

Marshalls Building Products Limited

Annual Report

Year ended 31 December 2019



Marshalls Building Products Limited

Year ended 31 December 2019

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Marshalls Building Products Limited

Year ended 31 December 2019

Company Directory

Directors

J.J. Clarke
M. Coffey

Company Secretary

S.K. Sibal

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 together with the Financial Statements and auditor's report for the year ended 31 December 2019. 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 £24,000 (2018: £24,000) and this has been transferred to reserves. No dividends have been paid or proposed in the year (2018: nil).

Going Concern

At 31 December 2019, the Company has a net current asset position of £791,000 (31 December 2018: £767,000).

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.

Borrowing facilities

The Group continues its policy of having a range of committed bank facilities in place with a positive spread of medium-term maturities that now extends to 2024. The Group's committed facilities are all revolving credit facilities with interest charged at a variable rate based on LIBOR.

The Group's total bank borrowing facilities at 31 December 2019 amounted to £155.0 million of which £83.7 million (2018: £60.5 million), remained unutilised. Interest cover and net debt to EBITDA covenants in the facilities were comfortably met at the year end. The bank facilities are unsecured save for inter-company guarantees between the Group and its subsidiary undertakings in favour of the facility banks.

On 1 May 2020, the Group signed agreements with each of NatWest, Lloyds and HSBC for an additional £30 million, 12 month committed revolving credit facility with each, with a 12-month extension option. These additional facilities comprise £90 million and significantly strengthen the Group's headroom. Including these additional facilities, Marshalls now has total bank facilities of £255 million of which £230 million are committed. In addition, Marshalls plc has been confirmed as being eligible for the Covid Corporate Financing Facility ("CCFF") with an issuer limit of £200 million. The Group's committed bank facilities are all revolving credit facilities with interest charged at variable rates based on LIBOR. The Group's bank facilities continue to be aligned with the current strategy to ensure that headroom against available facilities remains at appropriate levels. The maturity profile of borrowing facilities is structured to provide balanced, committed and phased medium-term debt.

Marshall's Building Products Limited

Registered Number: 113882

Directors' Report (continued)

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.

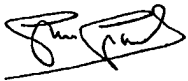
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the Board and signed on its behalf



S.K. Sibal
Company Secretary
20 October 2020

Marshalls Building Products Limited

Year ended 31 December 2019

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.

Marshall's Building Products Limited

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

Report on the Audit of the Financial Statements

Opinion

In our opinion the Financial Statements of Marshall's Building Products Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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, 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 Financial Reporting Council's (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 FRC' website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.

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.



Christopher Robertson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
20 October 2020

Marshalls Building Products Limited

Profit and Loss Account for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Turnover		6	7
Operating costs	4	<u>(1)</u>	<u>(1)</u>
Profit on ordinary activities before interest		5	6
Interest receivable	5	<u>25</u>	<u>24</u>
Profit on ordinary activities before tax		30	30
Taxation on profit on ordinary activities	6	<u>(6)</u>	<u>(6)</u>
Profit for the financial year		24	24

The Notes on pages 11 to 17 form part of these Financial Statements.

There were no items of other comprehensive income / (expense) in the current or prior 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.

Marshall's Building Products Limited

Balance Sheet as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investment properties	7	-	-
Investments	8	<u>10</u>	<u>10</u>
		10	10
Current assets			
Debtors	9	797	773
Creditors: Amounts falling due within one year	10	(6)	(6)
		<u>791</u>	<u>767</u>
Net current assets		791	767
Total assets less current liabilities		801	777
Net assets		801	777
Capital and reserves			
Called up share capital	11	120	120
Share premium account	11	146	146
Profit and loss account	11	535	511
		<u>801</u>	<u>777</u>
Shareholders' funds		801	777

The Notes on pages 11 to 17 form part of these Financial Statements.

The Financial Statements of Marshall's Building Products Limited (registered number 113882) were approved by the Board of Directors and authorised for issue on 20 October 2020. They were signed on its behalf by:



J.J. Clarke
Director

Marshall's Building Products Limited

Statement of Changes in Equity

For year ended 31 December 2019

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018	120	146	487	753
Total comprehensive expense for the year				
Profit for the financial year	-	-	24	24
Total comprehensive expense for the year	-	-	24	24
At 31 December 2018	120	146	511	777
At 1 January 2019	120	146	511	777
Total comprehensive income for the year				
Profit for the financial year	-	-	24	24
Total comprehensive income for the year	-	-	24	24
At 31 December 2019	120	146	535	801

Marshall's Building Products Limited

Notes to the Financial Statements

1. Accounting policies

Marshall's Building Products Limited (the "Company") is a Private Company, limited by shares and incorporated and domiciled in the United Kingdom and registered in England & Wales.

