Murray International Trust PLC

Registered in Scotland Company Number SC006705

Interim Accounts

as at 30 June 2024

Section 838 Companies Act 2006

Murray International Trust Plc

Condensed Statement of Comprehensive Income (unaudited)

For the six month period to 30 June 2024

	Notes	£'000
Income from investments		
UK dividends		3,615
Overseas dividends		37,921
Overseas interest		4,207
Other income		
Other interest receivable and similar income		336
		46,079
Administration expenses		(1,862)
Interest payable		(502)
Revenue before taxation		43,715
Taxation	2	(4,577)
Revenue after taxation		39,138
Dividends		
Dividends on Ordinary shares	7	(41,298)
Revenue deficit for the period		**(2,160)**

Murray International Trust Plc

Condensed Statement of Financial Position (unaudited)

As at 30 June 2024

	Notes	£'000
Fixed assets		
Investments at fair value through profit or loss	3	1,782,587
Current assets		
Debtors and prepayments	4	20,048
Cash at bank		7,047
		27,095
Creditors: amounts falling due within one year	5	(2,386)
Net current liabilities		24,709
Long-term liabilities		
2.24% Senior Unsecured Loan Note 2031		(49,931)
2.83% Senior Unsecured Loan Note 2037		(59,979)
Net assets		1,697,386
Capital and reserves		
Called-up share capital	6	32,353
Share premium account		363,461
Capital redemption reserve		8,230
Capital reserve		1,220,370
Revenue reserve		72,972
Total shareholders' funds		1,697,386

These accounts were approved by the Directors on 8 August 2024 and signed on behalf of the Board of Directors by :

Virginia Holmes
Chair

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The Directors do not consider there to be any significant estimates within the financial statements.

(b) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends are recognised on their due date. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to their circumstances.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Condensed Statement of Comprehensive Income under taxation.

The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities.
Interest receivable from cash and short-term deposits is accrued to the end of the period.

(c) Expenses

All expenses are accounted for on an accruals basis and are charged to the Condensed Statement of Comprehensive Income. Expenses are charged against revenue except as follows:

- transaction costs on the acquisition or disposal of investments are charged against capital; and

- expenses are treated as a capital item and ultimately recognised in the capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 30% to revenue and 70% to the capital reserve to reflect the Company's investment policy and prospective income and capital growth.

(d) Taxation

The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net return as reported in the Condensed Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Condensed Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Condensed Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Condensed Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Condensed Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Condensed Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

(e) Investments

The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange.

Gains and losses arising from changes in fair value are treated in net profit or loss for the period as a capital item in the Condensed Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(f) Borrowings

Borrowings, which comprise interest bearing bank loans and unsecured loan notes are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 30% to revenue and 70% to capital in the Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.

(g) Nature and purpose of reserves
Capital redemption reserve

The capital redemption reserve arose when Ordinary shares were cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve.

Capital reserve

This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (f) above.

When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve. Should these shares be sold subsequently, the amount received is recognised as an increase in equity, and the resulting surplus on the transaction is transferred to the share premium account or where a deficit on the transaction then it is transferred from the capital reserve.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Condensed Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(h) Foreign currency

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Condensed Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Condensed Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of foreign currencies are recognised in the Condensed Statement of Comprehensive Income and are then transferred to the capital reserve.

(i) Derivative financial instruments

Financial derivatives are measured at fair value based on an appropriate model. Changes in the fair value of derivative financial instruments are recognised in the Condensed Statement of Comprehensive Income as they arise. If capital in nature, the associated change in value is presented as a capital item in the Condensed Statement of Comprehensive Income.

(j) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(k) Dividends payable

Dividends payable to equity shareholders are recognised in the condensed financial statements when they have been approved by Shareholders and become a liability of the Company. Interim dividends are recognised in the condensed financial statements in the period in which they are paid.

Murray International Trust Plc

Notes to the Condensed Financial Statements continued

For the six month period to 30 June 2024

2. Taxation

	£'000
(a) Charge for the period	
Current tax:	
Taxation on overseas dividends	4,257
Tax relief to/from capital	320
	4,577

(b) Factors effecting the tax charge for the period	
Profit before taxation	43,715
Profit multiplied by the estimated rate of corporation tax in the UK of 25.0%	10,929
Effects of:	
Non taxable UK dividend income	(904)
Non taxable overseas dividends	(9,309)
Double tax relief	(99)
Marginal tax relief adjustment from capital - caused by restricted DTR	320
Irrecoverable overseas tax suffered	4,257
Excess management expenses	(617)
Current taxation charge for the period (note 2 (a))	**4,577**

3. Investments

	£'000
Fair value through profit or loss	
Opening fair value at 1 January 2024	1,787,863
Opening fair value gains on investments held at 1 January 2024	456,538
Opening book cost at 1 January 2024	1,331,325
Acquisitions at cost	115,389
Sales proceeds	(174,134)
Gains on sales	84,710
Dilution of fixed income book cost	165
Closing book cost at 30 June 2024	1,357,455
Closing fair value gains on investments held at 30 June 2024	425,132
Closing fair value at 30 June 2024	**1,782,587**

4. Debtors

	£'000
Prepayments and accrued income	9,268
Other debtors	10,780
	20,048

5. Creditors

	£'000
Amounts falling due within one year:	
Other creditors	2,386
	2,386
Amounts falling due after more than one year:	
2.24% Senior Unsecured Loan Note 2031	49,931
2.83% Senior Unsecured Loan Note 2037	59,979
	109,910

6. Called up share capital	**Number of shares**	**£'000**
Allotted, called up and fully paid Ordinary shares of 5p each	647,060,015	32,353
		32,353

7. Dividends on Ordinary shares

	£'000
Equity share dividends:	
3rd Interim dividend paid for 2023 on 620,766,332 Ordinary shares - 2.4p	14,898
Final dividend paid for 2023 on 613,949,080 Ordinary shares - 4.30p	26,400
	41,298

8. Revenue post final dividend paid for 2023

	£'000
B/f revenue reserve at 1 January 2024 per Annual Report	75,132
Less: 3rd Interim dividend paid for 2023 on Ordinary shares - 2.4p	(14,898)
Less: Final dividend paid for 2023 on Ordinary shares - 4.30p	(26,400)
Adjusted revenue reserves at 1 January 2024 (Companies Act basis)	**33,834**

Current period (see Statement of Comprehensive Income)

Revenue after taxation	39,138
Less: 1st Interim dividend 2024 on 613,459,530 Ordinary shares payable August 2024 - 2.5p	(15,336)
Less: 2nd Interim dividend 2024 on 613,459,530 Ordinary shares payable November 2024 - 2.5p	(15,336)
	8,466

Adjusted revenue reserves at 1 January 2024	33,834
Current year revenue reserves after dividends payable	8,466
Revenue reserve post payment of 2nd interim dividend for 2024	**42,300**