

Company registration number: 01950177

**AUGUSTUS OILS LIMITED**

**Financial statements**

**31 December 2018**



## **AUGUSTUS OILS LIMITED**

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# **AUGUSTUS OILS LIMITED**

## **Directors and other information**

<b>Directors</b>	P Wilson J F Wilson A T M Coxon
<b>Company number</b>	01950177
<b>Registered office</b>	Augustus House Mill Lane Alton Hampshire GU34 2QG
<b>Business address</b>	Augustus House Mill Lane Alton Hampshire GU34 2QG
<b>Auditor</b>	Menzies LLP 3000a Parkway Whiteley Hampshire PO15 7FX
<b>Solicitors</b>	Stevens & Bolton Wey House Farnham Road Guildford Surrey GU1 4YD

## **AUGUSTUS OILS LIMITED**

### **Strategic report Year ended 31 December 2018**

The Directors present their strategic report for the year ended 31 December 2018.

The directors are particularly pleased to have achieved the reporting status of a Medium size entity for the first time.

#### **Principal activities**

The principal activity of the company is the supply of Essential Oils and Aroma Chemicals to customers at home and abroad.

#### **Review of the business**

The principal activity is achieved in a niche industry by informal but profound partnership with customers on the one hand and growers, farmers and distillers on the other hand.

The statement of comprehensive income is set out on page 8.

The profits of the company have enabled the directors to complete a significant debt reduction process, progress the acquisition and use of high specification scientific instrumentation and implement purchasing strategies, all to the benefit of the company as a whole.

#### **Principal risks and uncertainties.**

It is the company objective to minimise risk wherever possible through the active and close involvement of the shareholder/directors. Each director has specific expertise and responsibility for long lead time purchasing, sales communication and forecasting and currency exchange.

#### **Financial key performance indicators**

The business monitors several key performance indicators which includes pipeline customer forecast sales, sales geographical spread and crop harvests around the world.

Traditional financial key performance indicators regularly monitored are:

Turnover by figure - 2018 reduction from 2017 was expected and on budget.

Gross margin - 2% increase by product mix.

Operating profit - controlled overhead with broadly expected reduction.

Stock holding by product - Significant increase for buying opportunity and Brexit cover.

Cash reserves - Balances in various currencies of up to £5M are considered adequate for the protection of the business and forward planning.

#### **Future plans, research and other developments**

The business will focus on growing its customer base in order to decrease reliance on any particular sector or customer and continue to research, develop and produce its own UK manufactured Natural Extracts, Absolutes, Resinoids and Natural Chemicals.

This report was approved by the board of directors on 2 September 2019 and signed on behalf of the board by:



P Wilson  
Director

## **AUGUSTUS OILS LIMITED**

### **Directors report Year ended 31 December 2018**

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

#### **Directors**

The directors who served the company during the year were as follows:

P Wilson  
J F Wilson  
A T M Coxon

#### **Dividends**

Particulars of recommended dividends are detailed in note to the financial statements.

Interim dividends totalling £10,000 [2017 £25,000] were paid during the year. A final dividend will not be recommended.

#### **Disclosure of information in the strategic report.**

Matters referred to in the Strategic report that would otherwise be contained in the Directors report are covered in the five headed paragraphs of that report.

#### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, directors 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 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 judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 OILS LIMITED**

**Directors report (continued)**  
**Year ended 31 December 2018**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware;  
and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 2 September 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'P Wilson', with a stylized flourish at the end.

P Wilson  
Director

## **AUGUSTUS OILS LIMITED**

### **Independent auditor's report to the members of AUGUSTUS OILS LIMITED (continued) Year ended 31 December 2018**

#### **Opinion**

We have audited the financial statements of AUGUSTUS OILS LIMITED for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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**

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

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

#### **Other matter**

The comparative figures shown in these financial statements are unaudited.

#### **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. 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.

## **AUGUSTUS OILS LIMITED**

### **Independent auditor's report to the members of AUGUSTUS OILS LIMITED (continued) Year ended 31 December 2018**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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 has 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 or 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 the 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:



**AUGUSTUS OILS LIMITED**

**Independent auditor's report to the members of  
AUGUSTUS OILS LIMITED (continued)  
Year ended 31 December 2018**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Menzies LLP*

James Hadfield FCA (Senior Statutory Auditor)

For and on behalf of  
Menzies LLP  
Chartered Accountant and Statutory Auditor  
3000a Parkway  
Whiteley  
Hampshire  
PO15 7FX

2 September 2019

**AUGUSTUS OILS LIMITED**

**Statement of comprehensive income  
Year ended 31 December 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	18,574,411	22,658,473
Cost of sales		(12,634,898)	(15,851,668)
<b>Gross profit</b>		5,939,513	6,806,805
Administrative expenses		(2,076,085)	(1,690,023)
Other operating income	<b>5</b>	72,000	37,000
<b>Operating profit</b>	<b>6</b>	3,935,428	5,153,782
Other interest receivable and similar income	<b>10</b>	34,664	9,997
Interest payable and similar expenses	<b>11</b>	(18,504)	(29,458)
<b>Profit before taxation</b>		3,951,588	5,134,321
Tax on profit	<b>12</b>	(747,228)	(946,736)
<b>Profit for the financial year and total comprehensive income</b>		<u>3,204,360</u>	<u>4,187,585</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

# AUGUSTUS OILS LIMITED

## Statement of financial position 31 December 2018

	Note	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	13	2,108,400		2,113,229	
			2,108,400		2,113,229
<b>Current assets</b>					
Stocks	14	4,720,335		1,494,615	
Debtors	15	2,059,448		3,030,134	
Cash at bank and in hand		2,326,029		3,478,447	
		9,105,812		8,003,196	
<b>Creditors: amounts falling due within one year</b>	16	(1,334,294)		(2,874,767)	
<b>Net current assets</b>			7,771,518		5,128,429
<b>Total assets less current liabilities</b>			9,879,918		7,241,658
<b>Creditors: amounts falling due after more than one year</b>	17		(67,815)		(621,473)
<b>Provisions for liabilities</b>	19		(131,276)		(133,718)
<b>Net assets</b>			9,680,827		6,486,467
<b>Capital and reserves</b>					
Called up share capital	23		100,000		100,000
Capital redemption reserve			500,000		500,000
Profit and loss account			9,080,827		5,886,467
<b>Shareholders funds</b>			9,680,827		6,486,467

The notes on pages 13 to 24 form part of these financial statements.

**AUGUSTUS OILS LIMITED**

**Statement of financial position (continued)**  
**31 December 2018**

These financial statements were approved by the board of directors and authorised for issue on 2 September 2019, and are signed on behalf of the board by:



P Wilson  
Director

Company registration number: 01950177

**The notes on pages 13 to 24 form part of these financial statements.**

# AUGUSTUS OILS LIMITED

## Statement of changes in equity Year ended 31 December 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2017</b>	100,000	500,000	1,723,882	2,323,882
Profit for the year			4,187,585	4,187,585
<b>Total comprehensive income for the year</b>	-	-	4,187,585	4,187,585
Dividends paid and payable			(25,000)	(25,000)
<b>Total investments by and distributions to owners</b>	-	-	(25,000)	(25,000)
<b>At 31 December 2017 and 1 January 2018</b>	100,000	500,000	5,886,467	6,486,467
Profit for the year			3,204,360	3,204,360
<b>Total comprehensive income for the year</b>	-	-	3,204,360	3,204,360
Dividends paid and payable			(10,000)	(10,000)
<b>Total investments by and distributions to owners</b>	-	-	(10,000)	(10,000)
<b>At 31 December 2018</b>	100,000	500,000	9,080,827	9,680,827

# AUGUSTUS OILS LIMITED

## Statement of cash flows Year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,204,360	4,187,585
<i>Adjustments for:</i>		
Depreciation of tangible assets	180,761	178,914
Other interest receivable and similar income	(34,664)	(9,997)
Interest payable and similar expenses	18,504	29,458
Gain/(loss) on disposal of tangible assets	4,773	(2,444)
Tax on profit	747,228	946,736
Accrued expenses/(income)	44,876	(59,903)
<i>Changes in:</i>		
Stocks	(3,225,720)	(707,872)
Trade and other debtors	970,686	(1,254,609)
Trade and other creditors	(683,045)	302,856
Cash generated from operations	1,227,759	3,610,724
Interest paid	(18,504)	(29,458)
Interest received	34,664	9,997
Tax paid	(1,599,870)	(288,783)
Net cash (used in)/from operating activities	<u>(355,951)</u>	<u>3,302,480</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(207,855)	(413,977)
Proceeds from sale of tangible assets	27,150	32,800
Net cash used in investing activities	<u>(180,705)</u>	<u>(381,177)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(559,320)	(4,444)
Payment of finance lease liabilities	(46,442)	(67,651)
Equity dividends paid	(10,000)	(25,000)
Net cash used in financing activities	<u>(615,762)</u>	<u>(97,095)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1,152,418)	2,824,208
<b>Cash and cash equivalents at beginning of year</b>	3,478,447	654,239
<b>Cash and cash equivalents at end of year</b>	<u>2,326,029</u>	<u>3,478,447</u>

## **AUGUSTUS OILS LIMITED**

### **Notes to the financial statements Year ended 31 December 2018**

#### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Augustus House, Mill Lane, Alton, Hampshire, GU34 2QG.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

## **AUGUSTUS OILS LIMITED**

### **Notes to the financial statements (continued)**

**Year ended 31 December 2018**

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Straight line over 25 years on buildings
Fittings fixtures and equipment	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

#### **Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.



## **AUGUSTUS OILS LIMITED**

### **Notes to the financial statements (continued)**

**Year ended 31 December 2018**

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of goods	18,574,411	22,658,473

Overseas turnover amounted to 90% (31 December 2017: 94%) of the total turnover for the year

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018	2017
	£	£
UK	1,881,825	1,466,975
USA	13,280,795	18,952,150
Rest of the World	3,411,791	2,239,348
	<u>18,574,411</u>	<u>22,658,473</u>

### 5. Other operating income

	2018	2017
	£	£
Other operating income	<u>72,000</u>	<u>37,000</u>

### 6. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	180,761	178,914
(Gain)/loss on disposal of tangible assets	4,773	(2,444)
Cost of stocks recognised as an expense	12,132,586	15,150,432
Impairment of trade debtors	7,871	2,881
Fees payable for the audit of the financial statements	13,250	-
Interest payable	18,504	29,458
Interest receivable	(34,664)	(9,997)
R & D tax credit expenditure	<u>83,885</u>	<u>75,011</u>

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 7. Auditors remuneration

	2018 £	2017 £
<b>Fees payable to Menzies LLP</b>		
Fees payable for the audit of the financial statements	13,250	-
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	-	5,250

### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Production staff	7	10
Administrative staff	15	14
Laboratory	5	4
	<u>27</u>	<u>28</u>

The aggregate payroll costs incurred during the year were:

	2018 £	2017 £
Wages and salaries	963,960	765,137
Social security costs	99,774	70,636
Other pension costs	93,616	87,965
	<u>1,157,350</u>	<u>923,738</u>

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 9. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	414,595	218,073
Company contributions to pension schemes in respect of qualifying services	80,000	80,000
	<u>494,595</u>	<u>298,073</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	144,924	76,104
Company contributions to pension plans in respect of qualifying services	40,000	40,000
	<u>184,924</u>	<u>116,104</u>

### 10. Other interest receivable and similar income

	2018	2017
	£	£
Bank deposits	<u>34,664</u>	<u>9,997</u>

### 11. Interest payable and similar expenses

	2018	2017
	£	£
Bank loans and overdrafts	8,343	14,458
Other loans made to the company:		
Finance leases and hire purchase contracts	10,161	15,000
	<u>18,504</u>	<u>29,458</u>

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 12. Tax on profit

#### Major components of tax expense

	2018 £	2017 £
<b>Current tax:</b>		
UK current tax expense	747,296	956,989
Prior years R & D enhancement	2,374	(34,493)
	<u>747,228</u>	<u>946,736</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(2,442)	24,240
<b>Tax on profit</b>	<u>747,228</u>	<u>946,736</u>

#### Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%).

	2018 £	2017 £
Profit before taxation	3,951,588	5,134,321
Profit multiplied by rate of tax	750,802	988,357
Effect of expenses not deductible for tax purposes	14,894	13,405
R & D enhanced allowance	(20,719)	(21,442)
Prior years R & D enhancement	2,374	(34,493)
Deferred Taxation rate variance	(123)	909
<b>Tax on profit</b>	<u>747,228</u>	<u>946,736</u>

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 13. Tangible assets

	Freehold property	Fixtures, fittings and equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2018	2,115,155	682,328	119,664	120,354	3,037,501
Additions	69,760	70,726	56,261	11,108	207,855
Disposals	-	(2,000)	(42,497)	-	(44,497)
<b>At 31 December 2018</b>	<u>2,184,915</u>	<u>751,054</u>	<u>133,428</u>	<u>131,462</u>	<u>3,200,859</u>
<b>Depreciation</b>					
At 1 January 2018	420,988	359,243	33,385	110,656	924,272
Charge for the year	67,396	78,763	27,667	6,935	180,761
Disposals	-	(1,950)	(10,624)	-	(12,574)
<b>At 31 December 2018</b>	<u>488,384</u>	<u>436,056</u>	<u>50,428</u>	<u>117,591</u>	<u>1,092,459</u>
<b>Carrying amount</b>					
<b>At 31 December 2018</b>	<u>1,696,531</u>	<u>314,998</u>	<u>83,000</u>	<u>13,871</u>	<u>2,108,400</u>
At 31 December 2017	<u>1,694,167</u>	<u>323,085</u>	<u>86,279</u>	<u>9,698</u>	<u>2,113,229</u>

### Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures, fittings and equipment £
<b>At 31 December 2018</b>	<u>117,098</u>
At 31 December 2017	<u>163,540</u>

### 14. Stocks

	2018 £	2017 £
Raw materials and consumables	<u>4,720,335</u>	<u>1,494,615</u>

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued)

Year ended 31 December 2018

### 15. Debtors

	2018	2017
	£	£
Trade debtors	1,551,423	2,932,162
Prepayments and accrued income	54,064	40,370
Other debtors	453,961	57,602
	<u>2,059,448</u>	<u>3,030,134</u>

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

	2018	2017
	£	£
Bank loans and overdrafts	-	46,236
Trade creditors	1,015,507	1,698,148
Accruals and deferred income	98,258	53,382
Corporation tax	72,296	922,496
Social security and other taxes	66,548	67,412
Obligations under finance leases	49,283	46,443
Director loan accounts	31,296	40,004
Other creditors	1,106	646
	<u>1,334,294</u>	<u>2,874,767</u>

The Bank Overdraft facility is secured by way of a Debenture, fixed and floating, over all the company assets.

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

	2018	2017
	£	£
Bank loans and overdrafts	-	504,376
Obligations under finance leases	67,815	117,097
	<u>67,815</u>	<u>621,473</u>

Included within creditors: amounts falling due after more than one year is an amount of £ - (2017 £ 332,467 ) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

During the year the long term finance creditor was discharged in full.

# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 18. Obligations under finance leases

#### Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Not later than 1 year	55,405	57,027
Later than 1 year and not later than 5 years	72,004	127,409
	<u>127,409</u>	<u>184,436</u>
Less: future finance charges	(10,311)	(20,896)
Present value of minimum lease payments	<u>117,098</u>	<u>163,540</u>

### 19. Provisions

	Deferred tax (note 20)	Total
	<b>£</b>	<b>£</b>
At 1 January 2018	133,718	133,718
Charges against provisions	(2,442)	(2,442)
<b>At 31 December 2018</b>	<u>131,276</u>	<u>131,276</u>

### 20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Included in provisions (note 19)	<u>131,276</u>	<u>133,718</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>131,276</u>	<u>133,718</u>

### 21. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £93,616 (2017: £87,965).



# AUGUSTUS OILS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2018

### 22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	1,551,423	2,932,162
	<u>1,551,423</u>	<u>2,932,162</u>
<b>Financial liabilities measured at amortised cost</b>		
Bank loans and overdrafts	-	550,612
Trade creditors	1,015,507	1,698,148
Obligations under finance leases	117,098	163,540
Accruals	98,528	53,382
Other creditors	32,402	40,650
	<u>1,263,535</u>	<u>2,506,332</u>

### 23. Called up share capital Issued, called up and fully paid

	2018		2017	
	No 1,000	£ 100,000	No 1,000	£ 100,000
Ordinary shares shares of £ 100.00 each	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>

### 24. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2018			
	Balance brought forward £	Advances /(credits) to the directors £	Amounts repaid £	Balance o/standing £
P Wilson	(40,004)	94,000	(85,292)	(31,296)
	<u>(40,004)</u>	<u>94,000</u>	<u>(85,292)</u>	<u>(31,296)</u>
	2017			
	Balance brought forward £	Advances /(credits) to the directors £	Amounts repaid £	Balance o/standing £
P Wilson	(660)	40,992	(80,336)	(40,004)
	<u>(660)</u>	<u>40,992</u>	<u>(80,336)</u>	<u>(40,004)</u>

The Directors current account is interest free and repayable to the director on demand.

**AUGUSTUS OILS LIMITED**

**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**25. Related party transactions**

All transactions with the related parties were at arms length and therefore do not require disclosure.

**26. Controlling party**

Throughout the year under review, the company was under the control of Mrs P Wilson, the Managing Director and majority shareholder.