Registered No. 113882

Marshalls Building Products Limited

Annual Report

Year ended 31 December 2017

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COMPANIES HOUSE

Marshalls Building Products Limited

Year ended 31 December 2017

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Marshalls Building Products Limited

Year ended 31 December 2017

Company Directory

Directors

J.J. Clarke
M. Coffey

Company Secretary

C.E. Baxandall

Registered Office

Landscape House
Premier Way
Lowfields Business Park
Elland
West Yorkshire
HX5 9HT

Bankers

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

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
United Kingdom
M3 3HF

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 2017. The Directors have taken the small companies exemption contained in S414B of the Companies Act 2006 from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

Principal activities
The principal activity of the Company is property management. During the year Marshalls Building Products Limited ("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, and up to the date of this report, appear on page 2.

Review of the year and future developments
The Directors 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 profit after taxation for the year of £13,000 (2016: £10,000 loss) and this has been transferred from reserves. No dividends have been paid or proposed in the year (2016: nil)

Going Concern
At 31 December 2017, the Company has a net current asset position of £743,000 (31 December 2016:£724,000).

The Company is reliant for its working capital on its own cash generation along with funds provided to it by its parent. In preparing the Financial Statements on the going concern basis the Directors have considered the trading and cash flow forecasts of the Company, the extent and availability of the committed facilities available to its parent and have made enquiries of the parent company's directors. The Directors believe it is appropriate to prepare the Financial Statements of the Company on the going concern basis.

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 each Director is 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 ought to have taken as a Director in order to make himself 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.

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 11 to the Financial Statements.

By order of the Board

CBell

C.E. Baxandall
Company Secretary
18 June 2018

Directors' Responsibilities Statement

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; 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

Opinion

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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Marshalls Building Products Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. 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 respect of these matters.

Marshalls Building Products Limited

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

Responsibilities of directors
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, and for such internal control as the Directors determine is 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.

Auditor's 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 an Auditor's Report 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 Auditor's Report.

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 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.

Report on other legal and regulatory requirements

Opinions 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 Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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;
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

C. D. Robertson

Christopher Robertson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
18 June 2018

Marshalls Building Products Limited

Profit and Loss Account for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Turnover		**5**	6
Operating costs	4	**(7)**	(31)
Loss on ordinary activities before interest		**(2)**	(25)
Interest receivable	5	**20**	20
Profit / (loss) on ordinary activities before tax		**18**	(5)
Taxation on profit / (loss) on ordinary activities	6	**(5)**	(5)
Profit / (loss) for the financial year		**13**	(10)

The Notes on pages 10 to 17 form part of these Financial Statements.

There were no items of other comprehensive income / (expense) in the year other than the profit recorded above and consequently no separate statement of other comprehensive income has been presented. All amounts derive from continuing operations.

Marshalls Building Products Limited

Balance Sheet as at 31 December 2017

	Note	**2017** **£'000**	2016 £'000
Fixed assets			
Investment properties	7	**-**	6
Investments	8	**10**	10
		10	16
Current assets			
Debtors	9	**748**	729
Creditors: Amounts falling due within one year	10	**(5)**	(5)
Net current assets		**743**	724
Net assets		**753**	740
Capital and reserves			
Called up share capital	11	**120**	120
Share premium account	11	**146**	146
Profit and loss account	11	**487**	474
Shareholders' funds		**753**	740

The Notes on pages 10 to 17 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 18 June 2018. They were signed on its behalf by:

J.J. Clarke
Director

Marshalls Building Products Limited

Statement of Changes in Equity

For year ended 31 December 2017

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2016	120	146	484	750
Total comprehensive expense for the year				
Loss for the financial year	-	-	(10)	(10)
Total comprehensive expense for the year	-	-	(10)	(10)
At 31 December 2016	120	146	474	740
At 1 January 2017	**120**	**146**	**474**	**740**
Total comprehensive income for the year				
Profit for the financial year	-	-	**13**	**13**
Total comprehensive income for the year	-	-	**13**	**13**
At 31 December 2017	**120**	**146**	**487**	**753**

Marshalls Building Products Limited

Notes to the Financial Statements

1. Accounting policies

Marshalls Building Products Limited (the "Company") is a Private Company incorporated and domiciled in the United Kingdom and registered in England & Wales.

