Company Registration No. 00950118 (England and Wales)

AUGUSTUS MARTIN LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

AUGUSTUS MARTIN LIMITED

COMPANY INFORMATION

Directors	L Barrow B Dix M Barrow A Dix
Secretary	B Dix
Company number	00950118
Registered office	8 St Andrews Way Bromley by Bow London E3 3PB
Auditor	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ
Business address	8 St Andrews Way Bromley by Bow London E3 3PB
Bankers	Lloyds TSB Bank Plc 210 Commercial Road London E1 2JR

AUGUSTUS MARTIN LIMITED

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AUGUSTUS MARTIN LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present the strategic report for the period 9 months ended 31 December 2017. The company has changed its accounting date to 31 December.

Fair review of the business

The markets for Augustus Martin's Products are strong and competitive. The principal risks for the business remain the potential development of cost effective technologies that replace the use of printed material for display or advertising purposes. Electronic images have gained acceptance in some areas of outdoor advertising, but their in-store use remains limited.

Annualised turnover for the nine months to December 2017 ran at a similar level to that for the prior year. However, the profit margin was considerably stronger both at a pre-tax level and at the post-tax level shown here, with the latter benefitting from R&D related tax credits.

The company's key performance indicators are:

	December 2017	March 2017
Turnover	32,026,684	42,126,604
Post tax profits as a percentage of turnover	2.92%	(14.68%)
Employee numbers	307	353

The directors have put several measures in place over the past eighteen months to return the business to profitability. These have included programmes to increase efficiency and reduce staff numbers across the business leading to a reduction in the average employee headcount of 48 between the two accounting periods.

In June, the shareholders made a £4,000,000 credit facility available to the business from a sister company. The directors are therefore confident that the company has sufficient financial resources and facilities, together with strong on-going customer relationships, to manage its business risks successfully for the foreseeable future.

The company has made substantial revenue investments in Research and Development, mainly in the areas of product design, new materials and in print related software. The directors are confident that these will strengthen the product offering of the business in future periods.

On behalf of the board

L Barrow
Director

B Dix
Director

2 April 2018

The directors present their annual report and financial statements for the period ended 31 December 2017.

Principal activities

The principal activities of Augustus Martin Limited are the manufacture of Point of Sale (POS) and Point of Purchase (POP) materials and of large format outdoor media.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

L Barrow
B Dix
M Barrow
A Dix

Results and dividends

The results for the period are set out on page 6.

Disabled persons

Applications for employment, training and promotion by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged.

Health and Safety

The company has a health and safety committee that meets following the works committee and has representation from both employee groups and operating management. The function of the committee is to oversee the operation of the company's health and safety policy.

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.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 company's auditor is aware of that information.

On behalf of the board

L Barrow	B Dix
Director	**Director**

2 April 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUGUSTUS MARTIN LIMITED

Opinion

We have audited the financial statements of Augustus Martin Limited (the 'company') for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies . The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

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

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

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

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

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

Matthew Cook (Senior Statutory Auditor)
for and on behalf of Goodman Jones LLP

6 April 2018

Chartered Accountants
Statutory Auditor

29-30 Fitzroy Square
London
W1T 6LQ

AUGUSTUS MARTIN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Turnover	3	32,026,684	42,126,604
Cost of sales		(24,654,846)	(36,420,762)
Gross profit		7,371,838	5,705,842
Distribution costs		(635,369)	(1,090,857)
Administrative expenses		(6,196,292)	(10,799,409)
Other operating income		-	17,392
Operating profit/(loss)	4	540,177	(6,167,032)
Interest receivable and similar income	8	19	10,399
Interest payable and similar expenses	9	(87,421)	(62,334)
Amounts written off investments	10	-	(4,279)
Profit/(loss) before taxation		452,775	(6,223,246)
Tax on profit/(loss)	7	481,513	39,762
Profit/(loss) for the financial period		934,288	(6,183,484)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

AUGUSTUS MARTIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	31 December 2017 £	£	31 March 2017 £	£
Fixed assets					
Tangible assets	**12**		5,028,693		4,858,230
Investments	**13**		1,100		1,100
			5,029,793		4,859,330
Current assets					
Stocks	**17**	510,523		530,089	
Debtors	**16**	14,582,159		12,345,481	
Cash at bank and in hand		853,257		841,027	
		15,945,939		13,716,597	
Creditors: amounts falling due within one year	**18**	(12,711,317)		(13,703,389)	
Net current assets			3,234,622		13,208
Total assets less current liabilities			8,264,415		4,872,538
Creditors: amounts falling due after more than one year	**20**		(3,775,057)		(567,477)
Net assets			4,489,358		4,305,061
Capital and reserves					
Called up share capital	**22**		1,000		1,000
Profit and loss reserves			4,488,358		4,304,061
Total equity			4,489,358		4,305,061

The financial statements were approved by the board of directors and authorised for issue on 2 April 2018 and are signed on its behalf by:

L Barrow	B Dix
Director	**Director**

Company Registration No. 00950118

AUGUSTUS MARTIN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2016		1,000	10,502,563	10,503,563
Period ended 31 March 2017:				
Loss and total comprehensive income for the period		-	(6,183,484)	(6,183,484)
Dividends	**11**	-	(15,018)	(15,018)
Balance at 31 March 2017		1,000	4,304,061	4,305,061
Period ended 31 December 2017:				
Profit and total comprehensive income for the period		-	934,288	934,288
Dividends	**11**	-	(749,991)	(749,991)
Balance at 31 December 2017		1,000	4,488,358	4,489,358

AUGUSTUS MARTIN LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	31 December 2017 £	£	31 March 2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from cperations	**29**		(1,025,131)		352,568
Interest paid			(87,421)		(62,334)
Income taxes paid			(5,220)		(25,886)
Net cash (outflow)/inflow from operating activities			(1,117,772)		264,348
Investing activities					
Purchase of tangible fixed assets		(866,423)		(857,154)	
Proceeds on disposal of tangible fixed assets		24,867		501,452	
Proceeds on disposal of associates		-		4,279	
Proceeds from other investments and loans		(252,405)		512,771	
Interest received		19		10,399	
Net cash (used in)/generated from investing activities			(1,093,942)		171,747
Financing activities					
Borrowings advanced		3,558,710		-	
Payment of finance leases obligations		(584,775)		(961,256)	
Dividends paid		(749,991)		(15,018)	
Net cash generated from/(used in) financing activities			2,223,944		(976,274)
Net increase/(decrease) in cash and cash equivalents			12,230		(540,179)
Cash and cash equivalents at beginning of period			841,027		1,381,206
Cash and cash equivalents at end of period			853,257		841,027

1 Accounting policies

Company information

Augustus Martin Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 St Andrews Way, Bromley by Bow, London, E3 3PB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The accounts of Billboard Posters Limited and Augmart Travel Limited, which were dormant in the year, have not been consolidated with those of the Company as the directors consider that the amounts involved are not material.

1.2 Going concern

The company uses financial instruments comprising various net working capital items such as trade debtors, trade creditors, and hire purchase agreements to finance its operations not funded by way of equity. The main risks identified with using these financial instruments are the management of cash flow and exposure to interest rate fluctuations.

During the period, the shareholders made a £4,000,000 credit facility available to the business from a sister company. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of these arrangements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Tangible fixed assets 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, or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to premises	10 years straight line basis
Office equipment	30% on reducing balance
Plant & equipment	15% on reducing balance, 4-6 years straight line basis
Fixtures & fittings	25% on reducing balance
Computer equipment	25% straight line basis
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies **(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Print Equipment

One recurring uncertainty for Augustus Martin Limited, as for any print business, is the expected useful life of its print equipment.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	31 December 2017	31 March 2017
	£	£
Turnover analysed by class of business		
Printing	32,026,684	42,126,604

	31 December 2017	31 March 2017
	£	£
Other significant revenue		
Interest income	19	10,399

3 Turnover and other revenue **(Continued)**

	31 December 2017	31 March 2017
	£	£
Turnover analysed by geographical market		
United Kingdom	31,884,331	42,032,374
Europe	142,353	94,230
	32,026,684	42,126,604

4 Operating profit/(loss)

	31 December 2017	31 March 2017
Operating profit/(loss) for the period is stated after charging/(crediting):	£	£
Exchange losses/(gains)	8,546	(15,969)
Depreciation of owned tangible fixed assets	180,529	518,715
Depreciation of tangible fixed assets held under finance leases	485,049	897,783
Loss on disposal of tangible fixed assets	5,515	3,091
Cost of stocks recognised as an expense	16,105,918	23,361,194
Operating lease charges	329,019	1,537,758

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £8,546 (31 March 2017 - £15,969).

5 Auditor's remuneration

	31 December 2017	31 March 2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	33,705	32,720
For other services		
Other taxation services	10,169	9,873

6 Directors' remuneration

	31 December 2017	31 March 2017
	£	£
Remuneration for qualifying services	163,687	371,735

6 Directors' remuneration **(Continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

	31 December 2017 £	31 March 2017 £
Remuneration for qualifying services	n/a	181,368

As total directors' remuneration was less than £200,000 in the current period, no disclosure is provided for that period.

