

**Company Registration No. 950118**

**Augustus Martin Limited**

**Report and Financial Statements**

**31 March 2003**



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COMPANIES HOUSE 30/03/04

**Deloitte & Touche LLP  
London**

# **Augustus Martin Limited**

## **Report and financial statements 2003**

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# **Augustus Martin Limited**

## **Report and financial statements 2003**

### **Officers and professional advisers**

#### **Directors**

L A Barrow  
B M Dix  
A Dix

#### **Secretary**

B M Dix

#### **Registered office**

8 St Andrews Way  
Bromley by Bow  
London  
E3 3PB

#### **Bankers**

LloydsTSB Bank Plc  
210 Commercial Road  
London  
E1 2JR

#### **Solicitors**

Kenneth Elliott & Rowe  
109 Baker Street  
London  
W1M 1FE

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# Augustus Martin Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

### Activities

The principal activities of the Augustus Martin group in the year under review were those of management, production, warehousing and distribution of printed materials.

### Review of business and future developments

Competition remained intense during the year in the markets served by the Augustus Martin group. Despite this the group had a successful year and turnover increased to £36,605,619 from £34,908,271 in 2002. The directors expect to maintain broadly similar levels for the foreseeable future.

The consolidated profit and loss account for the year is shown on page 6.

### Directors and their interests

The directors who served throughout the year under review and their interests in the shares of the company were:

|            | Ordinary shares of £1 each |             |
|------------|----------------------------|-------------|
|            | 2003<br>No.                | 2002<br>No. |
| L A Barrow | 500                        | 500         |
| B M Dix    | 500                        | 500         |
| A Dix      | -                          | -           |

### DIVIDEND

The directors do not recommend the payment of a dividend (2002 – £nil).

### Employee involvement

Weekly meetings are held by senior management who regularly meet with employee representatives. Opportunity is given at these meetings for senior management to be questioned about matters which concern the employees. The company has a works committee and notice boards that are used to communicate with all employees.

### Employment of disabled persons

Full and fair consideration is given to applications for employment, training and promotion, made by disabled persons having regard to their particular aptitudes and abilities. Also every effort is made to ensure the continuing employment and training of employees who have become disabled.

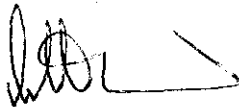
## **Augustus Martin Limited**

### **Directors' report (continued)**

#### **Auditors**

On 1 August 2003, Deloitte & Touche, the company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

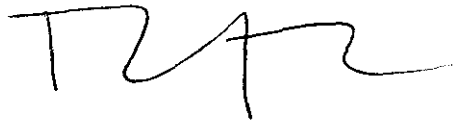
Approved by the Board of Directors  
and signed on behalf of the Board



L A Barrow  
Director

17 March 2004

B M Dix  
Director



## **Augustus Martin Limited**

### **Statement of directors' responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Augustus Martin Limited**

We have audited the financial statements of Augustus Martin Limited for the year ended 31 March 2003 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the notes to the consolidated cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London

17 March 2004

# Augustus Martin Limited

## Consolidated profit and loss account Year ended 31 March 2003

|  | Note      | 2003<br>£    | 2002<br>£    |
|--|-----------|--------------|--------------|
| <b>Turnover</b>  | 2         | 36,605,619   | 34,908,271   |
| Cost of sales  |           | (28,674,362) | (27,487,429) |
| <b>Gross profit</b>  |           | 7,931,257    | 7,420,842    |
| Distribution costs   | 1,087,628 | 1,257,451    |              |
| Administrative expenses  | 6,300,676 | 6,245,665    |              |
|  |           | (7,388,304)  | (7,503,116)  |
|  |           | 542,953      | (82,274)     |
| Other operating income   |           | 312,400      | 345,357      |
| <b>Operating profit</b>  | 4         | 855,353      | 263,083      |
| Interest receivable and similar income   | 5         | 153,269      | 189,769      |
| Interest payable and similar charges   | 6         | (277,608)    | (361,562)    |
| <b>Profit on ordinary activities before taxation</b>   |           | 731,014      | 91,290       |
| Tax on profit on ordinary activities   | 7         | (239,155)    | (8,423)      |
| <b>Profit on ordinary activities after taxation<br/>and retained profit for the financial year</b> |           | 491,859      | 82,867       |
| Retained profit brought forward  |           | 5,623,752    | 5,540,885    |
| <b>Retained profit carried forward</b>   |           | 6,115,611    | 5,623,752    |

There are no recognised gains or losses or movements in shareholders' funds for the current or preceding years other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses or reconciliation of movements in shareholders' funds are required.

