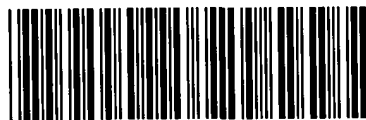


KING VEHICLE ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

SATURDAY



A9VS7Y0Z

A08

09/01/2021

#153

COMPANIES HOUSE

KING VEHICLE ENGINEERING LIMITED

COMPANY INFORMATION

Directors	H W Martin N C Faulconbridge M J Faulconbridge
Registered number	05543840
Registered office	HW Martin Fordbridge Lane Blackwell ALFRETON DE55 5JY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street SHEFFIELD South Yorkshire S1 2GT

KING VEHICLE ENGINEERING LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Notes to the financial statements	14 - 33

KING VEHICLE ENGINEERING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

Introduction

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

Principal activities and business review

The principal activity of King Vehicle Engineering Limited is that of a holding company for the King Group (the "Group").

The principal activities of the Group were:

- The design and manufacture of a comprehensive range of specialist trailers and truck bodies for abnormal and specialist loads.
- The provision and refurbishment of plant for the rail industry and the provision, installation and maintenance of advanced variable messaging systems (AVMS) to the highways industry.
- The design, manufacture, supply and servicing of specialist vehicles and equipment to the traffic management industry.
- The hire of specialist vehicles and trailers to the traffic management and wider construction industry.

The King Group continues to improve in every aspect of product quality, delivery, aftersales service and financial performance under the ownership of the Martin Group of Companies. Investments in management structure, information technology, infrastructure and professional practices are now providing long term benefits.

Principal risks and uncertainties

The identification, assessment and management of opportunities and associated risks are an integral element of the business of King Vehicle Engineering Limited and the wider Martin Group. Principal risks are:

- The effect of new legislation and regulation. The impact of which on our product range may potentially increase costs and affect market demand.
- Supplier relationships and distribution agreements. The Company has a reliance on the supply of key components and products and enters into formal agreements to secure these relationships.
- Health and safety. Training is given to employees to mitigate this risk. Policies and procedures are continually monitored and reviewed as part of the Martin Group.
- Financial risk. The main risks arising from the Company's financial instruments are liquidity risk from the supply of low volume, high value products and bad debt. These risks are managed by staged and advance payments.

KING VEHICLE ENGINEERING LIMITED

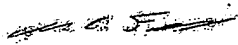
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Financial key performance indicators

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

- In an increase in Group gross profit margin of over 10%.
- An increase in Group operating profit of 250% to £1.2million.

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



N C Faulconbridge
Director

Date: 22/12/2020

KING VEHICLE ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

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

Results and dividends

The profit for the year, after taxation, amounted to £1,000,363 (2019: £278,738).

The directors have not recommended a dividend (2019: £Nil).

Directors

The directors who served during the year were:

H W Martin
N C Faulconbridge
M J Faulconbridge

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

Going concern

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

KING VEHICLE ENGINEERING LIMITED

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

Employee involvement

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

Disabled employees

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

Brexit risk

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

Covid-19

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

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

Post balance sheet events

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

Disclosure of information to auditor

The directors confirm that:

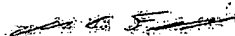
- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish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

Auditor

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

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

N C Faulconbridge
Director



Date: 22/12/2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING VEHICLE ENGINEERING LIMITED

Opinion

We have audited the financial statements of King Vehicle Engineering Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

The impact of uncertainties arising from the UK exiting the European Union on our audit

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING VEHICLE ENGINEERING LIMITED
(CONTINUED)**

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING VEHICLE ENGINEERING LIMITED
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING VEHICLE ENGINEERING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

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

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

KING VEHICLE ENGINEERING LIMITED

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

	Note	2020 £	2019 £
Turnover	4	12,609,920	15,775,450
Cost of sales		(7,590,895)	(11,567,473)
Gross profit		5,019,025	4,207,977
Administrative expenses		(3,786,287)	(3,864,786)
Operating profit	5	1,232,738	343,191
Interest receivable and similar income	9	5,998	8,067
Interest payable and expenses	10	(2,172)	(16,537)
Profit before tax		1,236,564	334,721
Tax on profit	11	(236,201)	(55,983)
Profit for the financial year		<u>1,000,363</u>	<u>278,738</u>

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

The notes on pages 14 to 33 form part of these financial statements.

