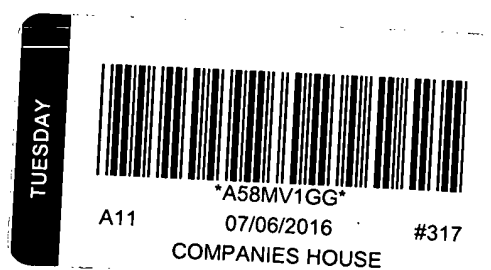


# **Marshalls Building Products Limited**

Registered No. 113882

## ***Annual Report***

Year ended 31 December 2015



# **Marshalls Building Products Limited**

**Year ended 31 December 2015**

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# **Marshalls Building Products Limited**

**Year ended 31 December 2015**

## ***Company Directory***

### **Directors**

J.J. Clarke  
M. Coffey

### **Company Secretary**

C.E. Baxandall

### **Registered Office**

Landscape House  
Premier Way  
Lowfields Business Park  
Elland  
HX5 9HT

### **Bankers**

Royal Bank of Scotland plc  
1 Market Street  
Bradford BD1 1EQ

### **Auditors**

Deloitte LLP  
1 City Square  
Leeds LS1 2AL

## **Marshalls Building Products Limited**

Registered Number: 113882

### ***Directors' Report***

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2015.

#### **Principal activities**

During the year the Company has received rental income in respect of its buildings.

#### **Directors and their interests**

The names of the present Directors of the Company and those who have served during the year appear on page 2.

#### **Review of the year and future developments**

The Directors are satisfied with the progress of the business during the year and consider the state of affairs at the end of the year, and the future prospects of the Company, to be satisfactory.

#### **Result and dividend**

The Company has recorded a loss after taxation for the year of £8,000 (2014: £6,000 profit) and this has been transferred to reserves.

#### **Disclosure of information to the Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting. Deloitte LLP have expressed their willingness to continue in office as Auditor and appropriate arrangements have been put in place for them to be deemed reappointed as Auditor in the absence of an Annual General Meeting.

#### **Share capital**

Details of the Company's share capital are set out in Note 10 to the Financial Statements.

By order of the Board



C.E. Baxandall  
Secretary  
26 May 2016

## **Marshalls Building Products Limited**

**Year ended 31 December 2015**

### **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

## **Independent Auditor's Report to the Members of Marshalls Building Products Limited**

We have audited the Financial Statements of Marshalls Building Products Limited for the year ended 31 December 2015 which comprise the Profit and Loss account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 annual report 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

### **Matters on which we are required to report by exception**

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

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



**Christopher Robertson (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP,**  
Chartered Accountants and Statutory Auditor  
Manchester, UK  
31 May 2016

## **Marshalls Building Products Limited**

### ***Profit and Loss Account for the year ended 31 December 2015***

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Turnover</b>		<b>7</b>	<b>6</b>
Operating costs	3	<u><b>(31)</b></u>	<u><b>(31)</b></u>
<b>Loss on ordinary activities before interest</b>		<b>(24)</b>	<b>(25)</b>
Interest payable and similar charges	4	<u><b>21</b></u>	<u><b>33</b></u>
<b>(Loss) / profit on ordinary activities before tax</b>		<b>(3)</b>	<b>8</b>
Taxation on (loss) / profit on ordinary activities	5	<u><b>(5)</b></u>	<u><b>(2)</b></u>
<b>(Loss) / profit for the financial year</b>		<u><b>(8)</b></u>	<u><b>6</b></u>

The Notes on pages 9 to 15 form part of these Financial Statements.

There were no items of other comprehensive income / (expense) in the year other than the retained profit recorded above.

# Marshalls Building Products Limited

## Balance Sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investment properties	6	36	65
Investments	7	<u>10</u>	<u>10</u>
		46	75
<b>Current assets</b>			
Debtors	8	709	685
<b>Creditors: Amounts falling due within one year</b>	9	<u>(5)</u>	<u>(2)</u>
<b>Net current assets</b>		<u>704</u>	<u>683</u>
<b>Net assets</b>		<u>750</u>	<u>758</u>
<b>Capital and reserves</b>			
Called up share capital	10	120	120
Share premium account	11	146	146
Profit and loss account	11	484	492
<b>Shareholders' funds</b>	11	<u>750</u>	<u>758</u>

The Notes on pages 9 to 15 form part of these Financial Statements.

