

Registered number: 02941889

H W MARTIN HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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H W MARTIN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	H W Martin K Martin N C Faulconbridge
Registered number	02941889
Registered office	Fordbridge Lane Blackwell ALFRETON Derbyshire DE55 5JY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street SHEFFIELD South Yorkshire S1 2GT
Bankers	Barclays Bank PLC Derby Business Centre PO Box 493 Sir Frank Whittle Road DERBY DE1 9UU

H W MARTIN HOLDINGS LIMITED

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H W MARTIN HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

Introduction

The directors present their Strategic Report for the year ended 31 July 2020.

Principal activities and business review

The principal activity of H W Martin Holdings Limited during the year was that of a holding company and the provision of management services to its subsidiaries which together encompass the Martin Group of Companies ("the Group").

The principal activities of the Group were as follows:

- Commercial fencing and vegetation management and control contractors to the rail, civil engineering and highways industries.
- The manufacture of steel galvanised palisade, welded mesh and woven mesh security fencing and gates.
- Waste recycling, management, collection and treatment to local authorities and the recycling industry.
- The collection, disposal and management of commercial waste and recyclable materials.
- Design, installation and maintenance of traffic management systems on motorways and highspeed dual carriageways.
- Design, installation, service and hire of traffic control systems.
- Design and installation of permanent and temporary vehicle restraint systems and acoustic environmental barriers.
- Plant, vehicle and machinery provision and maintenance.
- Design, manufacture and servicing of trailers and truck bodies for abnormal and specialist loads.
- Design, manufacture and servicing of specialist vehicles and equipment for the traffic management industry.
- The provision and refurbishment of plant for the rail industry and supply of advanced variable messaging systems for the highways industry.
- Hire of specialist vehicles and trailers to the traffic management and wider construction industry.

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

1. Record sales achieved of over £171 million representing an increase of 12.4%.
2. Net profit before tax increased by £4.34 million.
3. Net profit margin before tax increased by 1.4%.
4. Group net assets increased by £7.1 million to £90.2 million.

The Group's non-financial key performance indicators for the year are:

- Employee accident frequency rate (AFR) per 100,000 hours worked is 0.23.
- Employee retention 84.0%.

The Group has achieved both substantial sales growth and increased profitability in the year. Our markets have retained robust demand and we have met that demand and delivered, despite the challenges arising from the coronavirus pandemic.

The Group maintains an exceptionally strong financial position with significant cash reserves and very low gearing allowing operational and strategic flexibility, the opportunity for further Group infrastructure investment and expansion, and resilience to meet unforeseen market conditions and operational challenges.

H W MARTIN HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Business review (continued)

H W Martin (Traffic Management) Limited has continued its exponential growth with sales of £80 million to meet the demands of its client base for an industry leading service. Other Group highways activities; H W Martin Safety Fencing Limited and Amber Langis Limited have also met this rising demand with 30% growth. Investment has continued in management, operational labour, IT systems and regional depots; including the £1.3 million freehold purchase of industrial premises at Coventry.

The waste and recycling activities of the Group have also provided growth and achieved increases in net profit margins. The Company has successfully retained its existing contracts and procured additional contracts with the local authorities of Coventry and Derby and with blue chip organisations Serco and Amey.

Investment in new machinery at the Company's material recycling facilities and in the vehicle, fleet has continued and has been accelerated to meet rising demand; this will amount to over £4 million in the coming months.

The commercial fencing and vegetation management activities have also seen high levels of growth whilst improving net margins. Further rail industry and HS2 contracts have been undertaken.

Lochrin Bain has achieved exceptionally good results, increasing both revenue and profit margins. The Company has invested and now manufactures palisade, welded mesh and woven mesh fencing systems in all security rated ranges SR1, SR2 and SR3.

The "King Group" (King Trailers, King Transport Equipment, King Highway Products and Safety Vehicle Hire and Lease) is now producing attractive financial results and profitability as every aspect of product quality, delivery and aftersales service continues to improve as investments in management structure, information technology, infrastructure and professional practices provide long term benefits.

Overall Group continuity of the current level of business activity will be provided by existing medium to long term contracts with local authorities, the Highways Agency and Network Rail and their agents. Opportunities to secure further contracts are also expected from the current Client base.

