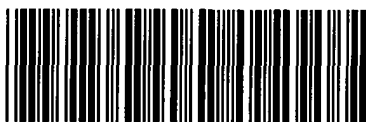


**REGISTERED NUMBER: 02941889 (England and Wales)**

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

MONDAY



\*ACZSZDTE\*

A06

18/03/2024

#167

COMPANIES HOUSE

**H W MARTIN HOLDINGS LIMITED**  
**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>7</b>
<b>Independent Auditors' Report</b>	<b>10</b>
<b>Consolidated Income Statement</b>	<b>14</b>
<b>Consolidated Other Comprehensive Income</b>	<b>15</b>
<b>Consolidated Statement of Financial Position</b>	<b>16</b>
<b>Company Statement of Financial Position</b>	<b>17</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>18</b>
<b>Company Statement of Changes in Equity</b>	<b>19</b>
<b>Consolidated Statement of Cash Flows</b>	<b>20</b>
<b>Notes to the Consolidated Statement of Cash Flows</b>	<b>21</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>23</b>

---

**H W MARTIN HOLDINGS LIMITED**

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

---

**DIRECTORS:**

H W Martin  
K Martin  
L A Morley  
R R Akers

**REGISTERED OFFICE:**

Fordbridge Lane  
Blackwell  
Alfreton  
Derbyshire  
DE55 5JY

**REGISTERED NUMBER:**

02941889 (England and Wales)

**INDEPENDENT AUDITOR:**

BDO LLP, statutory auditor  
Two Snowhill  
Birmingham  
B4 6GA

**H W MARTIN HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 JULY 2023**

---

The Directors present their Strategic report for the H W Martin Group of Companies ("the Group") for the year-ended 31 July 2023.

**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, vegetation management and ecology and environmental service contractors to the rail, civil engineering, and highways industries;
- the manufacture of steel galvanised palisade, welded mesh and woven mesh security fencing and gates;
- plant, vehicle and machinery provision and maintenance;
- design and installation of permanent and temporary vehicle restraint systems and acoustic environmental barriers;
- design, installation and maintenance of traffic management systems on the UK's highspeed road network;
- design, installation, service and hire of traffic control systems;
- temporary traffic management design, highway project planning and delivery support;
- waste recycling management, collection and treatment services to local authorities and the recycling industry;
- the collection, treatment, disposal and management of commercial waste and recyclable materials;
- 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, trailers, tower lights and AVMS signs to the traffic management and wider construction industry.

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

1. Record turnover achieved of over £240 million, representing an increase of 11% (2022: £224 million);
2. Net profit (before exceptional items) increased by £4.9m to £28.2m (2022:£23.3m)
3. Net profit margin (before exceptional items) increased by 1% to 11% (2022:10%)
4. Group net assets increased by 3.6% to £129m (2022: £124m)

The Group has delivered excellent financial results; significantly increasing sales whilst further improving operating profit before exceptional items.

The Group maintains an exceptionally strong financial position with significant cash reserves and very low gearing to encourage further investment and expansion of operations and infrastructure.

The name of HW Martin (Fencing Contractors) Limited. was changed to HW Martin Fencing and Forestry Limited to better reflect the services the Company offers in October 2022. The commercial fencing, vegetation management and ecology and environmental services activities have continued to enjoy high sales and profitability. The Company's national framework contract with Network Rail has been extended until 2025.

## **H W MARTIN HOLDINGS LIMITED**

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

---

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW - continued**

Lochrin Bain achieved exceptional results and is well placed with an extensive product range of palisade, welded mesh, and woven mesh fencing systems in all security rated ranges SR1, SR2 and SR3 to supply an expanding portfolio of clients and industries.

H W Martin Safety Fencing Ltd. continues to provide attractive net profit margins. Significant investment in plant and machinery and a new stock yard, close to M1 Junction 28, will allow future growth and operational efficiencies.

H W Martin (Traffic Management) Limited has continued its exponential growth with sales now exceeding £120 million (2022:£100m) whilst also increasing net profit margin. Amber Langis, which has increasingly provided services to H W Martin (Traffic Management), under a joint management structure, has operated as a division of its parent Company since November 2022. Group investment to purchase the freehold title of the Company's southeast operations centre demonstrates the Group's long term commitment to the region and to providing the infrastructure for future growth. The acquisition of Virtus Traffic Management Solutions Limited in September 2022 provides further highway industry design and project management expertise and services to this activity.

HW Martin Waste Ltd. has achieved over 20% growth in the year whilst maintaining net profit margins. Existing contracts have been retained, extending those with Cheshire East and Durham local authorities, whilst also achieving the procurement of new long-term contracts with Rotherham, Doncaster and Barnsley authorities. Investment in the Company's material recycling facilities (MRF's) by the Group continues with the purchase of an additional site at M1 junction 28 in which new 'state of the art' waste processing machinery is being installed and shall be fully operational early 2024.

The "King Group" (King Trailers Limited, King Transport Equipment Limited, King Highway Products Limited and Safety Vehicle Hire and Lease Limited) has again increased profits and profit margin. The King Group's reputation continues to strengthen as the market leader in the provision of transportation solutions to the defence, nuclear and traffic management industries whilst also giving the wider Martin Group access to new and innovative products.

Overall Group continuity of the current level of business activity will be provided by existing medium to long term contracts with Local Authorities, National Highways, HS2, Network Rail and their agents. Opportunities to secure further contracts are also expected from the current client base.

Group profits continue to be reinvested in the business. Significant cash reserves are purposefully maintained to allow an ongoing program of vehicle fleet and equipment renewals, operational property purchases and development, acquisition of organisations which bring benefits to existing Group companies for access to new markets and to accommodate market fluctuations on existing activities.

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 FOR THE YEAR ENDED 31 JULY 2023

---

#### PRINCIPAL RISKS AND UNCERTAINTIES

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

Legislation and regulation	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 Company continues to align itself to the targets and requirements of our Clients whilst maintaining 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, and by actively pursuing market price risk share with our Clients.
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 maintains its commitment to the 45001 Safety Management System, including accreditation to SSIP (Safety Schemes in Procurement).
Financial risk	The main risk arising from the 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.

#### SECTION 172(1) STATEMENT

The Directors are required to explain how they undertake their duties in respect of requirements under Section 172(1) ("S172(1)") of the 2006 Companies Act to promote the success of the Group for the benefit of the Shareholders and other key stakeholders. This S172(1) statement explains how the Group's Directors ("the Board") have considered the interest of all key stakeholders.

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

1. the likely consequences of any decision in the long term;
2. the interests of the Group's employees;
3. the need to foster the Group's business relationships with suppliers and customers;
4. the impact of the Group's operations on the community and environment;
5. maintaining the Group's reputation for high standards of business conduct; and
6. the need to act fairly between members of the Group.

The Board considers its employees, customers, suppliers and shareholders to be its major stakeholders. The directors of the Group and the operating companies have a responsibility to ensure good relationships are maintained with key stakeholders, as they are recognised as being vital for the long-term success of the Group. The Board has recognised that there are various factors that could affect the relationships with key stakeholders. These factors, and how they are managed, have been discussed in the "Principal risks and uncertainties" section of the Strategic report. Key performance indicators which help the Board to understand the strength of the Group's relationships with key stakeholders have been presented and discussed further in the "Principal activities and business review" section of the Strategic report.

## H W MARTIN HOLDINGS LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

---

#### SECTION 172(1) STATEMENT - continued

When taking decisions for the long-term future of the Group, the Board informally takes into consideration the interests of all key stakeholders in its deliberations. Significant events and decisions taken during the year with respect to investment and growth of the Group have been discussed further in the "Principal activities and business review" section of the Strategic report.

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. Action taken during the year with respect to engagement with employees has been discussed further in the "Engagement with Employees" section of the Strategic report.

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. Action taken during the year with respect to engagement with suppliers and customers has been discussed further in the "Principal activities and business review" section of the Strategic report.

The Board recognises that the Group has to maintain the highest standards of integrity in the conduct of each of the Group's operations throughout the country. Consequently, the Board aims to ensure all of its operations minimise harm and contribute as far as practical to the local communities in which it operates. The Board recognises the importance of maintaining high standards of business conduct and operates according to a full suite of policies. These include Health & Safety, protecting the environment, looking after our people and maintaining the high quality of our service. Action taken during the year with respect to carbon efficiency has been discussed further in the "Streamlined Energy and Carbon Reporting (SECR)" section of the Report of the Directors. Health & Safety developments have also been discussed in the "Principal risks and uncertainties" section of the Strategic report.

The Board has taken the following key decisions during the year:

- The post year end investment in the purchase of Mill Place Industrial Estate, near Sevenoaks, Kent, which will provide long term operational security for the Southeast region and the opportunity to develop the site further into a bespoke industry leading traffic management facility;
- The acquisition by the Group of Virtus Traffic Management Solutions Limited in September 2022 provides the Company with direct access to high standard design service, further enhancing its client offering;
- The integration of Amber Langis Limited, previously a subsidiary, into the Company as a trading division to bring consistency and savings across the management structure;
- The decision to expand the management of household waste recycling centres by competitively and successfully tendering for additional contracts with councils in Barnsley, Doncaster and Rotherham as well as securing renewals and extensions of current contracts;
- The appointment of an additional statutory operational director to further strengthen the experienced senior management team.
- The resignation as Director of Harold Martin from the subsidiary companies to allow him to focus on Group strategic plans and wider issues.
- Significant bonus made to the Group Chairman. Due consideration made of the appropriate level of reward particularly in respect of the most recent 10 years financial performance.

**H W MARTIN HOLDINGS LIMITED**

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

---

**ENGAGEMENT WITH EMPLOYEES**

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

The Group 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 Group'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.

**ON BEHALF OF THE BOARD:**



.....  
R R Akers - Director

Date: 6/3/24



## H W MARTIN HOLDINGS LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023

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

#### DIVIDENDS

The directors paid a final dividend of £40.00 per share on the Ordinary £1 shares. However, the minority shareholder, who owns 40% of the Ordinary £1 shares, waived their right to a final dividend for the year-ended 31 July 2023.

The total distribution of dividends for the year-ended 31 July 2023 is £1,000,000.

#### FUTURE DEVELOPMENTS

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

#### EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the strategic report and in the notes to the financial statements.

#### DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

H W Martin  
K Martin

Other changes in directors holding office are as follows:

L A Morley - appointed 5 October 2022

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

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

#### GOING CONCERN

The Group funds both day-to-day operations and longer-term strategic development from its liquid resources, including working capital generated from operations. The Directors have considered the level of the liquid resources and the expected future profitability of both the Group and the wider Group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the Group to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements to 30 April 2025. For this reason, they have concluded that it is appropriate to use the going concern basis on presenting these financial statements.

#### STREAMLINED ENERGY AND CARBON REPORTING (SECR)

This SECR report sets out cumulative energy consumption information for all entities included in the consolidated financial statements for the years ending 31 July 2023 and 31 July 2022, in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The Group's energy consumption results from the carrying on of all principal activities of the Group and included direct emissions (fuel use from transport, natural gas), indirect emissions (electricity purchased and used for operations) and other indirect emissions (heating oil), all of which was purchased directly by the Group within the UK.

The total energy use was collated in kilowatt hours and converted to kilograms of CO<sub>2</sub> using government conversion factors. The Group has adopted kilograms of CO<sub>2</sub> per £1 of turnover as its key energy intensity ratio. The Group consumed the following:

		2023		2022	
		Kilowatt hours (millions)	CO <sub>2</sub> emissions (kilograms)	Kilowatt hours (millions)	CO <sub>2</sub> emissions (kilograms)
Scope 1	Energy type				
	Gas	1.57	287,031	1.86	339,653
	Burning oil	1.03	253,303	1.16	286,222

## H W MARTIN HOLDINGS LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023

Scope 2	Transport fuel	65.93	15,550,841	67.42	16,339,482
	Electricity	5.10	1,056,699	5.32	1,029,667
		73.63	17,147,874	75.76	17,995,024

Per £1 of turnover 0.069 0.080

Action to reduce energy consumption across the group during the year to 31 July 2023 included increased recycling of tyres from our vehicles, and increased use of more energy-efficient LED lighting on newer vehicles.

