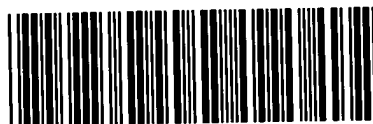


REGISTERED NUMBER: 02162892 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023
FOR
H W MARTIN SAFETY FENCING LIMITED**

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H W MARTIN SAFETY FENCING LIMITED
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FOR THE YEAR ENDED 31 JULY 2023

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H W MARTIN SAFETY FENCING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2023**

DIRECTORS:

K Martin
T Wilkinson
S Smiley
M Walters
R R Akers

REGISTERED OFFICE:

Fordbridge Lane
Blackwell
Alfreton
Derbyshire
DE55 5JY

REGISTERED NUMBER:

02162892 (England and Wales)

INDEPENDENT AUDITOR:

BDO LLP, statutory auditor
Two Snowhill
Birmingham
B4 6GA

H W MARTIN SAFETY FENCING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

The Directors present their Strategic report for H W Martin Safety Fencing Limited ("the Company") for the year-ended 31 July 2023.

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 permanent and temporary steel vehicle restraint systems;
- the installation of specialist security and barrier perimeter systems;
- the design and installation of acoustic environmental barriers; and
- the design and installation of permanent and temporary concrete vehicle restraint systems.

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

1. Sales maintained at over £15m at £15.8m (2022:£22m); and
2. An increase in total net assets of over £0.89m (15.6%) to £6.6m (2022:19% to £5.7m)

The Company has continued to perform very well to maintain high sales and profitability levels.

The balance sheet has strengthened further as profits have been reinvested in the business including significant vehicle fleet and specialised equipment and, the development of a new stock yard and operating base located close to M1 junction 28 for occupation in early 2024.

Further investment in mechanised operational methods, including the purchase of vacuum excavation equipment, will provide further operational efficiency and profitability benefits.

Continuity of works opportunities are expected from the current well-established client base and the National Highways Road Investment Strategy (RIS) delivered through the Scheme Delivery Framework (SDF) and Smart Motorway Alliance (SMA) both of which the Company is successfully accredited. The product portfolio and the management and labour resource, aided by close working relationships with other Group Companies provide an attractive all-round works delivery solution to clients.

The Company has access to high cash reserves purposefully maintained by the Group for further capital investment in the operating companies.

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.

H W MARTIN SAFETY FENCING LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The identification, assessment and management of opportunities and associated risks are an integral element of the business. Principal risks are:

Legislation and regulation	The impact of new legislation and regulation 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 align itself to the targets and requirements of our Clients and maintains a very competitive cost base. Long term framework contracts are actively pursued to give the best possible commercial security.
Health and safety	The Company 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 Group maintains its commitment to the 45001 Safety Management System, including accreditation to SSIP (Safety Schemes in Procurement).
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.

ON BEHALF OF THE BOARD:

..... *M Walters*
M Walters - Director

Date: *6/3/24*

H W MARTIN SAFETY FENCING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023

The Directors present their report with the financial statements of the Company for the year-ended 31 July 2023.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £50 per share.

The total distribution of dividends for the year ended 31 July 2023 will be £250,000.

FUTURE DEVELOPMENTS

The Company is stable and will continue to invest in its existing operations going forwards so as to maximise revenues, profits and cash flows.

DIRECTORS

K Martin has held office during the whole of the period from 1 August 2022 to the date of this report.

Other changes in directors holding office are as follows:

H W Martin - resigned 25 July 2023

T Wilkinson - appointed 13 October 2022

S Smiley - appointed 13 October 2022

M Walters - appointed 13 October 2022

R R Akers was appointed as a director after 31 July 2023 but prior to the date of this report.

N C Faulconbridge ceased to be a director after 31 July 2023 but prior to the date of this report.

GOING CONCERN

The Company funds both day-to-day operations and longer-term strategic development from its liquid resources, including 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 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 to 30 April 2025. For this reason, they have concluded that it is appropriate to use the going concern basis on presenting these financial statements.

ENGAGEMENT WITH EMPLOYEES

A policy of equal opportunity employment is followed at all times by the Company. During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

H W MARTIN SAFETY FENCING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
M Walters - Director

Date: 06/03/2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
H W MARTIN SAFETY FENCING LIMITED**

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 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.

We have audited the financial statements of H W Martin Safety Fencing Limited ("the Company") for the year ended 31 July 2023 which comprise Statement of Income and Retained Earnings, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Report of the Directors, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H W MARTIN SAFETY FENCING LIMITED

Other Companies Act 2006 reporting

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 have 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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Companies Act 2006, UK Accounting Standards, corporate tax, VAT and employment taxes legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation. We identified such laws and regulations to be Health and Safety Legislation, waste disposal legislation and the Bribery Act 2010.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
H W MARTIN SAFETY FENCING LIMITED**

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, management override of controls and misappropriation of cash through payments to false suppliers.