The Financial Statements of Marshalls building products Limited (registered number 113882) were approved by the Board of Directors and authorised for issue on 26 May 2016. They were signed on its behalf by:



J J Clarke  
Director



# Marshalls Building Products Limited

## Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2014	120	146	486	752
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	6	6
<b>Total comprehensive income for the year</b>	-	-	6	6
At 31 December 2014	120	146	492	758
<b>At 1 January 2015</b>	<b>120</b>	<b>146</b>	<b>492</b>	<b>758</b>
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	(8)	(8)
<b>Total comprehensive income for the year</b>	-	-	(8)	(8)
<b>At 31 December 2015</b>	<b>120</b>	<b>146</b>	<b>484</b>	<b>750</b>

# Marshalls Building Products Limited

## Notes to the Financial Statements

### 1. Accounting policies

Marshalls Building Products Limited (the "Company") is a Company incorporated and domiciled in the United Kingdom.

The Financial Statements were authorised for issue by the Directors on • 2016.

The following paragraphs summarise the main accounting policies of the Company which have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements

#### (a) Basis of preparation

The Financial Statements are prepared under the historical cost convention. The Financial Statements were prepared in accordance with Financial Reporting Standard 101 *"Reduced Disclosure Framework"* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. There is no material difference between historical cost profits and those reported in the profit and loss account.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Marshalls plc includes the Company in its Financial Statements. The Financial Statements of Marshalls plc are prepared in accordance with International Financial Reporting Standards. These are available to the public and may be obtained from the registered office at Landscape House, Premier Way, Lowfields Business Park, Elland, West Yorkshire, HX5 9HT

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirement in paragraph 38 of IAS 1 *"Presentation of Financial Statements"* to present comparative information in respect of: (i) Paragraph 79(a)(iv) of IAS 1, Share capital and (ii) paragraph 79(d) of IAS 40, *"Investment Properties"*;
- the requirements of paragraphs 10(d), 10(f), 16, 39(c), 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *"Presentation of Financial Statements"*, in respect of working capital management;
- the requirements of IAS 7 *"Statement of Cashflows"*;
- the requirements of paragraphs 30 and 31 of IAS 8 *"Accounting Policies, Changes in Accounting Estimates and Errors"*, in respect of new but not yet effective IFRSs;
- the requirements of paragraph 17 of IAS 24 *"Related Party Disclosures"*;
- the requirements in IAS 24 *"Related Party Disclosures"* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## **Marshall's Building Products Limited**

### **Notes to the Financial Statements**

#### **1. Accounting policies (continued)**

As the Consolidated Financial Statements of Marshall's plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirement of IFRS 7 *"Financial Instruments: Disclosures"*;
- the requirement of paragraphs 91-99 of IFRS 13 *"Fair Value Measurement"*;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *"Impairment of Assets"*.

The Financial Statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency), rounded to the nearest thousand.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

#### **(b) Turnover**

Turnover from rental income is recognised in the Profit and Loss account on an accruals basis over the life of the lease, net of VAT.

#### **(c) Investment properties**

(i) Investment properties are disclosed under the cost model and are stated at cost less accumulated depreciation (see below) and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of directly attributable production overheads.

#### **(ii) Depreciation**

Depreciation is charged to the Profit and Loss account on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The rates are as follows:

Freehold and long leasehold buildings	- 2.5% to 5% per annum
---------------------------------------	------------------------

The residual values, useful economic lives and depreciation methods are reassessed annually.

#### **(d) Investments**

Fixed asset investments are stated at cost less provision for impairment where appropriate. The Directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the Profit and Loss account in the year.

#### **(e) Trade and other debtors**

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

## **Marshall's Building Products Limited**

### ***Notes to the Financial Statements (continued)***

#### **1. Accounting policies (continued)**

##### **(f) Current tax**

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognised in the Profit and Loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply when the temporary difference reverses, based on rates that have been enacted or substantively enacted at the balance sheet date.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

##### **(g) Share capital**

Share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at the Company's option. Dividends on share capital classified as equity are recognised as distributions within equity. Non-equity share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised in the Profit and Loss account as a financial expense.

##### **(h) Dividends**

Dividends on non-equity shares are recognised as a liability and accounted for on an accruals basis. Equity dividends are recognised as a liability in the period in which they are declared (appropriately authorised and no longer at the discretion of the Company).

#### **2. Employees**

The only employees of the Company during the current and preceding financial year were the Directors.

No remuneration was paid to any Director during the year (2014: £Nil) and the Company has not paid any pension contributions on behalf of any of the Directors. The Directors are remunerated by the ultimate parent company.

Details of Directors' remuneration, share options, long term incentive plans and Directors' pension entitlements are disclosed in the Directors' Remuneration Report section of the Marshall's plc Annual Report.

# Marshall's Building Products Limited

## Notes to the Financial Statements (continued)

### 3. Operating costs

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets	29	31
Other operating charges	2	-
	<u>31</u>	<u>31</u>

The Company's audit fee is borne by the parent company.

