

# Financial Statements William Bain Fencing Limited

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**For the Year Ended 31 July 2016**



**Registered number: SC181830**

**William Bain Fencing Limited**

## Company Information

<b>Directors</b>	H W Martin K Martin N C Faulconbridge I Kerr (resigned 6 January 2015)
<b>Registered number</b>	SC181830
<b>Registered office</b>	Lochrin Works 7 Limekilns Road Blairlinn Industrial Estate CUMBERNAULD G67 2RN
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
<b>Bankers</b>	Barclays Bank PLC Derby Business Centre PO Box 493 Sir Frank Whittle Road DERBY DE1 9UU

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# Strategic Report

For the Year Ended 31 July 2016

## **Introduction**

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

## **Principal activities and business review**

The principal activities of William Bain Fencing Limited (the Company) are as follows:

- The manufacture of steel galvanised palisade fencing systems.
- The manufacture of steel galvanised palisade and bespoke gates.
- The manufacture of woven mesh fencing systems and gates.
- The supply of materials for all types of perimeter systems.

The Company has enjoyed another very good year; further impressive sales growth has been complemented with improved profitability to provide attractive net profit results.

Investment and retention of profits within the Company provides for a strong balance sheet.

The purchase of a new roll forming line with punch and cut off unit has facilitated a significant increase in palisade manufacture capacity, improvement of product quality and efficiency savings.

A widening client base and greater production efficiency which, along with continued high demand from the Group, will provide a solid platform for the year ahead.

The policy pursued by the Martin Group board of directors to authorise capital expenditure to take advantage of market opportunities and improve production efficiency will continue.

The Company continues to look at ways to improve its environmental performance and reduce the environmental impact of its activities and is committed to a management system conforming to the 14001 Environmental Standard.

## **Principal risks and uncertainties**

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

- The effect of new legislation and regulation. The impact of which on operations may potentially increase costs. This risk is considered as a part of the tender approval process. Many contracts include provision which allow the Company to pass increased costs so arising to the Client.
- Competitive risk. The Company continues to maintain a very competitive cost base to give the best possible commercial advantage and actively targets long term contracts.
- Health and safety. William Bain Fencing Limited acknowledges that its employees work within a hazardous environment and training is given to reflect and mitigate this risk. Policies and procedures are continually monitored and reviewed. The Group maintains its commitment to the 18001 Health and Safety standard.
- Financial risk. The main risk arising from the Company's financial instruments is liquidity risk. This risk is managed by maintaining a high cash reserve and capital funding from the Martin Group providing sufficient liquidity to finance the Company's operations and to meet unanticipated costs.

**William Bain Fencing Limited**

## **Strategic Report**

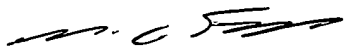
**For the Year Ended 31 July 2016**

### **Financial key performance indicators**

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

1. Sales growth of 19% to £3.7 million..
2. An increase in net profit margin of 3.5%.

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



**N C Faulconbridge**  
Director

## **Directors' Report**

**For the Year Ended 31 July 2016**

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

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### **Results and dividends**

The profit for the year, after taxation, amounted to £364,157 (2015 - £207,740).

The directors have not recommended a dividend.

### **Directors**

The directors who served during the year were:

H W Martin  
K Martin  
N C Faulconbridge  
I Kerr (resigned 6 January 2015)

### **Going concern**

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

## Directors' Report (continued)

For the Year Ended 31 July 2016

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Post balance sheet events**

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

### **Auditor**

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

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



**N C Faulconbridge**  
Director

## Independent Auditor's Report to the Members of William Bain Fencing Limited

We have audited the financial statements of William Bain Fencing Limited for the year ended 31 July 2016, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.





## Independent Auditor's Report to the Members of William Bain Fencing Limited

### **Matters on which we are required to report by exception**

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

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

A handwritten signature in black ink, appearing to read "Paul Houghton UK LLP".

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

12 December 2016

# Statement of Income and Retained Earnings

For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	3,692,284	2,999,155
Cost of sales		(2,757,009)	(2,273,309)
<b>Gross profit</b>		<b>935,275</b>	<b>725,846</b>
Administrative expenses		(484,748)	(464,024)
Other operating income	5	2,506	2,506
<b>Operating profit</b>	6	<b>453,033</b>	<b>264,328</b>
Interest receivable and similar income	8	739	103
<b>Profit on ordinary activities before taxation</b>		<b>453,772</b>	<b>264,431</b>
Tax on profit on ordinary activities	9	(89,615)	(56,691)
<b>Profit for the financial year</b>		<b>364,157</b>	<b>207,740</b>
Retained earnings at the beginning of the year		593,788	386,048
		593,788	386,048
Profit for the year		364,157	207,740
<b>Retained earnings at the end of the year</b>		<b>957,945</b>	<b>593,788</b>

The notes on pages 9 to 21 form part of these financial statements.

## Balance Sheet

As at 31 July 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	11		<b>691,945</b>		479,402
			<b>691,945</b>		479,402
<b>Current assets</b>					
Stocks	12	470,562		319,319	
Debtors: amounts falling due within one year	13	516,251		605,491	
Cash at bank and in hand	14	663,237		365,390	
		<b>1,650,050</b>		1,290,200	
Creditors: amounts falling due within one year	15	<b>(1,020,796)</b>		(811,054)	
<b>Net current assets</b>			<b>629,254</b>		479,146
<b>Total assets less current liabilities</b>			<b>1,321,199</b>		958,548
Creditors: amounts falling due after more than one year	16		<b>(57,805)</b>		(60,311)
<b>Provisions for liabilities</b>					
Deferred tax	17	<b>(1,000)</b>		-	
			<b>(1,000)</b>		-
<b>Net assets</b>			<b>1,262,394</b>		898,237
<b>Capital and reserves</b>					
Called up share capital	18		<b>128,336</b>		128,336
Revaluation reserve	19		<b>176,113</b>		176,113
Profit and loss account	19		<b>957,945</b>		593,788
			<b>1,262,394</b>		898,237

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



**N C Faulconbridge**  
Director

The notes on pages 9 to 21 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 1. General information

William Bain Fencing Limited (the "Company") is a private company limited in shares incorporated in the UK. The registered office of the company is Lochrin Works, 7 Limekilns Road, Blairlinn Industrial Estate, Cumbernauld, G67 2RN.

The principal activities of the Company are as follows:

- The manufacture of steel galvanised palisade fencing systems.
- The manufacture of steel galvanised palisade and bespoke gates.
- The manufacture of woven mesh fencing systems and gates.
- The supply of materials for all types of perimeter systems.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The date of transition is 1 August 2014.

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

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

The following principal accounting policies have been applied:

### 2.2 Going concern

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

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 2. Accounting policies (continued)

### 2.3 Cash flow exemption

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. These disclosure exemptions are:

#### Statement of Cash Flows

Preparing a statement of cash flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included in the Group Financial Statements includes the company's cashflows.

#### Key Management Personnel Compensation

Disclosing the compensation of the key management personnel as required by FRS 102 Section 33.7.

#### Financial Instrument Disclosure

Disclosing Financial Instruments as required under FRS 102 section 11.29 to 11.48A and section 12.26 and 12.29 as this information is provided in the notes to the Consolidated Financial Statements.

The information is included in the consolidated financial statements of H W Martin Holdings Limited as at 31 July 2016 and these financial statements may be obtained from Companies House.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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 Company 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.

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 2. Accounting policies (continued)

### 2.5 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 five years.

### 2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & machinery	- 20% reducing balance / 20% straight line
Fixtures & fittings	- 15% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

### 2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of income and retained earnings unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

## Notes to the Financial Statements

For the Year Ended 31 July 2016

### 2. Accounting policies (continued)

#### 2.8 Stocks

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

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of income and retained earnings..

#### 2.9 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.

#### 2.10 Cash and cash equivalents

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

#### 2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

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

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

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

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

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 2. Accounting policies (continued)

### 2.11 Financial instruments (continued)

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

### 2.12 Creditors

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

### 2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

### 2.14 Pensions

#### Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.



## Notes to the Financial Statements

For the Year Ended 31 July 2016

### 2. Accounting policies (continued)

#### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

#### 2.17 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

# Notes to the Financial Statements

For the Year Ended 31 July 2016

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

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

### Impairment of financial assets

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

### Goodwill

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

## 4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	3,692,284	2,999,155

## 5. Other operating income

	2016 £	2015 £
Government grants receivable	2,506	2,506

## 6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	53,375	47,595
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	1,300	750
Fees payable to the Company's auditor and its associates for the other services to the Company	550	450
Defined contribution pension cost	9,782	3,426

During the year, no director received any emoluments (2015 - £NIL).