The following paragraphs summarise the significant 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, Marshall's plc includes the Company in its Financial Statements. The Financial Statements of Marshall's 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 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*"; and
- 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.

Adoption of new standards in 2019

IFRS 16 "*Leases*" became effective for the first time with effect from 1 January 2019 and has been adopted by the company. The adoption of IFRS 16 has not had any material impact on the disclosures or on the amounts reported in these Financial Statements.

Marshall's Building Products Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Going concern

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. Further details are set out in the Director's Report on page 3.

(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 accounted for 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.

Marshall's Building Products Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(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.

Classification and measurement

The classification of financial assets is based both on the business model which the asset is held and the contractual cash flow characteristics of the asset. There are 3 principle classifications categories for financial assets that are debt instruments: (i) amortised costs, (ii) fair value through comprehensive income ("FVTOCI") and (iii) fair value through profit or loss ("FVTPL"). Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income. Under IFRS 9, derivatives embedded in financial assets are not bifurcated but instead the whole hybrid contract is assessed for classification.

Under IFRS 9, financial assets can be designated as at FVTPL to mitigate an accounting mismatch.

In respect to classification and measurement of financial liabilities, changes in the fair value of a financial liability designated as at FVTPL due to credit risk are presented in other comprehensive income unless such presentation would create or enlarge an accounting mismatch in profit or loss.

Impairment

Credit losses and expected credit losses are recognised in accordance with IFRS 9. The amount of expected credit losses are updated at each reporting date.

The IFRS 9 impairment model has been applied to the Company's financial assets that are debt instruments measured at amortised costs or FVTOCI.

The Company has applied the simplified approach to recognise lifetime expected credit losses for its trade receivables and contract assets as required or permitted by IFRS 9.

Marshall's Building Products Limited

Notes to the Financial Statements (continued)

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 (2018: £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.

4. Operating costs

	2019	2018
	£'000	£'000
Other operating charges	1	1

The Company's audit fee is borne by the parent company. The audit fee in relation to these financial statements is £6,000 (2018: £6,000).

5. Interest receivable

	2019	2018
	£'000	£'000
Interest receivable on loans to Group companies	25	24

Marshall's Building Products Limited

Notes to the Financial Statements (continued)

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

Recognised on the Profit and Loss account	2019 £'000	2018 £'000
Current tax on profit for the year	6	6

The tax charge on profit before tax is different from the average standard rate of corporation tax in the UK (19.00% (2018: 19.00%)). The differences are explained below:

Reconciliation of effective tax rate	2019 £'000	2018 £'000
Profit excluding taxation	30	30
Tax using the average UK Corporation tax rate of 19.00% (2018: 19.00%)	6	6
Non-deductible expenses	-	-
Current tax charge for the year	6	6

7. Investment properties

	Freehold Land and Buildings £'000
Cost	
At 1 January 2019 and 31 December 2019	707
Accumulated depreciation	
At 1 January 2019	707
Depreciation charge for the year	-
At 31 December 2019	707
Net book value	
At 31 December 2019	-
At 31 December 2018	-

The fair value of investment properties has been assessed by the Company at £255,000 (2018: £250,000).

The property rental income earned by the Company from its investment properties amounted to £6,000 (2018: £7,000). Other direct operating expenses arising in respect of investment properties amounted to £1,000 (2018: £1,000).

Marshall's Building Products Limited

Notes to the Financial Statements (continued)

8. Investments

Cost and net book value	Ordinary shares in group companies £'000	holding %	Preference shares in group companies £'000	holding %	Total £'000
At 1 January 2019 and 31 December 2019	5	0.025	5	100	10

At 31 December 2019 the Company held 5,000 ordinary shares in Marshall's Mono Limited and 5,000 preference shares in Stonemarket Limited, both of which are fellow group companies. Marshall's 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

	2019 £'000	2018 £'000
Amounts owed by other Group companies	797	773

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

10. Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Corporation tax	6	6

11. Called Up Share capital and reserves

	2019 £'000	2018 £'000
Authorised, allotted, called up and fully paid: 120,000 (2018: 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.

Marshalls Building Products Limited

Notes to the Financial Statements (continued)

12. Operating leases

Certain investment properties are leased out under operating leases. As set out in Note 7, property rental income earned during the year was £6,000 (2018: £7,000). Expected rental yields are sufficient to support the carrying value of the investment properties. At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2019 £'000	2018 £'000
Within one year	7	8
In the second to fifth years inclusive	28	32
In more than five years	23	-
	<u>58</u>	<u>40</u>

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 19 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 2018 and was updated for the purposes of the 31 December 2019 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Marshalls Group Limited	<u>797</u>	<u>773</u>	<u>-</u>	<u>-</u>

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.