

REGISTERED NUMBER: 00073874 (England and Wales)

**Strategic Report,
Report of the Directors and
Financial Statements
for the Period
2 January 2017 to 31 December 2017
for
J. Marr Limited**



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for the Period 2 January 2017 to 31 December 2017**

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J. Marr Limited

**Company Information
for the Period 2 January 2017 to 31 December 2017**

DIRECTORS:

V M R Dufton
C R Marr
Mrs B S Marr
Mrs A A Tyson
Mrs P A Metcalfe
P E Marr
N G Wharton
P A Martin

REGISTERED OFFICE:

Joseph Marr House
Units 18/20 Langthwaite Business Park
South Kirkby
West Yorkshire
WF9 3AP

REGISTERED NUMBER:

00073874 (England and Wales)

AUDITORS:

Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

J. Marr Limited (Registered number: 00073874)

**Strategic Report
for the Period 2 January 2017 to 31 December 2017**

The directors present their strategic report for the period 2 January 2017 to 31 December 2017.

REVIEW OF BUSINESS

The company operates as an intermediate holding company.

The company incurs a number of costs on behalf of its subsidiary undertakings such as payroll costs, which are either recharged to the subsidiary undertakings concerned or recovered by way of management charges. The company also receives rents from subsidiary undertakings for the use of the company's fixed assets.

Long-term debts owed by subsidiary undertakings bear interest at commercial rates.

As shown in the profit and loss account on page 8, the company made a profit before tax of £93,611 (Period 28.12.15 to 1.1.17 - £760,514), which includes the receipt of dividends from subsidiary undertakings of £nil (Period 28.12.15 to 1.1.17 - £318,000).

During the year the company disposed of its interest in Blue Keld Springs Limited.

In view of the nature of the company described above the directors consider that there are no key performance indicators specific to this company. Key performance indicators relating to the Group as a whole and a review of the Group's business can be found in the strategic report of the company's holding company, J Marr & Son Limited.

There have been no events since the balance sheet date to the date of this report, which materially affect the position of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Brexit impact

The impact on the future activities of the company, as a result of the Brexit vote and the subsequent negotiations between the United Kingdom and the EU remain uncertain. The Board are continuing to monitor the changing political and economic environments and have instigated several measures that will mitigate the current anticipated changes to the UK and international trading landscapes.

Defined benefit pension scheme

The company had a significant funding obligation in relation to two defined benefit pension schemes. The financial position of the company could be impacted by future potential actuarial losses or changes in actuarial assumptions underlying the calculation of future obligations to the pension schemes. The Board are satisfied that the company has resources should further actuarial losses be recognised on the schemes and is able to meet the contribution schedules as agreed under pension legislation.

**Strategic Report
for the Period 2 January 2017 to 31 December 2017**

FINANCIAL INSTRUMENTS

The company's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk.

The company does not have material exposure in any of the areas identified above.

The company's principal financial instruments comprise sterling cash and bank deposits, inter group debtors and creditors, trade and other creditors that arise directly from operations, together with fixed and variable rate loans.

The main risks arising from the company's financial instruments can be analysed as follows:

Credit risk

The company's principal financial assets are bank balances, cash, inter group debtors and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its inter group debtors. Credit risk is mitigated through an understanding of each group company's liquidity position and their business. The amounts presented in the balance sheet are net of allowance for doubtful debts, estimated by the company's management based on the financial position of each group company from whom the balances are due.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

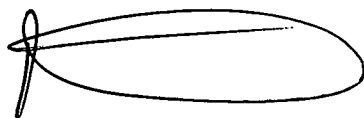
Liquidity risk

The company regularly reviews the level of its financial facilities and the mix of long term and short-term finance to make sure that the company has sufficient funding available for its day to day operations and planned future expansion plans.

Interest rate risk

The company has both interest bearing assets and interest-bearing liabilities. The company's interest-bearing assets include cash which earns interest at variable rates. The company's interest-bearing liabilities are short term variable and fixed rate liabilities. The Board regularly reviews the company's exposure to interest rate risk and seeks to adjust the funding terms, as appropriate, when facilities come up for re-negotiation.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a stylized 'N' followed by a horizontal line and a loop.

N G Wharton - Director

25 September 2018

J. Marr Limited (Registered number: 00073874)

**Report of the Directors
for the Period 2 January 2017 to 31 December 2017**

The directors present their report with the financial statements of the company for the period 2 January 2017 to 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the company in the period under review were those of an intermediate holding company.