### 4. Interest and similar charges

	2015 £'000	2014 £'000
Interest receivable on loans to Group companies	21	33
	<u>21</u>	<u>33</u>

### 5. Taxation on profit on ordinary activities

The tax charge / (credit) on profit before tax is different from the standard rate of corporation tax in the UK (20.25% (2014: 21.5%)). The differences are explained below:

Recognised on the Profit and Loss account	2015 £'000	2014 £'000
UK corporation tax		
Current tax on (loss) / profit for the year	5	2
	<u>5</u>	<u>2</u>
<b>Reconciliation of effective tax rate</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
(Loss) / profit for the year	(8)	6
Total tax expenses	5	2
	<u>5</u>	<u>2</u>
Profit excluding taxation	(3)	8
Tax using the UK Corporation tax rate of 20.25% (2014: 21.5%)	(1)	2
Non-deductible expenses	6	-
	<u>6</u>	<u>-</u>
Current tax charge for the year	<u>5</u>	<u>2</u>

# Marshalls Building Products Limited

## Notes to the Financial Statements (continued)

### 6. Investment properties

	Freehold Buildings £'000
<b>Cost or valuation</b>	
At 1 January 2015 and <b>31 December 2015</b>	<u>707</u>
<b>Accumulated depreciation</b>	
At 1 January 2015	642
Depreciation charge for the year	<u>29</u>
<b>At 31 December 2015</b>	<u>671</u>
<b>Net book value</b>	
<b>At 31 December 2015</b>	<u>36</u>
At 31 December 2014	<u>65</u>

The fair value of investment properties has been assessed by the Company at £800,000. The fair value estimate remains unchanged from 2014.

The property rental income earned by the Company from its investment properties amounted to £7,000 (2014: £6,000). Direct operating expenses arising in respect of investment properties amounted to £2,000 (2014: £nil).

### 7. Investments

	Ordinary shares in group companies £'000	Preference shares in group companies £'000	Total £'000
At 1 January 2015 and <b>31 December 2015</b>	<u>5</u>	<u>5</u>	<u>10</u>

At 31 December 2015 the Company held 5,000 ordinary shares in Marshalls Mono Limited and 5,000 preference shares in Stonemarket Limited, both of which are fellow group companies. Marshalls Mono Limited and Stonemarket Limited are incorporated in the United Kingdom and registered in England and Wales.

### 8. Debtors

	2015 £'000	2014 £'000
Amounts owed by other Group companies	<u>709</u>	<u>685</u>

# Marshall's Building Products Limited

## Notes to the Financial Statements (continued)

### 9. Creditors: Amounts falling due within one year

	2015 £'000	2014 £'000
Corporation tax	<u>5</u>	<u>2</u>

### 10. Share capital

	2015 £'000	2014 £'000
Authorised: 120,000 (2014: 120,000) ordinary shares of £1 each	<u>120</u>	<u>120</u>

### 11. Reserves

	Share premium account £'000	Profit & loss account £'000
At 1 January 2015	146	492
Loss for the financial year	-	(8)
<b>At 31 December 2015</b>	<u><b>146</b></u>	<u><b>484</b></u>

### 12. Operating leases

Certain investment properties are leased out under operating leases. At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2015 £'000	2014 £'000
Within one year	6	6
In the second to fifth years inclusive	8	14
	<u><b>14</b></u>	<u><b>20</b></u>

## **Marshalls Building Products Limited**

### ***Notes to the Financial Statements (continued)***

#### **13. Pension scheme**

The Directors are entitled to participate in the Marshalls plc Pension Scheme (the "Scheme") which has both a defined benefit and a defined contribution section. The assets of the Scheme are held in separately managed funds which are independent of the Group's finances. Full details of the Scheme are shown in Note 18 of the Annual Report of Marshalls plc.

The Company participates in the Marshalls plc Pension Scheme. The plan shares risks between entities under common control. The Scheme is accounted for by Marshalls Group Limited. The contracted agreement is that all costs are covered by Group and there is no recharge of the net defined benefit cost.

The latest funding valuation of the Scheme was carried out as at 5 April 2015 and was updated for the purposes of the 31 December 2015 Financial Statements by a qualified independent Actuary. Active employees are members of the Company defined contribution section of the Scheme which invests funds in which the contributions for each individual member are separately identifiable and the benefits calculated accordingly.

#### **14. Related parties**

Related party relationships exist with other members of the Group. All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

The Company has taken the exemption not to disclose related party transactions entered into between wholly owned members of the Group.

	Receivables outstanding		Creditors outstanding	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Marshalls Group Limited	709	685	-	-

#### **15. Ultimate parent company**

The company regarded by the Directors as the ultimate parent company is Marshalls plc which is incorporated in the United Kingdom and registered in England and Wales. The Annual Report of Marshalls plc is available from the Registered office at Landscape House, Premier Way, Lowfields Business Park, Elland HX5 9HT.

The largest group in which the results of the Group are consolidated is that headed by Marshalls plc.