HADLEIGH
INDUSTRIAL ESTATES

HADLEIGH INDUSTRIAL ESTATES LIMITED

Annual report and financial statements

Registered number 267975

For the year ended 31 December 2018

CONTENTS

STRATEGIC REPORT

The directors present their Strategic report and financial statements for the year ended 31 December 2018.

Principal activity and business review

The principal activity of the Company is industrial property development and investment.

The Company continues to actively pursue the acquisition of industrial units that offer good levels of rental returns or development opportunities.

On 31st August 2018 the Company was acquired by The Hadleigh Timber Group Limited.

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its performance.

Principal risks and uncertainties

As a company involved in the property market, the business is exposed to fluctuations in property valuations, together with rental income risk posed by the potential failure of its tenants. The Directors monitor the financial performance of the Company's tenants to ensure the risk is minimised.

UK businesses continue to face challenges posed by the economy particularly as a result of Brexit. Whilst the Company isn't directly affected by Brexit, a strong economy helps to minimise the potential failure of its tenants.

Property acquisitions are only pursued where they offer the potential for capital growth or long term rental opportunity.

Future developments

The Directors look forward to 2019, ready to build upon the financial performance in 2018.

By order of the board

C M Meade
Director
Date: 30/7/ 2019

49 Charles Street
Mayfair
London
W1J 5EN

DIRECTORS' REPORT

The Directors present their Directors' report and financial statements for the year ended 31 December 2018.

Directors

The directors who held office during the year or up to the date of approval of these financial statements were as follows:

C M Meade MRICS
C Rudd
D Barnett

Going concern

The Directors' considerations in preparing these financial statements on a going concern basis are set out in the Accounting Policies section of these financial statements.

Proposed dividend

During the year the company paid dividends of £8,500,000 (2017: £2,500,000). The Directors do not recommend the payment of a final dividend *(2017: £nil)*.

Political contributions

The Company made a political donation of £nil during the year (*2017: £nil*).

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

C M Meade
Director
Date: 30/7/ 2019

49 Charles Street
Mayfair
London
W1J 5EN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INDUSTRIAL ESTATES LIMITED

Opinion

We have audited the financial statements of Hadleigh Industrial Estates Limited ("the company") for the year ended 31 December 2018 which comprise the statement of profit and loss, balance sheet, the statement of changes in equity, statement of cash flows and related notes, including the accounting policies below.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investment property and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INDUSTRIAL ESTATES LIMITED *(CONTINUED)*

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INDUSTRIAL ESTATES LIMITED *(CONTINUED)*

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

H M Jones.

Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

7 August 2019.

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

	Note	Year ended 31 December 2018	Year ended 31 December 2017
		£000	£000
Turnover	*1*	**2,341**	2,435
Property costs (net)	*1*	**(1,389)**	(1,307)
Gross profit		**952**	1,128
Administrative expenses		**(302)**	(425)
Operating profit		**650**	703
(Loss)/ Profit on disposal of tangible fixed assets		**-**	-
Income from shares in subsidiary undertakings		**-**	977
Revaluation of investment properties		**-**	922
Profit before interest and taxation		**650**	2,602
Interest payable and similar charges	*4*	**(140)**	(140)
Profit on ordinary activities before tax		**510**	2,462
Tax on profit on ordinary activities	*5*	**(144)**	(313)
Profit for the financial year		**366**	2,149

All results arise from continued operations.

There is no other comprehensive income for the current and prior year other than that presented in the profit and loss account therefore a separate Other Comprehensive Income statement has not been presented.

The notes on pages 14 to 22 form part of these financial statements.

BALANCE SHEET
at 31 December 2018

	Notes	31 December 2018		31 December 2017	
		£000	£000	£000	£000
Fixed assets					
Investments	6		-		-
Tangible fixed assets	7		126		151
Investment properties	8		26,691		28,645
			26,817		28,796
Current assets					
Debtors	9	311		208	
Cash at bank and in hand		2,215		559	
		2,526		767	
Creditors: amounts falling due within one year	10	(14,116)		(5,294)	
Net current liabilities			(11,590)		(4,527)
Total assets less current liabilities			15,227		24,269
Creditors: amounts falling due after more than one year	11,13		(9,205)		(9,957)
Provisions for liabilities and charges	12		(507)		(663)
Net assets			5,515		13,649
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account			515		8,649
Shareholders' funds			5,515		13,649

The notes on pages 14 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 30/7/ 2019 and were signed on its behalf by:

C M Meade
Director

Company registered number: 267975

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	5,000	9,000	14,000
Profit for the year	-	2,149	2,149
Dividends	-	(2,500)	(2,500)
At 31 December 2017	5,000	8,649	13,649

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	5,000	8,649	**13,649**
Profit for the year	-	366	**366**
Dividends	-	(8,500)	**(8,500)**
At 31 December 2018	**5,000**	**515**	**5,515**

The notes on pages 14 to 22 form part of these financial statements.