The Board's policy of authorising capital expenditure to take advantage of market opportunities will continue, with an ongoing program of vehicle fleet renewals and operational property acquisitions.

The Group 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 HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Principal risks and uncertainties

The identification, assessment and management of opportunities and associated risks are an integral part of the Group's business. 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. Many contracts include provision which allow the Group to pass increased costs so arising to the Client.
- Competitive risk. All major contracts are subject to periodic competitive tender and therefore the renewal of these contracts is not guaranteed. The Group continues to maintain a very competitive cost base to give the best possible commercial advantage and actively targets long term contracts.
- Recyclable material market prices. The Group's waste and recycling activities are subject to fluctuating returns as prices of recyclable material vary due to worldwide demand. This risk is considered during the tender process and mitigated by a focus on securing contracts which deliver service, rather than material, lead returns.
- Health and safety. The Group acknowledges that its employees work within hazardous environments and training is given to reflect and mitigate this risk. Policies and procedures are continually monitored and reviewed. The Group has achieved the 45001 Safety Management System standard and maintains its commitment to the Contractors Health and Safety Scheme (CHAS).
- Financial risk. The main risk arising from the group financial instruments is liquidity risk. This risk is managed by maintaining a significant cash reserve providing sufficient liquidity to finance the Groups' operations and to meet unanticipated costs.

Directors' statement of compliance with duty to promote the success of the Company

With effect from 1 January 2019, Directors are required to explain how they undertake their duties in respect of requirements under section 172 of the 2006 Companies Act to promote the success of the Company for the benefit of the Shareholders and other key stakeholders. The S172 Statement, which is reported for the first time, explains how the Company's Directors have considered the interest of key stakeholders.

The Directors of the company act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers and customers
- The impact of the Company's operations on the community and environment
- Maintaining the Company's reputation for high standards of business conduct
- The need to act fairly between members of the Company

The Board considers its employees, customers, suppliers and shareholders to be its major stakeholders. When taking decisions for the long-term future of the Group, the Board informally takes into consideration the interests of all these stakeholders in its deliberations.

The directors of the Group and the operating companies have a responsibility to ensure good relationships are maintained with employees, customers and suppliers which are recognized as being vital for the long term success of the Group.

The Board considers that appropriate remuneration, benefits and employment procedures are in place which fairly reward its employees in relation to the local communities in which they operate and identify opportunities for employee development where practical.

H W MARTIN HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

The Board endeavours to maintain good long-term supplier relationships by contracting on standard business terms and prompt payment within agreed terms. There are long-standing relationships with some key suppliers to ensure the quality and continuity of the supply chain.

The Board receive regular updates on both existing and new customer relationships to ensure any decision making takes into account the commercial and service requirements of the customer base.

The Board recognises that the Company has to maintain the highest standards of integrity in the conduct of each of the Company's operations throughout the country. Consequently, the Board aims to ensure all of its operations minimize harm and contribute as far as practical to the local communities in which it operates.

The Board recognizes the importance of maintaining high standards of business conduct and operates according to a full suite of Policies. These include Health and Safety, protecting the environment, looking after our people and maintaining the high quality of our service.

Carbon reporting

In October 2018 The Companies (Directors Report) and Limited Liability Partnership (Energy and Carbon Reporting) Regulations 2018 were implemented for financial periods beginning on or after 1 April 2019.

As a large company, H W Martin Holdings Limited has to report on its UK energy usage and carbon emissions.

The company has chosen to use the year ended 31 July 2020 as the base reporting year and, as such, no comparison with the previous year is provided in this first statement.

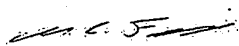
The company's energy consumption included electricity, natural gas, heating oil and fuel for transport purchased directly by the company within the UK.

The total energy use for the for the base year ending 31 July 2020 was collated in kilowatt hours and converted to tonnes of CO2 using government conversion factors. In total, the company consumed 65.0 million kilowatt hours, equivalent to 15940 tonnes of CO2 emissions.

The company has adopted kilograms of CO2 per £ of turnover as its key energy intensity ratio. The ratio for the base year is 0.093.