Our procedures in respect of the above included:

- Testing journal entries throughout the year, which met a defined risk criteria, including manual journals to revenue, by agreeing to supporting documentation to check they were appropriate, correctly recorded and supported by appropriate evidence;
- We reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business;
- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies;
- Tested supplier payments meeting a defined risk criteria by agreeing to supporting documentation to confirm the validity of the supplier;
- Incorporating unpredictability in our testing; and
- Assessing the total unadjusted audit differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Gareth Singleton

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
H W MARTIN SAFETY FENCING LIMITED**

Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

07 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

H W MARTIN SAFETY FENCING LIMITED

**STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
TURNOVER	4	15,770,842	22,216,676
Cost of sales		<u>(11,430,679)</u>	<u>(16,961,579)</u>
GROSS PROFIT		4,340,163	5,255,097
Administrative expenses		<u>(2,992,778)</u>	<u>(3,035,433)</u>
PROFIT BEFORE TAXATION	7	1,347,385	2,219,664
Tax on profit	9	<u>(201,885)</u>	<u>(286,333)</u>
PROFIT FOR THE FINANCIAL YEAR		1,145,500	1,933,331
Retained earnings at beginning of year		5,739,608	4,806,277
Dividends	10	<u>(250,000)</u>	<u>(1,000,000)</u>
RETAINED EARNINGS AT END OF YEAR		<u><u>6,635,108</u></u>	<u><u>5,739,608</u></u>

The notes form part of these financial statements

H W MARTIN SAFETY FENCING LIMITED (REGISTERED NUMBER: 02162892)

**STATEMENT OF FINANCIAL POSITION
31 JULY 2023**

	Notes	2023	2022
		£	£
FIXED ASSETS			
Tangible assets	11	1,210,397	644,446
CURRENT ASSETS			
Stocks	12	488,904	383,997
Debtors: amounts falling due within one year	13	5,057,169	7,050,965
Cash at bank		1,794,255	1,712,085
		<u>7,340,328</u>	<u>9,147,047</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	1,728,449	4,046,885
NET CURRENT ASSETS		<u>5,611,879</u>	<u>5,100,162</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,822,276</u>	<u>5,744,608</u>
PROVISIONS FOR LIABILITIES	15	182,168	-
NET ASSETS		<u><u>6,640,108</u></u>	<u><u>5,744,608</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	5,000	5,000
Retained earnings	17	6,635,108	5,739,608
SHAREHOLDERS' FUNDS		<u><u>6,640,108</u></u>	<u><u>5,744,608</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 06/03/2024 and were signed on its behalf by:

M Walters
M Walters - Director

The notes form part of these financial statements

H W MARTIN SAFETY FENCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. STATUTORY INFORMATION

H W Martin Safety Fencing Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Company funds both day-to-day operations and longer-term strategic development from its liquid resources, including 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 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 to 30 April 2025. For this reason, they have concluded that it is appropriate to use the going concern basis on presenting these financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

Turnover

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

i. Sale of services

The Company provides design and installation services of permanent and temporary steel vehicle restraint systems, specialist security and barrier perimeter systems, acoustic environmental barriers and permanent and temporary concrete vehicle restraint systems. Turnover is determined by reference to the value of the work carried out to date in the accounting period in which the services are rendered and when the outcome of the contract can be estimated reliably. 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. Amounts recognised as turnover where contract progress is sufficient to do so are included on the statement of financial position as amounts recoverable on contracts.

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and 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 the estimated useful lives. Depreciation is provided on the following basis:

Plant & machinery	12.5% - 20% straight line
Motor vehicles	20% straight line
Computer equipment	20% straight line

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.

The carrying amount of any replacement component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expenses as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Impairment of non-financial assets

At each statement of financial position date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit ("CGU")) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's CGU) is compared to the carrying value of the asset (or asset's CGU).

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is based on the cost of purchase on a first in, first out basis. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of work-in-progress and finished goods includes design costs, raw materials, direct labour and other direct costs and related production overheads.

At each balance sheet 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 the Income Statement. Where a reversal of the impairment is recognised, the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions repayable without penalty on notice of not more than 24 hours, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of basic financial assets and liabilities. The Company has chosen to adopt the Section 11 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished (i.e. when the contractual obligation is discharged, cancelled or expires).

iii. Offsetting

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

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES - continued

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at 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 value of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Foreign currencies

i. Functional and presentational currency

The Company's functional and presentation currency is the pound sterling.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

H W MARTIN SAFETY FENCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES - continued

Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i. Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The company operates a defined contribution pension scheme 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. Contributions payable to the company's pension scheme are charged to the Income Statement in the period to which they relate. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved by the Company's shareholders. These amounts are recognised in retained earnings.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements required management to make significant judgements and estimates. The items in the financial statements where these judgements 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 amounts recoverable on contracts. If there is objective evidence of impairment, an impairment loss is recognised in the Income Statement immediately.
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4. TURNOVER

The turnover and profit before taxation were derived solely from continuing operations in the United Kingdom and are attributable to the principal activities of the Company.