Energy reduction initiatives for the year commencing 1 August 2023 will continue to target transport and use of vehicles, which accounts for over 90% of the Group's consumption. Hybrid and fully electric vehicles will be purchased to replace existing company owned vehicles where practical. New intelligent, gyroscopic tracking systems will continue to 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.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 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 and the Group'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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

**H W MARTIN HOLDINGS LIMITED**

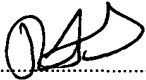
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2023**

---

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



.....  
R R Akers - Director

Date: .....

6/3/24

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
H W MARTIN HOLDINGS LIMITED**

---

**Opinion on the financial statements**

In our opinion the financial statements:

- 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 2023 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 2023 which comprise the Consolidated Income Statement, the Consolidated Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the 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.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H W MARTIN HOLDINGS LIMITED**

---

### **Other Companies Act 2006 reporting**

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

- the information given in the 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.

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.

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**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

#### **Non-compliance with laws and regulations**

Based on:

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
H W MARTIN HOLDINGS LIMITED**

---

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

Our procedures in respect of the above included:

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

**Fraud**

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

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

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

Our procedures in respect of the above included:

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
H W MARTIN HOLDINGS LIMITED**

---

**Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Gareth Singleton*

0CC53D18F43B471...

Gareth Singleton (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

07 March 2024

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

**H W MARTIN HOLDINGS LIMITED**

**CONSOLIDATED  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	4	247,800,269	223,726,015
Cost of sales		(178,007,736)	(161,684,594)
<b>GROSS PROFIT</b>		69,792,533	62,041,421
Administrative expenses		(40,660,681)	(32,922,609)
		29,131,852	29,118,812
Other operating income		23,506	73,036
Exceptional items	6	(22,760,000)	-
<b>OPERATING PROFIT</b>		6,395,358	29,191,848
Interest receivable and similar income		1,820,553	135,556
<b>PROFIT BEFORE TAXATION</b>	7	8,215,911	29,327,404
Tax on profit	9	(2,777,436)	(6,047,062)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		5,438,475	23,280,342
Profit attributable to:			
Owners of the parent		5,284,556	23,138,582
Non-controlling interests		153,919	141,760
		5,438,475	23,280,342

The notes form part of these financial statements



**H W MARTIN HOLDINGS LIMITED**

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2023**

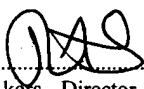
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE YEAR</b>	<b>5,438,475</b>	<b>23,280,342</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>5,438,475</b>	<b>23,280,342</b>
Total comprehensive income attributable to:		
Owners of the parent	<b>5,284,556</b>	<b>23,138,582</b>
Non-controlling interests	<b>153,919</b>	<b>141,760</b>
	<b>5,438,475</b>	<b>23,280,342</b>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 JULY 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Intangible assets	12	2,760,137	172,831
Tangible assets	13	<u>58,221,693</u>	<u>52,190,100</u>
		60,981,830	52,362,931
<b>CURRENT ASSETS</b>			
Stocks	15	5,497,176	5,468,996
Debtors: amounts falling due within one year	16	46,055,383	38,123,035
Investments	17	10,000,000	30,000,000
Cash at bank and in hand		57,936,517	39,722,884
		<u>119,489,076</u>	<u>113,314,915</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	18	<u>45,837,337</u>	<u>39,859,219</u>
<b>NET CURRENT ASSETS</b>		<u>73,651,739</u>	<u>73,455,696</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>134,633,569</u>	<u>125,818,627</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	19	(2,525,263)	(42,769)
<b>PROVISIONS FOR LIABILITIES</b>	21	(3,207,740)	(1,313,767)
<b>NET ASSETS</b>		<u><u>128,900,566</u></u>	<u><u>124,462,091</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	25,000	25,000
Retained earnings	23	<u>127,777,057</u>	<u>123,492,501</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>127,802,057</u>	<u>123,517,501</u>
<b>NON-CONTROLLING INTERESTS</b>		<u>1,098,509</u>	<u>944,590</u>
<b>TOTAL EQUITY</b>		<u><u>128,900,566</u></u>	<u><u>124,462,091</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 6/3/24 and were signed on its behalf by:

  
 R R Akers - Director


The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED (REGISTERED NUMBER: 02941889)**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 JULY 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	12		-		1
Tangible assets	13		7,907,846		4,798,496
Investments	14		8,283,575		4,254,150
			<u>16,191,421</u>		<u>9,052,647</u>
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	16	14,512,592		9,345,462	
Debtors: amounts falling due after more than one year	16	12,800,000		13,200,000	
Investments	17	10,000,000		30,000,000	
Cash at bank		27,701,471		14,151,455	
		<u>65,014,063</u>		<u>66,696,917</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	18	26,670,887		19,664,114	
<b>NET CURRENT ASSETS</b>			<u>38,343,176</u>		<u>47,032,803</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>54,534,597</u>		<u>56,085,450</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	19	(2,485,000)			-
<b>NET ASSETS</b>			<u><u>52,049,597</u></u>		<u><u>56,085,450</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		25,000		25,000
Retained earnings	23		52,024,597		56,060,450
<b>SHAREHOLDERS' FUNDS</b>			<u><u>52,049,597</u></u>		<u><u>56,085,450</u></u>
Company's (loss)/profit for the financial year			<u><u>(3,035,853)</u></u>		<u><u>13,928,114</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 6/3/24 and were signed on its behalf by:

