

**COMPANIES HOUSE**

# Financial Statements

## H W Martin Safety Fencing Limited

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For the Year Ended 31 July 2017

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COMPANIES HOUSE

**Registered number: 02162892**

**H W Martin Safety Fencing Limited**

## Company Information

**Directors**

H W Martin  
K Martin  
N C Faulconbridge  
N M Dybeck

**Registered number**

02162892

**Registered office**

Fordbridge Lane  
Blackwell  
ALFRETON  
Derbyshire  
DE55 5JY

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
2 Broadfield Court  
SHEFFIELD  
South Yorkshire  
S8 0XF

**Bankers**

Barclays Bank PLC  
Derby Business Centre  
PO Box 493  
Sir Frank Whittle Road  
DERBY  
DE1 9UU

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# Strategic Report

For the Year Ended 31 July 2017

## **Introduction**

The directors present their Strategic report for the year ended 31 July 2017.

## **Principal activities and business review**

The principal activities of H W Martin Safety Fencing Limited (the Company) are as follows:

- The design and installation of vehicle restraint systems.
- The installation of varioguard temporary safety barriers.
- The installation of specialist security and barrier perimeter systems.
- The design and installation of acoustic environmental barriers.

This successful year has seen substantial sales growth matched by a corresponding increase in net profit.

The procurement of long term Highways England Construction Works Framework contracts in the south west and the north of England have provided the Company with a platform for sustainable growth and for the establishment of regional infrastructure to meet demand.

This corresponds with the board of Directors commitment to encourage growth by broadening the portfolio of services and geographical reach of the Company.

Opportunities to secure further contracts are expected from the current well-established client base. The product portfolio and the management and labour resource aided by close working relationships with other Group Companies provide a greater all-round works delivery solution to clients.

The Company continues to look to ways to improve its environmental performance and reduce the environmental impact of its activities and remains committed to a management system conforming to the 14001 Environmental Standard.

## **Principal risks and uncertainties**

The identification, assessment and management of opportunities and associated risks are an integral element of the business of H W Martin Safety Fencing Limited. Principal risks are:

- The effect of new legislation and regulation. The impact of which on operations may potentially increase costs. This risk is considered as a part of the tender approval process.
- Competitive risk. Contracts are secured by competitive tender and therefore no future contracts are guaranteed. The Company continues to maintain a very competitive cost base and actively pursues “preferred supplier” status with Clients to give the best possible commercial advantage and targets long term contracts.
- Health and safety. H W Martin Safety Fencing Limited acknowledges that its employees work within a hazardous environment and training is given to reflect and mitigate this risk. Policies and procedures are continually monitored and reviewed. The Company maintains its commitment to the 18001 Health and Safety standard and to the Contractors Health and Safety Scheme (CHAS).
- Financial risk. The main risk arising from the Company’s financial instruments is liquidity risk. This risk is managed by maintaining a high cash reserve and by capital funding from the Martin Group providing sufficient liquidity to finance the Company’s operations and to meet unanticipated costs.

H W Martin Safety Fencing Limited

## Strategic Report


For the Year Ended 31 July 2017

### **Financial key performance indicators**

The Company's key financial and performance indicators for the year are:

1. An increase in turnover of 20% to £8m.
2. An increase in net profit of 18% to £0.6m

This report was approved by the board on 18 December 2017 and signed on its behalf.

  
N C Faulconbridge  
Director

## Directors' Report

For the Year Ended 31 July 2017

The directors present their report and the financial statements for the year ended 31 July 2017.

### Results and dividends

The profit for the year, after taxation, amounted to £609,402 (2016 - £513,036).

Particulars of dividends are detailed in note 11 to the financial statements.

### Directors

The directors who served during the year were:

H W Martin  
K Martin  
N C Faulconbridge  
N M Dybeck

### Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

The company funds both day-to-day operations and longer-term strategic development from its liquid resources, including the working capital generated from operations. The directors have considered the level of the liquid resources and the expected future profitability of both the company and the wider HW Martin group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the company to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements. For this reason they have concluded that it is appropriate to use the going concern basis in presenting these financial statements.

## Directors' Report (continued)

For the Year Ended 31 July 2017

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 December 2017 and signed on its behalf.



N C Faulconbridge  
Director

## Independent Auditor's Report to the Members of H W Martin Safety Fencing Limited

We have audited the financial statements of H W Martin Safety Fencing Limited for the year ended 31 July 2017, which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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

### **Who we are reporting to**

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.