Energy reduction initiatives for the year commencing 1 August 2020 will target transport and the use of vehicles, which accounts for over 80% of the company's consumption. Hybrid and fully electric vehicles will be purchased to replace existing company-owned vehicles where practical. New intelligent, gyroscopic tracking systems will be fitted to all vehicles, allowing poor driver behaviour associated with increased consumption (such as harsh acceleration, harsh braking, excessive idling, etc) to be identified and corrected.

This report was approved by the board on 22/12/2020 and signed on its behalf.


N C Faulconbridge
Director

H W MARTIN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the financial statements for the year ended 31 July 2020.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £15,633,230 (2019: £12,046,294).

Particulars of dividends are detailed in note 12 to the financial statements.

Directors

The directors who served during the year were:

H W Martin
K Martin
N C Faulconbridge

Directors' Responsibilities Statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and of the profit or loss of the Group 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;
- 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 Group 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 the Group 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 the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 H W 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.

H W MARTIN HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

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.

Brexit risk

The directors are continuing to monitor the potential impact on its customers and suppliers, market access and possible effects on foreign currency exchange rates.

Covid-19

The directors consider that the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position are the prevailing economic conditions.

Since 31 December 2019, the spread of Covid-19 has severely impacted many local economies around the globe. The directors have considered the reasonably plausible impact of the Covid-19 outbreak on the Company's trading and cash flow, considering the lockdown restrictions in the UK. The directors consider the potential impact of Covid-19 to be minimal on the grounds of the Company's performance post year end to date, the type of service they provide as a Company and the continued support of the group.

Post balance sheet events

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

H W MARTIN HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Disclosure of information to auditor

The directors confirm that:

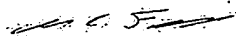
- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group'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 22/12/2020

and signed on its behalf.



N C Faulconbridge
Director



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

Opinion

We have audited the financial statements of H W Martin Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity 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 Group's and of the parent Company's affairs as at 31 July 2020 and of the Group's 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 Group and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H W MARTIN HOLDINGS LIMITED
(CONTINUED)**

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 Group's or the parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group or the parent company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Group or the parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H W MARTIN HOLDINGS LIMITED
(CONTINUED)**

Opinions on other matters prescribed under the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H W MARTIN HOLDINGS LIMITED
(CONTINUED)**

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. 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.

A handwritten signature in dark ink, appearing to read "Michael Redfern".

Michael Redfern FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 22/12/2020

H W MARTIN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Turnover	4	171,372,627	152,449,001
Cost of sales		(125,694,477)	(112,683,594)
Gross profit		45,678,150	39,765,407
Administrative expenses		(26,552,173)	(25,017,976)
Operating profit	5	19,125,977	14,747,431
Interest receivable and similar income	9	177,470	233,229
Interest payable and expenses	10	(4,672)	(16,795)
Profit before taxation		19,298,775	14,963,865
Tax on profit	11	(3,665,545)	(2,917,571)
Profit for the financial year		15,633,230	12,046,294
Total comprehensive income for the year attributable to:			
Non-controlling interest		100,036	27,874
Owners of the parent Company		15,533,194	12,018,420
		15,633,230	12,046,294

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: £Nil).

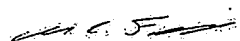
The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED
REGISTERED NUMBER:02941889

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	342,081	426,706
Tangible assets	14	40,509,561	38,554,876
		40,851,642	38,981,582
Current assets			
Stocks	16	4,381,267	4,822,111
Debtors: amounts falling due within one year	17	29,986,680	28,263,635
Cash at bank and in hand	18	39,038,205	35,509,217
		73,406,152	68,594,963
Creditors: amounts falling due within one year	19	(24,024,718)	(24,430,949)
Net current assets		49,381,434	44,164,014
Total assets less current liabilities		90,233,076	83,145,596
Creditors: amounts falling due after more than one year	20	(47,781)	(57,346)
Net assets		90,185,295	83,088,250
Capital and reserves			
Called up share capital	24	1,025,000	8,437,000
Capital redemption reserve	25	-	37,500
Profit and loss account	25	88,474,351	74,027,842
Equity attributable to owners of the parent Company		89,499,351	82,502,342
Non-controlling interests		685,944	585,908
		90,185,295	83,088,250