DIVIDENDS

Dividends of £1,312,601 were paid during the year. The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors shown below have held office during the whole of the period from 2 January 2017 to the date of this report.

V M R Dufton
C R Marr
Mrs B S Marr
Mrs A A Tyson
Mrs P A Metcalfe
P E Marr
N G Wharton
P A Martin

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of the report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

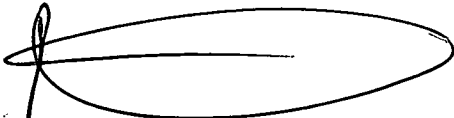
J. Marr Limited (Registered number: 00073874)

**Report of the Directors
for the Period 2 January 2017 to 31 December 2017**

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.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a small vertical stroke at the end.

N G Wharton - Director

25 September 2018

Report of the Independent Auditors to the Members of J. Marr Limited

Opinion

We have audited the financial statements of J. Marr Limited (the 'company') for the period ended 31 December 2017 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of J. Marr Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 the 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 Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
J. Marr Limited**

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 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.

A handwritten signature in black ink, appearing to read 'Neill Rayland', is written over the printed name and title.

Neill Rayland BA FCA (Senior Statutory Auditor)
for and on behalf of Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

25 September 2018

**Profit and Loss Account
for the Period 2 January 2017 to 31 December 2017**

	Notes	Period 2.1.17 to 31.12.17		Period 28.12.15 to 1.1.17	
		£	£	£	£
TURNOVER	3		2,091,514		2,719,689
Administrative expenses			2,394,813		2,854,610
OPERATING LOSS	6		(303,299)		(134,921)
Income from shares in group undertakings			-	318,000	
Interest receivable and similar income	7	493,994		659,056	
Interest payable and similar expenses	8	(50,084)		(24,621)	
Other finance costs	21	(47,000)		(57,000)	
			396,910		895,435
PROFIT BEFORE TAXATION			93,611		760,514
Tax on profit	9		(4,499)		154,043
PROFIT FOR THE FINANCIAL PERIOD			98,110		606,471

The notes form part of these financial statements

J. Marr Limited (Registered number: 00073874)

**Other Comprehensive Income
for the Period 2 January 2017 to 31 December 2017**


	Notes	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
PROFIT FOR THE PERIOD		98,110	606,471
OTHER COMPREHENSIVE INCOME			
Defined benefit remeasurement		(173,000)	(462,000)
Income tax relating to other comprehensive income		<u>29,410</u>	<u>78,540</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		<u>(143,590)</u>	<u>(383,460)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(45,480)</u>	<u>223,011</u>

The notes form part of these financial statements

Balance Sheet
31 December 2017

	Notes	31.12.17		1.1.17	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		6,607,077		4,186,113
Investments	12		12,784,676		14,769,676
			<u>19,391,753</u>		<u>18,955,789</u>
CURRENT ASSETS					
Debtors	13	4,161,277		4,441,128	
Cash at bank and in hand		<u>872,367</u>		<u>1,674,285</u>	
		5,033,644		6,115,413	
CREDITORS					
Amounts falling due within one year	14	<u>2,306,605</u>		<u>3,806,279</u>	
NET CURRENT ASSETS			<u>2,727,039</u>		<u>2,309,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			22,118,792		21,264,923
CREDITORS					
Amounts falling due after more than one year	15		(2,182,086)		-
PROVISIONS FOR LIABILITIES	18		(170,524)		(69,235)
PENSION LIABILITY	21		(1,539,650)		(1,611,075)
NET ASSETS			<u>18,226,532</u>		<u>19,584,613</u>
CAPITAL AND RESERVES					
Called up share capital	19		210,173		210,173
Capital redemption reserve	20		1,651,439		1,651,439
Retained earnings	20		<u>16,364,920</u>		<u>17,723,001</u>
SHAREHOLDERS' FUNDS			<u>18,226,532</u>		<u>19,584,613</u>

The financial statements were approved by the Board of Directors on 25 September 2018 and were signed on its behalf by:


Mrs A A Tyson - Director


P E Marr - Director


N G Wharton - Director

The notes form part of these financial statements

J. Marr Limited (Registered number: 00073874)

**Statement of Changes in Equity
for the Period 2 January 2017 to 31 December 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 28 December 2015	210,173	17,926,641	1,651,439	19,788,253
Changes in equity				
Dividends	-	(426,651)	-	(426,651)
Total comprehensive income	-	223,011	-	223,011
Balance at 1 January 2017	<u>210,173</u>	<u>17,723,001</u>	<u>1,651,439</u>	<u>19,584,613</u>
Changes in equity				
Dividends	-	(1,312,601)	-	(1,312,601)
Total comprehensive income	-	(45,480)	-	(45,480)
Balance at 31 December 2017	<u>210,173</u>	<u>16,364,920</u>	<u>1,651,439</u>	<u>18,226,532</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Period 2 January 2017 to 31 December 2017**

1. STATUTORY INFORMATION

J. Marr Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland", not to disclose related party transactions with J Marr & Sons Limited or wholly owned subsidiaries within the group.

