

Company Registration No. 00950118 (England and Wales)

**AUGUSTUS MARTIN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# AUGUSTUS MARTIN LIMITED

## COMPANY INFORMATION

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

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# AUGUSTUS MARTIN LIMITED

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# AUGUSTUS MARTIN LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

#### **Fair review of the business**

The path to return to profitability mentioned in last year's report faced a setback due to the Covid 19 pandemic. The first quarter was significantly stronger than 2019, and the first wave of the pandemic saw some upside in the need for retail social distancing signage. Overall the first half of 2020 (which is seasonally loss making) showed a significant financial improvement versus the same period of 2019.

Having taken actions to reduce the cost base during the pandemic, including a detailed review of all overheads, our expectations in summer 2020 were to make a profit by the year end. As the economic impact of the second lockdown mothballed many of our outdoor and non-essential retail clients during the most profitable final three months of the year, this had a major braking effect on Augustus Martins' drive to profitability. To make a loss of £247k was clearly 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 tested and gone live 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.
- **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.
- 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 2021 saw reduced trading as non essential retail and the entertainment sector remained shut for much of it. However we are trading ahead of the budget agreed with stakeholders at the start of the year. Profitability for 2021 will hinge on Q4 and whether there are more restrictions in our core markets.

We have won some significant pieces of new business and are confident that our offering remains relevant and competitive. Our operational fire power makes us an attractive partner for large time critical retail campaigns.

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. The risk identified are as below:

# AUGUSTUS MARTIN LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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.

### 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 foreseeable future.

### Brexit

The initial phase of Brexit has passed without too much impact. There is an increased administrative burden on the logistics team and some customers moved their European print production back to local markets. However there are signs that this might come back. Delays on imports of raw materials from the EU have been manageable.

### Materials supply and price volatility

One of the most significant impacts on the business is a tightening of the supply chain across the range of our raw materials with quarterly price increases coming through in many categories. This is well documented and is expected to continue through into 2022. We continue to focus on maintaining a robust and flexible supply chain to minimise the impact of this on our supply.

### Covid-19

The ongoing uncertainty surrounding political and economic responses means that there may be further business volatility to be managed in the medium term. However, we hope to see stabilisation occurring in the 3rd quarter of 2021/2022. We will continue to follow Government guidance to ensure that we are best placed to serve our customers well and safely.

### Summary

This has certainly been a year of change and challenge and we have been delighted at the manner in which our people have risen to that challenge to shepherd our business needs and those of our customers consistently over the financial year. Once again, we thank our customers for their continued trust in Augustus Martin to deliver their biggest and most complex campaigns throughout the year. It is a responsibility that we do not take for granted. We look forward to the new year with optimism in a market that remains full of opportunities for us to help our customers excite their consumers.

On behalf of the board

L Barrow  
Director

13 September 2021

13 September 2021  
B Dix  
Director

13 September 2021

# **AUGUSTUS MARTIN LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### **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.

# **AUGUSTUS MARTIN LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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. Following the lockdown in the UK, as would be expected, the Company experienced a temporary slowdown in activities but are now pleased report sales increasing. During the period of slowdown, 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, 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 and a loan facility made available by a sister company owned by the shareholders. The Company's forecast and projections, taking account of reasonable possible changes in trading performance, show that the Company will be able to operate for at least the next 12 months within the level of its current facilities.

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.

## **AUGUSTUS MARTIN LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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#### **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**

13 September 2021

B Dix  
**Director**

13 September 2021



# AUGUSTUS MARTIN LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AUGUSTUS MARTIN LIMITED

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#### Opinion

We have audited the financial statements of Augustus Martin Limited (the 'company') for the year ended 31 December 2020 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 2020 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.

## **AUGUSTUS MARTIN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AUGUSTUS MARTIN LIMITED**

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#### **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.

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.