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2020



N C Faulconbridge
Director

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED
REGISTERED NUMBER:02941889

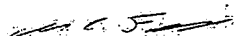
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	1	1
Tangible assets	14	3,152,833	-
Investments	15	4,254,150	4,254,150
		<u>7,406,984</u>	<u>4,254,151</u>
Current assets			
Debtors: amounts falling due after more than one year	17	12,898,110	15,694,895
Debtors: amounts falling due within one year	17	8,544,057	9,088,274
Cash at bank and in hand	18	20,627,646	19,627,314
		<u>42,069,813</u>	<u>44,410,483</u>
Creditors: amounts falling due within one year	19	(9,472,564)	(8,467,720)
Net current assets		<u>32,597,249</u>	<u>35,942,763</u>
Net assets		<u><u>40,004,233</u></u>	<u><u>40,196,914</u></u>
Capital and reserves			
Called up share capital	24	1,025,000	8,437,000
Capital redemption reserve	25	-	37,500
Profit and loss account brought forward		31,722,414	25,207,761
Profit for the year		8,343,504	7,829,988
Dividends paid		(1,124,185)	(1,315,335)
Capital reduction		37,500	-
		<u>38,979,233</u>	<u>31,722,414</u>
Profit and loss account carried forward		<u><u>40,004,233</u></u>	<u><u>40,196,914</u></u>

H W MARTIN HOLDINGS LIMITED
REGISTERED NUMBER:02941889

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2020



N C Faulconbridge
Director

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The profit after tax of the parent Company for the year was £8,343,504 (2019: £7,829,988).

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 August 2019	8,437,000	37,500	74,027,842	82,502,342	585,908	83,088,250
Comprehensive income for the year						
Profit for the year	-	-	15,533,194	15,533,194	100,036	15,633,230
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	15,533,194	15,533,194	100,036	15,633,230
Dividends: Equity capital	-	-	(1,124,185)	(1,124,185)	-	(1,124,185)
Shares redeemed during the year	(7,412,000)	-	-	(7,412,000)	-	(7,412,000)
Capital reduction	-	(37,500)	37,500	-	-	-
Total transactions with owners	(7,412,000)	(37,500)	(1,086,685)	(8,536,185)	-	(8,536,185)
At 31 July 2020	1,025,000	-	88,474,351	89,499,351	685,944	90,185,295

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 August 2018	8,437,000	37,500	63,324,757	71,799,257	558,034	72,357,291
Comprehensive income for the year						
Profit for the year	-	-	12,018,420	12,018,420	27,874	12,046,294
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	12,018,420	12,018,420	27,874	12,046,294
Dividends: Equity capital	-	-	(1,315,335)	(1,315,335)	-	(1,315,335)
Total transactions with owners	-	-	(1,315,335)	(1,315,335)	-	(1,315,335)
At 31 July 2019	8,437,000	37,500	74,027,842	82,502,342	585,908	83,088,250

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 August 2019	8,437,000	37,500	31,722,414	40,196,914
Comprehensive income for the year				
Profit for the year	-	-	8,343,504	8,343,504
Total comprehensive income for the year	-	-	8,343,504	8,343,504
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,124,185)	(1,124,185)
Shares redeemed during the year	(7,412,000)	-	-	(7,412,000)
Capital reduction	-	(37,500)	37,500	-
Total transactions with owners	(7,412,000)	(37,500)	(1,086,685)	(8,536,185)
At 31 July 2020	1,025,000	-	38,979,233	40,004,233

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 August 2018	8,437,000	37,500	25,207,761	33,682,261
Comprehensive income for the year				
Profit for the year	-	-	7,829,988	7,829,988
Total comprehensive income for the year	-	-	7,829,988	7,829,988
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,315,335)	(1,315,335)
Total transactions with owners	-	-	(1,315,335)	(1,315,335)
At 31 July 2019	8,437,000	37,500	31,722,414	40,196,914