  
.....  
R R Akers - Director

The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JULY 2023**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>	<b>Non-controlling interests £</b>	<b>Total equity £</b>
<b>Balance at 1 August 2021</b>	25,000	104,653,919	104,678,919	802,830	105,481,749
<b>Changes in equity</b>					
Profit for the year	-	23,138,582	23,138,582	141,760	23,280,342
Total comprehensive income	-	23,138,582	23,138,582	141,760	23,280,342
Dividends	-	(4,300,000)	(4,300,000)	-	(4,300,000)
Total transactions with owners, recognised directly in equity	-	(4,300,000)	(4,300,000)	-	(4,300,000)
<b>Balance at 31 July 2022</b>	25,000	123,492,501	123,517,501	944,590	124,462,091
<b>Changes in equity</b>					
Profit for the year	-	5,284,556	5,284,556	153,919	5,438,475
Total comprehensive income	-	5,284,556	5,284,556	153,919	5,438,475
Dividends	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Total transactions with owners, recognised directly in equity	-	(1,000,000)	(1,000,000)	-	(1,000,000)
<b>Balance at 31 July 2023</b>	25,000	127,777,057	127,802,057	1,098,509	128,900,566

The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2021</b>	25,000	46,432,336	46,457,336
<b>Changes in equity</b>			
Profit for the year	-	13,928,114	13,928,114
Total comprehensive income	-	13,928,114	13,928,114
Dividends	-	(4,300,000)	(4,300,000)
Total transactions with owners, recognised directly in equity	-	(4,300,000)	(4,300,000)
<b>Balance at 31 July 2022</b>	25,000	56,060,450	56,085,450
<b>Changes in equity</b>			
Loss for the year	-	(3,035,853)	(3,035,853)
Total comprehensive loss	-	(3,035,853)	(3,035,853)
Dividends	-	(1,000,000)	(1,000,000)
Total transactions with owners, recognised directly in equity	-	(1,000,000)	(1,000,000)
<b>Balance at 31 July 2023</b>	25,000	52,024,597	52,049,597

The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	20,847,528	38,195,533
Tax paid		(3,984,000)	(5,797,926)
Taxation refund		119,188	-
Net cash from operating activities		<u>16,982,716</u>	<u>32,397,607</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,383,094)	(14,462,944)
Sale of tangible fixed assets		1,372,883	1,161,304
Acquisition of Virtus		(2,279,425)	-
Deposit investments made		-	(25,000,000)
Realisation of deposits on maturity		20,000,000	10,000,000
Interest received		1,820,553	135,556
Net cash from investing activities		<u>5,530,917</u>	<u>(28,166,084)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(4,300,000)	(2,000,000)
Net cash from financing activities		<u>(4,300,000)</u>	<u>(2,000,000)</u>
<b>Increase in cash and cash equivalents</b>		<u>18,213,633</u>	<u>2,231,523</u>
Cash and cash equivalents at beginning of year	2	39,722,884	37,491,361
<b>Cash and cash equivalents at end of year</b>	2	<u><u>57,936,517</u></u>	<u><u>39,722,884</u></u>

The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2023**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2023 £	2022 £
Profit before taxation	8,215,911	29,327,404
Depreciation charges	8,894,189	7,914,256
Profit on disposal of fixed assets	(762,038)	(859,174)
Amortisation charges	471,239	84,625
Other operating income	-	(73,036)
Finance income	(1,820,553)	(135,556)
	<u>14,998,748</u>	<u>36,258,519</u>
Increase in stocks	(28,180)	(789,274)
Increase in trade and other debtors	(3,626,632)	(3,946,723)
Increase in trade and other creditors	<u>9,503,592</u>	<u>6,673,011</u>
<b>Cash generated from operations</b>	<u><u>20,847,528</u></u>	<u><u>38,195,533</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 July 2023**

	31/7/23 £	1/8/22 £
Cash and cash equivalents	<u>57,936,517</u>	<u>39,722,884</u>

**Year ended 31 July 2022**

	31/7/22 £	1/8/21 £
Cash and cash equivalents	<u>39,722,884</u>	<u>37,491,361</u>

The notes form part of these financial statements

**H W MARTIN HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2023**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/8/22 £	Cash flow £	At 31/7/23 £
<b>Net cash</b>			
Cash at bank and in hand	39,722,884	18,213,633	57,936,517
	<u>39,722,884</u>	<u>18,213,633</u>	<u>57,936,517</u>
<b>Liquid resources</b>			
Current asset investments	30,000,000	(20,000,000)	10,000,000
	<u>30,000,000</u>	<u>(20,000,000)</u>	<u>10,000,000</u>
<b>Debt</b>			
Finance leases	-	(56,640)	(56,640)
	<u>-</u>	<u>(56,640)</u>	<u>(56,640)</u>
<b>Total</b>	<u>69,722,884</u>	<u>(1,843,007)</u>	<u>67,879,877</u>

The notes form part of these financial statements



**H W MARTIN HOLDINGS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

---

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Going concern**

The Group funds both day-to-day operations and longer-term strategic development from its liquid resources, including working capital generated from operations. The Directors have considered the level of the liquid resources and the expected future profitability of the Group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the Group to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements to 30 April 2025. For this reason, they have concluded that it is appropriate to use the going concern basis on presenting these financial statements.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

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

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

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 July. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing consolidated financial statements.

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

---

2. ACCOUNTING POLICIES - continued

**Turnover**

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

i. Sale of goods

Sale of goods are recognised on delivery to the customer. Delivery occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

Standard warranties are often provided in conjunction with the sale of goods and relate to the condition of the item sold at the date of sale. These warranties are not separable from the sale of goods. The full consideration received is recognised as turnover on the sale, and a provision is recognised for the expected future cost to be incurred relating to the warranty.

ii. Sale of services

Turnover is recognised in the accounting period in which the services are rendered. For longer term contracts where services are rendered over a period that spans the year-end, turnover is determined by reference to the value of the work carried out to date in the accounting period in which the services are rendered and when the outcome of the contract can be estimated reliably. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts. Amounts recognised as turnover where contract progress is sufficient to do so are included on the statement of financial position as amounts receivable on contracts.

iii. Operating lease income

Operating lease income is credited to the Consolidated Income Statement on a straight-line basis over the period of the relevant lease. Incentives paid and payable to sign an operating lease are debited to the Consolidated Income Statement, to reduce the lease income, on a straight-line basis over the period of the lease, unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset.

**Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separate and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of purchase consideration over the fair values to the Group's interest in identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ("CGU's") that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the Consolidated Income Statement. No reversals of impairments are recognised.

**H W MARTIN HOLDINGS LIMITED**

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

---

**2. ACCOUNTING POLICIES - continued**

**Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

Patents and licences are being amortised over their useful lives of three years. Amortisation is included in administrative expenses in the Consolidated Income Statement.

Where factors, such as technological advancement or changes in market price, indicate that residual values or useful lives have changed, useful lives or amortisation rates are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

**Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over the estimated useful lives. Depreciation is provided on the following basis:

Freehold property	3 - 50 years straight line
Computer equipment	5 years straight line
Plant & machinery	2 - 10 years straight line
Motor vehicles	3 - 6 years straight line
Fixtures & fittings	1 - 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

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

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

**Investments in subsidiaries**

Investments in subsidiary undertakings are measured at cost less accumulated impairment.

**Long-term deposits**

Long-term deposits includes cash on deposit with a maturity date of more than one year held for investment purposes rather than cash flow. Long-term deposits are valued at fair value unless they qualify as basic financial assets, and are presented as part of fixed asset investments.

**Impairment of non-financial assets**

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

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

---

2. ACCOUNTING POLICIES - continued

**Stocks**

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

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

At each statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Income Statement. Where a reversal of the impairment is recognised, the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Consolidated Income Statement.

**Short-term deposits**

Short-term deposits includes cash on deposit with a maturity date of more than three months but less than one year held for short-term investment purposes rather than cash flow. Short-term deposits are valued at fair value unless they qualify as basic financial assets, and are presented as part of current asset investments.

**Cash and cash equivalents**

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

**H W MARTIN HOLDINGS LIMITED**

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

---

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

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

**i. Financial assets**

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

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

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

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

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

**ii. Financial liabilities**

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

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

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

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

**iii. Offsetting**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

---

2. ACCOUNTING POLICIES - continued

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

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

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

ii. Deferred tax

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, except that:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

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

**Foreign currencies**

i. Functional and presentational currency

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

ii. Transactions and balances

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

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

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

**H W MARTIN HOLDINGS LIMITED**

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

---

**2. ACCOUNTING POLICIES - continued**

**Leasing arrangements**

**The Group as a lessee**

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**i. Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the period of the lease.

**ii. Lease incentives**

Incentives received to enter into an operating lease are credited to the Consolidated Income Statement, to reduce the lease expense, on a straight-line basis over the period of the lease, unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset.

**The Group as a lessor**

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**i. Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. The related asset remains on the Group's statement of financial position, and the related income is credited to the Consolidated Income Statement on a straight-line basis over the term of the relevant lease.

**ii. Lease incentives**

Incentives paid and payable to sign an operating lease are debited to the Consolidated Income Statement, to reduce the lease income, on a straight-line basis over the period of the lease, unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset.

**Employee benefits**

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

**i. Short-term benefits**

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

**ii. Defined contribution pension plans**

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

**Distributions to equity holders**

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

**H W MARTIN HOLDINGS LIMITED**

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

**2. ACCOUNTING POLICIES - continued**

**Exceptional items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material either because of their size or their nature, and are considered non-recurring. These items are presented within the line items to which they best relate and reported separately as exceptional items.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

Impairment of financial assets	At the end of each reporting period, an assessment is made as to whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including trade debtors, stock and amounts recoverable on contracts. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Income Statement immediately. Please refer to note 16 for further disclosure.
Impairment of investments	Determining whether the Company's investments in subsidiary undertakings are to be impaired requires a judgement as to whether there is an indication of impairment. The Directors consider there to be no indicators of impairment in any of the Company's investments. Please refer to note 14 for further disclosure.
Value of land included in freehold property	Upon purchase of freehold property, an estimate is made to ascertain the value of the property land and the value of the buildings included in the purchase price. This forms the basis of depreciation of freehold property, given that land is not depreciated. Please refer to note 13 for further disclosure.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the Group.

An analysis of turnover by class of business is given below:

	2023 £	2022 £
Traffic management	128,302,149	104,833,822
Waste recycling and management	66,304,197	61,154,235
Fence installation	19,145,633	19,909,095
Specialist vehicles	14,535,648	14,035,047
Vehicle restraint systems	11,419,054	18,037,133
Perimeter systems manufacture	5,215,140	3,723,172
Other	2,878,448	2,033,511
	<u>247,800,269</u>	<u>223,726,015</u>

An analysis of turnover by geographical market is given below:

	2023 £	2022 £
United Kingdom	247,800,269	223,726,015
	<u>247,800,269</u>	<u>223,726,015</u>



**H W MARTIN HOLDINGS LIMITED**

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

**4. TURNOVER - continued**

	2023	2022 restated
	£	£
Sale of goods	42,098,687	42,290,882
Rendering of services	202,073,342	177,756,220
Operating lease income	3,628,240	3,678,913
	<u>247,800,269</u>	<u>223,726,015</u>

In the previous year's financial statements, £25,496,760 of turnover relating to the sale of goods was recognised as rendering of services in error. To correct this error, turnover relating to the sale of goods has been increased by £25,496,760 and turnover relating to the rendering of services has been reduced by £25,496,760.

**5. EMPLOYEES AND DIRECTORS**

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	82,485,583	51,042,666	26,800,347	2,551,333
Social security costs	9,520,936	6,022,814	3,239,988	422,236
Other pension costs	1,639,532	1,521,945	93,871	113,453
	<u>93,646,051</u>	<u>58,587,425</u>	<u>30,134,206</u>	<u>3,087,022</u>

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

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
Direct labour	975	896	-	-
Administration & management	238	246	37	35
	<u>1,213</u>	<u>1,142</u>	<u>37</u>	<u>35</u>

**6. DIRECTORS' EMOLUMENTS**

	2023	2022
	£	£
Directors' remuneration	22,578,401	2,133,007
Share based payment	2,147,000	-
	<u>24,725,401</u>	<u>2,133,007</u>

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	<u>20,643,911</u>	<u>878,928</u>

**H W MARTIN HOLDINGS LIMITED**

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

**6. DIRECTORS' EMOLUMENTS - continued**

Company contributions to defined contribution pension schemes in respect of the directors amounted to £20,000 (2022: £10,000).