7 Taxation

	31 December 2017 £	31 March 2017 £
Current tax		
Adjustments in respect of prior periods	(453,325)	-
Deferred tax		
Origination and reversal of timing differences	(28,188)	(39,762)
Total tax charge	(481,513)	(39,762)

The actual credit for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	31 December 2017 £	31 March 2017 £
Profit/(loss) before taxation	452,775	(6,223,246)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (31 March 2017: 20.00%)	86,027	(1,244,649)
Tax effect of expenses that are not deductible in determining taxable profit	20,820	64,863
Tax effect of utilisation of tax losses not previously recognised	(110,531)	-
Unutilised tax losses carried forward	-	1,127,906
Effect of change in corporation tax rate	(5,718)	212
Depreciation on assets not qualifying for tax allowances	2,072	4,375
Research and development tax credit	(453,325)	-
Other tax adjustments	(20,858)	7,531
Tax expense for the period	(481,513)	(39,762)

The company has estimated tax losses to carry forward in respect of trading losses of £2,589,162 (March 2017: £3,068,851).

8 Interest receivable and similar income

	31 December 2017	31 March 2017
	£	£
Interest income		
Interest on bank deposits	19	10,399

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	19	10,399

9 Interest payable and similar expenses

	31 December 2017	31 March 2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	2,762	5,003
Interest on finance leases and hire purchase contracts	27,059	62,550
	29,821	67,553
Other finance costs:		
Other interest	57,600	(5,219)
	87,421	62,334

10 Amounts written off investments

fixed asset investments	31 December 2017	31 March 2017
	£	£
Gain/(loss) on disposal of investments held at fair value	-	(4,279)

11 Dividends

	31 December 2017	31 March 2017
	£	£
Final paid	749,991	15,018

12 Tangible fixed assets

	Leasehold improvements	Plant & equipment	Fixtures & fittings	Computer equipment	Motor vehicles	Other assets	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2017	978,575	23,385,187	666,939	1,066,391	1,566,361	242,915	27,906,368
Additions	-	866,423	-	-	-	-	866,423
Disposals	-	(35,105)	-	-	(94,017)	-	(129,122)
At 31 December 2017	978,575	24,216,505	666,939	1,066,391	1,472,344	242,915	28,643,669
Depreciation and impairment							
At 1 April 2017	805,617	19,735,470	572,215	760,978	943,913	229,945	23,048,138
Depreciation charged in the period	34,569	389,430	18,197	105,527	117,855	-	665,578
Eliminated in respect of disposals	-	(27,123)	-	-	(71,617)	-	(98,740)
At 31 December 2017	840,186	20,097,777	590,412	866,505	990,151	229,945	23,614,976
Carrying amount							
At 31 December 2017	138,389	4,118,728	76,527	199,886	482,193	12,970	5,028,693
At 31 March 2017	172,958	3,649,717	94,724	305,413	622,448	12,970	4,858,230

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	31 December 2017	31 March 2017
	£	£
Plant & equipment	1,673,533	1,993,592
Fixtures & fittings	124,131	170,759
Motor vehicles	430,928	534,755
	2,228,592	2,699,106
Depreciation charge for the period in respect of leased assets	485,049	897,783

13 Fixed asset investments

	Notes	31 December 2017	31 March 2017
		£	£
Investments in subsidiaries	**14**	1,100	1,100

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 April 2017	1,100	-	1,100
Additions	-	175,546	175,546
At 31 December 2017	1,100	175,546	176,646
Impairment			
At 1 April 2017	-	-	-
Impairment losses	-	175,546	175,546
At 31 December 2017	-	175,546	175,546
Carrying amount			
At 31 December 2017	1,100	-	1,100
At 31 March 2017	1,100	-	1,100

13 Fixed asset investments **(Continued)**

Augustus Martin owns 47.6% of the share capital in Retail Communicators, a company incorporated in Belgium, which was acquired during the period for 200,000 EUR as part of a debt capitalisation process. The directors consider the investment to be fully impaired.

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Augmart Travel Limited	England and Wales	Dormant	Ordinary	100.00	
Billboard Posters Limited	England and Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Augmart Travel Limited	-	100
Billboard Posters Limited	-	1,000

Both Billboard Posters Limited and Augmart Travel Limited were dormant for the entire period.

15 Financial instruments

	31 December 2017	31 March 2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	13,715,195	12,152,615
Carrying amount of financial liabilities		
Measured at amortised cost	15,354,928	13,135,511

16 Debtors

	31 December 2017	31 March 2017
Amounts falling due within one year:	**£**	**£**
Trade debtors	12,620,989	11,178,360
Corporation tax recoverable	458,545	-
Other debtors	1,094,206	974,255
Prepayments and accrued income	376,208	188,843
	14,549,948	12,341,458
Deferred tax asset (note 25)	32,211	4,023
	14,582,159	12,345,481

17 Stocks

	31 December 2017	31 March 2017
	£	**£**
Raw materials and consumables	510,523	530,089

18 Creditors: amounts falling due within one year

	Notes	31 December 2017	31 March 2017
		£	**£**
Obligations under finance leases	19	498,800	732,445
Trade creditors		8,312,750	9,709,330
Amounts due to group undertakings		1,100	1,100
Other taxation and social security		1,131,446	1,135,355
Other creditors		1,119,186	242,185
Accruals and deferred income		1,648,035	1,882,974
		12,711,317	13,703,389

19 Finance lease obligations

	31 December 2017	31 March 2017
Future minimum lease payments due under finance leases:	**£**	**£**
Within one year	489,800	732,444
In two to five years	225,347	567,478
	715,147	1,299,922

20 Creditors: amounts falling due after more than one year

	Notes	31 December 2017 £	31 March 2017 £
Obligations under finance leases	19	216,347	567,477
Other borrowings	21	3,558,710	-
		3,775,057	567,477

21 Loans and overdrafts

	31 December 2017 £	31 March 2017 £
Other loans	3,558,710	-
Payable after one year	3,558,710	-

In the period, the company obtained a loan facility from Limehouse Funding Limited, a company controlled by the directors of Augustus Martin Limited. The loan is secured on the assets of the company, subject to interest at an annual rate of 4% plus base rate, and is due for repayment in full in June 2022.

22 Share capital

	31 December 2017 £	31 March 2017 £
Ordinary share capital		
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2017 £	31 March 2017 £
Within one year	574,249	539,507
Between two and five years	445,136	78,201
	1,019,385	617,708

23 Operating lease commitments **(Continued)**

Included above is an amount of £119,000 (March 2017: £410,000) in respect of leases on buildings. These leases have no fixed end date and the amount represents the annual commitment. In the current period, a formal rent holiday of one year has been agreed for a portion of the buildings under lease.

24 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	31 December 2017	31 March 2017
	Number	Number
Administration	32	34
Production	232	274
Sales	39	41
Directors	4	4
	307	353

Their aggregate remuneration comprised:

	31 December 2017	31 March 2017
	£	£
Wages and salaries	9,393,552	13,991,817
Social security costs	912,357	1,298,864
Pension costs	267,205	428,810
	10,573,114	15,719,491

25 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	31 December 2017	31 March 2017
Balances:	£	£
ACAs	24,117	(5,616)
Other Timing Differences	8,094	9,639
	32,211	4,023

25 Deferred taxation (Continued)

Movements in the period:	31 December 2017 £
Liability/(Asset) at 1 April 2017	(4,023)
Credit to profit or loss	(28,188)
Liability/(Asset) at 31 December 2017	(32,211)

The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances and other timing differences utilised against future expected profits of the same period.

26 Retirement benefit schemes

Defined contribution schemes	31 December 2017 £	31 March 2017 £
Charge to profit or loss in respect of defined contribution schemes	267,205	428,810

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

27 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	31 December 2017 £	31 March 2017 £
Aggregate compensation	854,922	858,575

Transactions with related parties
During the year, the company entered into the following transactions with entities controlled by the directors:

	31 December 2017 £	31 March 2017 £
Sales	2,098,312	4,793,891
Purchases	5,096,654	6,904,977
Management charges	16,753	22,338

No guarantees have been given or received.

27 Related party transactions **(Continued)**

The total amounts outstanding at the reporting period date owed to entities controlled by the directors was £980,258 (March 2017:£691,435). Not included in this amount is borrowings of £3,608,710 (March 2017: £nil) owed to entities controlled by the directors as disclosed in note 21.

The total amounts outstanding at the reporting period date owed by entities controlled by the directors was £457,709 (March 2017: £6,545).

The company paid rent in respect of property owned by the directors of £246,050 (March 2017: £1,423,465) and in respect of property owned by the director's children £14,005 (March 2017: £nil).

The directors' loan account closed the period with a debit balance of £554,195 (March 2017: £301,790).

During the period, the company entered into currency swap agreements with Fespa Limited to the value of £nil (March 2017: £75,000) at the exchange rate prevailing at the date of the swap. Fespa Limited shares a common director with Augustus Martin Limited.

28 Controlling party

The company is owned and controlled jointly by L Barrow and B Dix.

29 Cash generated from operations

	31 December 2017 £	31 March 2017 £
Profit/(loss) for the period after tax	934,288	(6,183,484)
Adjustments for:		
Taxation credited	(481,513)	(39,762)
Finance costs	87,421	62,334
Investment income	(19)	(10,399)
Loss on disposal of tangible fixed assets	5,515	3,091
Depreciation and impairment of tangible fixed assets	665,578	1,416,498
Amounts written off investments	-	4,279
Movements in working capital:		
Decrease in stocks	19,566	443,967
(Increase)/decrease in debtors	(1,497,540)	5,032,527
(Decrease) in creditors	(758,427)	(376,483)
Cash (absorbed by)/generated from operations	(1,025,131)	352,568