## **AUGUSTUS MARTIN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AUGUSTUS MARTIN LIMITED**

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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**

17 September 2021

**Chartered Accountants**  
**Statutory Auditor**

29-30 Fitzroy Square  
London  
W1T 6LQ

## AUGUSTUS MARTIN LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	27,754,653	36,415,185
Cost of sales		(20,278,586)	(26,240,942)
<b>Gross profit</b>		<b>7,476,067</b>	<b>10,174,243</b>
Distribution costs		(362,397)	(456,589)
Administrative expenses		(9,365,191)	(8,820,393)
Other operating income		1,991,189	-
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(260,332)</b>	<b>897,261</b>
Interest receivable and similar income	8	-	345
Interest payable and similar expenses	9	(188,077)	(424,939)
<b>(Loss)/profit before taxation</b>		<b>(448,409)</b>	<b>472,667</b>
Tax on (loss)/profit	10	201,005	(35,268)
<b>(Loss)/profit for the financial year</b>		<b>(247,404)</b>	<b>437,399</b>

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 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11	3,231,843		3,282,436	
Investments	12	1,100		1,100	
		<u>3,232,943</u>		<u>3,283,536</u>	
<b>Current assets</b>					
Stocks	14	529,351		352,165	
Debtors	15	8,437,065		10,816,131	
Cash at bank and in hand		2,376,571		197,341	
		<u>11,342,987</u>		<u>11,365,637</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(9,601,023)</u>		<u>(10,829,391)</u>	
<b>Net current assets</b>		<u>1,741,964</u>		<u>536,246</u>	
<b>Total assets less current liabilities</b>		<u>4,974,907</u>		<u>3,819,782</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(3,661,769)</u>		<u>(2,259,240)</u>	
<b>Net assets</b>		<u><u>1,313,138</u></u>		<u><u>1,560,542</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22	1,000		1,000	
Profit and loss reserves		1,312,138		1,559,542	
<b>Total equity</b>		<u><u>1,313,138</u></u>		<u><u>1,560,542</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 13 September 2021 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 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	1,000	1,122,143	1,123,143
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	437,399	437,399
Balance at 31 December 2019	1,000	1,559,542	1,560,542
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(247,404)	(247,404)
Balance at 31 December 2020	1,000	1,312,138	1,313,138

# AUGUSTUS MARTIN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	1,175,616		2,167,633	
Interest paid		(188,077)		(424,939)	
Income taxes refunded/(paid)		243,273		-	
<b>Net cash inflow from operating activities</b>		1,230,812		1,742,694	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(531,727)		(25,441)	
Proceeds on disposal of tangible fixed assets		31,304		71,268	
Receipts arising from loans made		-		150,322	
Interest received		-		345	
<b>Net cash (used in)/generated from investing activities</b>		(500,423)		196,494	
<b>Financing activities</b>					
Repayment of borrowings		1,369,302		(1,967,837)	
Payment of finance leases obligations		79,539		(240,027)	
<b>Net cash generated from/(used in) financing activities</b>		1,448,841		(2,207,864)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,179,230		(268,676)	
Cash and cash equivalents at beginning of year		197,341		466,017	
<b>Cash and cash equivalents at end of year</b>		2,376,571		197,341	

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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. Following the lockdown in the UK, as would be expected, the Company experienced a temporary slowdown in activities but are now pleased report sales increasing. During the period of slowdown, 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, 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 and a loan facility made available by a sister company owned by the shareholders. The Company's forecast and projections, taking account of reasonable possible changes in trading performance, show that the Company will be able to operate for at least the next 12 months within the level of its current facilities.

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.



# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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 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.

Leasehold improvements	10 years straight line basis
Plant & equipment	15% on reducing balance, 4-6 years straight line basis
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.

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.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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 £1,991,189 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.

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Printing	27,754,653	36,415,185
	<u>27,754,653</u>	<u>36,415,185</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	-	345
Grants received	1,991,182	-
	<u>1,991,182</u>	<u>345</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	27,735,228	36,332,260
Europe	19,425	82,925
	<u>27,754,653</u>	<u>36,415,185</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Operating (loss)/profit

	2020	2019
	£	£
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	6,731	4,569
Government grants	(1,991,189)	-
Depreciation of owned tangible fixed assets	548,944	271,982
Depreciation of tangible fixed assets held under finance leases	-	578,320
Loss/(profit) on disposal of tangible fixed assets	2,072	(12,005)
Operating lease charges	1,280,005	1,560,638
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2020	2018
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	34,700	34,700
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Other taxation services	10,500	10,500
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2020	2019
	Number	Number
Administration	32	30
Production	202	210
Sales	24	26
Directors	4	4
	<u>          </u>	<u>          </u>
Total	262	270
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	9,728,884	10,749,362
Social security costs	884,161	1,134,767
Pension costs	372,732	467,220
	<u>          </u>	<u>          </u>
	10,985,777	12,351,349
	<u>          </u>	<u>          </u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Directors' remuneration

	2020 £	2018 £
Remuneration for qualifying services	309,545	281,202

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

	2020 £	2019 £
Remuneration for qualifying services	177,698	131,573

### 8 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	-	345

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	345
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### 9 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	54,051	270,052
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	11,893	19,675
Other interest	122,133	135,212
	188,077	424,939

### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
Adjustments in respect of prior periods	(243,274)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	42,269	35,268
Total tax (credit)/charge	(201,005)	35,268



# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Taxation

(Continued)

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

	2020 £	2019 £
(Loss)/profit before taxation	(448,409)	472,667
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(85,198)	89,807
Tax effect of expenses that are not deductible in determining taxable profit	11,782	30,769
Tax effect of income not taxable in determining taxable profit	-	(380,000)
Unutilised tax losses carried forward	-	261,944
Effect of change in corporation tax rate	47,654	-
Depreciation on assets not qualifying for tax allowances	1,143	1,610
Research and development tax credit	(60,819)	-
Other tax adjustments	(115,567)	31,138
Taxation (credit)/charge for the year	(201,005)	35,268

The company has estimated tax losses to carry forward in respect of trading losses of £7,507,108 (December 2019: £6,397,950).

### 11 Tangible fixed assets

	Leasehold improvements £	Plant & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2020	908,575	24,297,232	1,093,391	1,093,672	27,392,870
Additions	-	461,796	69,931	-	531,727
Disposals	-	-	-	(221,693)	(221,693)
At 31 December 2020	908,575	24,759,028	1,163,322	871,979	27,702,904
<b>Depreciation and impairment</b>					
At 1 January 2020	886,342	21,443,760	1,064,018	716,314	24,110,434
Depreciation charged in the year	11,206	433,100	14,887	89,751	548,944
Eliminated in respect of disposals	-	-	-	(188,317)	(188,317)
At 31 December 2020	897,548	21,876,860	1,078,905	617,748	24,471,061
<b>Carrying amount</b>					
At 31 December 2020	11,027	2,882,168	84,417	254,231	3,231,843
At 31 December 2019	22,233	2,853,472	29,373	377,358	3,282,436

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 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.

	2020 £	2019 £
Plant & equipment	941,857	173,290
Motor vehicles	242,656	352,875
	<u>1,184,513</u>	<u>526,165</u>

### 12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	<u>1,100</u>	<u>1,100</u>

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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.

### 14 Stocks

	2020 £	2019 £
Raw materials and consumables	<u>529,351</u>	<u>352,165</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	6,749,400	10,017,273
Corporation tax recoverable	4,761	4,761
Amounts owed by group undertakings	195	195
Other debtors	1,073,436	292,993
Prepayments and accrued income	513,026	362,394
	<u>8,340,818</u>	<u>10,677,616</u>
Deferred tax asset (note 20)	96,247	138,515
	<u>8,437,065</u>	<u>10,816,131</u>

### 16 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Obligations under finance leases	19	149,302	102,990
Trade creditors		4,287,898	4,289,991
Amounts owed to group undertakings		1,100	1,100
Taxation and social security		1,073,311	1,286,472
Other creditors		2,458,494	3,600,234
Accruals and deferred income		1,630,918	1,548,604
		<u>9,601,023</u>	<u>10,829,391</u>

Included in Other Creditors is £1,767,220 (2019: £2,478,711) relating to an invoice discount facility secured by way of a fixed and floating charge over the company.

### 17 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	19	215,128	181,901
Other borrowings	18	3,446,641	2,077,339
		<u>3,661,769</u>	<u>2,259,240</u>

## AUGUSTUS MARTIN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Loans and overdrafts

	2020 £	2019 £
Other loans	3,446,641	2,077,339
Payable after one year	3,446,641	2,077,339

Included in the above is a loan facility for £1,946,292 (2019: £2,077,339) 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, and is due for repayment in full in June 2022.

Also included in the above is £1,500,349 in relation to the government backed Coronavirus Business Interruption Loan Scheme (CBIL) due for repayment over 48 months from drawdown. Interest due during the first twelve months will be payable by the UK Government under the terms of the scheme. After the first twelve months, interest will be payable by the Company at an interest rate of 4.25% per annum over Base Rate. This loan is secured over the assets of the company.

#### 19 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	149,302	102,990
In two to five years	215,128	181,901
	364,430	284,891

#### 20 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 2020 £	Assets 2019 £
Balances:		
ACAs	36,244	121,634
Other Timing Differences	60,003	16,881
	96,247	138,515

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Deferred taxation (Continued)

	2020 £
<b>Movements in the year:</b>	
Asset at 1 January 2020	(138,515)
Effect of change in tax rate - profit or loss	42,268
Asset at 31 December 2020	<u>(96,247)</u>

### 21 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>372,732</u>	<u>467,220</u>

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.

### 22 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 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:

	2020 £	2019 £
Within one year	381,764	384,207
Between two and five years	<u>29,813</u>	<u>137,850</u>
	<u>411,577</u>	<u>522,057</u>

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	926,924	1,286,227

#### Transactions with related parties

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

	2020 £	2019 £
Sales	70,371	128,546
Purchases	2,358,623	3,077,245
Management charges	414,898	128,894

#### Other information

The total amounts outstanding at the reporting period date owed by entities controlled by the directors was £92,330 (December 2019: £(973,682)). Not included in this amount is borrowings of £1,946,097 (December 2019: £2,077,339) 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 £1,275,587 (December 2019: £1,523,940). Furthermore, the directors purchased motor vehicles totalling £7,476 (December 2019: £11,128) at market value during the year.

The directors' loan account closed the period with a credit balance of £23,606 (December 2019: £267,620).

### 25 Ultimate controlling party

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

# AUGUSTUS MARTIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 26 Cash generated from operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(247,404)	437,399
<b>Adjustments for:</b>		
Taxation (credited)/charged	(201,005)	35,268
Finance costs	188,077	424,939
Investment income	-	(345)
Loss/(gain) on disposal of tangible fixed assets	2,072	(12,005)
Depreciation and impairment of tangible fixed assets	548,944	850,302
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(177,186)	395,768
Decrease/(increase) in debtors	2,336,798	(266,275)
(Decrease)/increase in creditors	(1,274,680)	302,582
<b>Cash generated from operations</b>	<b>1,175,616</b>	<b>2,167,633</b>

### 27 Analysis of changes in net debt

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	197,341	2,179,230	2,376,571
Borrowings excluding overdrafts	(2,077,339)	(1,369,302)	(3,446,641)
Obligations under finance leases	(284,891)	(79,539)	(364,430)
	<b>(2,164,889)</b>	<b>730,389</b>	<b>(1,434,500)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.