### **Conclusions relating to going concern**

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

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

### **Other information**



## Independent Auditor's Report to the Members of H W Martin Safety Fencing Limited

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 4, 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 this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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

### **Responsibilities of directors for the financial statements**



## Independent Auditor's Report to the Members of H W Martin Safety Fencing Limited

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read "Paul Houghton".

Paul Houghton (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
SHEFFIELD

18 December 2017

## Statement of Income and Retained Earnings

For the Year Ended 31 July 2017

	Note	2017 £	2016 £
Turnover	4	8,034,465	6,725,726
Cost of sales		(6,216,329)	(4,989,737)
<b>Gross profit</b>		<b>1,818,136</b>	<b>1,735,989</b>
Administrative expenses		(1,056,318)	(1,092,023)
<b>Operating profit</b>	5	<b>761,818</b>	<b>643,966</b>
Interest receivable and similar income	9	-	429
<b>Profit before tax</b>		<b>761,818</b>	<b>644,395</b>
Tax on profit	10	(152,416)	(131,359)
<b>Profit after tax</b>		<b>609,402</b>	<b>513,036</b>
Retained earnings at the beginning of the year		2,580,224	2,217,188
Profit for the year		609,402	513,036
Dividends declared and paid		(300,000)	(150,000)
<b>Retained earnings at the end of the year</b>		<b>2,889,626</b>	<b>2,580,224</b>

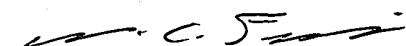
The notes on pages 10 to 20 form part of these financial statements.

## Statement of Financial Position

As at 31 July 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	12	756,835	524,074
		<u>756,835</u>	<u>524,074</u>
<b>Current assets</b>			
Stocks	13	873,913	508,718
Debtors: amounts falling due within one year	14	1,311,678	1,924,862
Cash at bank and in hand	15	845,387	760,013
		<u>3,030,978</u>	<u>3,193,593</u>
Creditors: amounts falling due within one year	16	(893,187)	(1,132,443)
<b>Net current assets</b>		<u>2,137,791</u>	<u>2,061,150</u>
<b>Total assets less current liabilities</b>		<u>2,894,626</u>	<u>2,585,224</u>
<b>Net assets</b>		<u><u>2,894,626</u></u>	<u><u>2,585,224</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	5,000	5,000
Profit and loss account	19	2,889,626	2,580,224
		<u><u>2,894,626</u></u>	<u><u>2,585,224</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2017.



N C Faulconbridge  
Director

The notes on pages 10 to 20 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 1. General information

H W Martin Safety Fencing Limited (the "Company") is a private company limited by shares incorporated in the UK. The registered office of the company is Fordbridge Lane, Blackwell, Alfreton, DE55 5JY.

The principal activities of the Company are as follows:

- The design and installation of vehicle restraint systems.
- The installation of varioguard temporary safety barriers.
- The installation of specialist security and barrier perimeter systems.
- The design and installation of acoustic environmental barriers.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Going concern

The company funds both day-to-day operations and longer-term strategic development from its liquid resources, including the working capital generated from operations. The directors have considered the level of the liquid resources and the expected future profitability of both the company and the wider HW Martin group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the company to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements. For this reason they have concluded that it is appropriate to use the going concern basis in presenting these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 2. Accounting policies (continued)

### 2.3 Reduced disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. These disclosure exemptions are:

#### Statement of Cash Flows

Preparing a statement of cash flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included in the Group Financial Statements includes the company's cashflows.

#### Key Management Personnel Compensation

Disclosing the compensation of the key management personnel as required by FRS 102 Section 33.7.

#### Financial Instrument Disclosure

Disclosing Financial Instruments as required under FRS 102 section 11.29 to 11.48A and section 12.26 and 12.29 as this information is provided in the notes to the Consolidated Financial Statements.

The information is included in the consolidated financial statements of H W Martin Holdings Limited as at 31 July 2017 and these financial statements may be obtained from Companies House.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is determined by reference to the value of work carried out to date. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 12.5% or 20% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

## Notes to the Financial Statements

For the Year Ended 31 July 2017

### 2. Accounting policies (continued)

#### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 2. Accounting policies (continued)

### 2.9 Financial instruments (continued)

position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 2.12 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.



## Notes to the Financial Statements

For the Year Ended 31 July 2017

### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

#### Impairment of financial assets

- At the end of each reporting period, an assessment is made as to whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including trade debtors and stock. If there is objective evidence of impairment, an impairment loss is recognised in the statement of income and retained earnings immediately.

### 4. Turnover

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	<u>8,034,465</u>	<u>6,725,726</u>

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	259,790	197,237
Profit/(loss) on sales of fixed assets	1,347	(4,093)
	<u>261,137</u>	<u>193,144</u>

## 6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,450	2,750
Other services	1,050	1,100
	<u>3,500</u>	<u>3,850</u>

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	749,750	707,003
Social security costs	92,519	83,609
Cost of defined contribution scheme	25,984	26,273
	<u>868,253</u>	<u>816,885</u>

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

	2017	2016
	No.	No.
Direct labour	4	4
Administration and management	8	8
	<u>12</u>	<u>12</u>

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	125,069	121,781
Company contributions to defined contribution pension schemes	4,200	4,200
	<u>129,269</u>	<u>125,981</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

## 9. Interest receivable

	2017 £	2016 £
Other interest receivable	-	429
	<u>-</u>	<u>429</u>

## 10. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	<u>161,916</u>	<u>141,160</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(9,500)</u>	<u>(9,801)</u>
<b>Taxation on profit on ordinary activities</b>	<u>152,416</u>	<u>131,359</u>

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 10. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 19.67% (2016 - 20%) as set out below:

	2017 £	2016 £
Profit on ordinary activities before tax	761,818	644,395
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	149,817	128,879
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	510	(444)
Fixed asset differences	-	12,725
Other timing differences leading to an increase (decrease) in taxation	2,089	(9,801)
<b>Total tax charge for the year</b>	<b>152,416</b>	<b>131,359</b>

## 11. Dividends

	2017 £	2016 £
Dividends paid on equity capital	300,000	150,000

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 12. Tangible fixed assets

	Plant & machinery £
<b>Cost or valuation</b>	
At 1 August 2016	1,411,570
Additions	558,898
Disposals	(99,695)
At 31 July 2017	<u>1,870,773</u>
<b>Depreciation</b>	
At 1 August 2016	887,496
Charge for the period on owned assets	259,790
Disposals	(33,348)
At 31 July 2017	<u>1,113,938</u>
<b>Net book value</b>	
At 31 July 2017	<u><u>756,835</u></u>
At 31 July 2016	<u><u>524,074</u></u>

## 13. Stocks

	2017 £	2016 £
Raw materials	296,692	97,937
Work in progress	577,221	410,781
	<u>873,913</u>	<u>508,718</u>

Stock recognised in cost of sales during the year as an expense was £2,465,760 (2016: £1,353,150).

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 14. Debtors

	2017 £	2016 £
Trade debtors	717,394	403,495
Amounts owed by group undertakings	516,294	1,456,766
Prepayments and accrued income	50,990	47,101
Deferred taxation (see Note 17)	27,000	17,500
	<u>1,311,678</u>	<u>1,924,862</u>

Amounts owed by group undertakings are interest free and repayable on demand.

## 15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>845,387</u>	<u>760,013</u>

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

	2017 £	2016 £
Trade creditors	619,666	870,292
Amounts owed to group undertakings	33,787	39,384
Corporation tax	80,958	71,160
Other taxation and social security	44,098	40,157
Other creditors	220	60
Accruals and deferred income	114,458	111,390
	<u>893,187</u>	<u>1,132,443</u>

Amounts owed to group undertakings are interest free and repayable on demand.

## 17. Deferred taxation

	2017 £
At beginning of year	17,500
Charged to profit or loss	9,500
<b>At end of year</b>	<u><b>27,000</b></u>

# Notes to the Financial Statements

For the Year Ended 31 July 2017

## 17. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	27,000

## 18. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000

## 19. Reserves

**Profit and loss account** – includes all current and prior period retained profits and losses.

## 20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in funds independent from those of the Company.

The pension cost charges represents contributions payable by the Company into the fund and amounted to £25,984 (2016: £26,273).

Contributions totalling £Nil (2016: £Nil) were payable to the fund at the balance sheet date.

## 21. Related party transactions

H. W. Martin Safety Fencing Limited has taken advantage of the exemption in FRS 102 (section 33) 'Related party disclosure' not to disclose transactions with other members of the group.

## 22. Controlling party

The directors consider that the ultimate parent undertakings of the Company is H W Martin Holdings Limited incorporated in England and Wales.

The largest and smallest group of undertakings for which group accounts been drawn up is that headed by H W Martin Holdings Limited which is incorporated in England and Wales.

Consolidated financial statements can be obtained from H W Martin Holdings Limited, Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY.