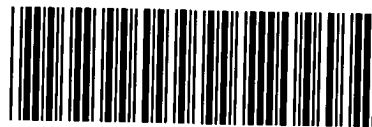


Company Registration No. 02017417 (England and Wales)

**ANDREW MARTIN INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2019**

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COMPANIES HOUSE

# ANDREW MARTIN INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M C Waller T Disdale M Rosamond Lord M Davies J B Downing T Oulton M Durbridge
<b>Secretary</b>	J Teoh
<b>Company number</b>	02017417
<b>Registered office</b>	190-196 Walton Street London SW3 2JL
<b>Auditor</b>	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN
<b>Bankers</b>	Barclays Bank plc 8 George Street Richmond Surrey TW9 1JU  HSBC Bank plc 74 Goswell Road London EC1V 7DA

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# ANDREW MARTIN INTERNATIONAL LIMITED

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# **ANDREW MARTIN INTERNATIONAL LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their strategic report and group financial statements for the year ended 31 January 2019.

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

Sales are both retail and wholesale made through the company's showrooms and through its expanding network of interior designers. The company's products are also exported worldwide. Turnover increased this year to £10,933,142 (2018: £8,794,875). The company's subsidiaries in the US did not trade during the year.

The trading loss for the year, before taxation and exceptional items, amounted to £178,729 (2018: £469,169).

An exceptional loss of £206,444 was made in relation to US sales tax and legal fees. After debiting this to profit and loss a pre-tax loss of £385,173 was made.

Our turnaround strategy continues to prioritise revenue growth and profitability of the company, with greater emphasis on increasing revenue. A significant cost and operational review has proved successful at reducing our operating costs for the year ending 31 January 2019 onwards. For the year ending 31 January 2020 we expect revenue to significantly increase and for the company return to profitability.

### **Principal risks and uncertainties**

The principal risk and uncertainty facing the group is the threat of a continued global economic downturn, particularly in Europe, which could in turn put pressure on the group's ability to achieve its objectives. Like many businesses the key risk is customer retention and development as well as maintaining the quality of products. In order to mitigate this risk the group strives to maintain high levels of quality merchandise and customer service.

### **Treasury management and financial instruments**

The group operates a central treasury function which is primarily responsible for managing cash balances and foreign currency risks. We have little exposure to foreign currency fluctuations as we buy and sell in Euros and Dollars.

The group seeks to specifically manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs as and when they fall due. Liquid resources are managed to ensure cash assets are invested safely and profitably.

The group has no significant concentrations of credit risk. The group operates a policy that requires appropriate credit checks on potential customers before sales commence.

On behalf of the board



M Rosamond  
Director

28 October 2019

# **ANDREW MARTIN INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

---

The directors present their report and group financial statements for the year ended 31 January 2019.

### **Principal activities**

The principal activity of the group continued to be that of design and distribution of fine fabrics and furniture.

### **Directors**

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

M C Waller  
T Disdale  
M Rosamond  
Lord M Davies  
J B Downing  
T Oulton  
M Durbridge

### **Results and dividends**

The results for the year are set out on page 7.

The directors have not recommended the payment of a dividend for the year (2018: £nil).

### **Future developments**

Likely future developments in the business are discussed in the strategic report.

### **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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

  
M Rosamond  
Director  
28 October 2019

# **ANDREW MARTIN INTERNATIONAL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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The directors are responsible for preparing the Directors' and Strategic Reports and the annual 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.

# ANDREW MARTIN INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ANDREW MARTIN INTERNATIONAL LIMITED

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#### Opinion

We have audited the financial statements of Andrew Martin International Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2019 and of the group's 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

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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# **ANDREW MARTIN INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ANDREW MARTIN INTERNATIONAL LIMITED**

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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



# ANDREW MARTIN INTERNATIONAL LIMITED

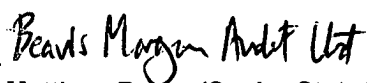
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ANDREW MARTIN INTERNATIONAL LIMITED

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#### 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 Burge (Senior Statutory Auditor)

for and on behalf of Beavis Morgan Audit Limited

28 October 2019

Chartered Accountants

Statutory Auditor

82 St John Street  
London  
EC1M 4JN

# ANDREW MARTIN INTERNATIONAL LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	2018 £
Turnover	3	10,933,142	8,794,875
Cost of sales		(5,399,769)	(4,365,265)
<b>Gross profit</b>		<b>5,533,373</b>	<b>4,429,610</b>
Distribution costs		(1,147,560)	(921,015)
Administrative expenses		(4,533,407)	(3,962,823)
Exceptional item	4	(206,444)	-
<b>Operating loss</b>	<b>5</b>	<b>(354,038)</b>	<b>(454,228)</b>
Interest receivable and similar income	9	167	494
Interest payable and similar expenses	10	(31,302)	(15,435)
<b>Loss before taxation</b>		<b>(385,173)</b>	<b>(469,169)</b>
Tax on loss	11	-	(680)
<b>Loss for the financial year</b>		<b>(385,173)</b>	<b>(469,849)</b>

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

# ANDREW MARTIN INTERNATIONAL LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 JANUARY 2019*

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	2019 £	2018 £
Loss for the year	(385,173)	(469,849)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(385,173)</u>	<u>(469,849)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ANDREW MARTIN INTERNATIONAL LIMITED

## GROUP BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,464,873		1,387,330
<b>Current assets</b>					
Stocks	14	3,781,105		2,927,645	
Debtors	15	1,625,940		1,453,294	
Cash at bank and in hand		465,081		466,226	
		5,872,126		4,847,165	
<b>Creditors: amounts falling due within one year</b>	16	(3,434,847)		(2,423,907)	
<b>Net current assets</b>			2,437,279		2,423,258
<b>Total assets less current liabilities</b>			3,902,152		3,810,588
<b>Creditors: amounts falling due after more than one year</b>	17		(140,050)		(173,313)
<b>Net assets</b>			3,762,102		3,637,275
<b>Capital and reserves</b>					
Called up share capital	20		40,819		38,630
Share premium account	21		1,828,643		1,320,832
Profit and loss reserves			1,892,640		2,277,813
<b>Total equity</b>			3,762,102		3,637,275

The financial statements were approved by the board of directors and authorised for issue on 28 October 2019 and are signed on its behalf by:

  
M Rosamond  
Director

# ANDREW MARTIN INTERNATIONAL LIMITED

## COMPANY BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,464,873		1,387,330
<b>Current assets</b>					
Stocks	14	3,781,105		2,927,645	
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The financial statements were approved by the board of directors and authorised for issue on 28 October 2019 and are signed on its behalf by:

  
M Rosamond  
Director

Company Registration No. 02017417

# ANDREW MARTIN INTERNATIONAL LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2017</b>		38,630	1,320,832	2,747,662	4,107,124
<b>Year ended 31 January 2018:</b>					
Loss and total comprehensive income for the year		-	-	(469,849)	(469,849)
<b>Balance at 31 January 2018</b>		38,630	1,320,832	2,277,813	3,637,275
<b>Year ended 31 January 2019:</b>					
Loss and total comprehensive income for the year		-	-	(385,173)	(385,173)
Issue of share capital	20	2,189	507,811	-	510,000
<b>Balance at 31 January 2019</b>		40,819	1,828,643	1,892,640	3,762,102

# ANDREW MARTIN INTERNATIONAL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2017</b>		38,630	1,320,832	3,746,484	5,105,946
<b>Year ended 31 January 2018:</b>					
Loss and total comprehensive income for the year		-	-	(1,468,671)	(1,468,671)
<b>Balance at 31 January 2018</b>		38,630	1,320,832	2,277,813	3,637,275
<b>Year ended 31 January 2019:</b>					
Loss and total comprehensive income for the year		-	-	(385,173)	(385,173)
Issue of share capital	20	2,189	507,811	-	510,000
<b>Balance at 31 January 2019</b>		40,819	1,828,643	1,892,640	3,762,102

# ANDREW MARTIN INTERNATIONAL LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23		(524,806)		102,839
Interest paid			(31,302)		(15,435)
Income taxes refunded			-		76,689
<b>Net cash (outflow)/inflow from operating activities</b>			(556,108)		164,093
<b>Investing activities</b>					
Purchase of tangible fixed assets		(212,543)		(320,860)	
Interest received		167		494	
<b>Net cash used in investing activities</b>			(212,376)		(320,366)
<b>Financing activities</b>					
Proceeds from issue of shares		510,000		-	
Cash received from/(repayment of) bank loans		257,339		(32,668)	
<b>Net cash generated from/(used in) financing activities</b>			767,339		(32,668)
<b>Net decrease in cash and cash equivalents</b>			(1,145)		(188,941)
Cash and cash equivalents at beginning of year			466,226		655,167
<b>Cash and cash equivalents at end of year</b>			465,081		466,226



# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JANUARY 2019**

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### **1 Accounting policies**

#### **Company information**

Andrew Martin International Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 190-196 Walton Street, London, SW3 2JL.

The group in the current and previous years consisted of Andrew Martin International Limited and its four subsidiaries which are incorporated in the United States.

#### **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 to their fair values. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £385,173 (2018: £1,468,671).

#### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of Andrew Martin International Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 January 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

#### **1.3 Going concern**

The directors believe that the group will be able to generate positive cash flows for the foreseeable future. This is on the basis of the projected profit and loss information and cashflow projections prepared by the directors for the period ending 12 months from the date of their approval of these financial statements. Another component in ensuring that the group will continue in operational existence is the continued provision of adequate borrowing facilities from the group's bankers which the directors believe will continue.

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover comprises amounts receivable for goods and services, net of VAT. Turnover is recognised when the product has been delivered or the service provided, respectively.

#### 1.5 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	not depreciated
Land and buildings leasehold	over the period of the lease
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% 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 recognised in the profit and loss account.

#### 1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible fixed 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 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.

#### 1.8 Stocks

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

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies

(Continued)

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.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held 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.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and 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.

##### **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 group 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 group after deducting all of its liabilities.

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, 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 receipts 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, and are classified as current liabilities.

#### **Derecognition of financial liabilities**

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

#### **1.11 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received.

#### **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 group'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 tax liabilities are recognised for timing differences to the extent that they are material to the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

#### **1.14 Retirement benefits**

The company operates a defined contribution pension scheme. The amounts payable in the year were equal to the amounts paid.

#### **1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit and loss on a straight line basis over the term of the relevant lease.

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

### 3 Turnover and other revenue

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Fabric	3,191,317	2,950,250
Furniture	7,741,825	5,844,625
	<u>10,933,142</u>	<u>8,794,875</u>

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	7,657,164	5,496,498
United States of America	825,611	1,068,275
Europe	1,367,803	1,402,614
Rest of the world	1,082,564	827,488
	<u>10,933,142</u>	<u>8,794,875</u>

### 4 Exceptional item

	2019 £	2018 £
US sales tax and legal fees	206,444	-

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 5 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	132,225	73,969
Loss on disposal of tangible fixed assets	2,775	2,607
Cost of stocks recognised as an expense	4,730,483	3,912,165
Operating lease charges	602,636	446,763
	<u>          </u>	<u>          </u>

### 6 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	13,800	13,450
	<u>          </u>	<u>          </u>

### 7 Employees

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

	2019 Number	2018 Number
Sales and warehouse staff	34	34
Administration staff	7	7
	<u>          </u>	<u>          </u>
	41	41
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,833,574	1,672,033
Social security costs	192,397	173,703
Pension costs	61,976	51,744
	<u>          </u>	<u>          </u>
	2,087,947	1,897,480
	<u>          </u>	<u>          </u>

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 8 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	557,746	476,589
Company pension contributions to defined contribution schemes	6,015	13,432
	<u>563,761</u>	<u>490,021</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

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

	2019 £	2018 £
Remuneration for qualifying services	281,560	209,144
Company pension contributions to defined contribution schemes	2,815	11,315
	<u>284,375</u>	<u>220,459</u>

### 9 Interest receivable

	2019 £	2018 £
Interest receivable on bank deposits	167	494
	<u>167</u>	<u>494</u>

### 10 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	31,302	15,435
	<u>31,302</u>	<u>15,435</u>

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 11 Taxation

	2019 £	2018 £
<b>Current tax</b>		
Foreign current tax on profits for the current period	-	680
	<u>          </u>	<u>          </u>

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

	2019 £	2018 £
Loss before taxation	(385,173)	(469,169)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(73,183)	(89,142)
Tax effect of expenses that are not deductible in determining taxable profit	3,685	5,357
Depreciation on assets not qualifying for tax allowances	25,123	14,549
Capital allowances	(42,963)	(42,640)
Tax losses carried forward	86,346	111,820
Foreign and other tax adjustments	992	736
	<u>          </u>	<u>          </u>
Taxation charge for the year	-	680
	<u>          </u>	<u>          </u>

The company has approximately £2.8m (2018: £2.3m) of tax losses to carry forward to offset against future trading profits.



# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 12 Tangible fixed assets

Group and company	Land and buildings freehold £	Land and buildings leasehold £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>				
At 1 February 2018	890,150	60,504	1,135,180	2,085,834
Additions	-	-	212,543	212,543
Disposals	-	-	(94,497)	(94,497)
At 31 January 2019	890,150	60,504	1,253,226	2,203,880
<b>Depreciation and impairment</b>				
At 1 February 2018	-	457	698,047	698,504
Depreciation charged in the year	-	2,740	129,485	132,225
Eliminated in respect of disposals	-	-	(91,722)	(91,722)
At 31 January 2019	-	3,197	735,810	739,007
<b>Carrying amount</b>				
At 31 January 2019	890,150	57,307	517,416	1,464,873
At 31 January 2018	890,150	60,047	437,133	1,387,330

Freehold land and buildings were valued on fair value basis at 31 January 2010 by Bells Chartered Surveyors and Hallams Property Consultants, both independent firms of Chartered Surveyors. Further valuations were carried out by HSBC Bank Plc in May 2014.

### 13 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,362,477	1,154,400	1,362,477	1,154,400
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,470,315	2,547,990	3,470,315	2,547,990

### 14 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	3,781,105	2,927,645	3,781,105	2,927,645

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 15 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,353,427	1,152,036	1,353,427	1,152,036
Other debtors	9,050	7,527	9,050	7,527
Prepayments and accrued income	263,463	293,731	263,463	293,731
	<u>1,625,940</u>	<u>1,453,294</u>	<u>1,625,940</u>	<u>1,453,294</u>

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

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans	18	323,221	32,619	323,221	32,619
Trade creditors		2,135,952	1,531,680	2,135,952	1,531,680
Other taxation and social security		104,582	49,230	104,582	49,230
Other creditors		138,472	197,289	138,472	197,289
Accruals and deferred income		732,620	613,089	732,620	613,089
		<u>3,434,847</u>	<u>2,423,907</u>	<u>3,434,847</u>	<u>2,423,907</u>

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

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans	18	<u>140,050</u>	<u>173,313</u>	<u>140,050</u>	<u>173,313</u>

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 18 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	463,271	205,932	463,271	205,932
Payable within one year	323,221	32,619	323,221	32,619
Payable after one year	140,050	173,313	140,050	173,313

Bank loans include a balance due to HSBC Bank Plc, which is secured by fixed and floating charges over the assets of the company, with interest charged at 1.75% above bank base rate.

### 19 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	61,976	51,744

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 20 Share capital

	Group and company 2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,081,888 Ordinary shares of 1p each	40,819	38,630

During the year 218,900 Ordinary shares of 1p each were issued for the total consideration of £510,000.

### 21 Share premium account

	Group 2019 £	2018 £	Company 2019 £	2018 £
At beginning of year	1,320,832	1,320,832	1,320,832	1,320,832
Issue of new shares	507,811	-	507,811	-
At end of year	1,828,643	1,320,832	1,828,643	1,320,832

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 22 Operating lease commitments

#### Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	825,600	744,100	825,600	744,100
Between two and five years	2,862,400	2,726,400	2,862,400	2,726,400
In over five years	3,958,842	4,627,942	3,958,842	4,627,942
	<u>7,646,842</u>	<u>8,098,442</u>	<u>7,646,842</u>	<u>8,098,442</u>

### 23 Cash generated from group operations

	2019 £	2018 £
Loss for the year after tax	(385,173)	(469,849)
Adjustments for:		
Taxation charged	-	680
Finance costs	31,302	15,435
Investment income	(167)	(494)
Loss on disposal of tangible fixed assets	2,775	2,607
Depreciation and impairment of tangible fixed assets	132,225	73,969
Movements in working capital:		
(Increase) in stocks	(853,460)	(264,574)
(Increase) in debtors	(172,646)	(30,236)
Increase in creditors	720,338	775,301
<b>Cash (absorbed by)/generated from operations</b>	<u>(524,806)</u>	<u>102,839</u>

# ANDREW MARTIN INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 JANUARY 2019*

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### **24 Related party transactions**

The details of the remuneration of key management personnel, all of whom are directors, are given in note 8 to the financial statements.

The company engaged in normal trading transactions with T Disdale Designs Limited during the year, which is owned by T Disdale, a director and shareholder. A balance of £nil (2018: £21,857) was owed to the company by T Disdale Designs Limited at the balance sheet date. Sales of £8,918 (2018: £28,762) were made to T Disdale Designs Limited during the year.

The company engaged in normal trading transactions with Halo Creative and Design Limited during the year, which is owned by T Oulton, a director. A balance of £179,329 (2018: £164,777) was owed by the company to Halo Creative and Design Limited at the balance sheet date. Purchases of £635,953 (2018: £435,387) were made from Halo Creative and Design Limited during the year.

At the balance sheet date, the company owed £34,135 (2018: £110,135) to M Waller, a director.

Exemption has been taken of paragraph 33.1A of FRS 102, which does not require that transactions entered into between two or more members of a group be disclosed provided that any subsidiary which is a party to the transactions is a wholly owned member of a group.