Company Registration No. 02751472

AMSCREEN GROUP LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2021

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 September 2021

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Keenan
M Ray
S Sugar

COMPANY SECRETARY

S Keenan

REGISTERED OFFICE

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Horwich
Lancashire
BL6 6HG
United Kingdom

BANKER

Metro Bank PLC
One Southampton Row
London
WC1B 5HA
United Kingdom

LEGAL ADVISER

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL
United Kingdom

AUDITOR

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester, M4 4AH
United Kingdom

STRATEGIC REPORT

The directors present their strategic report of Amscreen Group Limited for the year ended 30 September 2021.

PRINCIPAL ACTIVITIES AND RESEARCH AND DEVELOPMENT

The principal activity of the Company in the year was that of a provider of digital signage solutions.

The Company continues to invest significant time and resource to ensure that its solutions embrace the latest available technologies. Research and development represent a key facet of the Company's activities and in the current year has been focussed on the development of its hardware, software and services to meet the needs of its customer base.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

Despite the challenges faced in the year to 30 September 2021, it has been successful and pleasing from a trading, operational and strategic perspective.

The Company has had to contend with the ongoing issues arising from the coronavirus pandemic and significant issues from the world-wide supply chain shortages, particularly in respect of electronic components. Brexit however has had little impact, other than contributing to what is an already tight labour market for finding new staff.

All these potential obstacles have however been managed very well during the last two years and the directors express their deepest gratitude for the significant efforts and support of our staff, our suppliers and Clear Channel in successfully helping deal with all the challenges faced.

Our key customer, Clear Channel, maintained frequent dialogue with us throughout the year and met all their commitments to us, including the full repayment of all amounts deferred from the prior year. Clear Channel have also traded well during the past year and have cemented our partnership further by placing significant orders with us for the year ahead.

Our business model of providing our screen solutions on a lease facility that is payable over a number of years results in our cash flows for any period being largely related to product that has been shipped in prior periods. This has helped ensure that the incoming cash flows for the period were very strong.

The coronavirus has not prevented us from keeping our manufacturing and development facilities open all year. We have followed all the relevant government guidance and a combination of effective procedures and the diligence and care of our staff has ensured that we have kept any disruption to a minimum.

The Company has been better placed than most companies in being able to respond to the supply chain issues being experienced by so many. We have a team of engineers that design all of our products and we are therefore able to design in replacement components wherever possible. The Company has also chosen to invest significantly in stock of components ahead of when they would normally be required and this has resulted in a larger than normal prepayment as at 30 September 2021.

The strength of our performance for the last 12 months have served to strengthen the Company's belief in its products, business model and target market. It has continued to invest significantly in research & development and has successfully launched our new LED billboard product during the year and have another significant product launch scheduled in the first half of 2022.

The Company has not suffered unduly from any labour shortages being experienced in many markets. Whilst it has become slightly more of a challenge to secure new recruits, we are still able to find and retain the people that we need.

The investment outlined above into our products has also been extended to our investment in our people (both new and existing) and in our infrastructure. We have made a significant leap forward in entering into a new long term lease on a new, purpose built manufacturing facility. The new facility is 60,000 square foot compared to a combined current total of 25,000 square foot. The lease was signed before the year end and therefore explains the figures within this year's lease commitment disclosures. This facility will also allow all our activities to be housed under one roof and therefore make us even more efficient, responsive and innovative.

The move to the new facility is a key part of the Company's sustainability strategy and the building incorporates a large number of technologies and processes that will help us underpin this strategy for years to come. Just like our products, our building uses substantial recycled and recyclable materials. Both have components have that been chosen to have a long life and both have been designed for de-construction rather than demolition. The building and our products are very efficient from a power usage perspective and the new building will be powered by 100% renewable electricity and will have no gas power. We have implemented a rain water harvesting system that is monitored by a state of the art water leak detection system. The Company fully understands the responsibility that it has to its surroundings and the environment.

STRATEGIC REPORT (continued)

The Company made a net profit after tax of £4,679,683 in the year (2020: £4,822,009). This was only a reduction of £142,326 from 2020 and 2021 was actually £242,217 higher than 2020 at a profit before tax level.

The positive trading performance and strong cash flows in recent years has allowed the Company to make a dividend payment of £6,071,732 (2020: £Nil) in the year.

Turnover grew by 19% in the year due to the manufacturing facility being open for the full year, whereas it was closed for three months in the prior year during the initial coronavirus lockdown. The continuation of good gross margins resulted in gross profit rising by 15%. Interest earned on finance leases fell by £431,689 during the year, purely as a result of less interest being earned as the leases progress through their five year term and there was no contribution in the current year from the government grants for support with payroll costs (2020: £250,860). Administrative expenses increased by £413,084 as a result of our increased investment in both research and development and all areas of the business. The net annual finance costs of the business were an income of £1,242 (2020: cost of £244,137) due to the full repayment of all loan balances during 2020. The results for the year to 30 September 2021 saw the company continue to claim R&D tax credits and Patent Box tax relief which have resulted in a tax charge for the year of £280,170 being recorded (2020: tax credit £104,373).

FRS 102 requires the Company to account for the outdoor screens as finance leases and as such, a finance lease rental receivable balance of £12,024,222 (2020: £19,163,734) is recorded within debtors, which will be recovered over the contract term of the screens that have been delivered to date.

Other than the traditional measures of profitability, the Company currently considers the number of outdoor screens that it has deployed under long-term rental contracts as its key performance indicator. This was 4,114 at 30 September 2021 and 3,753 at 30 September 2020. The ongoing monitoring and maintenance of the deployed network of screens is a key part of the Company's operations and overall performance in this regard has continued to be very pleasing with all expected service and performance levels being exceeded.

PRINCIPAL RISKS AND UNCERTAINTIES

The key principal risks facing the Company are:

- The business is currently reliant on a single customer group and their European subsidiaries which in turn has a significant reliance on the European outdoor advertising sector. The outdoor advertising market did suffer from the European lockdowns that have been required due to the coronavirus outbreak. Digital screens were however used to good effect during the lockdowns as advertising was sent electronically to the screens and the screens were used for extensive public health messaging. Clear Channel did see a recovery in advertising once lockdowns were eased across Europe and expect this to be the case moving forward. The advertising sector is still best placed to deliver a return on investment from digital screen solutions and is therefore the key driver of growth in the outdoor screen solution market. Clear Channel possesses a high market share of the outdoor advertising industry across Europe and therefore represent an obvious and key target for the Company's products and solutions. Part of the Company's long term strategy is to extend its core customer base both within and beyond Europe.
- The Company's lease model means that there is a significant finance lease receivable balance in the balance sheet. The recoverability of this debt is key to the future success of the business. The Company operates rigorous credit checks, contracts and operational processes to mitigate this risk.
- A general downturn in the performance of the UK & European economy may impact the main customers of the business resulting in reduced demand for the Company's core products. The Company has largely mitigated this by providing its core products on fixed term lease contracts which provide surety of cash flows over a number of years and the Company has lower barriers to adoption of its offering than other providers. This business model has served the Company well in the last twelve months and throughout the coronavirus outbreak, due to the reduction in the number of units sold being more than offset by the cash received from lease payments from units shipped in prior years. The cash generation of the Company in the year was therefore very strong. The Company does not anticipate any major negative implications arising from the "Brexit" process and put in place the necessary processes for the increased administration involved in shipping products to Europe.
- The growth of the outdoor screen products business has increased the Company's use of and exposure to foreign currencies. The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so, although no hedges were entered into in the current or prior year.

STRATEGIC REPORT (continued)

- Whilst there are currently a small number of direct competitors in the outdoor digital screen sector there is a risk that new competitors will enter the market bringing improved technology and creating a more competitive environment. The Company makes significant investment in new technology to ensure that its products remain both technologically advanced and competitively priced. The Company also positions itself as an end-to-end solution provider which requires a tailored service approach rather than just being regarded as a supplier of components or commodities.
- The leasing business model requires access to substantial initial funding with revenue then being earned over the term of the contract. The Company's funding facilities are now predominately self-generated. The Company is confident that sufficient sources of funding would be available should they be required in the future to support the ongoing provision of the leasing model. Further, the Company is only under an obligation to provide the leasing model for a finite number of future sales and facilities are already in place for these items. A number of target customers would not desire or require lease finance and would instead purchase the screen hardware outright.

FUTURE DEVELOPMENTS

The Company believes that the quality of its solutions and service will serve to provide the stimulus for continued growth of the Company's share of the outdoor digital advertising market in Europe. The continuation of our partnership with Clear Channel International Limited, alongside our commitment to research and development activities and the launch of our new products are expected to underpin the Company's results in the years to come.

Approved by the Board of Directors on 21 December 2021
By order of the Board

S Keenan

Director and Company Secretary

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 30 September 2021. The Company's principal activities, research and development, review of business, future developments and discussion of risks are noted within the strategic report.

RESULTS, DIVIDENDS AND TRANSFER TO RESERVES

The profit of the Company for the year is set out on page 10. The Company paid a dividend in the year of £6,071,732 (2020: £nil). The profit for the year of £4,679,683 (2020: £4,822,009) has been transferred to reserves.

DIRECTORS

The directors who have held office for the whole year and thereafter are as follows:

S Keenan
M Ray
S Sugar

FINANCIAL RISK MANAGEMENT

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's results and receivables are dominated by its activity with Clear Channel International Limited and these risks are mitigated through credit checks, contracts and operational processes.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For the reasons set out in The Strategic Report, the directors believe that any uncertainties arising from the ongoing coronavirus outbreak, the component supply chain issues and the "Brexit" process will not have any major negative implications on the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 to the financial statements.

AUDITOR

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

- as far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 21 December 2021 and signed by order of the Board.

S Keenan
Director and Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMSCREEN GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Amscreen Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMSCREEN GROUP LIMITED (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

Accuracy of Maintenance income

- Reviewed management's controls around revenue recognition process;
- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Performed an analytical review by recalculating both the FY21 Maintenance Income balance and FY21 Deferred Income proportion; and
- Considered the potential exposure under the warranty, the costs of replacement components, the historical rate or useage to determine what should be deferred at the balance sheet date.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMSCREEN GROUP LIMITED (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Rachel Argyle

Rachel Argyle (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
21 December 2021

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2021

	Note	2021 £	2020 £
Turnover	3	13,390,730	11,292,924
Cost of sales		(4,989,710)	(3,984,375)
Gross profit		8,401,020	7,308,549
Other income	5	673,683	1,356,232
Administrative expenses		(4,116,092)	(3,703,008)
Net finance income/(costs)	4	1,242	(244,137)
Profit before taxation	5	4,959,853	4,717,636
Tax on profit	7	(280,170)	104,373
Profit for the financial year		4,679,683	4,822,009

There are no recognised gains or losses other than as stated above in either year and accordingly, no separate statement of comprehensive income is presented.

All results derive from continuing operations.

BALANCE SHEET
As at 30 September 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	82,100	88,389
CURRENT ASSETS			
Stocks	9	2,642,710	2,394,876
Debtors:			
- Due within one year	10	9,810,751	15,820,485
- Due after one year	10	4,143,454	7,032,804
Cash at bank and in hand		8,019,631	1,613,104
		24,616,546	26,861,269
CREDITORS: amounts falling due within one year	11	(5,854,943)	(7,299,135)
NET CURRENT ASSETS		18,761,603	19,562,134
TOTAL ASSETS LESS CURRENT LIABILITIES		18,843,703	19,650,523
CREDITORS: amounts falling due after more than one year	12	(3,348,602)	(2,763,373)
NET ASSETS		15,495,101	16,887,150
CAPITAL AND RESERVES			
Called-up share capital	15	919,959	919,959
Share premium account	15	12,426,710	12,426,710
Profit and loss account	15	2,148,432	3,540,481
SHAREHOLDERS' FUNDS		15,495,101	16,887,150

These financial statements of Amscreen Group Limited, registered number 02751472, were approved by directors and authorised for issue on 21 December 2021 and are signed on their behalf by:

S Keenan
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2021

	Called up Share Capital £	Share Premium Account £	Profit and Loss Account £	Total £
At 1 October 2019	919,959	12,426,710	(1,281,528)	12,065,141
Profit for the financial year and total comprehensive income	-	-	4,822,009	4,822,009
At 30 September 2020	919,959	12,426,710	3,540,481	16,887,150
Profit for the financial year and total comprehensive income	-	-	4,679,683	4,679,683
Dividends paid on equity shares	-	-	(6,071,732)	(6,071,732)
At 30 September 2021	919,959	12,426,710	2,148,432	15,495,101

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2021

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have all been applied consistently throughout the current and preceding year.

General information and basis of accounting

Amscreen Group Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2-4.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Amscreen Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Amscreen Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Amscreen Group Limited is consolidated in the financial statements of its parent, Amshold Trading Limited, which may be obtained from the address in note 17. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

During the year the Company continued to invest significant funds into the development of digital signage solutions and has made good operational and trading progress.