All amounts derive from continuing operations.

The company has taken advantage of section 230 of the Companies Act 1985, and has not presented the profit and loss account of the parent company. The parent company's profit for the year was £606,898 (2002: £60,297).



# Augustus Martin Limited

## Consolidated balance sheet 31 March 2003

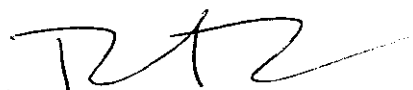
|  | Note | £            | 2003<br>£         | £                 | 2002<br>£ |
|--|------|--------------|-------------------|-------------------|-----------|
| <b>Fixed assets</b>  |      |              |                   |                   |           |
| Tangible assets  | 8    |              | 6,473,579         |                   | 5,982,775 |
| <b>Current assets</b>  |      |              |                   |                   |           |
| Stocks   | 10   | 359,532      |                   | 314,279           |           |
| Debtors  | 11   | 9,939,136    |                   | 10,107,764        |           |
| Cash at bank and in hand                                       |      | 4,099,675    |                   | 3,833,422         |           |
|  |      |              | <u>14,398,343</u> | <u>14,255,465</u> |           |
| <b>Creditors: amounts falling due within one year</b>          | 12   | (11,320,688) |                   | (10,300,385)      |           |
| <b>Net current assets</b>                                      |      |              | <u>3,077,655</u>  | <u>3,955,080</u>  |           |
| <b>Total assets less current liabilities</b>                   |      |              | 9,551,234         |                   | 9,937,855 |
| <b>Creditors: amounts falling due after more than one year</b> | 13   | (2,432,917)  |                   | (3,317,936)       |           |
| <b>Provisions for liabilities and charges</b>                  | 16   | (1,001,706)  |                   | (995,167)         |           |
|  |      |              | <u>6,116,611</u>  | <u>5,624,752</u>  |           |
| <b>Capital and reserves</b>                                    |      |              |                   |                   |           |
| Called up share capital  | 17   |              | 1,000             |                   | 1,000     |
| Profit and loss account  |      |              | 6,115,611         |                   | 5,623,752 |
| <b>Equity shareholders' funds</b>                              |      |              | <u>6,116,611</u>  | <u>5,624,752</u>  |           |

These financial statements were approved by the Board of Directors on 17 March 2004.

Signed on behalf of the Board of Directors



L A Barrow  
Director



B M Dix  
Director

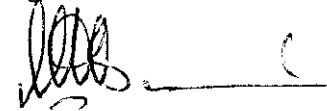
# Augustus Martin Limited

## Company balance sheet 31 March 2003

|  | Note | £                 | 2003<br>£          | £                 | 2002<br>£        |
|--|------|-------------------|--------------------|-------------------|------------------|
| <b>Fixed assets</b>  |      |                   |                    |                   |                  |
| Tangible assets  | 8    |                   | 6,399,698          |                   | 5,885,103        |
| Investments  | 9    |                   | 1,000              |                   | 1,000            |
|  |      |                   | <u>6,400,698</u>   |                   | <u>5,886,103</u> |
| <b>Current assets</b>  |      |                   |                    |                   |                  |
| Stocks   | 10   | 203,752           |                    | 144,823           |                  |
| Debtors  | 11   | 8,618,502         |                    | 9,331,265         |                  |
| Cash at bank and in hand                                       |      | 4,098,579         |                    | 3,810,407         |                  |
|  |      | <u>12,920,833</u> |                    | <u>13,286,495</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 12   | (11,079,920)      |                    | (10,465,552)      |                  |
| <b>Net current assets</b>                                      |      |                   | <u>1,840,913</u>   |                   | <u>2,820,943</u> |
| <b>Total assets less current liabilities</b>                   |      |                   | 8,241,611          |                   | 8,707,046        |
| <b>Creditors: amounts falling due after more than one year</b> | 13   |                   | (2,432,919)        |                   | (3,317,936)      |
| <b>Provisions for liabilities and charges</b>                  | 16   |                   | <u>(1,001,706)</u> |                   | <u>(995,167)</u> |
|  |      |                   | <u>4,806,986</u>   |                   | <u>4,393,943</u> |
| <b>Capital and reserves</b>                                    |      |                   |                    |                   |                  |
| Called up share capital  | 17   |                   | 1,000              |                   | 1,000            |
| Profit and loss account  |      |                   | <u>4,805,986</u>   |                   | <u>4,392,943</u> |
| <b>Equity shareholders' funds</b>                              |      |                   | <u>4,806,986</u>   |                   | <u>4,393,943</u> |

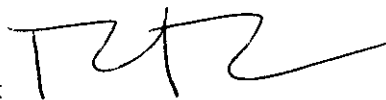
These financial statements were approved by the Board of Directors on 17 March 2004.

