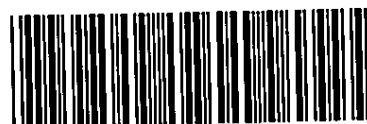


Company Registration No 950118 (England and Wales)

**AUGUSTUS MARTIN LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

TUESDAY



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COMPANIES HOUSE

# AUGUSTUS MARTIN LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	L A Barrow B M Dix A Dix
<b>Secretary</b>	B M Dix
<b>Company number</b>	950118
<b>Registered office</b>	8 St Andrews Way Bromley by Bow London E3 3PB
<b>Registered auditors</b>	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
<b>Bankers</b>	Lloyds TSB Bank Plc 210 Commercial Road London E1 2JR

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# AUGUSTUS MARTIN LIMITED

## CONTENTS

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	<i>Page</i>
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the consolidated cash flow statement	10
Notes to the financial statements	11 - 25

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# AUGUSTUS MARTIN LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

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The directors present their report and financial statements for the year ended 31 March 2007

### Directors

The following directors have held office since 1 April 2006

L A Barrow  
B M Dix  
A Dix

### Principal activities and review of the business

The principal activity of the Augustus Martin Group continues to be that of management, production, warehousing and distribution of printed materials

The year started strongly but sales were variable in mid year, leaving the position at end third quarter some 3% ahead of 2006. The year then finished with a strong final quarter that set the tone for the start of 2008

Our key performance indicators are

Turnover This has increased by 6% from £34m to £36.1m

Pre tax profits Margins have improved considerably during the year, pre tax profits are £614,198 in 2007 compared to a loss of £379,135 in 2006

Employment Average numbers employed reduced by 9 during the year, largely as a result of reductions made the previous year following the introduction of new technology

### Results and dividends

The consolidated profit and loss account for the year is set out on page 6

An interim ordinary dividend was paid amounting to £335,960. The directors do not recommend payment of a final dividend

Charitable donations	2007 £	2006 £
During the year the group made the following payments		
Charitable donations	3,805	4,300

### Financial Instruments

The Company's financial instruments comprise borrowings, cash and liquid resources, and various net working capital items, such as trade debtors and trade creditors. The main purpose of these financial instruments is to fund that part of the Company's operations not financed by way of equity

It is the Company's policy not to trade in financial or derivative instruments

The main risks in providing funds for the Company relate to interest rates and liquidity

# **AUGUSTUS MARTIN LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007**

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### **Employee involvement**

The company runs a Works Committee, which meets four times a year, with employee representatives elected from consistencies throughout the business. These meetings provide an opportunity for specific representations to be made to the directors and senior management and for them to be questioned about any matters which concern the employees. Notice boards and payslip inserts are also regularly used to communicate with all employees.

### **Health and Safety**

The company has a Health and Safety Committee that meets six times a year and has representation both from employee groups and operating management. The function of the committee is to oversee the operation of the company's health and safety policy.

### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is

- such that the terms of payment are negotiated on a supplier by supplier basis,
- to ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- to pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 97 (2006 - 92) days' purchases.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

# AUGUSTUS MARTIN LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

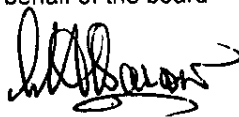
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

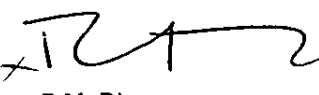
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board

Sign X  ✓  
L A Barrow  
Director  
Date X 17 JAN 08 ✓

Sign X  ✓  
B M Dix  
Director  
Date X 17 JAN 08 ✓

# **AUGUSTUS MARTIN LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF AUGUSTUS MARTIN LIMITED**

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We have audited the financial statements of Augustus Martin Limited on pages 6 to 25 for the year ended 31 March 2007. These financial statements have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records or 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 is not disclosed.