**Exceptional items**

During the year a significant bonus of £22,760,000 was made to the Group Chairman who relinquished his directorships of the subsidiary companies. Due consideration was made of the appropriate level of reward particularly in respect of the most recent 10 years financial performance and the Directors' individual contribution to that performance, whilst considering the financial standing of the Group.

**7. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2023	2022
	£	£
Other operating leases	331,513	344,411
Depreciation - owned assets	8,894,189	7,914,256
Profit on disposal of fixed assets	(762,038)	(859,174)
Goodwill amortisation	448,738	84,625
Patents and licences amortisation	22,502	-
Foreign exchange differences	(77,444)	(115,805)
	<u>          </u>	<u>          </u>

**8. AUDITORS' REMUNERATION**

	2023	2022
	£	£
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	27,775	12,500
Fees payable to the Company's auditors and their associates for other services to the group:		
The auditing of accounts of any associate of the company	137,725	154,425
Taxation compliance services	36,665	44,250
	<u>          </u>	<u>          </u>

**9. TAXATION**

**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	883,453	3,799,780
Deferred tax	1,893,983	2,247,282
	<u>          </u>	<u>          </u>
Tax on profit	2,777,436	6,047,062
	<u>          </u>	<u>          </u>

UK corporation tax was charged at 19% in 2022.

**H W MARTIN HOLDINGS LIMITED**

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

**9. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	<u>8,215,911</u>	<u>29,327,404</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21% (2022 - 19%)	1,725,341	5,572,207
Effects of:		
Expenses not deductible for tax purposes	814,672	221,604
Income not taxable for tax purposes	(1,288)	(476)
Capital allowances in excess of depreciation	(156,360)	(432,022)
Adjustments to tax charge in respect of previous periods	86,099	178,549
Remeasurement of deferred tax for changes in tax rates	287,335	491,389
Group relief claim	(1,607)	-
Deferred tax not recognised	-	60
Other differences leading to an increase in taxation	<u>23,244</u>	<u>15,751</u>
Total tax charge	<u><u>2,777,436</u></u>	<u><u>6,047,062</u></u>

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

**10. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**11. DIVIDENDS**

	2023 £	2022 £
Ordinary shares of £1 each		
Final	1,000,000	3,300,000
Interim	-	1,000,000
	<u><u>1,000,000</u></u>	<u><u>4,300,000</u></u>

H W MARTIN HOLDINGS LIMITED

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

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
<b>Cost</b>			
At 1 August 2022	8,215,024	1,422,501	9,637,525
Additions	3,058,546	-	3,058,546
At 31 July 2023	11,273,570	1,422,501	12,696,071
<b>Amortisation</b>			
At 1 August 2022	8,064,695	1,399,999	9,464,694
Amortisation for year	448,738	22,502	471,240
At 31 July 2023	8,513,433	1,422,501	9,935,934
<b>Net book value</b>			
At 31 July 2023	2,760,137	-	2,760,137
At 31 July 2022	150,329	22,502	172,831

Company

	Patents and licences £
<b>Cost</b>	
At 1 August 2022 and 31 July 2023	1,400,000
<b>Amortisation</b>	
At 1 August 2022	1,399,999
Amortisation for year	1
At 31 July 2023	1,400,000
<b>Net book value</b>	
At 31 July 2023	-
At 31 July 2022	1

H W MARTIN HOLDINGS LIMITED

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

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>Cost</b>			
At 1 August 2022	30,363,922	31,047,677	166,874
Additions	3,426,743	4,999,861	3,215
Disposals	(13,333)	(2,408,817)	-
Acquisition of subsidiary	-	-	6,509
At 31 July 2023	33,777,332	33,638,721	176,598
<b>Depreciation</b>			
At 1 August 2022	2,404,002	19,057,584	166,874
Charge for year	563,594	3,330,824	2,899
Eliminated on disposal	(13,333)	(1,967,801)	-
At 31 July 2023	2,954,263	20,420,607	169,773
<b>Net book value</b>			
At 31 July 2023	30,823,069	13,218,114	6,825
At 31 July 2022	27,959,920	11,990,093	-
	Motor vehicles £	Computer equipment £	Totals £
<b>Cost</b>			
At 1 August 2022	35,532,767	227,676	97,338,916
Additions	6,909,545	43,730	15,383,094
Disposals	(2,995,020)	-	(5,417,170)
Acquisition of subsidiary	116,445	30,579	153,533
At 31 July 2023	39,563,737	301,985	107,458,373
<b>Depreciation</b>			
At 1 August 2022	23,310,975	209,381	45,148,816
Charge for year	4,967,031	29,841	8,894,189
Eliminated on disposal	(2,825,191)	-	(4,806,325)
At 31 July 2023	25,452,815	239,222	49,236,680
<b>Net book value</b>			
At 31 July 2023	14,110,922	62,763	58,221,693
At 31 July 2022	12,221,792	18,295	52,190,100

Included in cost of land and buildings is freehold land of £18,739,234 (2022 - £16,489,234) which is not depreciated.

**H W MARTIN HOLDINGS LIMITED**

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

**13. TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	<b>Freehold property £</b>
<b>Cost</b>	
At 1 August 2022	4,857,500
Additions	3,145,500
	<u>8,003,000</u>
At 31 July 2023	<u>8,003,000</u>
<b>Depreciation</b>	
At 1 August 2022	59,004
Charge for year	36,150
	<u>95,154</u>
At 31 July 2023	<u>95,154</u>
<b>Net book value</b>	
At 31 July 2023	<u>7,907,846</u>
At 31 July 2022	<u>4,798,496</u>

Included in cost of land and buildings is freehold land of £6,107,500 (2022 - £3,857,500) which is not depreciated.