Signed on behalf of the Board of Directors



L A Barrow

Director



B M Dix

Director

# Augustus Martin Limited

## Consolidated cash flow statement Year ended 31 March 2003

|   | Note | 2003<br>£               | 2002<br>£                 |
|---|------|-------------------------|---------------------------|
| <b>Net cash inflow from operating activities</b>                            | a    | 2,196,482               | 1,030,696                 |
| <b>Returns on investments and servicing of finance</b>                      |      |                         |                           |
| Interest received   |      | 153,269                 | 189,769                   |
| Interest paid   |      | (170,444)               | (188,853)                 |
| Interest element of finance lease rental payments                           |      | <u>(107,164)</u>        | <u>(172,709)</u>          |
| <b>Net cash outflow for returns on investments and servicing of finance</b> |      | (124,339)               | (171,793)                 |
| <b>Taxation</b>   |      |                         |                           |
| Corporation tax refunded/(paid)   |      | 370,465                 | (174,761)                 |
| <b>Capital expenditure and financial investment</b>                         |      |                         |                           |
| Payment to acquire tangible fixed assets                                    |      | (1,743,962)             | (1,023,514)               |
| Receipts from sales of tangible fixed assets                                |      | <u>63,880</u>           | <u>78,481</u>             |
| <b>Net cash outflow for capital expenditure and financial investment</b>    |      | <u>(1,680,082)</u>      | <u>(945,033)</u>          |
| <b>Net cash inflow/(outflow) before financing</b>                           |      | 762,526                 | (260,891)                 |
| <b>Financing</b>  |      |                         |                           |
| Debt due after more than one year:  |      |                         |                           |
| Repayment of bank loans   | b    | (245,578)               | (245,578)                 |
| Capital element of hire purchase and finance lease rentals                  | b    | <u>(645,486)</u>        | <u>(1,022,524)</u>        |
| <b>Net cash outflow from financing</b>                                      |      | <u>(891,064)</u>        | <u>(1,268,102)</u>        |
| <b>Decrease in cash</b>   | b, c | <u><u>(128,538)</u></u> | <u><u>(1,528,993)</u></u> |

# Augustus Martin Limited

## Notes to the consolidated cash flow statement Year ended 31 March 2003

### a. Reconciliation of operating profit to net cash inflow from operating activities

|   | 2003<br>£        | 2002<br>£        |
|---|------------------|------------------|
| Operating profit                          | 855,353          | 263,083          |
| Depreciation charges                      | 1,161,495        | 1,055,769        |
| Loss on sale of fixed assets              | 29,504           | 59,219           |
| Increase in stocks                        | (45,253)         | (17,866)         |
| Decrease/(increase) in debtors            | 508,003          | (11,466)         |
| Decrease in creditors                     | (319,159)        | (124,277)        |
| Increase/(decrease) in provisions         | 6,539            | (193,766)        |
| Net cash inflow from operating activities | <u>2,196,482</u> | <u>1,030,696</u> |

### b. Analysis of net debt

|  | At<br>1 April<br>2002<br>£ | Cash flow<br>£   | At<br>31 March<br>2003<br>£ |
|--|----------------------------|------------------|-----------------------------|
| Cash in hand and at bank                   | 3,833,422                  | 266,253          | 4,099,675                   |
| Overdrafts                                 | (1,619,476)                | (394,791)        | (2,014,267)                 |
|  | <u>2,213,946</u>           | <u>(128,538)</u> | <u>2,085,408</u>            |
| Debt due after more than one year          | (851,560)                  | 245,578          | (605,982)                   |
| Debt due within one year                   | (245,579)                  | -                | (245,579)                   |
| Finance leases and hire purchase contracts | (2,338,287)                | 645,486          | (1,692,801)                 |
|  | <u>(3,435,426)</u>         | <u>891,064</u>   | <u>(2,544,362)</u>          |
| Total                                      | <u>(1,221,480)</u>         | <u>762,526</u>   | <u>(458,954)</u>            |

### c. Reconciliation of net cash flow to movement in net debt

|   | 2003<br>£          | 2002<br>£          |
|---|--------------------|--------------------|
| Decrease in cash in the year  | (128,538)          | (1,528,993)        |
| Cash outflow from decrease in debt and lease financing                            | <u>891,064</u>     | <u>1,268,102</u>   |
| Change in net debt resulting from cash flows and movement in net debt in the year | 762,526            | (260,891)          |
| Net debt at start of year   | <u>(1,221,480)</u> | <u>(960,589)</u>   |
| Net debt at end of year   | <u>(458,954)</u>   | <u>(1,221,480)</u> |