The directors are aware of their duty to assess the ability of the Company to continue as a going concern and in particular are sensitive to this requirement given the current economic climate both within the UK and globally. Although the Company has strong interest in its offering, the current economic conditions experienced by the UK and Eurozone continue to create an uncertainty over the level of the demand for the Company's products and services.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with its current cash balances. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and in any case a period of not less than one year from the date of signing these financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Income from interest on leases

Income from interest on leases is recorded in other income, is recognised over the term of the lease offered to customers and is calculated with reference to the Company's cost of capital.

Dividends

Dividends payable are recognised on a paid basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life as follows:

Fixtures, fittings and equipment	- 25% on reducing balance
Plant and machinery	- 33% on a straight-line basis
Leasehold improvements	- 20% on a straight-line basis
Computer equipment and screens	- 33% on a straight-line basis

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is the most recent purchase price of materials and direct labour. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets sold under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to assets sold, are disposed at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease). The capital elements of future lease rentals are recognised as receivables, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the receivable. The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is equal to the minimum lease payments receivable.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Any research and development tax credits are recorded on an as received basis.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Retirement benefits

The Company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Government grants

Government grants are recorded in other income. Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

During the prior year (to 30 September 2020) and in response to the Covid-19 pandemic the Company took advantage of the Coronavirus Job Retention Scheme which resulted in the company receiving a government grant to cover the salary costs of a number of employees. The receipt was recognised in the profit and loss account in other income. The Company also took part in the prior year in the VAT Deferral Scheme which was announced by the government to assist businesses with their cash flow during the Covid-19 pandemic. Therefore the VAT payments which were payable in March through to June 2020 were deferred with the total amount payable at the 30 September 2020 year-end included in other taxes and social security amounts due (see note 11).

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There were no instances of material critical accounting judgements in either the current or prior financial years.

Key sources of estimation uncertainty in applying the Company's accounting policies

The following are the key sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Revenue recognition in respect of warranty income

The Company provides an extended warranty on the majority of their outdoor digital screens within their overall prices for their products and services. The adopted accounting policy is to match the warranty income to the warranty costs that are expected to be incurred over the contract term. It is likely that the majority of the warranty costs will be incurred later in the contract term which has therefore resulted in deferred warranty income included within the accruals and deferred income balance.

Recoverability of lease rental debtor

The finance lease recoverable balance included in debtors (see note 10) relates to agreed and contracted future lease rentals that are due to the Company. Regular contact, creditworthiness checks and reviews of ongoing payment performance are used by the Company to assist in the recoverability of future lease rentals. Furthermore, the Company's contracts give the Company full ownership and control of the assets until all contracted lease rentals are paid in full.

3. TURNOVER

The Company's turnover was all derived from its principal activity. Turnover was made in the following geographical markets.

	2021	2020
	£	£
United Kingdom	8,275,110	9,834,801
Rest of the world	5,115,620	1,458,123
	13,390,730	11,292,924

An analysis of the Company's revenue is as follows:

	2021	2020
	£	£
Sale of goods	7,948,383	7,170,363
Rendering of services	5,442,347	4,122,561
Total revenue	13,390,730	11,292,924

4. NET FINANCE INCOME/(COSTS)

	2021	2020
	£	£
Interest receivable	1,242	-
Interest payable and similar expenses		
Bank and bank loan interest	-	(55,863)
Interest on loan from group company	-	(188,274)
	1,242	(244,137)
Net finance income/(costs)	1,242	(244,137)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	63,798	150,033
Hire of plant and machinery	23,967	36,880
Operating lease rentals		
- land and buildings	490,300	204,426
- other	25,231	26,012
Cost of stock recognised as an expense	4,989,710	3,984,375
Foreign exchange gains	(237,062)	(81,455)
Research and development expenditure	347,490	164,983
Other income:		
Income from interest on leases	(673,683)	(1,105,372)
Government grants for support with payroll costs	-	(250,860)
Auditor's remuneration:		
- fees payable for the audit of the Company's annual financial statements	25,000	22,500

There were no non-audit fees payable to the Company's auditor in the year (2020: £nil).

The income from interest on leases relates to the interest earned on the finance leases that were live during the financial year.

