(169,917)	(177,856)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.490% (2013 - 23.250%)	(36,515)	(41,352)
Effects of:		
Losses carried forward	31,242	35,134
Other short term timing differences	5,273	6,218
Current tax charge	-	-

A deferred tax asset amounting to £143,336 (2013: £125,754) relating to trading losses has not been recognised at 31 December 2014 given the uncertainty over future taxable profits.

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6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2014 and 31 December 2014	5,050,297
PROVISIONS	
At 1 January 2014 and 31 December 2014	1,000,000
NET BOOK VALUE	
At 31 December 2014	4,050,297
At 31 December 2013	4,050,297

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Capito Limited
Nature of business: Information communication technology services

Class of shares:	% holding
Ordinary Shares of 10p each	100.00

	2014 £	2013 £
Aggregate capital and reserves	1,323,226	1,343,028
(Loss)/profit for the year	(19,802)	427,825

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other loans (see note 9)	175,000	100,000
Due to subsidiary company	1,405,909	1,334,663
Due to group undertakings	455,832	357,149
	2,036,741	1,791,812

Amounts due to subsidiary undertaking and group undertaking are non-interest bearing and have no fixed repayment date.

The bank facilities are secured over the assets of Capito Limited and a cross guarantee supported by floating charges between Capito Holdings Limited and Capito Limited.

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8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Other loans (see note 9)	1,456,272	1,531,272

9. LOANS

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Other loans	175,000	100,000
Amounts falling due between two and five years:		
Other loans - 2-5 years	1,456,272	1,531,272

10. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Other loans	1,631,272	1,631,272

Secured loan stock of £1,456,272 bears interest at 8.5%. This balance is due to Murray Capital Limited and is included within creditors falling due after more than one year.

Further secured loan stock of £200,000 bears interest at 8%. This loan stock is due to be repaid to Murray Capital Limited in three annual instalments. The outstanding balance at 31 December 2014 is £140,000 (2013: £140,000).

Secured loan stock of £50,000 was loaned by the wife of a Director of the company on 18 December 2012 and bears interest at 8%. The loan stock is due for repayment in three annual instalments, commencing December 2013. The outstanding balance at 31 December 2014 is £35,000 (2013: £35,000).

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
88,289	Ordinary Shares	10p	8,829	8,829
151,805	'A' Ordinary Shares	10p	15,180	15,180
1,677,000	Preference Shares	10p	167,700	167,700
			191,709	191,709

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11. CALLED UP SHARE CAPITAL - continued

The preference shares have no fixed repayment date, redemption is entirely at the discretion of the company and have no dividend rights.

Redemption of preference shares rank above the 'A' ordinary and ordinary shares on liquidation, reduction of capital of otherwise the Company. The 'A' ordinary shares rank above the ordinary shares.

12. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2014	(2,473,175)	3,008,745	535,570
Deficit for the year	(169,917)		(169,917)
At 31 December 2014	(2,643,092)	3,008,745	365,653

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Included within creditors falling within one year is an amount of £449,165 (2013: £353,615) due to Murray Capital Limited, the parent company of Capito Holdings Limited for monitoring fees and interest due on the loan stock.

A balance of £6,667 (2013: £3,533) remains due to C Lennox, a wife of a director of Capito Holdings Limited, for interest due on her loan stock.

14. ULTIMATE CONTROLLING PARTY

The ultimate parent under taking and controlling party of the Company is Murray Capital Group Limited. The smallest and largest group in which the results of Capito Holdings Limited are consolidated is that headed by Murray Capital Group Limited.

Copies of Murray Capital Group Limited consolidated financial statements can be obtained from its company secretary at 26 Charlotte Square, Edinburgh EH2 4ET.

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15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Loss for the financial year	(169,917)	(177,856)
New share capital subscribed	-	2
Net reduction of shareholders' funds	(169,917)	(177,854)
Opening shareholders' funds	727,279	905,133
Closing shareholders' funds	557,362	727,279