# **Augustus Martin Limited**

## **Notes to the accounts Year ended 31 March 2003**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards, which have been consistently applied in both the current and preceding financial years. The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life, or, if held under a finance lease, over the lease term, whichever is the shorter.

|                          |                                     |
|--------------------------|-------------------------------------|
| Improvements to premises | Over lease term on reducing balance |
| Plant and equipment      | 15% on reducing balance             |
| Fixtures and fittings    | 25% on reducing balance             |
| Motor vehicles           | 25% on reducing balance             |
| Office equipment         | 30% on reducing balance             |
| Computer equipment       | 30% on reducing balance             |

#### **Investments**

Investments are stated at cost less any provision for impairment.

#### **Stocks**

Stocks and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure.

#### **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period, in proportion to the amount of capital outstanding. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 1. Accounting policies (continued)

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of Augustus Martin Limited and its subsidiary (see note 9).

#### Foreign exchange

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities stated in foreign currencies are translated into sterling at the rates ruling at the year end.

### 2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the principal activities of the group.

### 3. Staff costs

|  | The group         |                   |
|--|-------------------|-------------------|
|  | 2003<br>£         | 2002<br>£         |
| Wages and salaries (including directors' remuneration) | 11,167,821        | 11,521,590        |
| Social security costs                                  | 1,088,054         | 1,153,581         |
| Other pension costs                                    | 785,821           | 705,308           |
|  | <u>13,041,696</u> | <u>13,380,479</u> |

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

|                | The group   |             |
|----------------|-------------|-------------|
|                | 2003<br>No. | 2002<br>No. |
| Administration | 49          | 54          |
| Production     | 264         | 266         |
| Sales          | 20          | 20          |
| Directors      | 3           | 3           |
|                | <u>336</u>  | <u>343</u>  |

|   | The group        |                  |
|---|------------------|------------------|
|   | 2003<br>£        | 2002<br>£        |
| Total directors' emoluments including pension contributions of £700,000 (2002 – £700,000) | <u>2,172,399</u> | <u>2,530,288</u> |

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 3. Staff costs (continued)

|  | The group        |                  |
|--|------------------|------------------|
|  | 2003             | 2002             |
|  | £                | £                |
| Highest paid director (including pension contributions<br>– see below) | <u>1,097,865</u> | <u>1,263,614</u> |

Two directors were members of a money purchase pension scheme into which an aggregate of £700,000 was contributed in 2003 (2002 – £700,000). Of this, £350,000 was paid on behalf of the highest paid director (2002 – £350,000).

### 4. Operating profit

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

|  | The group       |            |
|--|-----------------|------------|
|  | 2003            | 2002       |
|  | £               | £          |
| Depreciation – owned assets                              | 592,246         | 414,399    |
| Depreciation – assets on hire purchase or finance leases | 569,249         | 641,370    |
| Loss on disposal of fixed assets                         | 29,504          | 59,219     |
| Auditors' remuneration - audit services                  | 42,000          | 40,000     |
| Hire of - plant and machinery                            | 24,734          | 20,809     |
| - other  | 697,480         | 643,279    |
| (Profit)/loss on foreign exchange                        | <u>(19,910)</u> | <u>555</u> |

### 5. Interest receivable and similar income

|                          | The group      |                |
|--------------------------|----------------|----------------|
|                          | 2003           | 2002           |
|                          | £              | £              |
| Bank interest receivable | <u>153,269</u> | <u>189,769</u> |

### 6. Interest payable and similar charges

|   | The group      |                |
|---|----------------|----------------|
|   | 2003           | 2002           |
|   | £              | £              |
| Bank loans and overdraft                          | 93,450         | 109,443        |
| Pension fund loan interest                        | 77,004         | 78,801         |
| Finance charges - hire purchase or finance leases | 104,320        | 172,709        |
| Other interest                                    | 2,834          | 609            |
|   | <u>277,608</u> | <u>361,562</u> |

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 7. Tax on profit on ordinary activities

Analysis of tax on the profit on ordinary activities for the year was as follows:

|   | The group      |                |
|---|----------------|----------------|
|   | 2003           | 2002           |
|   | £              | £              |
| Based on the adjusted results of the year |                |                |
| UK corporation tax                        | 258,079        | 52,181         |
| Over provision in prior years             | 6,456          | (58,937)       |
| Double taxation relief                    | (421)          | -              |
|   | <u>264,114</u> | <u>(6,756)</u> |
| Deferred taxation                         |                |                |
| - Timing differences                      | (77,193)       | 15,179         |
| Adjustment in respect of prior years      | <u>52,234</u>  | <u>-</u>       |
|   | <u>239,155</u> | <u>8,423</u>   |

UK corporation tax has been charged at 30% (2002: 30%).