Consolidated financial statements

The financial statements contain information about J. Marr Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, J Marr & Son Limited, Units 18/20 Langthwaite Business Park, South Kirkby, West Yorkshire, WF9 3AP.

Turnover

Turnover represents management and asset leasing charges made to group companies at invoiced amounts less value added tax. Turnover is recognised upon invoicing when the services have been provided.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at purchase cost together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets other than assets in the course of construction at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life.

Freehold property	14 - 50 years
Plant, equipment, fixtures and fittings	10% - 33%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already at an age and in the condition expected at the end of its estimated useful life.

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

The gain or loss arising on the disposal of an asset is determined on the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Taxation

Current tax, including UK corporation 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the profit and loss account.

Leasing commitments

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Retirement benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included in staff costs. The net interest cost on the defined benefit liability is charged to the profit and loss account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The company operates various defined contribution pension scheme. Contributions payable to the company's pension scheme and that of employees' personal pension schemes are charged to profit or loss in the period to which they relate.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination payments.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments - trade debtors, other debtors, cash and bank balances, trade creditors, other creditors, accruals, bank loans and inter-company balances.

Trade debtors, other debtors, cash and bank balances, trade creditors, other creditors, accruals and inter-company balances (being repayable on demand) are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest and subsequently measured at amortised cost using the effective interest method.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Investments

Investments in subsidiaries are measured at cost less impairment.

Where the value of other investments can be reliably measured they are measured at fair value through the profit and loss account. Where fair value cannot be measured reliably other investments are measured at cost less impairment.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

Non financial assets

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had the impairment loss not been recognised.

Critical accounting judgements and sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values 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.

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.

The critical judgements that the directors have made in applying the Company's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the amounts recognised in the financial statements are described below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Retirement benefit obligations

The company operates defined benefit schemes. Asset valuations are based on the fair value of assets. The valuation of liabilities of the schemes are based on statistical and actuarial calculations, using various assumptions including discount rates, future salary and pension increases, life expectancy of scheme members and cash commutations. The actuarial assumptions may differ materially from actual experience due to changes in economic and market conditions, variations in actual mortality, higher or lower cash withdrawal rates and other changes in factors assessed. Any of these differences could impact the assets and liabilities recognised in the balance sheet in future periods.

3. TURNOVER

Turnover is attributable to the rendering of services and rental income.

An analysis of turnover by class of business is given below:

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Rendering of services	1,236,074	1,940,577
Rental income	855,440	779,112
	<u>2,091,514</u>	<u>2,719,689</u>

Turnover arises solely within the United Kingdom.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

4. EMPLOYEES AND DIRECTORS

Staff costs (including directors) consist of:

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Wages and salaries	7,997,116	8,289,149
Social security costs	718,047	780,608
Other pension costs	497,686	512,267
	<u>9,212,849</u>	<u>9,582,024</u>

The average monthly number of employees (including directors) during the year was as follows:

	Period 2.1.17 to 31.12.17	Period 28.12.15 to 1.1.17
Production, logistics and engineers	225	226
Administration and sales	87	88
	<u>312</u>	<u>314</u>

All contracts of employment for the group's employees have been transferred to the company. Following this transfer the company has recharged a total of £7,998,204 (Period 28.12.15 to 1.1.17 - £8,100,122) to its subsidiary companies for the services provided by these employees.

5. DIRECTORS' EMOLUMENTS

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Emoluments as directors	905,027	1,118,207
Company contributions to pension schemes	84,186	109,220
	<u>989,213</u>	<u>1,227,427</u>

There were no directors in the company's defined benefit pension scheme (Period 28.12.15 to 1.1.17 - nil) and 5 directors (Period 28.12.15 to 1.1.17 - 5) in the company's defined contribution pension scheme during the year. The group has also paid contributions into directors' personal pension plans.