KING VEHICLE ENGINEERING LIMITED
REGISTERED NUMBER:05543840

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	22,501	22,501
Tangible assets	13	5,396,389	5,812,030
		<u>5,418,890</u>	<u>5,834,531</u>
Current assets			
Stocks	15	2,419,088	2,722,569
Debtors: amounts falling due within one year	16	1,677,782	2,207,409
Cash at bank and in hand	17	1,734,950	1,353,007
		<u>5,831,820</u>	<u>6,282,985</u>
Creditors: amounts falling due within one year	18	(4,187,917)	(5,990,742)
Net current assets		<u>1,643,903</u>	<u>292,243</u>
Total assets less current liabilities		<u>7,062,793</u>	<u>6,126,774</u>
Creditors: amounts falling due after more than one year	19	-	(7,059)
Provisions for liabilities			
Deferred taxation	21	(187,100)	(220,700)
Other provisions	22	(16,253)	(39,938)
		<u>(203,353)</u>	<u>(260,638)</u>
Net assets		<u>6,859,440</u>	<u>5,859,077</u>
Capital and reserves			
Called up share capital	23	475	475
Share premium account	24	106,321	106,321
Profit and loss account	24	6,752,644	5,752,281
Equity attributable to owners of the parent Company		<u>6,859,440</u>	<u>5,859,077</u>

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


N C Faulconbridge
 Director

The notes on pages 14 to 33 form part of these financial statements.

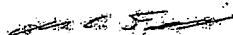
KING VEHICLE ENGINEERING LIMITED
REGISTERED NUMBER:05543840

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	22,501	22,501
Investments	14	3,104,246	3,109,246
		<u>3,126,747</u>	<u>3,131,747</u>
Current assets			
Debtors: amounts falling due within one year	16	2,620,941	3,247,362
Cash at bank and in hand	17	388,965	103,220
		<u>3,009,906</u>	<u>3,350,582</u>
Creditors: amounts falling due within one year	18	(2,069,765)	(2,334,369)
Net current assets		<u>940,141</u>	<u>1,016,213</u>
Net assets		<u><u>4,066,888</u></u>	<u><u>4,147,960</u></u>
Capital and reserves			
Called up share capital	23	475	475
Share premium account	24	106,321	106,321
Profit and loss account brought forward		4,041,164	4,264,997
Loss for the year		(81,072)	(223,833)
Profit and loss account carried forward		3,960,092	4,041,164
		<u><u>4,066,888</u></u>	<u><u>4,147,960</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The loss after tax of the Company for the year was £81,072 (2019: Loss £223,833).

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



N C Faulconbridge
Director

The notes on pages 14 to 33 form part of these financial statements.

KING VEHICLE ENGINEERING LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 August 2018	475	106,321	5,473,543	5,580,339	5,580,339
Comprehensive income for the year					
Profit for the year	-	-	278,738	278,738	278,738
Total comprehensive income for the year	-	-	278,738	278,738	278,738
At 1 August 2019	475	106,321	5,752,281	5,859,077	5,859,077
Comprehensive income for the year					
Profit for the year	-	-	1,000,363	1,000,363	1,000,363
Total comprehensive income for the year	-	-	1,000,363	1,000,363	1,000,363
At 31 July 2020	475	106,321	6,752,644	6,859,440	6,859,440

The notes on pages 14 to 33 form part of these financial statements.