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2002: 30%)

|  | The group       |                 |
|--|-----------------|-----------------|
|  | 2003            | 2002            |
|  | £               | £               |
| Profit before tax                            | <u>731,014</u>  | <u>91,290</u>   |
| Tax thereon at 30%                           | 219,304         | 27,387          |
| Capital allowances in excess of depreciation | 55,593          | (36,352)        |
| Expenditure not deductible for tax purposes  | 30,878          | 50,954          |
| Movement in short term timing differences    | 21,600          | 20,024          |
| Margin relief                                | (2,217)         | (9,833)         |
| Adjustments to tax in respect of prior years | <u>(61,044)</u> | <u>(58,936)</u> |
|  | <u>264,114</u>  | <u>(6,756)</u>  |



# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 8. Tangible fixed assets

|                       | Improvements<br>to premises<br>£ | Plant and<br>equipment<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------------|--------------------------|----------------------------|-------------|
| <b>The group</b>      |                                  |                             |                                  |                        |                          |                            |             |
| <b>Cost</b>           |                                  |                             |                                  |                        |                          |                            |             |
| At 1 April 2002       | 364,278                          | 12,827,484                  | 113,795                          | 1,142,628              | 136,955                  | 1,358,153                  | 15,943,293  |
| Additions             | 21,972                           | 1,274,032                   | 2,636                            | 312,142                | 29,835                   | 105,066                    | 1,745,683   |
| Disposals             | -                                | (30,697)                    | -                                | (440,616)              | -                        | -                          | (471,313)   |
| At 31 March 2003      | 386,250                          | 14,070,819                  | 116,431                          | 1,014,154              | 166,790                  | 1,463,219                  | 17,217,663  |
| <b>Depreciation</b>   |                                  |                             |                                  |                        |                          |                            |             |
| At 1 April 2002       | 65,978                           | 7,938,934                   | 90,342                           | 772,497                | 99,209                   | 993,558                    | 9,960,518   |
| Charge for the year   | 16,010                           | 878,325                     | 6,017                            | 131,640                | 15,778                   | 113,725                    | 1,161,495   |
| Disposals             | -                                | (16,877)                    | -                                | (361,052)              | -                        | -                          | (377,929)   |
| At 31 March 2003      | 81,988                           | 8,800,382                   | 96,359                           | 543,085                | 114,987                  | 1,107,283                  | 10,744,084  |
| <b>Net book value</b> |                                  |                             |                                  |                        |                          |                            |             |
| At 31 March 2003      | 304,262                          | 5,270,437                   | 20,072                           | 471,069                | 51,803                   | 355,936                    | 6,473,579   |
| At 31 March 2002      | 298,300                          | 4,888,550                   | 23,453                           | 370,131                | 37,746                   | 364,595                    | 5,982,775   |

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 8. Tangible fixed assets (continued)

|                       | Improvements<br>to premises<br>£ | Plant and<br>equipment<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------------|--------------------------|----------------------------|-------------|
| <b>The company</b>    |                                  |                             |                                  |                        |                          |                            |             |
| <b>Cost</b>           |                                  |                             |                                  |                        |                          |                            |             |
| At 1 April 2002       | 364,278                          | 12,667,783                  | 102,884                          | 1,112,628              | 136,955                  | 1,293,774                  | 15,678,302  |
| Additions             | 21,972                           | 1,274,032                   | -                                | 312,142                | 29,835                   | 101,578                    | 1,739,559   |
| Disposals             | -                                | (30,697)                    | -                                | (410,616)              | -                        | -                          | (441,313)   |
| At 31 March 2003      | 386,250                          | 13,911,118                  | 102,884                          | 1,014,154              | 166,790                  | 1,395,352                  | 16,976,548  |
| <b>Depreciation</b>   |                                  |                             |                                  |                        |                          |                            |             |
| At 1 April 2002       | 65,978                           | 7,848,108                   | 84,306                           | 752,679                | 99,209                   | 942,919                    | 9,793,199   |
| Charge for the year   | 16,010                           | 865,745                     | 4,644                            | 131,427                | 15,778                   | 107,945                    | 1,141,549   |
| Disposals             | -                                | (16,877)                    | -                                | (341,021)              | -                        | -                          | (357,898)   |
| At 31 March 2003      | 81,988                           | 8,696,976                   | 88,950                           | 543,085                | 114,987                  | 1,050,864                  | 10,576,850  |
| <b>Net book value</b> |                                  |                             |                                  |                        |                          |                            |             |
| At 31 March 2003      | 304,262                          | 5,214,142                   | 13,934                           | 471,069                | 51,803                   | 344,488                    | 6,399,698   |
| At 31 March 2002      | 298,300                          | 4,819,675                   | 18,578                           | 359,949                | 37,746                   | 350,855                    | 5,885,103   |

The net book value of assets held under hire purchase or finance lease as at 31 March 2003 for both the group and the company is £2,644,061 (2002 - £2,795,845).

## Augustus Martin Limited

### Notes to the accounts Year ended 31 March 2003

#### 9. Fixed asset investments

The company's investment at the balance sheet date in the share capital of unlisted companies comprises 100% of the issued share capital of Billboard Posters Limited, a company incorporated in Great Britain. The cost and net book value of the investment was £1,000 at 31 March 2003 (2002 – £1,000).

This subsidiary has been included in the consolidated financial statements; its principal activity is that of lithographic printing.

#### 10. Stocks

|                  | The group      |                | The company    |                |
|------------------|----------------|----------------|----------------|----------------|
|                  | 2003           | 2002           | 2003           | 2002           |
|                  | £              | £              | £              | £              |
| Raw material     | 352,293        | 285,049        | 203,752        | 144,823        |
| Work in progress | 7,239          | 29,230         | -              | -              |
|                  | <u>359,532</u> | <u>314,279</u> | <u>203,752</u> | <u>144,823</u> |

#### 11. Debtors

|                                | The group        |                   | The company      |                  |
|--------------------------------|------------------|-------------------|------------------|------------------|
|                                | 2003             | 2002              | 2003             | 2002             |
|                                | £                | £                 | £                | £                |
| Trade debtors                  | 8,925,306        | 9,136,108         | 7,629,726        | 8,392,959        |
| Corporation tax recoverable    | -                | 349,017           | -                | 335,037          |
| Other debtors                  | 618,131          | 443,007           | 612,969          | 444,133          |
| Prepayments and accrued income | 395,699          | 179,632           | 375,807          | 159,136          |
|                                | <u>9,939,136</u> | <u>10,107,764</u> | <u>8,618,502</u> | <u>9,331,265</u> |

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 12. Creditors: amounts falling due within one year

|  | The group         |                   | The company       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2003              | 2002              | 2003              | 2002              |
|  | £                 | £                 | £                 | £                 |
| Bank loans and overdrafts                      | 2,259,846         | 1,865,055         | 1,969,902         | 1,620,895         |
| Hire purchase and finance leases (see note 14) | 965,866           | 971,911           | 965,866           | 971,911           |
| Trade creditors                                | 3,281,923         | 4,353,341         | 2,455,826         | 3,237,871         |
| Amounts owed to subsidiary                     | -                 | -                 | 1,358,556         | 2,089,826         |
| Other creditors                                | 1,052,243         | 344,871           | 1,031,881         | 313,927           |
| Other taxes and social security                | 845,246           | 1,143,106         | 741,083           | 1,058,721         |
| Directors' current accounts                    | 196,265           | 491,413           | 196,265           | 491,413           |
| Corporation tax payable                        | 315,193           | 54,590            | 264,863           | 39,519            |
| Accruals and deferred income                   | 2,404,106         | 1,076,098         | 2,095,678         | 641,469           |
|  | <u>11,320,688</u> | <u>10,300,385</u> | <u>11,079,920</u> | <u>10,465,552</u> |

### 13. Creditors: amounts falling due after more than one year

|  | The group and the company |                  |
|--|---------------------------|------------------|
|  | 2003                      | 2002             |
|  | £                         | £                |
| Bank loans                                     | 605,982                   | 851,560          |
| Pension fund loan                              | 1,100,000                 | 1,100,000        |
| Hire purchase and finance leases (see note 14) | 726,935                   | 1,366,376        |
|  | <u>2,432,917</u>          | <u>3,317,936</u> |

Of the bank loans £525,000 bears interest at a fixed rate of 8.95372% and the remainder bears interest at 1% above base rate.

LloydsTSB Bank Plc have a charge over a property which is owned by the directors.

The pension fund loan is from the AM Pension Scheme and is repayable in full on 18 May 2008. Interest is charged at 3% above bank base rate. The lender has a second charge over the property owned by the directors.

### 14. Obligations under hire purchase contracts and finance leases

|  | 2003             | 2002             |
|--|------------------|------------------|
|  | £                | £                |
| <b>The group and the company</b>             |                  |                  |
| Net obligations repayable on loans expiring: |                  |                  |
| Within one year (see note 12)                | 965,866          | 971,911          |
| Between two and five years (see note 13)     | 726,935          | 1,366,376        |
|  | <u>1,692,801</u> | <u>2,338,287</u> |

Obligations under hire purchase contracts and finance leases are secured by related leased assets.

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 15. Operating lease commitments

The following payments are committed under operating leases on land and buildings to be paid within one year:

|                         | The group and the company |                |
|-------------------------|---------------------------|----------------|
|                         | 2003                      | 2003           |
|                         | £                         | £              |
| Expiring:               |                           |                |
| In two to five years    | 122,480                   | 51,230         |
| In more than five years | 575,000                   | 575,000        |
|                         | <u>697,480</u>            | <u>666,230</u> |

### 16. Provisions for liabilities and charges

|                                 | Reprint provision | Deferred taxation | Total            |
|---------------------------------|-------------------|-------------------|------------------|
|                                 | £                 | £                 | £                |
| The group and the company       |                   |                   |                  |
| Movements on provisions in year |                   |                   |                  |
| Balance at 1 April 2002         | 226,310           | 768,857           | 995,167          |
| Charge in year                  | 6,539             | -                 | 6,539            |
|                                 | <u>232,849</u>    | <u>768,857</u>    | <u>1,001,706</u> |
| Balance at 31 March 2003        |                   |                   |                  |

The reprint provision is a provision for future costs to be incurred in connection with reprints, library and other services for certain customers arising from past sales. The provision will be utilised over the next six to twelve months.

### 17. Called up share capital

|                                      | No. of shares | 2003 £        | No. of shares | 2002 £        |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Authorised:                          |               |               |               |               |
| Ordinary shares of £1 each           | 10,000        | <u>10,000</u> | 10,000        | <u>10,000</u> |
| Called up, allotted, and fully paid: |               |               |               |               |
| Ordinary shares of £1 each           | 1,000         | <u>1,000</u>  | 1,000         | <u>1,000</u>  |

# Augustus Martin Limited

## Notes to the accounts Year ended 31 March 2003

### 18. Related party transactions

The following amounts included in trade debtors and other debtors (note 11), and in other creditors (note 12) were due from related companies in which two of the directors, L A Barrow (LAB) and B M Dix (BMD) had an interest in the proportions shown.

|                             | 2003<br>£ | 2002<br>£ | LAB | BMD |
|-----------------------------|-----------|-----------|-----|-----|
| <b>Due from/(to):</b>       |           |           |     |     |
| Small Products Limited      | 4,269     | 4,996     | 33% | 33% |
| Marketing by Design Limited | 248,308   | 352,555   | 25% | 25% |
| T J Finishing Limited       | 127,931   | 34,918    | 33% | 33% |
| Thames Graphic Limited      | 154,227   | 14,019    | 50% | 50% |
| Print Processes Limited     | -         | 200,546   | 25% | 25% |
| Vitalactive7 Limited        | 106,946   | 70,946    | 50% | 50% |
| PP Sales Limited            | (120,831) | -         | 50% | 50% |

During the year the following sales and purchases were made to/purchased from the related companies noted above.

|                             | Sales     |           | Purchases |           |
|-----------------------------|-----------|-----------|-----------|-----------|
|                             | 2003<br>£ | 2002<br>£ | 2003<br>£ | 2002<br>£ |
| Small Products Limited      | 46,156    | 95,280    | 744,905   | 784,204   |
| Marketing by Design Limited | 19,391    | 26,785    | 4,042     | 27,433    |
| T J Finishing Limited       | 301,193   | 496,738   | 2,432,722 | 2,021,527 |
| Thames Graphic Limited      | 117,903   | 150,411   | 281,373   | 302,820   |
| Print Processes Limited     | 14,476    | 49,064    | 12,261    | 307,280   |
| PP Sales Limited            | 360,054   | -         | -         | -         |

The company paid rent in respect of property owned by the directors of £575,000 (2002 – £575,000). No amounts remained outstanding at the year end (2002: £nil).

The company incurred interest on a loan from A M Pension Scheme of £77,004 (2002 – £78,801) whose sole beneficiaries are the directors of the company.

## **Augustus Martin Limited**

### **Additional information**

The additional information on pages 22 and 23 has been prepared from the accounting records of the company only. This information does not form part of the statutory financial statements and has not been audited.