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

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# AUGUSTUS MARTIN LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF AUGUSTUS MARTIN LIMITED

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#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the information given in the directors' report is consistent with the financial statements
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and



Goodman Jones LLP

18 January 2008

Chartered Accountants

Registered Auditor

29/30 Fitzroy Square  
London  
W1T 6LQ



# AUGUSTUS MARTIN LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Turnover	2	36,146,396	34,004,191
Cost of sales		(26,856,923)	(25,903,311)
<b>Gross profit</b>		<b>9,289,473</b>	<b>8,100,880</b>
Distribution costs		(656,410)	(976,841)
Administrative expenses		(7,884,598)	(7,278,418)
Other operating income		(1,893)	6,287
<b>Operating profit/(loss)</b>	<b>3</b>	<b>746,572</b>	<b>(148,092)</b>
Other interest receivable and similar income		116,227	82,870
Interest payable and similar charges	4	(248,602)	(313,913)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>3</b>	<b>614,197</b>	<b>(379,135)</b>
Tax on profit/(loss) on ordinary activities	5	(184,303)	95,245
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>429,894</b>	<b>(283,890)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# AUGUSTUS MARTIN LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007

	Notes	£	2007 £	£	2006 £
<b>Fixed assets</b>					
Tangible assets	8		5,288,781		6,491,394
<b>Current assets</b>					
Stocks	10	425,099		486,802	
Debtors	11	11,689,222		8,685,820	
Cash at bank and in hand		2,457,256		3,097,112	
		14,571,577		12,269,734	
<b>Creditors amounts falling due within one year</b>	12	(12,494,146)		(10,466,457)	
<b>Net current assets</b>			2,077,431		1,803,277
<b>Total assets less current liabilities</b>			7,366,212		8,294,671
<b>Creditors amounts falling due after more than one year</b>	13		(2,172,074)		(3,114,931)
<b>Provisions for liabilities and charges</b>	14		(540,487)		(620,023)
			4,653,651		4,559,717
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss account	17		4,652,651		4,558,717
<b>Shareholders' funds - equity interests</b>	18		4,653,651		4,559,717

The financial statements were approved and authorised for issue by the Board on 17 JAN 08

L A Barrow  
Director

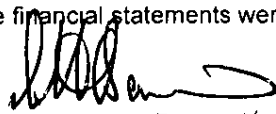
B M Dix  
Director


# AUGUSTUS MARTIN LIMITED

## COMPANY BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	8	5,275,622		6,473,764	
Investments	9	1,000		1,000	
		<u>5,276,622</u>		<u>6,474,764</u>	
<b>Current assets</b>					
Stocks	10	425,099		486,802	
Debtors	11	10,272,111		7,741,450	
Cash at bank and in hand		2,457,256		3,097,112	
		<u>13,154,466</u>		<u>11,325,364</u>	
<b>Creditors amounts falling due within one year</b>	12	(12,330,955)		(10,741,648)	
<b>Net current assets</b>		<u>823,511</u>		<u>583,716</u>	
<b>Total assets less current liabilities</b>		<u>6,100,133</u>		<u>7,058,480</u>	
<b>Creditors amounts falling due after more than one year</b>	13	(2,172,074)		(3,114,931)	
<b>Provisions for liabilities and charges</b>	14	(542,614)		(622,971)	
		<u>3,385,445</u>		<u>3,320,578</u>	
<b>Capital and reserves</b>					
Called up share capital	16	1,000		1,000	
Profit and loss account	17	3,384,445		3,319,578	
<b>Shareholders' funds - equity interests</b>	18	<u>3,385,445</u>		<u>3,320,578</u>	

The financial statements were approved and authorised for issue by the Board on 17 JAN 08