**14. FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Shares in group companies £</b>
<b>Cost</b>	
At 1 August 2022	4,254,150
Additions	4,029,425
	<u>8,283,575</u>
At 31 July 2023	<u>8,283,575</u>
<b>Net book value</b>	
At 31 July 2023	<u>8,283,575</u>
At 31 July 2022	<u>4,254,150</u>

# **H W MARTIN HOLDINGS LIMITED**

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

### **14. FIXED ASSET INVESTMENTS - continued**

The Group or the Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

#### **Subsidiaries**

##### **HW Martin Fencing and Forestry Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Installation of fencing and perimeter systems

	%		
Class of shares:	holding		
Ordinary	100.00		
		<b>2023</b>	<b>2022</b>
		£	£
Aggregate capital and reserves		7,153,120	6,707,593
Profit for the year		<u>1,945,527</u>	<u>2,041,348</u>

##### **H W Martin Safety Fencing Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Installation of security/ barrier perimeter systems

	%		
Class of shares:	holding		
Ordinary	100.00		
		<b>2023</b>	<b>2022</b>
		£	£
Aggregate capital and reserves		6,640,108	5,744,608
Profit for the year		<u>1,145,500</u>	<u>1,933,331</u>

##### **H W Martin (Traffic Management) Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Design/install of traffic management systems

	%		
Class of shares:	holding		
Ordinary	100.00		
		<b>2023</b>	<b>2022</b>
		£	£
Aggregate capital and reserves		22,078,938	18,904,464
Profit for the year		<u>10,174,474</u>	<u>5,436,620</u>

##### **H W Martin (Plant) Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Vehicle & plant provision and maintenance

	%		
Class of shares:	holding		
Ordinary	100.00		
		<b>2023</b>	<b>2022</b>
		£	£
Aggregate capital and reserves		3,468,540	3,213,595
Profit for the year		<u>254,945</u>	<u>466,610</u>

**H W MARTIN HOLDINGS LIMITED**

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

**14. FIXED ASSET INVESTMENTS - continued**

**H W Martin Waste Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Management/treatment of waste/recyclable products

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	21,367,603	18,396,026
Profit for the year	5,971,577	5,448,879

**Lochrin Bain Limited**

Registered office: Lochrin Works, 7 Limekilns Road, Blairlinn Industrial Estate, Cumbernauld, G67 2RN

Nature of business: Manufacture of steel galvanised fencing

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	3,358,616	2,928,618
Profit for the year	929,998	453,022

**King Vehicle Engineering Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Holding company

	%	
Class of shares:	holding	
Ordinary	90.00	

	2023	2022
	£	£
Aggregate capital and reserves	4,915,919	4,525,066
Profit for the year	390,853	461,861

**King Highway Products Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Manufacture of specialist truck equipment

	%	
Class of shares:	holding	
Ordinary	90.00	

	2023	2022
	£	£
Aggregate capital and reserves	2,963,711	2,502,007
Profit for the year	461,704	298,795



**H W MARTIN HOLDINGS LIMITED**

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

**14. FIXED ASSET INVESTMENTS - continued**

**King Trailers Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Manufacture of specialist trailers & truck bodies

	%	2023	2022
Class of shares:	holding	£	£
Ordinary	90.00		
Aggregate capital and reserves		1,705,009	1,492,989
Profit for the year		712,020	711,925

**King Transport Equipment Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Manufacture/sale of engineer solutions

	%	2023	2022
Class of shares:	holding	£	£
Ordinary	90.00		
Aggregate capital and reserves		507,890	328,440
Profit for the year		179,450	161,571

**Safety Vehicle Hire & Lease Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Hire and lease of specialist vehicles

	%	2023	2022
Class of shares:	holding	£	£
Ordinary	90.00		
Aggregate capital and reserves		3,996,710	3,701,545
Profit for the year		295,165	283,452

**Premier Waste Recycling Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Management of commercial waste

	%	2023	2022
Class of shares:	holding	£	£
Ordinary	100.00		
Aggregate capital and reserves		6,033,745	5,367,175
Profit for the year		666,570	947,773

**H W MARTIN HOLDINGS LIMITED**

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

**14. FIXED ASSET INVESTMENTS - continued**

**Amber Langis Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Design/installation of traffic control systems

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	5,000	1,828,491
(Loss)/profit for the year	<u>(115,178)</u>	<u>41,664</u>

**Virtus Traffic Management Solutions Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Design/install of traffic management systems

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	1,339,723	966,476
Profit for the year	<u>373,247</u>	<u>310,841</u>

**Highway Support Services Limited**

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Provision and management of human resources

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	-	474
Loss for the year	<u>(14)</u>	<u>(2,274)</u>

**Aventis Vehicles Limited\***

Registered office: Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY

Nature of business: Renting and leasing of vehicles

	%	
Class of shares:	holding	
Ordinary	100.00	

	2023	2022
	£	£
Aggregate capital and reserves	-	3,896
(Loss)/profit for the year	<u>(3,119)</u>	<u>2,461</u>

Companies with \* are indirect subsidiary undertakings.

**H W MARTIN HOLDINGS LIMITED**

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

**15. STOCKS**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Raw materials	4,093,195	3,790,519
Work-in-progress	1,393,827	1,627,344
Finished goods	10,154	51,133
	<u>5,497,176</u>	<u>5,468,996</u>

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year:				
Trade debtors	21,654,104	19,167,428	-	-
Amounts owed by group undertakings	-	-	9,743,112	7,588,956
Amounts recoverable on contracts	15,232,082	14,866,986	-	-
Other debtors	35,352	165,733	23,490	10,516
Prepayments and accrued income	4,201,265	2,002,898	-	-
Corporation tax recoverable	4,932,580	1,919,990	4,745,990	1,745,990
	<u>46,055,383</u>	<u>38,123,035</u>	<u>14,512,592</u>	<u>9,345,462</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	12,800,000	13,200,000
	<u>-</u>	<u>-</u>	<u>12,800,000</u>	<u>13,200,000</u>
Aggregate amounts	<u>46,055,383</u>	<u>38,123,035</u>	<u>27,312,592</u>	<u>22,545,462</u>

Amounts owed by group undertakings falling due within one year are interest free and repayable on demand.

Trade debtors are stated after provisions for impairment of £140,144 (2022: £170,041). Impairment losses reversed in the Consolidated Income Statement during the year amounted to £81,710 (2022: £10,736 recognised).

