

**REGISTERED NUMBER: SC127071 (Scotland)**

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2013  
for  
Capito Limited**

THURSDAY



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24/04/2014  
COMPANIES HOUSE

**Capito Limited (Registered number: SC127071)**

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for the Year Ended 31 December 2013**

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**Capito Limited**

**Company Information  
for the Year Ended 31 December 2013**

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**DIRECTORS:**

Mrs A Burnside  
M Gammie  
C Lennox  
A Middleton  
K Wallace

**SECRETARY:**

Mrs A Burnside

**REGISTERED OFFICE:**

Caputhall Road  
Deans  
Livingston  
EH54 8AS

**REGISTERED NUMBER:**

SC127071 (Scotland)

**AUDITORS:**

Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

**BANKERS:**

Clydesdale Bank PLC  
30 St Vincent Place  
Glasgow  
Lanarkshire  
G1 2HL

**Report of the Directors  
for the Year Ended 31 December 2013**

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The directors present their report with the financial statements of the company for the year ended 31 December 2013.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of Information and Communication Technologies (ICT) services to Public and Private Sector Organisations. The company continues to develop its strategic partnerships and to expand its business throughout the UK. There have not been any significant changes in the company's principal activity in the year under review. At the date of this report the directors are not aware of any major changes in the company's activity in the next year.

**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 the 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.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

C Lennox  
A Middleton

Other changes in directors holding office are as follows:

Mrs A Burnside - appointed 20 December 2013  
M Gammie - appointed 20 December 2013  
K Wallace - appointed 20 December 2013

**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.

Capito Limited (Registered number: SC127071)

**Report of the Directors  
for the Year Ended 31 December 2013**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....

A Middleton - Director

Date: 15/04/14 .....

## **Report of the Independent Auditors to the Members of Capito Limited**

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We have audited the financial statements of Capito Limited for the year ended 31 December 2013 on pages six 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 pages two and 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 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 2013 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**Report of the Independent Auditors to the Members of  
Capito Limited**

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**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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

*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: ..... *15/6/2014* .....

**Capito Limited (Registered number: SC127071)**

**Profit and Loss Account  
for the Year Ended 31 December 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>		7,323,414	5,522,815
Cost of sales		5,974,232	4,232,046
<b>GROSS PROFIT</b>		1,349,182	1,290,769
Administrative expenses		978,665	929,222
<b>OPERATING PROFIT</b>	2	370,517	361,547
Interest receivable and similar income		51	-
		370,568	361,547
Interest payable and similar charges		48,496	71,059
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		322,072	290,488
Tax on profit on ordinary activities	3	(105,753)	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		427,825	290,488

**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 profits for the current year or previous year.

The notes form part of these financial statements



**Capito Limited (Registered number: SC127071)**

**Balance Sheet  
31 December 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	4	81,001	114,961
<b>CURRENT ASSETS</b>			
Stocks		67,039	73,078
Debtors	5	3,191,809	2,162,833
Cash in hand		40	-
		<u>3,258,888</u>	<u>2,235,911</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>1,996,861</u>	<u>1,435,669</u>
<b>NET CURRENT ASSETS</b>		<u>1,262,027</u>	<u>800,242</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,343,028</u></u>	<u><u>915,203</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	68,378	68,378
Share premium	12	195,977	195,977
Capital redemption reserve	12	208,045	208,045
Profit and loss account	12	<u>870,628</u>	<u>442,803</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u><u>1,343,028</u></u>	<u><u>915,203</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on .....15/04/14..... and were signed on its behalf by:

  
.....  
A Middleton - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2013**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**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 confirmations 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 company qualifies as a small company.

**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.

**Turnover**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is recognised at the point at which the risks and rewards of ownership are transferred to the third party.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 25% on cost, 25% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES - continued

**Deferred tax**

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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2013	2012
	£	£
Hire of plant and machinery	69,548	44,379
Other operating leases	110,000	123,750
Depreciation - owned assets	48,951	47,354
Auditors' remuneration	12,500	16,500
Pension costs	27,255	38,239
	<u>228,254</u>	<u>270,212</u>
Directors' remuneration and other benefits etc	<u>120,682</u>	<u>150,413</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
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Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

3. TAXATION

**Analysis of the tax credit**

The tax credit on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Deferred tax	(105,753)	-
Tax on profit on ordinary activities	(105,753)	-

UK corporation tax has been charged at 23.25%.