X  X  
L A Barrow  
Director

X  X  
B M Dix  
Director

# AUGUSTUS MARTIN LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	£	2007 £	£	2006 £
<b>Net cash inflow from operating activities</b>		822,143		3,252,707
<b>Returns on investments and servicing of finance</b>				
Interest received	116,225		82,870	
Interest paid	(248,602)		(313,913)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(132,377)		(231,043)
<b>Taxation</b>		693		2,901
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(285,881)		(206,659)	
Receipts from sales of tangible assets	175,561		135,600	
<b>Net cash outflow for capital expenditure</b>		(110,320)		(71,059)
<b>Equity dividends paid</b>		(335,960)		(480,000)
<b>Net cash inflow before management of liquid resources and financing</b>		244,179		2,473,506
<b>Financing</b>				
Sale and leaseback	-		654,095	
Repayment of long term bank loan	(114,824)		(245,579)	
Capital element of hire purchase contracts	(1,106,136)		(1,023,839)	
<b>Net cash outflow from financing</b>		(1,220,960)		(615,323)
<b>Decrease in cash in the year</b>		(976,781)		1,858,183

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities		2007	2006
		£	£
Operating profit/(loss)		746,572	(148,092)
Depreciation of tangible assets		1,264,207	1,477,045
(Loss)/profit on disposal of tangible assets		48,726	(22,846)
Decrease/(increase) in stocks		61,703	(132,306)
(Increase)/decrease in debtors		(3,003,400)	454,287
Increase in creditors within one year		1,723,150	1,636,012
Increase in pension provision		(18,815)	(11,393)
<b>Net cash inflow from operating activities</b>		<b>822,143</b>	<b>3,252,707</b>

2 Analysis of net debt	1 April 2006	Cash flow	Other non-cash changes	31 March 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	3,097,112	(639,856)	-	2,457,256
Bank overdrafts	(562,277)	(336,925)	-	(899,202)
	<u>2,534,835</u>	<u>(976,781)</u>	<u>-</u>	<u>1,558,054</u>
Finance leases	(3,143,106)	1,106,136	-	(2,036,970)
Debts falling due within one year	(114,824)	114,824	-	-
Debts falling due after one year	(1,100,000)	-	-	(1,100,000)
	<u>(4,357,930)</u>	<u>1,220,960</u>	<u>-</u>	<u>(3,136,970)</u>
<b>Net debt</b>	<b>(1,823,095)</b>	<b>244,179</b>	<b>-</b>	<b>(1,578,916)</b>

3 Reconciliation of net cash flow to movement in net debt		2007	2006
		£	£
(Decrease)/increase in cash in the year		(976,781)	1,858,183
Cash outflow from decrease in debt		1,220,960	1,269,417
Change in net debt resulting from cash flows		244,179	3,127,600
New finance lease		-	(654,095)
<b>Movement in net debt in the year</b>		<b>244,179</b>	<b>2,473,505</b>
Opening net debt		(1,823,095)	(4,296,600)
<b>Closing net debt</b>		<b>(1,578,916)</b>	<b>(1,823,095)</b>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Augustus Martin Limited and its subsidiary

#### 1.4 Turnover

Turnover represents amounts receivable from the provision of goods and services which fall within the group's ordinary activities after deduction of the trade discounts and value added tax

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Improvements to premises	Over lease term on reducing balance
Office equipment	30% on reducing balance
Plant & equipment	15% on reducing balance
Computer equipment	40% on reducing balance
Fixtures & fittings	25% on reducing balance
Motor vehicles	25% on reducing balance

#### 1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 1 Accounting policies (continued)

#### 1 9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1 10 Deferred taxation

Deferred taxation 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.

#### 1 11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)	2007 £	2006 £
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	1,264,207	1,477,045
Loss on disposal of tangible assets	48,726	16,184
Loss on foreign exchange transactions	565	515
Operating lease rentals		
- Plant and machinery	237,941	88,408
- Other assets	1,315,645	1,007,349
Fees payable to the group's auditor for the audit of the group's annual accounts (company £24,000, 2006 £25,200)	34,000	35,200
and after crediting		
Profit on disposal of tangible assets	-	(39,030)

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

4	Interest payable	2007 £	2006 £
	On bank loans and overdrafts	15,627	32,690
	On other loans wholly repayable within five years	87,060	102,339
	Hire purchase interest	144,667	125,424
	Other interest	1,248	53,460
		<u>248,602</u>	<u>313,913</u>
5	Taxation	2007 £	2006 £
	<b>Domestic current year tax</b>		
	U K corporation tax	245,024	693
	<b>Current tax charge</b>	<u>245,024</u>	<u>693</u>
	<b>Deferred tax</b>		
	Deferred tax credit current year	(60,721)	(95,938)
		<u>184,303</u>	<u>(95,245)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>614,197</u>	<u>(379,135)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>184,259</u>	<u>(113,741)</u>
	Effects of		
	Non deductible expenses	58,101	41,867
	Depreciation add back	379,262	431,405
	Capital allowances	(338,747)	(390,393)
	Tax losses utilised	(31,535)	31,462
	Foreign tax adjustments	-	693
	Marginal relief	(6,316)	(601)
		<u>60,765</u>	<u>114,433</u>
	<b>Current tax charge</b>	<u>245,024</u>	<u>693</u>



# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

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### 6 Profit/(loss) for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows

	2007 £	2006 £
Holding company's profit/(loss) for the financial year	<u>400,827</u>	<u>(294,442)</u>

### 7 Dividends

Ordinary interim paid	<u>335,960</u>	<u>480,000</u>
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# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 8 Tangible fixed assets

Group	Improvements to premises	Office equipment	Computer equipment	Plant & equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2006	527,565	164,758	1,549,640	16,451,434	110,529	881,755	19,685,681
Additions	98,603	1,850	47,220	93,399	2,008	42,799	285,879
Disposals	-	-	(21,177)	(76,670)	(2,636)	(422,747)	(523,230)
At 31 March 2007	626,168	166,608	1,575,683	16,468,163	109,901	501,807	19,448,330
<b>Depreciation</b>							
At 1 April 2006	139,588	140,472	1,279,654	10,981,749	102,509	550,315	13,194,287
On disposals	-	-	(11,837)	(40,923)	(1,754)	(244,429)	(298,943)
Charge for the year	28,833	7,748	107,204	1,072,501	1,870	46,049	1,264,205
At 31 March 2007	168,421	148,220	1,375,021	12,013,327	102,625	351,935	14,159,549
<b>Net book value</b>							
At 31 March 2007	457,747	18,388	200,662	4,454,836	7,276	149,872	5,288,781
At 31 March 2006	387,977	24,287	269,985	5,469,685	8,020	331,440	6,491,394

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant & equipment	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 31 March 2007	3,841,797	226,083	4,067,880
At 31 March 2006	2,739,480	230,721	2,970,201
<b>Depreciation charge for the year</b>			
31 March 2007	1,408,818	163,323	1,572,141
31 March 2006	613,325	76,908	690,233

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### Tangible fixed assets (continued)

#### Company

	Improvements to premises	Office equipment	Computer equipment	Plant & equipment	Fixtures & Motor vehicles fittings	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2006	527,565	164,758	1,543,704	16,386,579	102,887	19,607,248
Additions	98,603	1,850	47,220	93,399	2,008	285,879
Disposals	-	-	(16,731)	(76,670)	-	(516,148)
At 31 March 2007	626,168	166,608	1,574,193	16,403,308	104,895	19,376,979
<b>Depreciation</b>						
At 1 April 2006	139,588	140,472	1,274,018	10,932,081	97,010	13,133,484
On disposals	-	-	(7,391)	(40,923)	-	(292,743)
Charge for the year	28,833	7,748	106,904	1,069,464	1,618	1,260,616
At 31 March 2007	168,421	148,220	1,373,531	11,960,622	98,628	14,101,357
<b>Net book value</b>						
At 31 March 2007	457,747	18,388	200,662	4,442,686	6,267	5,275,622
At 31 March 2006	387,977	24,287	269,685	5,454,498	5,877	6,473,764

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant & Motor vehicles equipment	Total
	£	£
<b>Net book values</b>		
At 31 March 2007	3,841,797	4,067,880
At 31 March 2006	2,739,480	2,970,201
<b>Depreciation charge for the year</b>		
31 March 2007	1,408,818	1,572,141
31 March 2006	613,325	690,233

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 9 Fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost

At 1 April 2006 & at 31 March 2007

1,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company's investment at the balance sheet date in the balance sheet date comprises 100% of the issued share capital of Billboard Posters Limited, a company incorporated in Great Britain. The subsidiary has been included in the consolidated financial statements, its principal activity is that of lithographic printing

### 10 Stocks

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Raw materials and consumables	425,099	486,802	425,099	486,802

### 11 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	10,317,302	7,909,974	8,938,185	6,971,096
Other debtors	1,261,993	697,492	1,223,999	692,000
Prepayments and accrued income	109,927	78,354	109,927	78,354
	11,689,222	8,685,820	10,272,111	7,741,450

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 12 Creditors amounts falling due within one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Bank loans and overdrafts	899,202	677,101	894,744	670,667
Net obligations under finance lease and hire purchase contracts	964,896	1,128,175	964,896	1,128,175
Trade creditors	7,821,486	6,541,317	7,770,792	6,452,702
Amounts owed to group undertakings	-	-	448,486	721,780
Corporation tax	253,425	7,708	234,524	3,594
Taxes and social security costs	883,664	835,591	556,749	620,302
Directors current accounts	5,556	12,268	5,556	12,268
Other creditors	1,022,696	769,731	1,022,696	769,731
Accruals and deferred income	643,221	494,566	432,512	362,429
	<u>12,494,146</u>	<u>10,466,457</u>	<u>12,330,955</u>	<u>10,741,648</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

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

	Group 2007 £	2006 £	Company 2007 £	2006 £
Other loans	1,100,000	1,100,000	1,100,000	1,100,000
Net obligations under finance leases and hire purchase agreements	1,072,074	2,014,931	1,072,074	2,014,931
	<u>2,172,074</u>	<u>3,114,931</u>	<u>2,172,074</u>	<u>3,114,931</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	1,100,000	1,214,824	1,100,000	1,214,824
Included in current liabilities	-	(114,824)	-	(114,824)
	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	1,100,000	114,824	1,100,000	114,824
In more than two years but not more than five years	-	1,100,000	-	1,100,000
	<u>-</u>	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>

Other loans are a pension fund loan from the Augustus Martin Pension Scheme. This is repayable in full on 18 May 2008. Interest is charged at 3% above bank base rate. The lender has a second charge over property held by the directors.

### Net obligations under finance leases and hire purchase contracts

Repayable within one year	1,046,142	1,264,494	1,046,142	1,264,494
Repayable between one and five years	1,135,795	2,157,571	1,135,795	2,157,571
	<u>2,181,937</u>	<u>3,422,065</u>	<u>2,181,937</u>	<u>3,422,065</u>
Finance charges and interest allocated to future accounting periods	(144,968)	(278,959)	(144,968)	(278,959)
	<u>2,036,969</u>	<u>3,143,106</u>	<u>2,036,969</u>	<u>3,143,106</u>
Included in liabilities falling due within one year	(964,896)	(1,128,175)	(964,896)	(1,128,175)
	<u>1,072,073</u>	<u>2,014,931</u>	<u>1,072,073</u>	<u>2,014,931</u>

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

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 14 Provisions for liabilities and charges Group

	Deferred tax liability £	Reprint provision £	Total £
Balance at 1 April 2006	588,907	31,116	620,023
Profit and loss account	(60,721)	(18,815)	(79,536)
Balance at 31 March 2007	<u>528,186</u>	<u>12,301</u>	<u>540,487</u>

### Company

Balance at 1 April 2006	591,855	31,116	622,971
Profit and loss account	(61,542)	(18,815)	(80,357)
Balance at 31 March 2007	<u>530,313</u>	<u>12,301</u>	<u>542,614</u>

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.