The total amount payable to the highest paid director in respect to emoluments was £190,502 (Period 28.12.15 to 1.1.17 - £188,475). Company pension contributions of £nil (Period 28.12.15 to 1.1.17 - £18,350) were made to a money purchase scheme on their behalf.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Depreciation - owned assets	820,999	890,349
Depreciation - assets on hire purchase contracts	39,196	-
Profit on disposal of fixed assets	(3,500)	(38,338)
Foreign exchange differences	44	(6,770)
Fees payable to the company's auditor for the auditing of the company annual accounts	3,360	3,500
Exceptional item - provision against intercompany debt	-	262,000
Operating lease rentals	54,173	60,365
	<u> </u>	<u> </u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Deposit account interest	9,554	15,899
Other interest receivable	-	93
Loan interest from group companies	484,440	643,064
	<u> </u>	<u> </u>
	<u>493,994</u>	<u>659,056</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Bank overdraft interest	2,555	-
Bank loan interest	34,641	24,237
Other interest payable	12,888	384
	<u> </u>	<u> </u>
	<u>50,084</u>	<u>24,621</u>

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the period was as follows:

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Current tax:		
UK corporation tax	-	72,598
Adjustment in respect of previous periods	(916)	(1,149)
Group relief	(141,856)	-
Adjustment in respect of previous periods	(7,001)	-
Total current tax	<u>(149,773)</u>	<u>71,449</u>
Deferred tax:		
Origination and reversal of timing differences	101,289	29,314
Effect of rate change on opening balance	-	14,708
Adjustment in respect of prior period	-	13
Deferred tax on pension scheme items	<u>43,985</u>	<u>38,559</u>
Total deferred tax	<u>145,274</u>	<u>82,594</u>
Tax on profit	<u>(4,499)</u>	<u>154,043</u>

Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017

9. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Profit before tax	93,611	760,514
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2017 - 20%)	18,017	152,103
Effects of:		
Expenses not deductible for tax purposes	3,711	63,249
Ineligible depreciation	804	1,333
Adjustment in respect of prior year	(7,917)	(1,136)
Rate change on opening balances	-	14,708
Difference between current and deferred tax rates	(19,114)	(12,614)
Non-taxable income	-	(63,600)
Total tax (credit)/charge	(4,499)	154,043

Tax effects relating to effects of other comprehensive income

	2.1.17 to 31.12.17		
	Gross £	Tax £	Net £
Defined benefit remeasurement	(173,000)	29,410	(143,590)
	28.12.15 to 1.1.17		
	Gross £	Tax £	Net £
Defined benefit remeasurement	(462,000)	78,540	(383,460)

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

10. DIVIDENDS

	Period 2.1.17 to 31.12.17 £	Period 28.12.15 to 1.1.17 £
Preferred ordinary shares		
Four interims paid of £0.437 each (Period 28.12.15 to 1.1.17 - nil) per share	114,179	-
Final dividend paid of £1.92 (Period 28.12.15 to 1.1.17 - £2.03) per share	125,535	132,376
Deferred ordinary shares		
Four interims paid of £0.437 each (Period 28.12.15 to 1.1.17 - nil) per share	253,821	-
Final dividend paid of £1.92 (Period 28.12.15 to 1.1.17 - £2.03) per share	279,066	294,275
Dividend in specie of £8.28 per share (Period 28.12.15 to 1.1.17 - nil)	540,000	-
	<u>1,312,601</u>	<u>426,651</u>

A dividend in specie was proposed after the balance sheet date totalling £nil (At 1.1.17 - £540,000).

11. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Fixtures and fittings £	Totals £
COST				
At 2 January 2017	8,468	1,935,212	11,085,891	13,029,571
Additions	-	284,554	3,008,002	3,292,556
Disposals	-	-	(247,324)	(247,324)
Transfers	-	(1,935,211)	1,935,211	-
At 31 December 2017	<u>8,468</u>	<u>284,555</u>	<u>15,781,780</u>	<u>16,074,803</u>
DEPRECIATION				
At 2 January 2017	6,881	-	8,836,577	8,843,458
Charge for period	1,587	-	858,608	860,195
Eliminated on disposal	-	-	(235,927)	(235,927)
At 31 December 2017	<u>8,468</u>	<u>-</u>	<u>9,459,258</u>	<u>9,467,726</u>
NET BOOK VALUE				
At 31 December 2017	<u>-</u>	<u>284,555</u>	<u>6,322,522</u>	<u>6,607,077</u>
At 1 January 2017	<u>1,587</u>	<u>1,935,212</u>	<u>2,249,314</u>	<u>4,186,113</u>

The net book value of tangible fixed assets includes £1,304,682 in respect of assets held under hire purchase contracts.

Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Loan to group undertakings £	Unlisted investments £	Totals £
COST				
At 2 January 2017	7,020,983	13,137,702	21,200	20,179,885
Disposals	(3,227,845)	(1,425,000)	(20,000)	(4,672,845)
At 31 December 2017	3,793,138	11,712,702	1,200	15,507,040
PROVISIONS				
At 2 January 2017	5,410,209	-	-	5,410,209
Eliminated on disposal	(2,687,845)	-	-	(2,687,845)
At 31 December 2017	2,722,364	-	-	2,722,364
NET BOOK VALUE				
At 31 December 2017	1,070,774	11,712,702	1,200	12,784,676
At 1 January 2017	1,610,774	13,137,702	21,200	14,769,676

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

12. FIXED ASSET INVESTMENTS - continued

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Nature of business
Trading subsidiary undertakings		
The Ice Co Storage & Logistics Limited	Ordinary	Cold store operator
Iceco Limited	Ordinary	Ice trading
J Marr (Property) Limited	Ordinary	Property investments
Iceco Europe Limited	Ordinary	Ice trading
		Cold store operator and ice
Keystream Limited	Ordinary	manufacture
Iceco Europe SA	Ordinary	Sale and distribution of ice cubes
Blue Keld Sweden AB	Ordinary	Administration of bottled mineral water sales

Dormant and non trading subsidiary undertakings

	Class of share capital held
Polarcube Limited/	Ordinary
J Marr (Shipping) Limited	Ordinary
Fylde Ice and Cold Storage Company Limited	Ordinary
The Ice Company (Polarcube) Limited /	Ordinary
The Packaged Ice Company Limited /	Ordinary
Marr Fishing Vessel Management Limited	Ordinary
Just Ice Retail Limited #	Ordinary
Blue Keld Ice Limited	Ordinary
J Marr (Leisure) Limited	Ordinary
Party Ice Limited/	Ordinary
Seguro Storage (Preston) Limited/	Ordinary
Marr Refrigeration Consultancy Limited (50%)*	Ordinary
Seguro Distribution Limited	Ordinary
Seguro Storage Limited	Ordinary
Marvellous Dough & T Limited	Ordinary
Marr Vessel Management Limited *	Ordinary
The Ice Co London Limited	Ordinary
The Ice Co Storage Limited	Ordinary
The Ice Co Distribution Limited	Ordinary
The Ice Co Logistics Limited	Ordinary

= subsidiary of The Ice Co London Limited

* = subsidiary of J Marr (Shipping) Limited

/ = subsidiary of Fylde Ice & Cold Storage Company Limited

All investments are wholly owned, and unless stated otherwise incorporated and operate in Great Britain and are registered in England and Wales and their registered office is Joseph Marr House, Units 18/20 Langthwaite Business Park, South Kirkby, West Yorkshire, WF9 3AP.

Iceco Europe SA's registered office is Avenue Louise, 149 b24, 1050 Bruxelles, Belgium and Blue Keld Sweden AB's registered office is Box 31094, 400 32 Goteborg, Vastra Gotalands lan, Sweden.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

13. DEBTORS

	31.12.17 £	1.1.17 £
Amounts falling due within one year:		
Trade debtors	10,182	18,964
Amounts owed by group undertakings	1,801,315	1,943,700
Other debtors	29,733	102,360
Corporation tax repayable	19,900	-
Prepayments and accrued income	34,230	43,816
	<u>1,895,360</u>	<u>2,108,840</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>2,265,917</u>	<u>2,332,288</u>
Aggregate amounts	<u>4,161,277</u>	<u>4,441,128</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	1.1.17 £
Bank loans and overdrafts (see note 16)	1,162,500	1,116,500
Hire purchase contracts (see note 17)	161,385	-
Trade creditors	137,550	145,416
Amounts owed to group undertakings	342,343	2,005,338
Corporation tax	-	19,730
Social security and other taxes	306,965	257,995
Other creditors	80,444	69,443
Accruals and deferred income	115,418	191,857
	<u>2,306,605</u>	<u>3,806,279</u>

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

	31.12.17 £	1.1.17 £
Bank loans (see note 16)	1,200,000	-
Hire purchase contracts (see note 17)	982,086	-
	<u>2,182,086</u>	<u>-</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31.12.17 £	1.1.17 £
Amounts falling due within one year or on demand:		
Bank loans	<u>1,162,500</u>	<u>1,116,500</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>200,000</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

16. LOANS - continued

	31.12.17 £	1.1.17 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	1,000,000	-

The bank loans are secured by way of a fixed charge on properties held by a subsidiary company and a cross guarantee with its fellow subsidiaries within the J Marr & Son Limited group.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.12.17 £	1.1.17 £
Net obligations repayable:		
Within one year	161,385	-
Between one and five years	689,012	-
In more than five years	293,074	-
	1,143,471	-

	Non-cancellable operating leases	
	31.12.17 £	1.1.17 £
Within one year	27,541	48,648
Between one and five years	45,630	26,251
	73,171	74,899

18. PROVISIONS FOR LIABILITIES

	31.12.17 £	1.1.17 £
Deferred tax	170,524	69,235

	Deferred tax £
Balance at 2 January 2017	69,235
Charge to Profit and Loss Account during period	101,289
Balance at 31 December 2017	170,524

	31.12.17 £	1.1.17 £
The amount of deferred tax provided for is as follows:		
Accelerated capital allowances	172,976	71,687
Other timing differences	(2,452)	(2,452)
	170,524	69,235

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.17	1.1.17
Number:	Class:		£	£
65,210	Preferred ordinary shares	£1	65,210	65,210
144,963	Deferred ordinary shares	£1	144,963	144,963
			<u>210,173</u>	<u>210,173</u>

The preferred ordinary shares carry a non-cumulative preferential dividend at the rate of not less than two and one third pence per share per annum subject to the discretion of the directors and such dividends rank in priority to all dividends on the deferred ordinary shares.

If any profits which the company may at any time be determined to distribute amongst the members shall be more than sufficient to pay the dividend on the preferred ordinary shares, the holders of the preferred ordinary shares shall be entitled to participate in such as surplus equally with the holders of the deferred ordinary shares.

In the event of the winding up of the company, any residue following the settlement of all liabilities shall be appropriated, firstly paying declared unpaid dividends to the holders of preferred ordinary shares and then a dividend in proportion to the amounts paid up by the holders of preferred and deferred ordinary shares.

The holders of the deferred ordinary shares have no right to receive notice of, or be present at, or to vote either in person or by proxy, any general meeting unless a resolution be proposed affecting the rights and privileges of the deferred ordinary shareholders or the winding up of the company.

20. RESERVES

The retained earnings represents cumulative profits or losses net of dividends and other adjustments.

The capital redemption reserve represents the nominal value of share capital repurchased by the company.

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

21. EMPLOYEE BENEFIT OBLIGATIONS

J. Marr Limited is the sponsoring employer of two funded defined benefit pension schemes in the UK, listed below, which provide retirement benefits based on members' salaries when leaving employment. The assets of the schemes are held in separately administered funds and the plans are administered by trustee bodies (independent of J. Marr Limited) who are responsible for ensuring that the schemes are sufficiently funded to meet current and future obligations.

1. The Marr Group Pension Scheme
2. The Fylde Ice and Cold Storage Company Pension Scheme

The liabilities have been calculated based on the results of the full Scheme Funding Assessment as of 5 April 2016, updated to 31 December 2017, allowing for benefits paid. The present value of the defined benefit obligation is measured using the projected unit credit method. J. Marr Limited has agreed funding plans with the trustee bodies, to reduce the funding deficit where necessary.

There were no changes to the scheme during the year.

At the balance sheet date, both of the defined benefit pension schemes were closed to future accrual.

The total pension liability of these two schemes, net of deferred tax is £1,539,650. The movement in the liability is shown below:

	31.12.17 £	1.1.17 £
Amounts recognised in profit and loss are as follows:		
Included in other finance expenses:		
Interest cost of liabilities	206,000	287,000
Interest cost on assets	(159,000)	(230,000)
Net interest cost	<u>47,000</u>	<u>57,000</u>
 Recognised in other comprehensive income	 31.12.17	 1.1.17
Remeasurement gains and (losses):	£	£
Return on scheme assets excluding interest income	101,000	241,000
Actuarial losses	(274,000)	(703,000)
Actuarial losses recognised in other comprehensive income	<u>(173,000)</u>	<u>(462,000)</u>
 Amount included in the balance sheet arising from the company's obligations in respect of its defined benefit schemes is:	 31.12.17	 1.1.17
	£	£
Present value of defined benefit obligations	(7,877,000)	(8,412,000)
Fair value of plan assets	6,022,000	6,471,000
Plan deficit	(1,855,000)	(1,941,000)
Related deferred tax asset	315,350	329,925
Net liability recognised in the balance sheet	<u>(1,539,650)</u>	<u>(1,611,075)</u>

Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017

	31.12.17	1.1.17
Movements in the present value of the defined benefit obligation are as follows:	£	£
Deficit in scheme at beginning of year	(1,611,075)	(1,402,000)
Expected return on scheme assets	159,000	230,000
Interest on pension scheme liabilities	(206,000)	(287,000)
Actuarial losses	(173,000)	(462,000)
Contributions paid	306,000	287,000
	<hr/>	<hr/>
	(1,525,075)	(1,634,000)
Deferred tax	(14,575)	22,925
	<hr/>	<hr/>
	(1,539,650)	(1,611,075)
At the end of the year	<hr/>	<hr/>

The movement in deferred tax on the pension scheme can be explained as follows:

	31.12.17	1.1.17
Movement in deferred tax asset	£	£
Deferred tax asset at beginning of year	329,925	307,000
Charged to the profit and loss	(43,985)	(55,615)
Credited to other comprehensive income	29,410	78,540
	<hr/>	<hr/>
At the end of the year	315,350	329,925
	<hr/>	<hr/>

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

The Marr Group Pension Scheme

	31.12.17 % per annum	1.1.17 % per annum
Key assumptions used		
Discount rate	2.40	2.60
Rate of statutory revaluation	2.60	2.60
Inflation rate - RPI	3.60	3.60
Inflation rate - CPI	2.60	2.60
Future increases in deferred pensions	2.60	2.60
Rate of increase in pension in payment:		
- Fixed	In line with scheme rules	In line with scheme rules
- CPI (max 3% pa)	2.60	2.60
- RPI (min 3% max 5% pa)	3.60	3.60
Mortality	S2Px A CMI 2015 1.0% pa long term rate	S2Px A CMI 2015 1.0% pa long term rate
Cash commutation	25% of pension	25% of pension
Future life expectancy of male aged 65 at balance sheet date	22.0	21.9
Future life expectancy of male achieving age 65 20 years after balance sheet date	23.3	23.2
Future life expectancy of female aged 65 at balance sheet date	24.0	23.9
Future life expectancy of female achieving age 65 20 years after balance sheet date	25.5	25.4
	31.12.17 £	1.1.17 £
Amounts recognised in profit and loss are as follows:		
Included in other finance expenses:		
Interest cost of liabilities	144,000	205,000
Interest on assets	(115,000)	(166,000)
Net interest cost	29,000	39,000
	31.12.17 £	1.1.17 £
Recognised in other comprehensive income		
Remeasurement gains and (losses):		
Return on scheme assets excluding interest income	72,000	173,000
Actuarial losses	(164,000)	(324,000)
Actuarial losses recognised in other comprehensive income	(92,000)	(151,000)
	31.12.17 £	1.1.17 £
Amount included in the balance sheet arising from the company's obligations in respect of its defined benefit schemes is:		
Present value of defined benefit obligations	(5,356,000)	(6,026,000)
Fair value of scheme assets	4,201,000	4,831,000
Plan deficit	(1,155,000)	(1,195,000)
Related deferred tax asset	196,350	203,125
Net liability recognised in the balance sheet	958,650	(991,875)

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

	31.12.17	1.1.17
Movements in the present value of defined benefit obligations were as follows:	£	£
At the beginning of the year	(6,026,000)	(5,757,000)
Interest cost	(144,000)	(205,000)
Actuarial losses	(164,000)	(324,000)
Benefits paid	978,000	(260,000)
At the end of the year	<u>(5,356,000)</u>	<u>(6,026,000)</u>

The actual return on the schemes assets over the period was £187,000 (Period 28.12.15 to 1.1.17 - £340,000)

	31.12.17	1.1.17
Movements in the fair value of scheme assets were as follows:	£	£
At the beginning of the year	4,831,000	4,601,000
Interest income	115,000	166,000
Actuarial gains	72,000	173,000
Contributions from the employer	161,000	151,000
Benefits paid	(978,000)	(260,000)
At the end of the year	<u>4,201,000</u>	<u>4,831,000</u>

	31.12.17	1.1.17
Analysis of the scheme assets at the balance sheet date was as follows:	£	£
Annuity policies	3,622,000	3,711,000
Unit Trusts	273,000	512,000
Liability driven investments (LDI)	151,000	280,000
Cash	155,000	328,000
Total plan assets	<u>4,201,000</u>	<u>4,831,000</u>

The pension scheme has not invested in any of J. Marr Limited's own financial instruments, nor in properties or other assets used by J. Marr Limited.