KING VEHICLE ENGINEERING LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2018	475	106,321	4,264,997	4,371,793
Comprehensive income for the year				
Loss for the year	-	-	(223,833)	(223,833)
Total comprehensive income for the year	-	-	(223,833)	(223,833)
At 1 August 2019	475	106,321	4,041,164	4,147,960
Comprehensive income for the year				
Loss for the year	-	-	(81,072)	(81,072)
Total comprehensive income for the year	-	-	(81,072)	(81,072)
At 31 July 2020	475	106,321	3,960,092	4,066,888

The notes on pages 14 to 33 form part of these financial statements.

KING VEHICLE ENGINEERING LIMITED

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

1. General information

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

The principal activity of the Company during the year continued to be that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of cash flows has been presented for the parent *Company*;
- Disclosures in respect of the parent *Company's* financial instruments have not been presented as equivalent disclosures have been provided in respect of the *Company* as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the *Company* as a whole.

The following principal accounting policies have been applied:

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2.3 Going concern

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

2.4 Financial reporting standard 102 - reduced disclosure exemptions

The Group has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the 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 Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

In accordance with the provisions of Section 401 of the Companies Act 2006, the Company is exempt from the obligation to prepare and deliver group financial statement. This information is included in the audited consolidated financial statements of H W Martin Holdings Limited as at 31 July 2020 and these financial statements may be obtained from Companies House.

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

Rendering of services

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

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

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

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

Other intangible assets

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

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

Amortisation is provided on the following bases:

Patents	-	33 %
Goodwill	-	10 %

2.7 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	- 15 years
Plant and machinery	- 2-10 years
Motor vehicles	- 3 years
Fixtures and fittings	- 1-5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.8 Impairment of fixed assets and goodwill

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

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

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

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

2.11 Debtors

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

2.12 Cash and cash equivalents

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

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.13 Financial instruments

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

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

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

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

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

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

2.14 Creditors

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

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

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

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

KING VEHICLE ENGINEERING LIMITED

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

2. Accounting policies (continued)

2.18 Interest income

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

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.20 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

KING VEHICLE ENGINEERING LIMITED

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

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

Estimates and judgements are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of financial statements

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

Impairment of Investments

The Company considers whether investments are impaired. Where an indication of impairment is identified, the estimation of the recoverable value required estimation of the recoverable value of the cash generating units (CGUs). This requires estimations of the future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<u>12,609,920</u>	<u>15,775,450</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of owned tangible fixed assets	1,357,627	1,254,312
Defined contribution pension cost	<u>44,849</u>	<u>54,833</u>

KING VEHICLE ENGINEERING LIMITED

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

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>34,750</u>	<u>28,250</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	<u>12,000</u>	<u>12,000</u>

7. Employees

Staff costs were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,487,569	2,606,767	-	16,254
Social security costs	272,027	279,226	-	2,266
Cost of defined contribution scheme	44,849	54,833	-	-
	<u>2,804,445</u>	<u>2,940,826</u>	<u>-</u>	<u>18,520</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Administration and management	27	48	-	1
Direct Labour	56	24	-	-
	<u>83</u>	<u>72</u>	<u>-</u>	<u>1</u>

8. Directors' remuneration

Directors emoluments totalled £Nil (2019: £Nil). The Directors for King Vehicle Engineering Limited are remunerated through H W Martin Holdings Limited.

KING VEHICLE ENGINEERING LIMITED

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

9. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>5,998</u>	<u>8,067</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>2,172</u>	<u>16,537</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the period	268,568	1,783
Adjustment in respect of prior period	1,233	-
Total current tax	<u>269,801</u>	<u>1,783</u>
Deferred tax		
Excess of depreciation over taxation allowances	-	53,640
Origination and reversal of timing differences	(33,600)	560
Total deferred tax	<u>(33,600)</u>	<u>54,200</u>
Taxation on profit on ordinary activities	<u>236,201</u>	<u>55,983</u>

