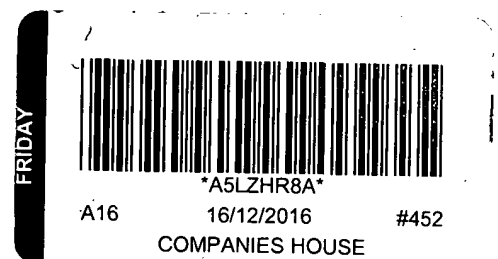


Financial Statements
H W Martin (Traffic
Management) Limited

For the Year Ended 31 July 2016



H W Martin (Traffic Management) Limited

Company Information

Directors	H W Martin K Martin G R Beswick N C Faulconbridge
Registered number	02221214
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

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 20

Strategic Report

For the Year Ended 31 July 2016

Introduction

The directors present their Strategic report for the year ended 31 July 2016.

Principal activities and business review

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

The design, installation and maintenance of traffic management systems on motorways and high speed dual carriageways.

The exceptional financial results of the previous year have been matched and profits reinvested to provide the Company with a balance sheet strength befitting that of a much larger organisation.

Previous exponential growth has been consolidated with significant investment in management structure and over £3 million invested in the expansion and renewal of the Company fleet, funded from Group cash reserves, to ensure the Company maintains its position as the UK's leading traffic management specialist.

Longer term contracts and the widening of the Company's geographical reach allowing broader works opportunities has mitigated the effects of a struggling construction industry. Although the early months of the Company's new financial year has seen the industry continue to struggle some revitalisation is expected in the second half of the year.

The board of Directors will encourage further expansion and a broadening of the portfolio of services the Company is able to offer our clients and will continue to authorise investment from substantial Group reserves as required.

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 (Traffic Management) 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 (Traffic Management) 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 has achieved a RoSPA Gold Award for occupational safety for the third consecutive year. The Group 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.

Strategic Report


For the Year Ended 31 July 2016

Financial key performance indicators

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

1. Sales maintained at £41 million.
2. Net profit margin maintained at 10%.
3. A further increase in total net assets of over £1.5.
4. Fleet vehicle purchases of over £2 million.

This report was approved by the board on 12 December 2016 and signed on its behalf.



N C Faulconbridge
Director

Directors' Report

For the Year Ended 31 July 2016

The directors present their report and the financial statements for the year ended 31 July 2016.

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 judgments and accounting 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;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £3,126,181 (2015 - £3,240,697).

Particulars of dividends are detailed in note 10 to the financial statements.

Directors

The directors who served during the year were:

H W Martin
K Martin
G R Beswick
N C Faulconbridge

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 2016

Employee involvement

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.

Disabled employees

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.

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.

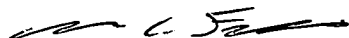
Post balance sheet events

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

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 12 December 2016 and signed on its behalf.



N C Faulconbridge
Director



Independent Auditor's Report to the Members of H W Martin (Traffic Management) Limited

We have audited the financial statements of H W Martin (Traffic Management) Limited for the year ended 31 July 2016, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is 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'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.



Independent Auditor's Report to the Members of H W Martin (Traffic Management) Limited

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.

Paul Houghton

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

12 December 2016

Statement of Income and Retained Earnings

For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	40,742,094	41,140,012
Cost of sales		(32,040,456)	(30,347,785)
Gross profit		8,701,638	10,792,227
Administrative expenses		(4,797,022)	(6,709,991)
Operating profit	5	3,904,616	4,082,236
Interest receivable and similar income	8	334	310
Profit on ordinary activities before taxation		3,904,950	4,082,546
Tax on profit on ordinary activities	9	(778,769)	(841,849)
Profit for the financial year		3,126,181	3,240,697
Retained earnings at the beginning of the year		6,338,307	3,597,610
Profit for the year		3,126,181	3,240,697
Dividends declared and paid		(1,500,000)	(500,000)
Retained earnings at the end of the year		7,964,488	6,338,307


The notes on pages 9 to 20 form part of these financial statements.

Balance Sheet

As at 31 July 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	11		6,034,219		3,837,874
Investments	12		5,000		5,000
			<u>6,039,219</u>		<u>3,842,874</u>
Current assets					
Stocks	13	3,795,117		7,355,879	
Debtors: amounts falling due within one year	14	1,467,408		1,225,025	
Cash at bank and in hand	15	1,991,560		1,861,881	
		<u>7,254,085</u>		<u>10,442,785</u>	
Creditors: amounts falling due within one year	16	(5,244,816)		(7,884,352)	
Net current assets			<u>2,009,269</u>		<u>2,558,433</u>
Total assets less current liabilities			<u>8,048,488</u>		<u>6,401,307</u>
Provisions for liabilities					
Deferred tax	17	(44,000)		(23,000)	
			<u>(44,000)</u>		<u>(23,000)</u>
Net assets			<u><u>8,004,488</u></u>		<u><u>6,378,307</u></u>
Capital and reserves					
Called up share capital	18		5,377		5,377
Share premium account	19		34,623		34,623
Profit and loss account	19		7,964,488		6,338,307
			<u><u>8,004,488</u></u>		<u><u>6,378,307</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2016.


N C Faulconbridge
Director

The notes on pages 9 to 20 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 July 2016

1. General information

H W Martin (Traffic Management) 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, installation and maintenance of traffic management systems on motorways and high speed dual carriageways.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The date of transition is 1 August 2014.