**17. CURRENT ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Short-term deposits	<u>10,000,000</u>	<u>30,000,000</u>	<u>10,000,000</u>	<u>30,000,000</u>

**H W MARTIN HOLDINGS LIMITED**

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

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 20)	56,640	-	-	-
Trade creditors	18,942,987	20,331,403	-	-
Amounts owed to group undertakings	-	-	7,000,450	7,087,679
Social security and other taxes	13,734,758	1,685,447	12,017,660	165,514
VAT	3,630,843	2,039,109	3,620,858	2,062,705
Other creditors	34,779	3,325,508	4,443	3,305,882
Accruals and deferred income	9,437,330	12,477,752	4,027,476	7,042,334
	<u>45,837,337</u>	<u>39,859,219</u>	<u>26,670,887</u>	<u>19,664,114</u>

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

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals and deferred income	2,485,000	-	2,485,000	-
Deferred government grants	40,263	42,769	-	-
	<u>2,525,263</u>	<u>42,769</u>	<u>2,485,000</u>	<u>-</u>

**20. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<u>56,640</u>	<u>-</u>

**H W MARTIN HOLDINGS LIMITED**

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

**20. LEASING AGREEMENTS - continued**

**Group**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	202,905	331,513
Between one and five years	227,944	376,831
In more than five years	10	11
	<u>430,859</u>	<u>708,355</u>

The Group is a lessee of various properties for use in the business.

**The Group as a lessor**

Minimum lease payments under non-cancellable operating leases are receivable as follows:

	2023	2022
	£	£
Within one year	314,989	1,668,294
Between one and five years	2,727,052	3,249,905
After five years	2,813,598	669,459
	<u>5,855,639</u>	<u>5,587,658</u>

The Group acts as a lessor of specialist vehicles and trailers to the traffic management and wider construction industry.

**21. PROVISIONS FOR LIABILITIES**

	Group	
	2023	2022
	£	£
Deferred tax	<u>3,207,740</u>	<u>1,313,767</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 August 2022		1,313,767
Provided during year		<u>1,893,973</u>
Balance at 31 July 2023		<u>3,207,740</u>

The deferred tax liability is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	<u>3,207,740</u>	<u>1,313,767</u>

**H W MARTIN HOLDINGS LIMITED**

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

**22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value: £1	2023	2022
Number:	Class:		£	£
25,000	Ordinary		<u>25,000</u>	<u>25,000</u>
			<u>25,000</u>	<u>25,000</u>

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

**23. RESERVES**

**Group**

	Retained earnings £
At 1 August 2022	123,492,501
Profit for the year	5,284,556
Dividends	<u>(1,000,000)</u>
At 31 July 2023	<u>127,777,057</u>

**Company**

	Retained earnings £
At 1 August 2022	56,060,450
Loss for the year	(3,035,853)
Dividends	<u>(1,000,000)</u>
At 31 July 2023	<u>52,024,597</u>

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

**24. PENSION COMMITMENTS**

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

The pension cost charges represents contributions payable by the Group into the fund and amounted to £1,639,532 (2022: £1,521,945).

Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date.

**25. CAPITAL COMMITMENTS**

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>4,177,579</u>	<u>2,651,546</u>

## H W MARTIN HOLDINGS LIMITED

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

#### 26. RELATED PARTY DISCLOSURES

##### Group

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

##### Entities under common control

	2023	2022
	£	£
Sales	63,533	55,197
Purchases	-	13,000
Transfers	51,476	44,467
Amount due from related parties	11,189	13,885
Amount due to related parties	-	1,000

##### Company

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

##### Other Group companies

	2023	2022
	£	£
Transfers	201,829	271,463
Amount due from related parties	1,288,205	1,625,659

##### Entities under common control

	2023	2022
	£	£
Transfers	51,476	44,467
Amount due from related parties	9,708	10,516

At 31 July 2023, deferred consideration in respect of share based payments amounting to £795,000 (2022: Nil) was owed to a director.

#### 27. POST BALANCE SHEET EVENTS

On 29 September 2023 the Group purchased the freehold title of Mill Place Industrial Estate in Kent for £7.5million. This included the south east operating centre for H W Martin Traffic Management Limited.

#### 28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is H W Martin.

**H W MARTIN HOLDINGS LIMITED**

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

**29. SHARE-BASED PAYMENTS**

During the financial year an arrangement made in 2011, a cash settled share-based payment, was settled. The arrangement related to obligations arising under specified potential events to repurchase certain shares from Group entity directors at fair value based on certain Group entities achieving performance targets at future vesting dates.

The conditions were met and the shares were repurchased on 23 May 2023. The total expense recognised in the Consolidated Income Statement during the year ended 31 July 2023 relating to these arrangements was £3,611,848 (2022: £1,002,159).

**30. BUSINESS COMBINATION**

On 29 September 2022 HW Martin Holdings Limited acquired 100% of shares of Highway Support Services Limited and subsidiary undertakings, for the purposes of gaining synergies from its main trading subsidiary, Virtus Traffic Management Solutions Limited. The fair value of the consideration for the acquisition was £4,029,726.

	£
Property, plant and equipment	156,245
Trade and other receivables	1,406,153
Trade and other payables	(581,945)
Deferred Tax	(9,273)
	<hr/>
Net assets acquired	971,180
Goodwill	3,058,546
	<hr/>
Consideration	4,029,726
	<hr/> <hr/>
<b>Consideration</b>	
Satisfied by:	
Cash	2,279,726
Deferred Consideration	1,750,000
	<hr/>
	4,029,726
	<hr/> <hr/>

On the acquisition of the trading assets and business of Highway Support Services Group, all assets were fair valued and goodwill recognised following the principles of FRS 102. The fair values attributed to all assets are now considered to be final.

The goodwill recognised of £3,058,546 represents the excess of fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in identifiable net assets, liabilities and contingent liabilities acquired. The goodwill is amortised over its expected useful life, which is estimated to be seven years. Trade and other receivables and payables have been reviewed and are in line with Group policy.

The acquired business contributed revenues of £5.6m and net profit of £0.4m to the group for the period 30 September 2022 to 31 July 2023.