KING VEHICLE ENGINEERING LIMITED

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

11. Taxation (continued)**Factors affecting tax charge for the year**

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

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,236,564</u>	<u>334,721</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	234,947	63,597
Effects of:		
Expenses not deductible for tax purposes	1,473	1,075
Adjustments to tax charge in respect of prior periods	1,233	-
Group relief	(26,304)	-
Other timing differences leading to an increase/ (decrease) in taxation	24,852	(8,689)
Total tax charge for the year	<u><u>236,201</u></u>	<u><u>55,983</u></u>

12. Intangible assets**Group and Company**

	Patents £	Goodwill £	Total £
Cost			
At 1 August 2019	22,501	5,051,412	5,073,913
At 31 July 2020	<u>22,501</u>	<u>5,051,412</u>	<u>5,073,913</u>
Amortisation			
At 1 August 2019	-	5,051,412	5,051,412
At 31 July 2020	<u>-</u>	<u>5,051,412</u>	<u>5,051,412</u>
Net book value			
At 31 July 2020	<u>22,501</u>	<u>-</u>	<u>22,501</u>
At 31 July 2019	<u>22,501</u>	<u>-</u>	<u>22,501</u>

Amortisation on intangible assets is charged to administration expenses.

KING VEHICLE ENGINEERING LIMITED

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

13. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 August 2019	29,639	8,301,302	208,247	237,858	8,777,046
Additions	32,250	1,078,752	37,031	(1,752)	1,146,281
Disposals	(24,446)	(953,469)	(134,581)	(234,305)	(1,346,801)
At 31 July 2020	37,443	8,426,585	110,697	1,801	8,576,526
Depreciation					
At 1 August 2019	14,613	2,594,953	153,281	202,169	2,965,016
Charge for the year on owned assets	6,757	1,292,918	28,278	29,674	1,357,627
Disposals	(24,445)	(768,713)	(115,069)	(234,279)	(1,142,506)
At 31 July 2020	(3,075)	3,119,158	66,490	(2,436)	3,180,137
Net book value					
At 31 July 2020	<u>40,518</u>	<u>5,307,427</u>	<u>44,207</u>	<u>4,237</u>	<u>5,396,389</u>
At 31 July 2019	<u>15,026</u>	<u>5,706,349</u>	<u>54,966</u>	<u>35,689</u>	<u>5,812,030</u>

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

	2020 £	2019 £
Plant and machinery	<u>73,500</u>	<u>899,379</u>

KING VEHICLE ENGINEERING LIMITED

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

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2019	8,259,151
At 31 July 2020	<u>8,259,151</u>
Impairment	
At 1 August 2019	5,149,905
Charge for the period	5,000
At 31 July 2020	<u>5,154,905</u>
Net book value	
At 31 July 2020	<u><u>3,104,246</u></u>
At 31 July 2019	<u><u>3,109,246</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
King Highway Products Limited	Hw Martin Fordbridge Lane, Blackwell, Alfreton, England, DE55 5JY	Manufacture and sale of specialist truck equipment	Ordinary	100 %
Safety Vehicle Hire and Lease Limited	Hw Martin Fordbridge Lane, Blackwell, Alfreton, England, DE55 5JY	Hire of vehicles	Ordinary	100 %
King Trailers Limited	Hw Martin Fordbridge Lane, Blackwell, Alfreton, England, DE55 5JY	Manufacture and sale of specialist trailers	Ordinary	100 %
King Transport Equipment Limited	Hw Martin Fordbridge Lane, Blackwell, Alfreton, England, DE55 5JY	Manufacture and sale of engineer solutions for transportation and material handling.	Ordinary	100 %

KING VEHICLE ENGINEERING LIMITED

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

14. Fixed asset investments (continued)

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

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
King Highway Products Limited	1,703,554	248,431
Safety Vehicle Hire and Lease Limited	2,934,345	345,376
King Trailers Limited	1,229,603	356,593
King Transport Equipment Limited	31,073	127,905

15. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	839,372	1,024,563
Work in progress (goods to be sold)	1,504,369	1,628,309
Finished goods and goods for resale	75,347	69,697
	<u>2,419,088</u>	<u>2,722,569</u>

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

Stock is stated after provision for impairment of £586,885 (2019: £590,089).