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	1,738,024	1,490,779
Social security costs	217,062	189,883
Other pension costs	67,535	68,100
	<u>2,022,621</u>	<u>1,748,762</u>

The average number of employees during the year was as follows:

	2023	2022
Direct labour	6	6
Administration and management	17	15
	<u>23</u>	<u>21</u>

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

6. DIRECTORS' EMOLUMENTS

	2023 £	2022 £
Directors' remuneration	<u>333,122</u>	<u>-</u>

Information regarding the highest paid director for the year ended 31 July 2023 is as follows:

	2023 £
Emoluments etc	<u>187,167</u>

Company contributions to defined contribution pension schemes in respect of the directors amounted to £8,333 (2022: £-). The value of the Company's contributions in respect of the highest paid director amounted to £4,167 (2022: £nil).

7. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2023 £	2022 £
Depreciation - owned assets	338,680	243,329
Profit on disposal of fixed assets	<u>(60,674)</u>	<u>(6,500)</u>

8. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	12,749	9,375
Taxation compliance services	<u>3,145</u>	<u>2,250</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax	-	291,034
Deferred tax	<u>201,885</u>	<u>(4,701)</u>
Tax on profit	<u>201,885</u>	<u>286,333</u>

UK corporation tax was charged at 19% in 2022.

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>1,347,385</u>	<u>2,219,664</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21% (2022 - 19%)	282,951	421,736
Effects of:		
Expenses not deductible for tax purposes	174	534
Capital allowances in excess of depreciation	(15,102)	(10,516)
Adjustments to tax charge in respect of previous periods	17,071	(34,209)
Remeasurement of deferred tax for changes in tax rates	29,530	7,068
Group relief claimed	(112,812)	(98,340)
Other differences leading to an increase in taxation	<u>73</u>	<u>60</u>
Total tax charge	<u>201,885</u>	<u>286,333</u>

In March 2020, the Finance Bill 2020 was substantively enacted which maintained the corporation tax rate at 19% and in May 2021 the rate was increased to 25% in the Finance Bill 2021, effective from April 2023. Deferred taxes at the balance sheet date have been measured using the enacted tax rate and reflected in these financial statements.

10. DIVIDENDS

	2023 £	2022 £
Ordinary shares of £1 each		
Final	<u>250,000</u>	<u>1,000,000</u>

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1 August 2022	628,845	2,027,413	3,128	2,659,386
Additions	30,150	889,057	-	919,207
Disposals	(31,300)	(371,428)	-	(402,728)
At 31 July 2023	627,695	2,545,042	3,128	3,175,865
Depreciation				
At 1 August 2022	440,849	1,571,953	2,138	2,014,940
Charge for year	57,278	280,776	626	338,680
Eliminated on disposal	(31,300)	(356,852)	-	(388,152)
At 31 July 2023	466,827	1,495,877	2,764	1,965,468
Net book value				
At 31 July 2023	160,868	1,049,165	364	1,210,397
At 31 July 2022	187,996	455,460	990	644,446

12. STOCKS

	2023 £	2022 £
Raw materials	488,904	383,997

Stocks are stated after provision for impairment of £nil (2022: £nil), being the write-down of slow-moving and obsolete stock to their net realisable value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	293,516	514,216
Amounts owed by group undertakings	4,074,511	3,311,564
Amounts recoverable on contracts	605,169	3,101,794
VAT	288	196
Deferred tax asset	-	19,717
Prepayments and accrued income	83,685	103,478
	5,057,169	7,050,965

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

Trade debtors are stated after provisions for impairment of £389 (2022: £21,429). Impairment losses reversed in the Income Statement during the year amounted to £21,039 (2022: £21,429 recognised).

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	1,281,625	3,643,005
Amounts owed to group undertakings	118,170	70,570
Social security and other taxes	60,653	69,403
Accruals and deferred income	268,001	263,907
	<u>1,728,449</u>	<u>4,046,885</u>

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

15. PROVISIONS FOR LIABILITIES

	2023	
	£	
Deferred tax	<u>182,168</u>	
		Deferred tax
		£
Balance at 1 August 2022		(19,717)
Provided during year		<u>201,885</u>
Balance at 31 July 2023		<u>182,168</u>

The deferred tax liability/ (asset) is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	<u>182,168</u>	<u>(19,917)</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023	2022
			£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

17. RESERVES

	Retained earnings
	£
At 1 August 2022	5,739,608
Profit for the year	1,145,500
Dividends	<u>(250,000)</u>
At 31 July 2023	<u>6,635,108</u>

Retained earnings includes all current and prior period retained profits and losses.

H W MARTIN SAFETY FENCING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

18. 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 £67,535 (2022: £68,100).

Contributions totalling £nil (2022: £nil) were payable to the fund at the statement of financial position date.

19. CAPITAL COMMITMENTS

	2023	2022
	£	£
Contracted but not provided for in the financial statements	<u>525,000</u>	<u>71,032</u>

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is H W Martin Holdings Limited.

The largest and smallest group of undertakings for which group accounts have 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.