# Augustus Martin Limited

## Trading profit and loss account Year ended 31 March 2003

|  | 2003              |              | 2002              |              |
|--|-------------------|--------------|-------------------|--------------|
|  | £                 | £            | £                 | £            |
| <b>Income</b>                                |                   |              |                   |              |
| Work done                                    |                   | 34,292,622   |                   | 32,565,528   |
| <b>Cost of sales:</b>                        |                   |              |                   |              |
| Opening raw materials                        | 144,823           |              | 152,494           |              |
| Materials and technical services             | 19,449,493        |              | 17,962,231        |              |
| Light and heat                               | 192,646           |              | 255,626           |              |
| Repairs renewals and replacements            | 1,046,962         |              | 951,163           |              |
| Wages and national insurance                 | 8,412,979         |              | 8,600,986         |              |
|  | <u>29,246,903</u> |              | <u>27,922,500</u> |              |
| Closing raw materials                        | <u>(203,752)</u>  |              | <u>(144,823)</u>  |              |
|  |                   | (29,043,151) |                   | (27,777,677) |
| <b>Depreciation:</b>                         |                   |              |                   |              |
| Improvements to premises                     | 16,010            |              | 14,916            |              |
| Plant and machinery                          | 865,745           |              | 782,802           |              |
| Fixtures and fittings                        | 4,644             |              | 6,192             |              |
| Motor vehicles                               | 131,427           |              | 127,516           |              |
| Office equipment                             | 15,778            |              | 11,769            |              |
| Computer equipment                           | <u>107,945</u>    |              | <u>83,388</u>     |              |
|  |                   | (1,141,549)  |                   | (1,026,583)  |
| <b>Gross profit</b>                          |                   | 4,107,922    |                   | 3,761,268    |
| <b>Other income and interest receivable:</b> |                   |              |                   |              |
| Hire of plant, machinery and vehicles        | 1,336,323         |              | 1,399,298         |              |
| Administration charge received               | 76,196            |              | 72,936            |              |
| Interest receivable                          | 151,956           |              | 179,234           |              |
| Sundry income                                | 622,883           |              | 533,225           |              |
| Sales commission receivable                  | <u>65,000</u>     |              | <u>65,000</u>     |              |
|  |                   | 2,252,358    |                   | 2,249,693    |
| Carried forward                              |                   | 6,360,280    |                   | 6,010,961    |



# Augustus Martin Limited

## Trading profit and loss account Year ended 31 March 2003

|   | 2003               | 2002               |
|---|--------------------|--------------------|
| £   | £                  | £                  |
| Brought forward                                   | 6,360,280          | 6,010,961          |
| <b>Expenditure:</b>                               |                    |                    |
| Directors' remuneration                           | 1,472,399          | 1,830,228          |
| Pension contributions                             | 700,000            | 700,000            |
| Sales commission                                  | 620,933            | 635,380            |
| Hire of equipment                                 | 24,734             | 20,809             |
| Telephone   | 111,420            | 86,675             |
| Printing, postage, stationery and advertising     | 141,857            | 129,470            |
| Entertaining                                      | 58,279             | 74,183             |
| Laundry and cleaning                              | 284,756            | 275,425            |
| Auditors' remuneration                            | 32,000             | 30,000             |
| Legal and professional fees                       | 98,953             | 187,174            |
| Sundry trade expenses                             | 344,547            | 364,827            |
| Bad and doubtful debts                            | 49,624             | (52,921)           |
| Motor and travelling expenses                     | 281,047            | 362,836            |
| Rent and rates                                    | 929,700            | 845,996            |
| Insurance   | 172,465            | 95,011             |
| (Profit)/loss on exchange                         | (20,536)           | 555                |
| Other expenses                                    | 150,000            | -                  |
|   | <u>(5,452,178)</u> | <u>(5,585,648)</u> |
| <b>Finance costs:</b>                             |                    |                    |
| Other interest payable                            | 1,145              | 610                |
| Bank interest and charges                         | 90,698             | 106,150            |
| Pension fund loan interest                        | 77,004             | 78,801             |
| Hire purchase and finance lease charges           | 104,320            | 172,709            |
|   | <u>(273,167)</u>   | <u>(358,270)</u>   |
|   | 634,935            | 67,043             |
| <b>(Loss)/profit on disposal of fixed assets:</b> |                    |                    |
| Motor vehicles                                    | (21,210)           | 3,562              |
| Plant and machinery                               | (6,821)            | (10,308)           |
|   | <u>(28,031)</u>    | <u>(6,746)</u>     |
| <b>Profit before taxation</b>                     | <u>606,898</u>     | <u>60,297</u>      |