KING VEHICLE ENGINEERING LIMITED

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

16. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	1,326,101	1,848,742	-	-
Amounts owed by group undertakings	-	96,026	2,618,641	3,245,062
Other debtors	129,603	-	-	-
Prepayments and accrued income	222,078	262,641	-	-
Deferred taxation	-	-	2,300	2,300
	<u>1,677,782</u>	<u><i>2,207,409</i></u>	<u>2,620,941</u>	<u><i>3,247,362</i></u>

Across the group an impairment loss of £67,425 (2019: £73,301) was recognised against trade debtors at the year end.

The bad debt expense recognised in the Statement of income and retained earnings in the year was £11,988(2019: £6,000).

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

17. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	<u>1,734,950</u>	<u><i>1,353,007</i></u>	<u>388,965</u>	<u><i>103,220</i></u>

KING VEHICLE ENGINEERING LIMITED

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

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	1,383,481	2,357,794	-	-
Amounts owed to group undertakings	1,987,338	2,309,623	2,063,365	2,333,169
Corporation tax	310,590	1,783	-	-
Other taxation and social security	60,939	68,862	-	-
Obligations under finance lease and hire purchase contracts	7,059	148,396	-	-
Other creditors	16,843	65,927	-	-
Accruals and deferred income	421,667	1,038,357	6,400	1,200
	<u>4,187,917</u>	<u>5,990,742</u>	<u>2,069,765</u>	<u>2,334,369</u>

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

Obligations under hire purchase agreements are secured against the assets to which they relate.

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

	Group 2020 £	Group 2019 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>7,059</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

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

KING VEHICLE ENGINEERING LIMITED

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

21. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	(220,700)	(166,500)
Charged to profit or loss	33,600	(54,200)
At end of year	<u>(187,100)</u>	<u>(220,700)</u>

Company

	2020 £	2019 £
At beginning of year	2,300	2,000
Charged to profit or loss	-	300
At end of year	<u>2,300</u>	<u>2,300</u>

	Group 2020 £	<i>Group</i> <i>2019</i> £	Company 2020 £	<i>Company</i> <i>2019</i> £
Excess of depreciation over taxation allowances	(192,200)	(224,700)	2,300	2,300
Other timing differences	5,100	4,000	-	-
	<u>(187,100)</u>	<u>(220,700)</u>	<u>2,300</u>	<u>2,300</u>

22. Provisions**Group**

	Product warranty £
At 1 August 2019	39,938
Charged to profit or loss	(23,685)
At 31 July 2020	<u>16,253</u>

KING VEHICLE ENGINEERING LIMITED

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

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,250 (2019: 2,250) A Ordinary shares of £0.10 each	225	225
2,500 (2019: 2,500) B Ordinary shares of £0.10 each	250	250
	<u>475</u>	<u>475</u>

All shares rank pari-passu in all material respects.

24. Reserves

Share premium account

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Capital commitments

There are no capital commitments at the year-end of 2020 or 2019.

26. Pension commitments

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

The pension cost charge represents contributions payable by the Company to the fund and amounted to £44,849 (2019: £54,833).

Contributions totalling £4,300(2019: £6,020) were payable to the fund at the balance sheet date.

KING VEHICLE ENGINEERING LIMITED

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

27. Commitments under operating leases: lessee

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

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

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

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

28. Commitments under operating leases: lessor

At 31 July 2020 the Group had future minimum lease income under non-cancellable operating leases as follows:

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

29. Related party transactions

King Vehicle Engineering Limited has taken advantage of the exemption in FRS 102 (section 33) 'Related party disclosure' not to disclose transactions with other members of the group.

30. Controlling party

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

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

Consolidated financial statements can be obtained from Use of our report, Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY.