Company Registration No. 00950118 (England and Wales)

AUGUSTUS MARTIN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Devons Road 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 YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The effects of COVID 19 continued to cast a shadow over the business in 2021. The first 6 months were impacted by the continued lock downs. Whilst most retailers were opening in Spring the entertainments sector stayed depressed until the middle of the year. Cinemas and theatres are a major driver of print spend in the outdoor sector and we felt their absence.

The second half saw significant increases in material raw costs that were difficult to pass through to retailers. Client supply chain issues (shortages caused by the Evergreen Suez Canal blockage, a shipping market struggling to recover from the pandemic and European wide lorry driver shortage) meant retailers were nervous about campaign planning. This was particularly noticeable in the run up to Christmas which is traditionally our busiest time. The shadow of 2020's "cancelled" Christmas was felt and the lack of demand led to excess manufacturing capacity in our sector and depressed pricing. In the period we did pick up one major new retail contract.

We took the deliberate decision not to reduce the cost base further in 2021 and the directors have committed funding to manage the business through this period. Nevertheless, to make a loss of £976k was still a disappointment.

Our short-term strategic direction remains unchanged from last year:

- FUZE: Augustus Martin has invested £2m in developing a best-in-class Marketing Relationship Management software solution. The product which has been evaluated and is established at Tesco, the UK's largest Retailers, is highly adaptable and yet easily deployable. Following this successful deployment our focus looking forward to actively expand our user base across retail and other verticals where the adaptability of the software might add value.
- Internal Process flow automation solutions that drive substantial reductions in human error and increased in quality control.
- Carbon Neutrality and its benefits is a key focus of Augustus Martin both upstream and downstream. Our focus in this area will be to avoid "Greenwash" messaging and take an intelligent and pragmatic view to the genuine reduction in carbon. During the year we partnered with CarbonQuota to provide this independent validation and by the end of the period we had a Sustainability Plan agreed to help us move forward in this area.
- Ad-here: As the sustainability agenda becomes an increasing challenge for our customers, Augustus Martin's £2m investment and development of Ad-here makes 100% reusable and recyclable POS a reality to our customers so that they can support their sustainability agendas with peace of mind.
- Print Technology: In addition to Ad-here our, business commitment to protecting the planet extends to our current and future technology investments, the latest, a new large format print printing press which amongst other benefits allow Augustus Martin to use non-toxic, water-based inks that do not harm the environment.
- During the period, the board invested in two new digital presses that further enhance our capability and a clear marker of our intention to continue the transition into this space. Our future investment strategy will continue to focus on Productivity, Economy, and Sustainability opportunities for both Augustus Martin and its customers.

The first half of 2022 was dominated by relentless monthly input cost increases. Paper and board remain tight, with many mills on allocation only. The Finnish paper mill strike in the spring and the Ukrainian / Russia war has only exacerbated matters.

We have, though, managed to retain three major clients at the end of tough market tenders and acquired one new major account which ais a testament to the quality of service that continues to be associated with our business.

The directors and senior management team constantly monitor internal and external risk factors and have put several measures in place to mitigate these risks and return the business to profitability in the medium term. The risk identified are as below:

Human resources

Augustus Martin has a dedicated workforce with longevity of service. Succession planning and cross-train, multi-skilling and recruiting new talent is in progress across the business, from the core technical resources through to senior management. We continue to invest in developing management competencies across the business through Personal Development Planning, Supervisor & Management training, and specific skills training. We have and will continue to recruit tactically where specialised competencies need to be insourced and, balance the resource needs of the business based on our ability to take advantage of improved automation capabilities

Financial resources

The shareholders £2m credit facility available to the business from a sister company remains in place. The company also took out a CBILS loan of £1.5m to assist with working capital during the pandemic. The directors are 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 near future.

Materials supply and energy price volatility

The most significant impact on the business is a tightening of the supply chain across the range of our raw materials with monthly price increases coming through in many categories together with the volatile nature of fuel, electricity and gas. This is well documented and is expected to continue through at least until the situation in Ukraine is resolved. We continue to focus on maintaining a robust and flexible supply chain to minimise the impact of this on our supply.

Summary

The reverberations of Covid 19 have barely subsided before the war in Ukraine commenced making it another challenging year for businesses to face into. That said our most valuable resource, our people have continued to demonstrate an ability to drive the business forward under trying circumstances. They have ensured that our service promise to customers has been kept and those customers have elected to again, entrust Augustus Martin with their campaign success. We thank our customers for their continued trust in Augustus Martin. It is a pleasure to support them and we look forward to delivering even more success on their behalf. We look forward to a number of positive changes over the coming fiscal year in an industry that continues to offer significant opportunities to thrive.

On behalf of the board

L Barrow
Director

27 September 2022

27 September 2022
B Dix
Director

27 September 2022

AUGUSTUS MARTIN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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 year 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 year are set out on page 9.

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.

Going concern
In the annual review of the Company's going concern, the Directors have considered the immediate and longer-term impact of the Covid-19 pandemic as well as the more recent significant increases in raw material costs. Following the lockdown in the UK, as would be expected, the Company experienced a temporary slowdown in activities but are now pleased to report sales increasing. During the year, the Directors used available Covid-19 government schemes such as the Coronavirus Job Retention Scheme and deferment of tax liabilities to manage cashflow during the period of uncertainty. Furthermore, during the prior year, the Company took out a £1.5m loan facility supported by the Government's Coronavirus Business Interruption Loan Scheme ("CBILS"). The Directors are committed to carrying out regular reviews of the Company's cash flows to monitor the ongoing situation and take further steps as required.

The Company currently meets its day to day working capital requirements through a third-party invoice finance facility, a CBILS loan and a loan facility made available by a company owned by the Shareholders. The Shareholders have confirmed that they are committed to supporting the Company for a period of at least 12 months from the date of signing these financial statements. Furthermore, they have confirmed that any amounts owed to either the Shareholders, or the company owned by the Shareholders, will not be demanded for repayment unless the Company has sufficient cash resources.

Accordingly, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Strategic Report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

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
Director

27 September 2022

B Dix
Director

27 September 2022

AUGUSTUS MARTIN LIMITED

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 year ended 31 December 2021 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 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out.

These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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

30 September 2022

Chartered Accountants
Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ

AUGUSTUS MARTIN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 as restated £
Turnover	3	27,906,611	27,754,653
Cost of sales		(20,319,343)	(19,953,873)
Gross profit		7,587,268	7,800,780
Distribution costs		(296,726)	(362,397)
Administrative expenses		(9,434,377)	(9,364,391)
Other operating income		674,613	2,013,737
Operating (loss)/profit	4	(1,469,222)	87,729
Interest payable and similar expenses	8	(208,757)	(188,077)
Loss before taxation		(1,677,979)	(100,348)
Tax on loss	9	701,376	201,005
Loss after taxation		(976,603)	100,657
(Loss)/profit for the financial year		(976,603)	100,657

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 2021

			2021		2020
					as restated
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**10**		5,807,196		5,340,336
Investments	**11**		1,100		1,100
			5,808,296		5,341,436
Current assets					
Stocks	**13**	758,493		529,351	
Debtors	**14**	7,826,307		8,437,065	
Cash at bank and in hand		418,280		2,376,571	
		9,003,080		11,342,987	
Creditors: amounts falling due within one year	**15**	(9,242,959)		(9,601,023)	
Net current (liabilities)/assets			(239,879)		1,741,964
Total assets less current liabilities			5,568,417		7,083,400
Creditors: amounts falling due after more than one year	**16**		(3,123,389)		(3,661,769)
Net assets			2,445,028		3,421,631
Capital and reserves					
Called up share capital	**21**		1,000		1,000
Revaluation reserve			1,760,432		1,760,432
Profit and loss reserves			683,596		1,660,199
Total equity			2,445,028		3,421,631

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

L Barrow
Director

B Dix
Director

Company Registration No. 00950118

AUGUSTUS MARTIN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020 as reported	1,000	-	1,559,542	1,560,542
Prior year adjustment (see note 27)	-	1,760,432	-	1,760,432
Balance at 1 January 2020 as restated	1,000	1,760,432	1,559,542	3,320,974
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	100,657	100,657
Balance at 31 December 2020 as restated	1,000	1,760,432	1,660,199	3,421,631
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(976,603)	(976,603)
Balance at 31 December 2021	1,000	1,760,432	683,596	2,445,028

AUGUSTUS MARTIN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**25**		(1,748,537)		1,176,416
Interest paid			(208,757)		(188,077)
Income taxes refunded			701,376		243,273
Net cash (outflow)/inflow from operating activities			(1,255,918)		1,231,612
Investing activities					
Purchase of tangible fixed assets		(808,033)		(353,114)	
Proceeds on disposal of tangible fixed assets		97,205		31,304	
Interest received		3		-	
Net cash used in investing activities			(710,825)		(321,810)
Financing activities					
Increase / (repayment) of other loans		57,434		(130,698)	
Proceeds of new bank loans		-		1,500,000	
Payment of finance leases obligations		(48,982)		(99,874)	
Net cash generated from financing activities			8,452		1,269,428
Net (decrease)/increase in cash and cash equivalents			(1,958,291)		2,179,230
Cash and cash equivalents at beginning of year			2,376,571		197,341
Cash and cash equivalents at end of year			418,280		2,376,571

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, Devons Road, 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 amounts 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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In the annual review of the Company's going concern, the Directors have considered the immediate and longer-term impact of the Covid-19 pandemic as well as the more recent significant increases in raw material costs. Following the lockdown in the UK, as would be expected, the Company experienced a temporary slowdown in activities but are now pleased to report sales increasing. During the year, the Directors used available Covid-19 government schemes such as the Coronavirus Job Retention Scheme and deferment of tax liabilities to manage cashflow during the period of uncertainty. Furthermore, during the prior year, the Company took out a £1.5m loan facility supported by the Government's Coronavirus Business Interruption Loan Scheme ("CBILS"). The Directors are committed to carrying out regular reviews of the Company's cash flows to monitor the ongoing situation and take further steps as required.

The Company currently meets its day to day working capital requirements through a third-party invoice finance facility, a CBILS loan and a loan facility made available by a company owned by the Shareholders. The Shareholders have confirmed that they are committed to supporting the Company for a period of at least 12 months from the date of signing these financial statements. Furthermore, they have confirmed that any amounts owed to either the Shareholders, or the company owned by the Shareholders, will not be demanded for repayment unless the Company has sufficient cash resources.

Accordingly, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting 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.

1 Accounting policies **(Continued)**

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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation 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.

Leasehold improvements	10 years straight line basis
Plant & equipment	15% on reducing balance, 4-6 years straight line basis / 6 years on straight line basis from revaluation date (31/12/2021)
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.

There has been a change of accounting policy during the year. A valuation exercise was carried out on print machinery and all assets in this class have been revalued or impaired as appropriate. Please see Note 27 for details relating to prior period adjustments for this accounting policy change.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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.

1 Accounting policies **(Continued)**

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.

1.7 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 cost and replacement 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 and cash equivalents 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.

1 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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 through 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.

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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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 Accounting policies **(Continued)**

1.13 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.

1.14 Retirement benefits

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

1.15 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the year, the company received £654,837 under the government backed Coronavirus Job Retention Scheme (CJRS), following the outbreak of Covid-19 during the year. This amount has been recognised as other operating income.

1.17 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 in the period are included in profit or loss.

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:

	2021	2020
	£	£
Turnover analysed by class of business		
Printing	27,906,611	27,754,653

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	27,878,429	27,735,228
Europe	28,182	19,425
	27,906,611	27,754,653

	2021	2020
	£	£
Other significant revenue		
Grants received	654,837	1,991,189

4 Operating (loss)/profit

	2021	2020 as restated
Operating (loss)/profit for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	4,926	6,731
Government grants	(654,837)	(1,991,189)
Depreciation of owned tangible fixed assets	255,976	201,683
(Profit)/loss on disposal of tangible fixed assets	(12,008)	2,072
Operating lease charges	1,233,313	1,280,005

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	34,700	34,700
For other services		
Other taxation services	10,500	10,500

6 Employees

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

	2021 Number	2020 Number
Administration	73	130
Production	118	99
Sales	21	25
Directors	4	4
Total	216	258

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	8,744,089	9,728,884
Social security costs	936,813	884,161
Pension costs	441,091	372,732
	10,121,993	10,985,777

6 Employees **(Continued)**

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	1,113,827	926,924

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	274,689	309,545

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

	2021	2020
	£	£
Remuneration for qualifying services	171,594	177,698

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	57,784	54,051
Other finance costs:		
Interest on finance leases and hire purchase contracts	20,695	11,893
Other interest	130,278	122,133
	208,757	188,077

9 Taxation

	2021	2020
	£	£
Current tax		
Adjustments in respect of prior periods	(701,376)	(243,274)
Deferred tax		
Origination and reversal of timing differences	-	42,269
Total tax credit	(701,376)	(201,005)

9 Taxation **(Continued)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(1,677,979)	(100,348)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(318,816)	(19,066)
Tax effect of expenses that are not deductible in determining taxable profit	8,596	11,782
Effect of change in corporation tax rate	1,241	47,654
Depreciation on assets not qualifying for tax allowances	1,612	1,143
Research and development tax credit	(701,376)	(243,274)
Other tax adjustments	307,367	756
Taxation credit for the year	(701,376)	(201,005)

The company has estimated tax losses to carry forward in respect of trading losses of £8,285,210 (December 2020: £7,507,108).

10 Tangible fixed assets

	Leasehold improvements	Plant & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021 (as restated)	908,575	25,024,826	1,195,124	871,979	28,000,504
Additions	-	645,217	81,377	81,439	808,033
Disposals	-	-	(22,499)	(432,025)	(454,524)
At 31 December 2021	908,575	25,670,043	1,254,002	521,393	28,354,013
Depreciation and impairment					
At 1 January 2021 (as restated)	897,548	20,034,965	1,109,907	617,748	22,660,168
Depreciation charged in the year	6,558	158,704	37,229	53,485	255,976
Eliminated in respect of disposals	-	-	(22,499)	(346,828)	(369,327)
At 31 December 2021	904,106	20,193,669	1,124,637	324,405	22,546,817
Carrying amount					
At 31 December 2021	4,469	5,476,374	129,365	196,988	5,807,196
At 31 December 2020 (as restated)	11,027	4,989,861	85,217	254,231	5,340,336

10 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.

	2021	2020
	£	£
Plant & equipment	1,391,895	941,857
Motor vehicles	191,973	242,656
	1,583,868	1,184,513

11 Fixed asset investments

	Notes	2021	2020
		£	£
Investments in subsidiaries	12	1,100	1,100

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Augmart Travel Limited	England and Wales	Ordinary	100.00
Billboard Posters Limited	England and Wales	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	Capital and Reserves	Profit/(Loss)
	£	£
Augmart Travel Limited	100	-
Billboard Posters Limited	1,000	-

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

13 Stocks

	2021	2020
	£	£
Raw materials and consumables	758,493	529,351

14 Debtors

	2021	2020
Amounts falling due within one year:	**£**	**£**
Trade debtors	5,975,690	6,749,400
Corporation tax recoverable	4,761	4,761
Amounts owed by group undertakings	195	195
Other debtors	765,199	1,073,436
Prepayments and accrued income	984,215	513,026
	7,730,060	8,340,818
Deferred tax asset (note 19)	96,247	96,247
	7,826,307	8,437,065

15 Creditors: amounts falling due within one year

		2021	2020
	Notes	**£**	**£**
Obligations under finance leases	**18**	162,699	149,302
Other borrowings	**17**	533,436	-
Trade creditors		4,016,257	4,287,898
Amounts owed to group undertakings		1,100	1,100
Taxation and social security		631,458	1,073,311
Other creditors		2,936,287	2,458,494
Accruals and deferred income		961,722	1,630,918
		9,242,959	9,601,023

Included in Other Creditors is £1,460,985 (2020: £1,767,220) relating to an invoice discount facility secured by way of a fixed and floating charge over the company.

16 Creditors: amounts falling due after more than one year

		2021	2020
	Notes	**£**	**£**
Obligations under finance leases	**18**	152,749	215,128
Other borrowings	**17**	2,970,640	3,446,641
		3,123,389	3,661,769

17 Loans and overdrafts

	2021	2020
	£	£
Other loans	3,504,076	3,446,641
Payable within one year	533,436	-
Payable after one year	2,970,640	3,446,641

Included in the above is a loan facility for £2,004,076 (2020: £1,946,292) from 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.

Also included in the above is £1,500,000 in relation to a government backed Coronavirus Business Interruption Loan (CBIL) which is repayable over 36 months from 1 January 2022. Interest is charged at a fixed rate of 4.25% per annum and the loan is secured by a debenture over the assets of the company together with Personal Guarantees from the directors limited to a total of £300,000.

18 Finance lease obligations

	2021	2020
Future minimum lease payments due under finance leases:	£	£
Within one year	162,699	149,302
In two to five years	152,749	215,128
	315,448	364,430

19 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
	2021	2020
Balances:	£	£
ACAs	36,244	36,244
Other Timing Differences	60,003	60,003
	96,247	96,247

There were no deferred tax movements in the year.

20 Retirement benefit schemes

Defined contribution schemes	**2021** **£**	**2020** **£**
Charge to profit or loss in respect of defined contribution schemes	441,091	372,732

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.

21 Share capital

Ordinary share capital	**2021** **Number**	**2020** **Number**	**2021** **£**	**2020** **£**
Authorised				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

22 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:

	2021 **£**	**2018** **£**
Within one year	443,332	381,764
Between two and five years	288	29,813
	443,620	411,577

23 Related party transactions

Transactions with related parties

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

	2021 **£**	**2020** **£**
Sales	1,724,275	70,371
Purchases	3,280,600	2,358,623
Management charges	370,300	414,898

23 Related party transactions **(Continued)**

Other information

The total amounts outstanding at the reporting period date owed to entities controlled by the directors was £1,219,517 (December 2020: £92,330 owed from). Not included in this amount is borrowings of £2,004,076 (December 2020: £1,946,097) owed to entities controlled by the directors as disclosed in note 17.

The company paid rent in respect of property owned by the directors of £1,214,171 (December 2020: £1,275,587). Furthermore, the directors purchased motor vehicles from the company totalling £39,579 (December 2020: £7,476) at market value during the year.

The directors' loan account closed the period with a credit balance of £255,550 (December 2020: £23,606).

24 Ultimate controlling party

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

25 Cash (absorbed by)/generated from operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(976,603)	100,657
Adjustments for:		
Taxation credited	(701,376)	(201,005)
Finance costs	208,757	188,077
(Gain)/loss on disposal of tangible fixed assets	(12,008)	2,072
Depreciation and impairment of tangible fixed assets	255,976	201,683
Movements in working capital:		
Increase in stocks	(229,142)	(177,186)
Decrease in debtors	610,756	2,336,798
Decrease in creditors	(904,897)	(1,274,680)
Cash (absorbed by)/generated from operations	(1,748,537)	1,176,416

26 Analysis of changes in net debt

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	2,376,571	(1,958,291)	418,280
Borrowings excluding overdrafts	(3,446,641)	(57,435)	(3,504,076)
Obligations under finance leases	(364,430)	48,982	(315,448)
	(1,434,500)	(1,966,744)	(3,401,244)

27 Prior period adjustment

A prior year adjustment has been recognised in respect of the plant and machinery held by the company.

Following a change in accounting policy, a valuation exercise was carried out on print machinery and all assets in this class have been revalued or impaired as appropriate. As such, a revaluation reserve has been recoginsed in the accounts, and the brought forward figures restated.

Reconciliation of changes in equity

	1 January 2020	31 December 2020
	£	£
Adjustments to prior year		
Revaluation of plant and machinery as at 1 January 2020	1,760,432	1,760,432
Adjustment to depreciation for the year ended 31 December 2020	-	348,061
Total adjustments	1,760,432	2,108,493
Equity as previously reported	1,560,542	1,313,138
Equity as adjusted	3,320,974	3,421,631
Analysis of the effect upon equity		
Revaluation reserve	-	1,760,432
Profit and loss reserves	-	348,061
	-	2,108,493

Reconciliation of changes in (loss)/profit for the previous financial period

	2020
	£
Adjustments to prior year	
Adjustment to depreciation charge for the year ended 31 December 2020	348,061
Loss as previously reported	(247,404)
Profit as adjusted	100,657