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	15,633,230	12,046,294
Adjustments for:		
Amortisation of intangible assets	84,625	84,625
Depreciation of tangible assets	6,841,456	6,362,248
Loss on disposal of tangible assets	(356,091)	(264,429)
Interest paid	4,672	16,795
Interest received	(177,470)	(233,229)
Taxation charge	3,665,545	2,917,571
Decrease/(increase) in stocks	440,844	(129,924)
(Increase) in debtors	(1,587,145)	(3,077,280)
Increase in creditors	127,061	1,573,603
Corporation tax (paid)	(4,230,995)	(2,975,000)
Net cash generated from operating activities	20,445,732	16,321,274
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,254,186)	(12,147,567)
Sale of tangible fixed assets	814,136	883,208
Interest received	177,470	233,229
Net cash from investing activities	(8,262,580)	(11,031,130)

H W MARTIN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Cash flows from financing activities		
Repayment of/new finance leases	(148,396)	(509,341)
Dividends paid	(1,089,096)	(1,315,335)
Interest paid	(4,672)	(16,795)
Preference shares redeemed	(7,412,000)	-
Net cash used in financing activities	(8,654,164)	(1,841,471)
 Net increase in cash and cash equivalents	 3,528,988	 3,448,673
Cash and cash equivalents at beginning of year	<u>35,509,217</u>	<u>32,060,544</u>
 Cash and cash equivalents at the end of year	 <u>39,038,205</u>	 <u>35,509,217</u>
 Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>39,038,205</u>	<u>35,509,217</u>

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 JULY 2020**

	<i>At 1 August 2019</i>	Cash flows	Other non cash charges	At 31 July 2020
	£	£	£	£
Cash at bank and in hand	35,509,217	3,528,988	-	39,038,205
Debt due after 1 year	(148,396)	148,396	(7,059)	(7,059)
Debt due within 1 year	(7,059)	-	7,059	-
	35,353,762	3,677,384	-	39,031,146

The notes on pages 22 to 45 form part of these financial statements.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. General information

H W Martin Holdings Limited 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 activity of the Company during the year was that of a holding company and the provision of management services to its subsidiaries which together encompasses the Martin Group of Companies.

The principal activities of the Group are disclosed in note 15.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 August 2016.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.3 Going concern

The Company and the Group fund both day-to-day operations and longer-term strategic development from their 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 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.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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. Amounts recognised as revenue where contract progress is sufficient to do so, are included on the balance sheet as amounts recoverable on contracts.

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)
2.5 Intangible assets
Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Patents	-	33 %
Goodwill	-	10 %

2.6 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:

Freehold property	- 2% straight line
Plant & machinery, motor vehicles, fixtures, fittings and equipment	- 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 profit or loss.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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 based on an annual level of activity. Provision is made for foreseeable losses where appropriate. No element of profit is included in the value of work in progress.

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 Statement of Income and Retained Earnings.

2.10 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.

2.11 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties and investments in non-puttable ordinary shares.

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 Group would receive for the asset if it were to be sold at the reporting date.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

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

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 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.

2.16 Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

2.17 Operating leases: the Group as lessor

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 August 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.18 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.19 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.20 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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 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 stock. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings immediately.

Impairment of fixed asset investments

At the end of each reporting period, an assessment is made as to whether there is objective evidence of impairment of any fixed asset investments that are measured at cost or amortised cost. 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.

4. Turnover

	2020 £	2019 £
Waste recycling and management	45,868,118	44,506,909
Traffic management	85,202,986	68,224,084
Fence installation	13,506,567	9,142,949
Installation of vehicle restraint systems	9,996,304	11,131,204
Perimeter systems manufacturing	2,897,521	2,552,242
Design, manufacture and hire of specialist vehicles	12,609,920	15,775,450
Other	1,291,211	1,116,163
	<u>171,372,627</u>	<u>152,449,001</u>

All turnover arose in the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	6,841,456	6,362,248
Amortisation and impairment of intangible assets, including goodwill	84,625	84,625
Defined contribution pension cost	<u>984,035</u>	<u>938,309</u>

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>97,950</u>	<u>71,750</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services for H W Martin Group	<u>31,500</u>	<u>30,000</u>

7. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	40,655,583	35,970,352	2,244,770	2,114,052
Social security costs	3,753,287	4,030,293	260,853	266,608
Cost of defined contribution scheme	984,035	938,309	33,790	34,166
	<u>45,392,905</u>	<u>40,938,954</u>	<u>2,539,413</u>	<u>2,414,826</u>

The Group received government grants of £1,028,730 (2019: £nil) which have been netted off against payroll costs in the year.