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 7. Employees

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	427,526	350,096
Social security costs	38,530	29,371
Other pension costs	9,782	3,426
	<u>475,838</u>	<u>382,893</u>

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

	2016	2015
	No.	No.
Direct labour	14	13
Admin and management	5	4
	<u>19</u>	<u>17</u>

## 8. Interest receivable

	2016	2015
	£	£
Other interest receivable	<u>739</u>	<u>103</u>

## 9. Taxation

	2016	2015
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	88,615	59,291
<b>Total current tax</b>	<u>88,615</u>	<u>59,291</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,000	(2,600)
<b>Total deferred tax</b>	<u>1,000</u>	<u>(2,600)</u>
<b>Taxation on profit on ordinary activities</b>	<u>89,615</u>	<u>56,691</u>

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 9. Taxation (continued)

### Factors affecting tax charge for the year

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

	2016 £	2015 £
Profit on ordinary activities before tax	453,772	264,431
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%)	90,754	54,658
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	747	120
Depreciation for year in excess of capital allowances	(2,886)	4,730
Adjustments to tax charge in respect of prior periods	-	301
Short term timing difference leading to an increase (decrease) in taxation	-	(518)
Other timing differences leading to an increase/ (decrease) in taxation	1,000	(2,600)
<b>Total tax charge for the year</b>	<b>89,615</b>	<b>56,691</b>

## 10. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 August 2015	13,230
At 31 July 2016	13,230
<b>Amortisation</b>	
At 1 August 2015	13,230
At 31 July 2016	13,230
<b>Net book value</b>	
At 31 July 2016	-
At 31 July 2015	-

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2015	400,237	707,025	85,023	1,192,285
Additions	-	260,108	5,810	265,918
At 31 July 2016	400,237	967,133	90,833	1,458,203
<b>Depreciation</b>				
At 1 August 2015	93,255	551,567	68,061	712,883
Charge for period on owned assets	8,004	42,603	2,768	53,375
At 31 July 2016	101,259	594,170	70,829	766,258
<b>Net book value</b>				
At 31 July 2016	298,978	372,963	20,004	691,945
At 31 July 2015	306,982	155,458	16,962	479,402

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	298,978	306,981

## 12. Stocks

	2016 £	2015 £
Stocks	359,366	223,714
Work in progress	111,196	95,605
	470,562	319,319

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 13. Debtors

	2016 £	2015 £
Trade debtors	453,366	492,558
Amounts owed by group undertakings	20,213	56,085
Other debtors	4,991	8,176
Prepayments and accrued income	37,681	48,672
	<u>516,251</u>	<u>605,491</u>

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

## 14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>663,237</u>	<u>365,390</u>

## 15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	806,599	422,276
Amounts owed to group undertakings	108,714	310,153
Corporation tax	44,915	59,291
Taxation and social security	8,590	9,181
Accruals and deferred income	51,978	10,153
	<u>1,020,796</u>	<u>811,054</u>

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

## 16. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Government grants received	<u>57,805</u>	<u>60,311</u>

# Notes to the Financial Statements

For the Year Ended 31 July 2016

## 17. Deferred taxation

	2016 £
At beginning of year	-
Charge to P&L	1,000
<b>At end of year</b>	<b>1,000</b>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	1,000
	<b>1,000</b>

## 18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
128,335 Ordinary Shares shares of £1 each	128,335	128,335
1 Ordinary A Shares share of £1	1	1
	<b>128,336</b>	<b>128,336</b>

## 19. Reserves

### Revaluation reserve

Revaluation reserves - includes all the surplus amounts in relation to the revaluation of the freehold property.

### Profit & loss account

Profit and loss account – includes all current and prior period retained profits and losses.

## 20. Pension commitments

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

The pension cost charges represents contributions payable by the company into the fund and amounted to £9,782 (2015: £3,426).

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

## Notes to the Financial Statements

For the Year Ended 31 July 2016

### **21. Controlling party**

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

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

Consolidated financial statements can be obtained from H W Martin Holdings Limited, Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY.

### **22. First time adoption of FRS 102**

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