The Financial Statements were authorised for issue by the Directors on 18 June 2018.

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").

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 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"*; and
- 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.

As the Consolidated Financial Statements of Marshalls 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"*; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *"Impairment of Assets"*.

The Company's performance is dependent on economic and market conditions, the outlook for which is difficult to predict. Based on current expectations, the Directors believe that the Company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

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.

(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.

1. Accounting policies (continued)

(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.

(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.

(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.

(h) Dividends

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).

(i) Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

1. Accounting policies (continued)

Financial Assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

1. Accounting policies (continued)

(i) Financial instruments (continued)

Impairment of financial assets (continued)
When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Reclassification of financial assets
The Company has reclassified certain non-derivative financial assets out of held for trading (part of the FVPTL category) to AFS financial assets. Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities
Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

There are no critical accounting judgements within these Financial Statements or key sources of estimation uncertainties within these financial statements. Whilst the Directors do not regard the determination of fair value of investment properties as a key area of estimate uncertainty, the estimation of appropriate values requires commercial assessment.

3. Employees

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

No remuneration was paid to any Director for services to the Company during the year (2016: £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 Marshalls plc Annual Report.

4. Operating costs

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets	**6**	30
Other operating charges	**1**	1
	7	31

The Company's audit fee is borne by the parent company. The audit fee in relation to these accounts is £6,000 (2016: £5,000).

5. Interest receivable

	2017	2016
	£'000	£'000
Interest receivable on loans to Group companies	**20**	20

Marshalls Building Products Limited

Notes to the Financial Statements (continued)

6. Taxation on profit / (loss) on ordinary activities

The tax charge on profit / (loss) before tax is different from the average standard rate of corporation tax in the UK (19.25% (2016: 20.00%)). The differences are explained below:

Recognised on the Profit and Loss account	**2017 £'000**	2016 £'000
Current tax on profit / (loss) for the year	**5**	5

Reconciliation of effective tax rate	**2017 £'000**	2016 £'000
Profit / (loss) excluding taxation	**18**	(5)
Tax using the average UK Corporation tax rate of 19.25% (2016: 20.00%)	**3**	(1)
Non-deductible expenses	**2**	6
Current tax charge for the year	**5**	5

7. Investment properties

	Freehold Buildings £'000
Cost	
At 1 January 2017 and **31 December 2017**	**707**
Accumulated depreciation	
At 1 January 2017	701
Depreciation charge for the year	6
At 31 December 2017	**707**
Net book value	
At 31 December 2017	**-**
At 31 December 2016	6

The fair value of investment properties has been assessed by the Company at £250,000 (2016: £250,000). The fair value estimate remains unchanged from 2016.

The property rental income earned by the Company from its investment properties amounted to £5,000 (2016: £6,000). Other direct operating expenses arising in respect of investment properties amounted to £1,000 (2016: £1,000).

Notes to the Financial Statements (continued)

8. Investments

	Ordinary shares in group companies £'000	holding %	Preference shares in group companies £'000	holding %	Total £'000
At 1 January 2017 and **31 December 2017**	5	0.025	5	100	10

At 31 December 2017 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 at Landscape House Premier Way, Lowfields Business Park, Elland, West Yorkshire, HX5 9HT.

9. Debtors – amounts due within one year

	2017 £'000	2016 £'000
Amounts owed by other Group companies	**748**	729

Interest is charge on intercompany balances at 2.5 per cent above LIBOR.

10. Creditors: Amounts falling due within one year

	2017 £'000	2016 £'000
Corporation tax	**5**	5

11. Called Up Share capital and reserves

	2017 £'000	2016 £'000
Authorised, allotted, called up and fully paid:		
120,000 (2016: 120,000) ordinary shares of £1 each	**120**	120

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

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:

	2017	2016
	£'000	£'000
Within one year	**2**	6
In the second to fifth years inclusive	-	4
	2	10

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 17 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 2017 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	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Marshalls Group Limited	**748**	729	-	-

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 Company are consolidated is that headed by Marshalls plc. The smallest group in which the results of the Company are consolidated is that headed by Marshalls Group Limited. The Annual Report of Marshalls Group Limited is available from the Registered office at Landscape House, Premier Way, Lowfields Business Park, Elland HX5 9HT.