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Administration and management	232	221	31	31
Direct labour	737	667	-	-
	<u>969</u>	<u>888</u>	<u>31</u>	<u>31</u>

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	1,645,370	1,552,921
Company contributions to defined contribution pension schemes	10,000	10,000
	<u>1,655,370</u>	<u>1,562,921</u>

During the year retirement benefits were accruing to 1 director (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £645,533 (2019: £604,684).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £10,000 (2019: £10,000).

9. Interest receivable

	2020 £	2019 £
Bank interest receivable	<u>177,470</u>	<u>233,229</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Other interest payable	<u>4,672</u>	<u>16,795</u>

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	3,801,158	2,973,643
Adjustments in respect of previous periods	287	(22,122)
Total current tax	3,801,445	2,951,521
Deferred tax		
Origination and reversal of timing differences	(135,900)	(40,150)
Adjustments with respect of prior year	-	6,200
Total deferred tax	(135,900)	(33,950)
Taxation on profit on ordinary activities	3,665,545	2,917,571

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	19,298,775	14,963,865
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	3,666,767	2,843,134
Effects of:		
Expenses not deductible for tax purposes	69,356	75,456
Adjustments to tax charge in respect of prior periods	287	(15,922)
Other timing differences leading to an increase in taxation	(73,792)	8,614
Fixed asset difference	8,862	-
Deferred tax not recognised	(431)	6,289
Adjust deferred tax charge to average rate	(5,504)	-
Total tax charge for the year	3,665,545	2,917,571

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. Dividends

	2020 £	2019 £
Dividends paid on equity capital	<u>1,124,185</u>	<u>1,315,335</u>

Included in the above amount is £1,035,089 (2019: £1,000,000) which is a final dividend approved by Members on 31 July 2020 and is included within other creditors at the year end.

13. Intangible assets

Group

	Patents £	Goodwill £	Total £
Cost			
At 1 August 2019	1,422,501	8,215,024	9,637,525
At 31 July 2020	<u>1,422,501</u>	<u>8,215,024</u>	<u>9,637,525</u>
Amortisation			
At 1 August 2019	1,399,999	7,810,820	9,210,819
Charge for the year on owned assets	-	84,625	84,625
At 31 July 2020	<u>1,399,999</u>	<u>7,895,445</u>	<u>9,295,444</u>
Net book value			
At 31 July 2020	<u>22,502</u>	<u>319,579</u>	<u>342,081</u>
At 31 July 2019	<u>22,502</u>	<u>404,204</u>	<u>426,706</u>

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

13. Intangible assets (continued)

Company

	Patents £
Cost	
At 1 August 2019	1,400,000
At 31 July 2020	<u>1,400,000</u>
Amortisation	
At 1 August 2019	1,399,999
At 31 July 2020	<u>1,399,999</u>
Net book value	
At 31 July 2020	<u><u>1</u></u>
At 31 July 2019	<u><u>1</u></u>

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Tangible fixed assets

Group

	Freehold property £	Plant & machinery, motor vehicles, fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2019	19,789,258	47,965,066	67,754,324
Additions	3,835,400	5,418,786	9,254,186
Disposals	(24,445)	(3,571,601)	(3,596,046)
At 31 July 2020	23,600,213	49,812,251	73,412,464
Depreciation			
At 1 August 2019	1,218,350	27,981,098	29,199,448
Charge for the year on owned assets	257,883	6,583,573	6,841,456
Disposals	(24,445)	(3,113,556)	(3,138,001)
At 31 July 2020	1,451,788	31,451,115	32,902,903
Net book value			
At 31 July 2020	22,148,425	18,361,136	40,509,561
At 31 July 2019	18,570,908	19,983,968	38,554,876

Included in freehold property is freehold land of £13,074,734 (2019: £10,905,734) which is not subject to depreciation.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	73,500	899,379