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 judgment 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 2016

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 2016 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
-------------------	--------------------------------

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 2016

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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 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 statement of income and retained earnings.

2.8 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.

2.9 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.

2.10 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

Notes to the Financial Statements

For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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 Balance sheet 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.

2.11 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.

2.12 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.

2.13 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 payments 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 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 2016

2. Accounting policies (continued)

2.15 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 change 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 balance sheet 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 Balance sheet 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 balance sheet date.

3. Judgments 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.

Goodwill

- Goodwill is considered to have a finite useful life, and is amortised on a systematic basis over its life. If the company is unable to make a reliable estimate of the useful life of goodwill, the life shall not exceed five years.

Notes to the Financial Statements

For the Year Ended 31 July 2016

4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	<u>40,742,094</u>	<u>41,140,012</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	1,455,838	959,666
Fees payable to the Company's auditor and its associates for the other services to the Company	6,500	7,500
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,500	14,500
Defined contribution pension cost	<u>163,922</u>	<u>173,055</u>

6. Employees

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

	2016 £	2015 £
Wages and salaries	13,762,281	11,487,674
Social security costs	1,446,100	1,214,851
Other pension costs	163,922	173,055
	<u>15,372,303</u>	<u>12,875,580</u>

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

	2016 No.	2015 No.
Direct labour	303	249
Administration and management	33	29
	<u>336</u>	<u>278</u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	510,266	408,507
Company contributions to defined contribution pension schemes	10,000	60,000
	<u>520,266</u>	<u>468,507</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £510,266 (2015 - £408,507).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2015 - £60,000).

8. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>334</u>	<u>310</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	757,769	758,676
Adjustments in respect of previous periods	-	4,173
Total current tax	<u>757,769</u>	<u>762,849</u>
Deferred tax		
Origination and reversal of timing differences	21,000	79,000
Total deferred tax	<u>21,000</u>	<u>79,000</u>
Taxation on profit on ordinary activities	<u>778,769</u>	<u>841,849</u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>3,904,950</u>	<u>4,082,546</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%)	780,990	843,862
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,497	8,747
Capital allowances for year in excess of depreciation	(25,718)	(85,607)
Adjustments to tax charge in respect of prior periods	-	4,144
Other short term timing differences	-	(8,297)
Other timing differences leading to an increase (decrease) in taxation	<u>21,000</u>	<u>79,000</u>
Total tax charge for the year	<u><u>778,769</u></u>	<u><u>841,849</u></u>

10. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>1,500,000</u>	<u>500,000</u>
	<u><u>1,500,000</u></u>	<u><u>500,000</u></u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

11. Tangible fixed assets

	Plant & machinery £
Cost or valuation	
At 1 August 2015	6,839,279
Additions	3,707,896
Transfers intra group	(7,500)
Disposals	(175,918)
At 31 July 2016	<u>10,363,757</u>
Depreciation	
At 1 August 2015	3,001,405
Charge for period on owned assets	1,455,838
Transfers intra group	(4,125)
Disposals	(123,580)
At 31 July 2016	<u>4,329,538</u>
Net book value	
At 31 July 2016	<u><u>6,034,219</u></u>
At 31 July 2015	<u><u>3,837,874</u></u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
As at 1 August 2015 and 31 July 2016	<u>5,000</u>
Net book value	
At 31 July 2016	<u><u>5,000</u></u>
At 31 July 2015	<u><u>5,000</u></u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

12. Fixed asset investments (continued)

Subsidiary undertakings

The following was the subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Amber Langis Limited	United Kingdom	Ordinary Shares	100 %	Design and installation of traffic control and management systems

The aggregate of the share capital and reserves as at 31 July 2016 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Amber Langis Limited	495,306	202,347
	<u>495,306</u>	<u>202,347</u>

13. Stocks

	2016	2015
	£	£
Raw materials	124,968	92,024
Work in progress	3,670,149	7,263,855
	<u>3,795,117</u>	<u>7,355,879</u>

14. Debtors

	2016	2015
	£	£
Trade debtors	1,053,266	872,644
Amounts owed by group undertakings	28,354	31,384
Other debtors	2,965	3,191
Prepayments and accrued income	382,823	317,806
	<u>1,467,408</u>	<u>1,225,025</u>

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

Notes to the Financial Statements

For the Year Ended 31 July 2016

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>1,991,560</u>	<u>1,861,881</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,344,957	2,123,968
Amounts owed to group undertakings	2,377,918	4,393,846
Corporation tax	377,769	379,676
Taxation and social security	409,274	343,471
Accruals and deferred income	734,898	643,391
	<u>5,244,816</u>	<u>7,884,352</u>

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

17. Deferred taxation

	2016 £
At beginning of year	(23,000)
Charged to the profit or loss	(21,000)
At end of year	<u>(44,000)</u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	23,000
Movement during the year	<u>(21,000)</u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000
377 A shares of £1 each	377	377
	<hr/>	<hr/>
	5,377	5,377
	<hr/>	<hr/>

19. Reserves

Share premium

Share premium - includes the shareholders' funds formed of the premium paid for new shares above their nominal value.

Profit & loss account

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 £163,922 (2015: £173,055).

Contributions totalling £nil (2015: £nil) were payable to the fund at the balance sheet date.

21. 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 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.

22. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.