ACCOUNTING POLICIES

Hadleigh Industrial Estates Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England in the UK.
The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, The Hadleigh Timber Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of The Hadleigh Timber Group Limited are available to the public and may be obtained from the registered office. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

Measurement convention

The financial statements are prepared on the historical cost basis except investment property which are measured at fair value.

Going Concern

The Company has net current liabilities. The going concern basis for the preparation of the accounts is considered appropriate as the Company has considerable financial resources together the support of its parent undertaking, The Hadleigh Timber Group Limited. The Company has a long term strategic plan for the development of the properties under its management. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

ACCOUNTING POLICIES (CONTINUED)

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payment discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of tangible fixed assets. Land is not depreciated. The estimated useful lives as follows:

Short leasehold improvements - length of lease

Office equipment – 25% to 50%

Motor vehicles – 20% - 33% (3-5 years)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Investment property

Investment properties are held either to earn rental income or capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition, investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise.

This treatment, as regards the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with FRS102.17 until a reliable measure of fair value becomes available.

Property interests held by the company under an operating lease may be classified and accounted for as investment property in accordance with FRS 102.16.3 if the property would otherwise meet the definition of an

ACCOUNTING POLICIES (CONTINUED)

Investment property (continued)

investment property and the fair value of the property interest can be measured without undue cost and effort on an ongoing basis.

If this is the case, the investment property asset is recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Impairment excluding stock, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Turnover

Turnover principally represents rental income, net of value added tax. Rental income is defined as amounts the Company is contractually due for the year concurrent with the accounting year, from tenants under lease agreements. Rental income includes both accrued and deferred income where the year of the rent invoices is not concurrent with the financial year.

All rental income is due on UK properties.

Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit and loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Interest payments are recognised in profit or loss as they accrue, using the effective interest method.

ACCOUNTING POLICIES (CONTINUED)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.Current tax is the expected tax payable or receivable on the taxable income or loss 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 tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the net asset/property.

Related parties

The Company has taken advantage of the exemption contained in FRS 102.33.1A not to disclose transactions with entities that are part of the group headed by The Hadleigh Timber Group Limited on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

Hadleigh Private Limited is ultimately owned by Mr CM Meade and is defined as a related undertaking for the purposes of these financial statements.

1. EXPENSES AND AUDITOR'S REMUNERATION

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Operating profit is stated after charging:		
Blythe Bridge operating lease	**920**	865
Depreciation – owned assets	**164**	168

Auditor's remuneration:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Audit of these financial statements	**13**	10

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. REMUNERATION OF DIRECTORS

No director received any remuneration for services provided to the company. The directors' remuneration is borne by its parent undertaking.

3. STAFF NUMBERS AND COSTS

Employee costs (including executive directors) during the year amounted to £nil *(2017: £nil)* of which £nil *(2017: £nil)* was recharged by a related party.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Interest payable on bank loans	**133**	140
Other interest	**7**	-
	140	140

5. TAXATION

Total tax expense recognised in the Profit and Loss account and equity

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Current tax (see below)		
Current tax on income for the year	**301**	123
Adjustment in respect of prior periods	**(1)**	2
Group relief payable	**-**	31
Total current tax	**300**	156
Deferred tax – *origination of timing differences*	**(156)**	157
Total tax	**144**	313

5. TAXATION (CONTINUED)

Reconciliation of effective tax

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Profit for the year	**366**	2,149
Total tax expense	**144**	313
Profit before tax	**510**	2,462
Tax on profit on ordinary activities at 19% *(2017: 19.25%)*	**97**	474
Fixed asset differences	**31**	30
Expenses not deductible for tax purposes	**6**	14
Income not taxable for tax purposes	**-**	(365)
Adjustments to tax charge in respect of previous periods	**(1)**	2
Chargeable Gains/(losses)	**(7)**	177
Effect of rate change	**18**	(19)
	144	313

Factors that may future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the Company's future current tax charge accordingly. Deferred tax at 31 December 2018 has been calculated based on these rates.

6. INVESTMENTS

	Total £000
At beginning and end of year	-
Net book value	
At 31 December 2017 and 31 December 2018	-

The legal entities in which the Company's interest at the year end is more than 20% are as follows:

Hadleigh Industrial Estates Limited owns 99% of the Members Capital of Hadleigh Estates Froghall LLP.