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
Additions	3,169,500
At 31 July 2020	<u>3,169,500</u>
Depreciation	
Charge for the year on owned assets	16,667
At 31 July 2020	<u>16,667</u>
Net book value	
At 31 July 2020	<u>3,152,833</u>
At 31 July 2019	<u>-</u>

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Fixed asset investments**Company**

**Investments
in
subsidiary
companies
£**

Cost

At 1 August 2019

4,254,150

At 31 July 2020

4,254,150**Net book value**

At 31 July 2020

4,254,150

At 31 July 2019

4,254,150**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
H W Martin (Fencing Contractors) Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Installation of fencing and perimeter systems	Ordinary	100%
H W Martin (Safety Fencing) Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Design and installation of security and barrier perimeter systems	Ordinary	100%
H W Martin (Traffic Management) Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Design and installation of traffic management systems	Ordinary	100%
H W Martin (Plant) Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Vehicle and plant provision and maintenance	Ordinary	100%
H W Martin Waste Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Management and treatment of waste and recyclable products	Ordinary	100%
Lochrin Bain Limited	Lochrin Works, 7 Limekilns Road, Blairlinn Industrial Estate, Cumbernauld, G67 2RN	Manufacture of steel galvanised fencing systems	Ordinary	100%
King Vehicle Engineering Limited	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Holding company	Ordinary	90%

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Class of shares	Holding
King Highway Products Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Manufacture and sale of specialist truck equipment	Ordinary	90%
King Trailers Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Manufacture and sale of specialist trailers	Ordinary	90%
King Transport Equipment Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Manufacture and sale of engineer solutions for transportation and material handling	Ordinary	90%
Safety Vehicle Hire & Lease Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Hire of vehicles	Ordinary	90%
Premier Waste Recycling Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Management of commercial waste	Ordinary	100%
Amber Langis Limited*	Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY	Design and installation of traffic control and management systems	Ordinary	100%

Company's with * are indirect subsidiary undertakings.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 July 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
H W Martin (Fencing Contractors) Limited	4,965,076	998,131
H W Martin (Safety Fencing) Limited	4,353,571	935,524
H W Martin (Traffic Management) Limited	14,864,613	6,026,536
H W Martin (Plant) Limited	2,374,308	29,971
H W Martin Waste Limited	12,997,825	2,829,626
Lochrin Bain Limited	2,485,722	487,723
King Vehicle Engineering Limited	4,066,888	(81,072)
King Highway Products Limited*	1,703,554	248,431
King Trailers Limited*	1,229,603	356,593
King Transport Equipment Limited*	31,073	127,376
Safety Vehicle Hire & Lease Limited*	2,934,345	345,376
Premier Waste Recycling Limited*	3,919,907	660,589
Amber Langis Limited*	1,351,169	155,825

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

16. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials	2,760,957	2,957,129	-	-
Work in progress	1,344,814	1,795,285	-	-
Finished goods and goods for resale	275,496	69,697	-	-
	<u>4,381,267</u>	<u>4,822,111</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The balances shown above include a provision of £731,114 (2019: £590,088) due to slow-moving and obsolete stock.

17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Amounts owed by group undertakings	-	-	12,898,110	15,694,895

A new loan agreement was entered into on 22 July 2020, the principal amount included in the above relating to loans to H W Martin (Plant) Limited is £12,898,110. There is an interest rate of 1.5% per annum charged on this loan and it is repayable on 1 August 2021.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	13,879,816	13,603,980	-	-
Amounts owed by group undertakings	-	-	8,515,795	9,086,593
Other debtors	170,388	146,009	9,416	1,681
Prepayments and accrued income	1,884,993	1,656,952	-	-
Amounts recoverable on long term contracts	13,449,183	12,390,294	-	-
Tax recoverable	-	-	18,846	-
Deferred taxation	602,300	466,400	-	-
	<u>29,986,680</u>	<u>28,263,635</u>	<u>8,544,057</u>	<u>9,088,274</u>

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

Across the group an impairment loss of £90,477 (2019: £143,102) was recognised against trade debtors at the year end.

The bad debt expense recognised in the Statement of Income and Retained Earnings in the year was £107,911 (2019: £23,353).