### The deferred tax liability is made up as follows

Deferred taxation provided in the financial statements is as follows

	Group 2007 £	2006 £	Company 2007 £	2006 £
Accelerated capital allowances	<u>528,186</u>	<u>588,907</u>	<u>530,313</u>	<u>591,855</u>

### 15 Pension costs

#### Defined contribution

	2007 £	2006 £
Contributions payable by the group for the year	<u>228,612</u>	<u>187,742</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

16	Share capital	2007 £	2006 £
	<b>Authorised</b>		
	10,000 Ordinary shares of £1 each	10,000	10,000
	<b>Allotted, called up and fully paid</b>		
	1,000 Ordinary shares of £1 each	1,000	1,000
17	Statement of movements on profit and loss account Group		<b>Profit and loss account £</b>
	Balance at 1 April 2006		4,558,717
	Profit for the year		429,894
	Dividends paid		(335,960)
	Balance at 31 March 2007		4,652,651
	<b>Company</b>		<b>Profit and loss account £</b>
	Balance at 1 April 2006		3,319,578
	Profit for the year		400,827
	Dividends paid		(335,960)
	Balance at 31 March 2007		3,384,445



# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

18 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
<b>Group</b>		
Profit/(Loss) for the financial year	429,894	(283,890)
Dividends	(335,960)	(480,000)
	<u>93,934</u>	<u>(763,890)</u>
Net addition to/(depletion in) shareholders' funds	93,934	(763,890)
Opening shareholders' funds	4,559,717	5,323,607
	<u>4,653,651</u>	<u>4,559,717</u>
Closing shareholders' funds		
	<u>4,653,651</u>	<u>4,559,717</u>
	2007	2006
	£	£
<b>Company</b>		
Profit/(Loss) for the financial year	400,827	(294,442)
Dividends	(335,960)	(480,000)
	<u>64,867</u>	<u>(774,442)</u>
Net addition to/(depletion in) shareholders' funds	64,867	(774,442)
Opening shareholders' funds	3,320,578	4,095,020
	<u>3,385,445</u>	<u>3,320,578</u>
Closing shareholders' funds		
	<u>3,385,445</u>	<u>3,320,578</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 19 Financial commitments

At 31 March 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Within one year	468,908	386,100	-	-
Between two and five years	-	-	-	92,573
In over five years	846,737	730,450	-	-
	<u>1,315,645</u>	<u>1,116,550</u>	<u>-</u>	<u>92,573</u>

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Within one year	468,908	386,100	-	-
Between two and five years	-	-	-	92,573
In over five years	846,737	730,450	-	-
	<u>1,315,645</u>	<u>1,116,550</u>	<u>-</u>	<u>92,573</u>

### 20 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	<u>36,551</u>	<u>32,843</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006- 2)

### 21 Transactions with directors

During the year Mr L A Barrow and Mr B M Dix purchased 3 cars from the company for a total of £142,820. It was considered that the purchase price was the full market value given mileage and condition at the date of sale.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

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### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Administration	32	33
Production	227	235
Sales	22	22
Directors	3	3
	<u>284</u>	<u>293</u>

#### Employment costs

	£	£
Wages and salaries	11,151,932	10,068,858
Social security costs	1,124,448	1,045,558
Other pension costs	228,612	187,742
	<u>12,504,992</u>	<u>11,302,158</u>

### 23 Control

The company is controlled jointly by Mr L A Barrow and Mr B M Dix

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 24 Related party transactions

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

	2007 £	2006 £	LAB	BMD
<b>Due from/(to)</b>				
Ice Incorporated Limited	53,625	-	17%	17%
Small Products Limited	(373,016)	(254,202)	33%	33%
Marketing by Design Limited	-	108,784	25%	25%
T J Finishing Limited	(96,567)	9,241	33%	33%
Thames Graphic Limited	(105,552)	(232,727)	50%	50%
Vitalactive Limited	106,946	106,946	50%	50%
PP Sales Limited	(71,067)	(102,789)	50%	50%

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

	Sales		Purchases	
	2007 £	2006 £	2007 £	2006 £
Ice Incorporated	-	-	64,825	-
Small Products Limited	39,677	29,536	828,053	848,730
Marketing by Design Limited	-	-	-	116,920
T J Finishing Limited	378,554	167,012	2,411,705	2,052,592
PP Sales Limited	-	24,803	-	-

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company