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £000	Office Equipment £000	Leasehold improvements £000	Motor Vehicles £000	Total £000
Cost					
At beginning of year	51	2	270	15	**338**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At end of year	51	2	270	15	**338**
Depreciation					
At beginning of year	43	2	127	15	**187**
Charge	8	-	17	-	**25**
Disposals	-	-	-	-	-
At end of year	51	2	144	15	**212**
Net book value					
At 31 December 2018	-	-	**126**	-	**126**
At 31 December 2017	8	-	143	-	151

8. INVESTMENT PROPERTIES

	Total £000
Cost	
At beginning of year	28,820
Disposals	(1,815)
At end of year	**27,005**
Depreciation	
At beginning of year	175
Charge	139
At end of year	**314**
Net Book Value	
At 31 December 2018	**26,691**
At 31 December 2017	28,645

The directors value the portfolio every year and consider that these amounts reflect the fair value of investment properties at 31 December 2018.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	31 December 2018 £000	31 December 2017 £000
Net book value at end of year	**10,444**	10,584
Historical cost	**7,441**	7,441

9. DEBTORS

	31 December 2018 £000	31 December 2017 £000
Trade debtors	**106**	111
Amounts owed by related undertakings	**-**	7
Prepayments and accrued income	**205**	90
	311	208

Amounts owed by related undertakings at 31 December 2018 and 31 December 2017 were repayable on demand and did not accrue any interest.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018 £000	31 December 2017 £000
Trade creditors	**306**	52
Amounts due to group undertakings	**2,308**	-
Amounts due to related undertakings	**8,599**	2,427
Corporation tax	**300**	125
Accruals and deferred income	**789**	878
Bank loans	**751**	734
Other taxes (VAT)	**50**	65
Lease liability	**800**	800
Other creditors	**213**	213
	14,116	5,294

11. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	31 December 2018 £000	31 December 2017 £000
Bank loan	**4,125**	4,877
Lease liability	**5,080**	5,080
	9,205	9,957

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £000	**Total £000**
At 1 January 2018	**663**	**663**
Charge to Profit and Loss account	**(156)**	**(156)**
At 31 December 2018	**507**	**507**

ANALYSIS OF MOVEMENT IN DEFERRED TAX LIABILITY

	31 December 2018 £000	31 December 2017 £000
At start of year	**663**	506
Charged to Profit and Loss account for the year (note 5)	**(156)**	157
At end of year	**507**	663

The deferred tax liability is fully provided and analysed as follows:

	31 December 2018 £000	31 December 2017 £000
Accelerated capital allowances	**(3)**	(4)
Capital gains	**510**	667
	507	663

The deferred tax liability has been calculated at 17% (2017: 17%).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

13. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2018 £000	31 December 2017 £000
Creditors falling due more than one year		
Bank Loan	**4,125**	4,877
	4,125	4,877

	31 December 2018 £000	31 December 2017 £000
Creditors falling due within less than one year		
Bank Loan	**751**	734
	751	734

The bank loans are secured upon the assets to which they relate.

TERMS AND DEBT REPAYMENT SCHEDULE

	Currency	Nominal Interest Rate	Year of Maturity	Quarterly/ Monthly £000	31 December 2018 £000	31 December 2017 £000
Bank Loan (1)	**£**	**2.50%**	**Jul 2025**	**M 81**	**1,811**	2,049
Bank Loan (2)	**£**	**2.75%**	**Jan 2021**	**M 26**	**3,065**	3,562
					4,876	5,611

14. CALLED UP SHARE CAPITAL

	31 December 2018 £000	31 December 2017 £000
Allotted, called up and fully paid		
*5,000,*001 Ordinary shares of £1 each	**5,000**	5,000

15. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	
	2018 £000	2017 £000
Less than one year	**918**	918
Between one and five years	**3,674**	3,674
More than five years	**32,900**	33,818

During the year £920,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £865,000).

16. CAPITAL COMMITMENTS

At the year end the Company had a capital commitment of £nil *(2017: £nil)*.

17. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS102.33.1A not to disclose transactions with entities that are part of the group headed by The Hadleigh Timber Group Limited on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

18. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking was The Hadleigh Timber Group Limited, incorporated in England in the UK.

The directors consider Hadleigh Private Limited to be the ultimate parent undertaking. Hadleigh Private Limited is registered to 49 Charles Street, Mayfair, London, W1J 5EN; Company number 10431007. The shares in Hadleigh Private Limited are owned by Mr C M Meade.