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

18. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	39,038,205	35,509,217	20,627,646	19,627,314

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	13,331,581	13,365,462	-	-
Amounts owed to group undertakings	-	-	4,336,987	3,692,049
Corporation tax	1,274,333	1,703,883	-	519,396
Other taxation and social security	3,743,068	2,965,983	2,753,158	2,010,538
Obligations under finance lease and hire purchase contracts	7,059	148,396	-	-
Other creditors	1,056,024	1,407,872	1,039,311	1,022,000
Accruals and deferred income	4,612,653	4,839,353	1,343,108	1,223,737
	24,024,718	24,430,949	9,472,564	8,467,720

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

20. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Net obligations under finance leases and hire purchase contracts	-	7,059	-	-
Other creditors	47,781	50,287	-	-
	47,781	57,346	-	-

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	<i>Group 2019 £</i>
Within one year	7,147	164,311
Between 1-5 years	-	7,147
	7,147	171,458
Less: finance charges	(88)	(16,003)
	7,059	155,455

22. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Trade debtors	13,879,816	13,603,980	-	-
Amounts owed by group undertakings	-	-	21,413,905	25,861,268
Other debtors	170,388	146,009	9,416	1,681
	14,050,204	13,749,989	21,423,321	25,862,949
Financial liabilities				
Trade creditors	13,331,581	13,365,462	-	-
Accruals and deferred income	4,612,653	4,839,353	1,343,108	1,167,690
Amounts owed to group undertakings	-	-	4,336,987	5,974,533
Hire purchase liabilities and finance leases	7,059	155,455	-	-
Other creditors	1,103,805	1,458,159	1,039,311	1,000,000
Tax and social security	3,743,068	2,965,983	2,753,158	2,010,538
	22,798,166	22,784,412	9,472,564	10,152,761

H W MARTIN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

23. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	466,400	432,450
Charge for the year	135,900	33,950
At end of year	602,300	466,400
	Group 2020 £	Group 2019 £
Accelerated capital allowances	594,700	471,400
Short term timing differences	7,600	4,300
Fixed asset timing differences	-	(9,300)
	602,300	466,400

24. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000
1,000,000 Redeemable Preference shares of £1 each	1,000,000	8,412,000
	1,025,000	8,437,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

The Preference shares carry no right to vote. The holders of Preference shares are entitled to be paid a preferential dividend, before dividends paid to Ordinary shares, at the rate of 3% per annum above the base rate of Barclays Bank plc.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

25. Reserves**Capital redemption reserve**

Pertains to non-distributable reserve which amounts are transferred following the redemption or purchase of the company's own shares.

Profit & loss account

Includes all current and prior period retained profits and losses.

26. Capital commitments

There are no capital commitments at the year end for either the current or prior year.

27. 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 represent contributions payable by the Company into the fund and amounted to £984,035 (2019: £938,309).

Contributions totaling £4,300 (2019: £7,970) were payable to the fund at the reporting date.

28. Commitments under operating leases: lessee

At 31 July 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>
	2020	<i>2019</i>
	£	<i>(restated)</i>
	£	<i>£</i>
Not later than 1 year	3,992	<i>4,791</i>

A charge of £3,992 (2019: £4,791 restated) has been recognised in the year for operating lease commitments.

The operating lease disclosure has been restated in the prior year to more accurately reflect the commitment due.

H W MARTIN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

29. Commitments under operating leases: lessor

At judgements the Group had future minimum lease income under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	1,616,135	1,417,855
Later than 1 year and not later than 5 years	689,374	1,506,956
	<u>2,305,509</u>	<u>2,924,811</u>

30. Transactions with directors

At the year end there were loans outstanding of £Nil (2019: £17,926) which had been granted by the Company to its directors.

The amount repaid against these loans in the year was £Nil and the loans bear an interest rate of 2.5%. Amounts written off against these loans in the year was £Nil.

31. Related party transactions

The key management personnel of the Company during the year comprised the Directors. The total employee benefits of the key management personnel of the company were £3,525,025 (2019: £3,427,892).

32. Controlling party

The directors consider that the ultimate controlling party of the Company is H W Martin

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.