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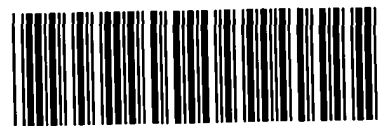
COMPANIES HOUSE

KING TRANSPORT EQUIPMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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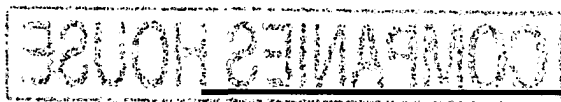
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KING TRANSPORT EQUIPMENT LIMITED

COMPANY INFORMATION

Directors

M Thorne
N C Faulconbridge
M J Faulconbridge

Registered number

05954198

Registered office

H W Martin
Fordbridge Lane
Blackwell
Alfreton
Derbyshire
DE55 5JY

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2 Broadfield Court
Sheffield
South Yorkshire
S8 0XF

KING TRANSPORT EQUIPMENT LIMITED

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KING TRANSPORT EQUIPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2018

Introduction

The directors present their Strategic report for King Transport Equipment Limited ('the Company') for the year ended 31 July 2018.

Business review

The principal activity of King Transport Equipment Limited is the design and manufacture of engineered solutions for transportation and materials handling.

The completion of development/first of type projects during the year have freed resources to allow a restructured rail workshop to move onto more commercially attractive work and a return to profitability.

Investment in field service resources and quality systems and, the achievement of industry and client accreditations, for our Advanced Variable Message Systems (AVMS) will provide the platform for renewed growth in this sector.

Principal risks and uncertainties

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

- The effect of new legislation and regulation. The impact of which on engineering specification may potentially increase costs. This risk is considered as a part of the project quotation process.
- Engineering expertise. The Company considers the level of expertise required and the in-house resources available as a part of the quotation process prior to committing to a project.
- 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 risk arising from the Company's financial instruments is liquidity risk arising from long term projects. This risk is managed by staged payments from clients during the course of the project.

Financial key performance indicators

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

- The achievement of a net profit.

This report was approved by the board on 11 December 2018 and signed on its behalf.



N C Faulconbridge
Director

KING TRANSPORT EQUIPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

Results and dividends

The profit for the year, after taxation, amounted to £67,489 (2017: loss £748,889).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

M Thorne
N C Faulconbridge
M J Faulconbridge
R K Brown (resigned 4 August 2017)
M F Carrington (resigned 7 September 2018)

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 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 Company 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 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.

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

KING TRANSPORT EQUIPMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

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, as well as the support provided from King Vehicle Engineering Limited, 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.

Post balance sheet events

There have been no significant events affecting the Company 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'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's auditor is aware of that information.

Auditor

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

This report was approved by the board on 11 December 2018 and signed on its behalf.



N C Faulconbridge
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING TRANSPORT EQUIPMENT LIMITED

Opinion

We have audited the financial statements of King Transport Equipment Limited for the year ended 31 July 2018, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, 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 Company's affairs as at 31 July 2018 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.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING TRANSPORT EQUIPMENT LIMITED
(CONTINUED)**

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.

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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING TRANSPORT EQUIPMENT LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

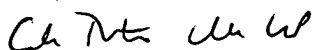
As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.



Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

11 December 2018

KING TRANSPORT EQUIPMENT LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2018

	Note	31 July 2018 £	13 months ended 31 July 2017 £
Turnover	4	1,972,432	2,110,506
Cost of sales		(1,368,146)	(2,284,000)
Gross profit/(loss)		604,286	(173,494)
Administrative expenses		(533,204)	(670,931)
Operating profit/(loss)	5	71,082	(844,425)
Interest receivable and similar income	9	7	385
Interest payable and expenses	10	-	(460)
Profit/(loss) before tax		71,089	(844,500)
Tax on profit/(loss)	11	(3,600)	95,611
Profit/(loss) after tax		67,489	(748,889)
Retained earnings at the beginning of the year		(235,706)	513,183
Profit/(loss) for the year		67,489	(748,889)
Retained earnings at the end of the year		(168,217)	(235,706)

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of income and retained earnings.

The notes on pages 9 to 24 form part of these financial statements.

KING TRANSPORT EQUIPMENT LIMITED
REGISTERED NUMBER:05954198

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	13,075	35,430
		<u>13,075</u>	<u>35,430</u>
Current assets			
Stocks	13	22,073	26,220
Debtors: amounts falling due within one year	14	1,009,172	966,951
Cash at bank and in hand	15	199,382	104,236
		<u>1,230,627</u>	<u>1,097,407</u>
Creditors: amounts falling due within one year	16	(1,411,824)	(1,368,448)
Net current liabilities		<u>(181,197)</u>	<u>(271,041)</u>
Total assets less current liabilities		<u>(168,122)</u>	<u>(235,611)</u>
Net liabilities		<u>(168,122)</u>	<u>(235,611)</u>
Capital and reserves			
Called up share capital	19	95	95
Profit and loss account	20	(168,217)	(235,706)
		<u>(168,122)</u>	<u>(235,611)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2018.



N C Faulconbridge
Director

The notes on pages 9 to 24 form part of these financial statements.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1. General information

King Transport Equipment Limited (the "Company") is a private Company limited by shares incorporated in the UK for the primary purpose of design, manufacture and sale of a range of engineer solutions for transportation and material handling. The registered office of the Company is H W Martin, Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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.

This information is included in the consolidated financial statements of H W Martin Holdings Limited as at 31 July 2018 and these financial statements may be obtained from Companies House.

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, as well as the support provided from King Vehicle Engineering Limited, 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 TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

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.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	- 3 years
Motor vehicles	- 3 years
Office equipment	- 3 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 the Statement of income and retained earnings.

2.6 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.

2.7 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.

2.8 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 TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.9 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 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 financed at a rate of interest that is not a market rate or in the 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.

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.

2.10 Creditors

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

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.11 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 the Statement of income and retained earnings 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 Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 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 payment 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

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

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.18 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 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 operates and generates 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; 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 reporting date.

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 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.

KING TRANSPORT EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

4. Turnover

	31 July 2018	<i>13 months ended 31 July 2017</i>
	£	£
Turnover	1,972,432	2,110,506

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	31 July 2018	<i>13 months ended 31 July 2017</i>
	£	£
Depreciation of tangible fixed assets	22,355	33,569
Exchange differences	-	1,240
Operating lease rentals	12,268	1,030
Defined contribution pension cost	7,370	10,146

6. Auditor's remuneration

	31 July 2018	<i>13 months ended 31 July 2017</i>
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,800	4,550
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	2,000	1,950

KING TRANSPORT EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

7. Employees

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

	31 July 2018 £	<i>13 months ended 31 July 2017 £</i>
Wages and salaries	153,997	343,886
Social security costs	20,316	42,895
Cost of defined contribution scheme	7,370	10,146
	<u>181,683</u>	<u>396,927</u>

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

	31 July 2018 No.	<i>13 months ended 31 July 2017 No.</i>
Administration and management	<u>2</u>	<u>6</u>

8. Directors' remuneration

	31 July 2018 £	<i>13 months ended 31 July 2017 £</i>
Directors' emoluments	77,566	76,430
Directors' pension costs	3,750	3,570
	<u>81,316</u>	<u>80,000</u>

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

9. Interest receivable

	31 July 2018 £	13 months ended 31 July 2017 £
Other interest receivable	7	385

10. Interest payable and similar expenses

	31 July 2018 £	13 months ended 31 July 2017 £
Finance leases and hire purchase contracts	-	460

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

11. Taxation

	31 July 2018 £	13 months ended 31 July 2017 £
Corporation tax		
Current tax on profits for the period	-	(96,911)
Total current tax	-	(96,911)
Deferred tax		
Excess of depreciation over taxation allowances	(1,580)	2,180
Other timing differences	260	(1,160)
Tax losses carried forward	4,920	280
Total deferred tax	3,600	1,300
Taxation on profit/(loss) on ordinary activities	3,600	(95,611)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017: *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.69%). The differences are explained below:

	31 July 2018 £	13 months ended 31 July 2017 £
Profit/(loss) on ordinary activities before tax	71,089	(844,500)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.69%)	13,507	(166,298)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13	191
Other timing differences leading to an increase (decrease) in taxation	(349)	(705)
Group relief	(9,571)	71,201
Total tax charge for the year/period	3,600	(95,611)

KING TRANSPORT EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 August 2017	48,454	40,182	44,043	132,679
At 31 July 2018	<u>48,454</u>	<u>40,182</u>	<u>44,043</u>	<u>132,679</u>
Depreciation				
At 1 August 2017	42,283	13,734	41,232	97,249
Charge for the year on owned assets	6,171	13,394	2,790	22,355
At 31 July 2018	<u>48,454</u>	<u>27,128</u>	<u>44,022</u>	<u>119,604</u>
Net book value				
At 31 July 2018	<u>-</u>	<u>13,054</u>	<u>21</u>	<u>13,075</u>
At 31 July 2017	<u>6,171</u>	<u>26,448</u>	<u>2,811</u>	<u>35,430</u>

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

13. Stocks

	2018 £	2017 £
Work in progress	22,073	26,220

Stock recognised in cost of sales during the year as an expense was £Nil (2017: £1,747,708).

An impairment loss of £Nil (2017: £253,621) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

14. Debtors

	2018 £	2017 £
Trade debtors	464,977	316,165
Amounts owed by group undertakings	530,895	589,169
Other debtors	-	13,098
Prepayments and accrued income	4,400	36,019
Deferred taxation	8,900	12,500
	1,009,172	966,951

An impairment loss of £Nil (2017: £6,500) 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 £Nil (2017: £5,595).

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

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	199,382	104,236

KING TRANSPORT EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

16. Creditors: Amounts falling due within one year

	2018	<i>As restated</i> 2017
	£	£
Trade creditors	36,524	11,449
Amounts owed to group undertakings	475,098	261,312
Other taxation and social security	89,780	1,799
Obligations under finance lease and hire purchase contracts	1,096	7,543
Other creditors	482,711	116,859
Accruals and deferred income	326,615	969,486
	<u>1,411,824</u>	<u>1,368,448</u>

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

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018	2017
	£	£
Within 1 year	1,190	8,012
Less: finance charges	(94)	(469)
	<u>1,096</u>	<u>7,543</u>

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

18. Deferred taxation

	2018 £	2017 £
At beginning of period	12,500	13,800
Charged to profit or loss	(3,600)	(1,300)
At end of year	8,900	12,500

The deferred tax asset is made up as follows:

	2018 £	2017 £
Excess of depreciation over taxation allowances	7,800	6,220
Other timing differences	1,100	1,360
Tax losses carried forward	-	4,920
	8,900	12,500

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
95 Ordinary shares shares of £1 each	95	95

20. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

KING TRANSPORT EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

21. Pension commitments

The Company operates a 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 £7,370 (2017: £10,146).

Contributions totalling £Nil (2017: £438) were payable to the fund at the balance sheet date.

22. Commitments under operating leases

At 31 July 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	3,381	12,268
Later than 1 year and not later than 5 years	-	3,381
	<u>3,381</u>	<u>15,649</u>

A charge of £12,268 has been recognised in the year for operating lease commitments

23. Related party transactions

King Transport Equipment 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.

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