The assets are all quoted in an active market with the exception of the annuity policies.

Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017

The Fylde Ice and Cold Storage Company Pension Scheme

	31.12.17 % per annum	1.1.17 % per annum
Key assumptions used		
Discount rate	2.40	2.60
Rate of statutory revaluation	2.60	2.60
Inflation rate - RPI	3.60	3.60
Inflation rate - CPI	2.60	2.60
Future increases in deferred pensions	2.60	2.60
Rate of increase in pension in payment:		
- Fixed	0.00	0.00
- CPI (max 5% pa)	2.60	2.60
- RPI (max 2.5% pa)	2.50	2.50
Mortality	S2PxA CMI 2015 1.0% pa long term rate 25% of pension	S2PxA CMI 2015 1.0% pa long term rate 25% of pension
Cash commutation		
Future life expectancy of male aged 65 at balance sheet date	22.0	21.9
Future life expectancy of male achieving age 65 20 years after balance sheet date	23.3	23.2
Future life expectancy of female aged 65 at balance sheet date	24.0	23.9
Future life expectancy of female achieving age 65 20 years after balance sheet date	25.5	25.4
Amounts recognised in profit and loss are as follows:	31.12.17 £	1.1.17 £
Included in other finance expenses:		
Interest cost of liabilities	62,000	82,000
Interest on assets	(44,000)	(64,000)
Net interest cost	18,000	18,000
Recognised in other comprehensive income	31.12.17	1.1.17
Remeasurement gains and (losses):	£	£
Return on scheme assets excluding interest income	29,000	68,000
Actuarial losses	(110,000)	(379,000)
Actuarial losses recognised in other comprehensive income	(81,000)	(311,000)
Amount included in the balance sheet arising from the company's obligations in respect of its defined benefit schemes is:	31.12.17	1.1.17
	£	£
Present value of defined benefit obligations	(2,521,000)	(2,386,000)
Fair value of plan assets	1,821,000	1,640,000
Plan deficit	(700,000)	(746,000)
Related deferred tax asset	119,000	126,800
Net liability recognised in the balance sheet	(581,000)	(619,200)

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

	31.12.17	1.1.17
Movements in the present value of defined benefit obligations were as follows:	£	£
At the beginning of the year	(2,386,000)	(2,556,000)
Interest cost	(62,000)	(82,000)
Actuarial losses	(110,000)	(379,000)
Benefits paid	37,000	631,000
At the end of the year	<u>(2,521,000)</u>	<u>(2,386,000)</u>

The actual return on the scheme assets over the period was £73,000 (Period 28.12.15 to 1.1.17 - £132,000).

	31.12.17	1.1.17
Movements in the fair value of scheme assets were as follows:	£	£
At the beginning of the year	1,640,000	2,003,000
Interest income	44,000	64,000
Actuarial gains	29,000	68,000
Contributions by the group	145,000	136,000
Benefits paid	(37,000)	(631,000)
At the end of the year	<u>1,821,000</u>	<u>1,640,000</u>

	31.12.17	1.1.17
Analysis of the scheme assets at the balance sheet date was as follows:	£	£
Cash	83,000	248,000
Unit trusts	1,177,000	951,000
Liability driven investments (LDI)	561,000	441,000
Total plan assets	<u>1,821,000</u>	<u>1,640,000</u>

The pension scheme has not invested in any of J. Marr Limited's own financial instruments, nor in properties or other assets used by J. Marr Limited.

The assets are all quoted in an active market.

22. PARENT COMPANY

The company is a wholly owned subsidiary of J Marr & Son Limited, a company registered in England and Wales. The registered office of J Marr & Son Limited is Unit 18 Langthwaite Business Park, South Kirkby, West Yorkshire, WF9 3AP.

23. CONTINGENT LIABILITIES

The company is the part of a composite cross guarantee with its fellow subsidiaries within the J Marr & Son Limited group in respect of the J Marr & Son Limited group bank loans and overdrafts. The maximum potential at the year end amounted to £nil (At 1.1.17 - £517,074).

**Notes to the Financial Statements - continued
for the Period 2 January 2017 to 31 December 2017**

24. CAPITAL COMMITMENTS

	31.12.17	1.1.17
	£	£
Contracted but not provided for in the financial statements	<u>34,000</u>	<u>3,927,671</u>

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Amounts owed by certain directors to J. Marr Limited at 31 December 2017 totalled £24,390 (At 1.1.17 - £71,573).