**Factors affecting the tax credit**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	322,072	290,488
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012 - 24.500%)	74,882	71,170
Effects of:		
Expenses not deductible for tax purposes	1,124	8,308
Capital allowances in excess of depreciation	(809)	(3,651)
Utilisation of tax losses	(74,035)	(75,844)
Other short term timing differences	(1,162)	17
Current tax credit	-	-

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2013	27,648	891,756	7,850	927,254
Additions	-	14,991	-	14,991
At 31 December 2013	27,648	906,747	7,850	942,245
<b>DEPRECIATION</b>				
At 1 January 2013	23,234	782,821	6,238	812,293
Charge for year	882	47,665	404	48,951
At 31 December 2013	24,116	830,486	6,642	861,244
<b>NET BOOK VALUE</b>				
At 31 December 2013	3,532	76,261	1,208	81,001
At 31 December 2012	4,414	108,935	1,612	114,961

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	1,535,579	913,783
Due from related parties	32,492	1,590
Due from parent company	1,334,663	1,066,244
Deferred tax asset	105,753	-
Prepayments and accrued income	183,322	181,216
	<u>3,191,809</u>	<u>2,162,833</u>

Interest is not charged on inter-company balances and there is no fixed repayment date.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts (see note 7)	187,193	36,091
Trade creditors	813,408	458,787
Social security and other taxes	40,437	37,654
VAT	140,212	115,692
Due Under Invoice Financing	220,868	287,008
Dividend Payable	3,218	3,218
Accruals and deferred income	591,525	497,219
	<u>1,996,861</u>	<u>1,435,669</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

7. **LOANS**

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>187,193</u>	<u>36,091</u>

8. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring:				
Within one year	-	-	9,663	12,890
Between one and five years	<u>110,000</u>	<u>110,000</u>	<u>26,603</u>	<u>12,126</u>
	<u>110,000</u>	<u>110,000</u>	<u>36,266</u>	<u>25,016</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2013 £	2012 £
Invoice financing agreement	<u>220,868</u>	<u>287,008</u>

The amount under an invoice financing agreement is secured by a first charge over trade debtors. The company has granted to its bankers a bond and floating charge over all of the assets of the company.

10. **DEFERRED TAX**

	£
Credit to profit and loss account during year	<u>(105,753)</u>
Balance at 31 December 2013	<u>(105,753)</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
683,778	Ordinary shares	10p	<u>68,378</u>	<u>68,378</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

12. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2013	442,803	195,977	208,045	846,825
Profit for the year	427,825			427,825
At 31 December 2013	870,628	195,977	208,045	1,274,650

13. PENSION COMMITMENTS

The Company operates defined contribution pension schemes for its directors and employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The cost of contributions made by the Company during the year ended 31 December 2013 was £27,255 (2012: £34,541). There were no unpaid contributions outstanding at 31 December 2013 (31 December 2012: £Nil).

14. 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.

During the year Capito Limited entered into sales transactions in the ordinary course of business with related parties as follows:

	Profit & loss account 2013 £	Amounts owed owed by related parties 2013 £	Profit & loss account 2012 £	Amounts owed owed by related parties 2012 £
Related parties of Murray Capital Group Limited:				
Argyle Consulting Limited	16,061	-	-	-
Brand Rex Limited	51,522	31,630	-	-
Hillfoot Steel Limited	12,600	-	22,926	-
Ireland Alloys Limited	8,205	-	6,692	-
Multi Metals Limited	3,791	-	7,037	221
Murray Estates Limited	35	-	30	-
Murray Group Holdings	86,561	-	96,059	-
Murray Capital Limited	4,806	-	5,338	-
Murray Metals Limited	27,538	-	10,089	990
Murray Plate Group Limited	10,559	(1,300)	21,956	-
Premier Alloys Limited	10,414	-	27,071	-
Premier Property Group	1,335	-	715	-
Rise Recruitment Limited	-	-	1,500	-
Quality Link Recruitment Limited	7,094	2,162	7,611	600

15. **ULTIMATE CONTROLLING PARTY**

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

Copies of Murray Capital Group Limited consolidated financial statements can be obtained from the company secretary at 11 Charlotte Square, Edinburgh EH2 4DR.

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Profit for the financial year	427,825	290,488
<b>Net addition to shareholders' funds</b>	<b>427,825</b>	<b>290,488</b>
Opening shareholders' funds	915,203	624,715
<b>Closing shareholders' funds</b>	<b>1,343,028</b>	<b>915,203</b>