6. EMPLOYEES

	2021 No.	2020 No.
The average monthly number of employees (including directors):		
Office, support and sales	18	20
Engineering	13	14
Production	16	18
	47	52

	2021 £	2020 £
Their aggregate remuneration comprised:		
Wages and salaries	2,404,438	2,099,101
Social security costs	257,064	239,981
Pension contributions	105,541	90,481
	2,767,043	2,429,563

	2021 £	2020 £
Directors' remuneration		
Emoluments	436,110	412,606
Pension contributions	22,061	15,765
	458,171	428,371

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

6. EMPLOYEES (continued)

	2021 No.	2020 No.
The number of directors who are a member of:		
Defined contribution pension schemes	1	1

	2021 £	2020 £
Remuneration of the highest-paid director		
Emoluments (including benefits in kind)	264,002	247,084

7. TAX ON PROFIT

	2021 £	2020 £
Current tax		
UK corporation tax	297,841	119,736
Adjustment in respect of prior years	(3,749)	(229,646)
Total current tax	294,092	(109,910)
Deferred tax		
Origination and reversal of timing differences	(13,922)	5,537
Total deferred tax (note 14)	(13,922)	5,537
Total tax charge/(credit) on profit	280,170	(104,373)

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 30 September 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 30 September 2020. Furthermore however, in the March 2021 Budget it was announced that the main UK rate will increase to 25% after 1 April 2023, so the deferred tax balances as at 30 September 2021 have been calculated at a rate of 25%.

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation is as follows:

	2021 £	2020 £
Profit before taxation	4,959,853	4,717,636
Profit at standard UK corporation tax rate of 19.0% (2020: 19.0%)	942,372	896,351
Effects of:		
Expenses not deductible for tax purposes	6,531	1,252
Unrecognised deferred tax movement	(52,023)	(304,071)
R&D tax credit relief	(289,432)	(177,109)
Patent Box tax relief	(323,529)	(291,150)
Adjustment in respect of prior years	(3,749)	(229,646)
Total tax on profit	280,170	(104,373)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Computer equipment and screens £	Total £
Cost					
At 1 October 2020	126,940	475,931	93,592	437,385	1,133,848
Additions	-	42,769	-	14,740	57,509
At 30 September 2021	126,940	518,700	93,592	452,125	1,191,357
Depreciation					
At 1 October 2020	110,250	433,528	80,220	421,461	1,045,459
Charged in the year	13,682	36,682	3,343	10,091	63,798
At 30 September 2021	123,932	470,210	83,563	431,552	1,109,257
Net book value					
At 30 September 2021	3,008	48,490	10,029	20,573	82,100
At 30 September 2020	16,690	42,403	13,372	15,924	88,389

9. STOCKS

	2021 £	2020 £
Raw materials	2,276,037	2,043,096
Finished goods and goods for resale	366,673	351,780
	2,642,710	2,394,876

There is no material difference between the balance sheet value of stocks and their replacement cost.

10. DEBTORS

	2021 £	2020 £
Trade debtors	133,082	2,794,464
Finance lease rental receivable	12,024,222	19,163,734
Other debtors, prepayments and accrued income	1,580,141	400,335
Corporation Tax recoverable	-	291,918
Deferred tax asset (note 14)	216,760	202,838
	13,954,205	22,853,289

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

10. DEBTORS (continued)

The finance lease rental receivable falls due as follows:

	2021		2020	
	Present value of minimum lease payments £	Gross investment in leases £	Present value of minimum lease payments £	Gross investment in leases £
- within one year	8,097,528	8,410,367	12,333,768	12,945,870
- between one and five years	3,926,694	4,030,237	6,829,966	6,991,311
	12,024,222	12,440,604	19,163,734	19,937,181

The difference between the gross investment and present value of minimum lease payments relates to the interest income due to accrue on the balance. There was no unearned finance income or unguaranteed residual values accruing to the benefit of the company at 30 September 2021 (2020: same).

The deferred tax asset is recoverable by reducing the corporation tax liabilities of future periods, which would fall due after more than one year.

The amounts falling due after more than one year are the deferred tax asset of £216,760 (2020: £202,838) and the finance lease rental receivable balance of £3,926,694 (2020: £6,829,966) and total £4,143,454 (2020: £7,032,804).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,142,667	1,172,244
Amounts owed to group companies	164,168	164,168
Other taxes and social security	772,153	1,257,811
Corporation tax	117,605	-
Accruals and deferred income	3,658,350	4,704,912
	5,854,943	7,299,135

Amounts owed to group companies represent trading balances with Amscreen plc and Amshold Trading Limited. Both balances are repayable on demand and do not accrue interest.

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £	2020 £
Deferred Income	3,348,602	2,763,373
	3,348,602	2,763,373

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

13. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021		2020	
	Land and buildings £	Other £	Land and buildings £	Other £
- within one year	490,300	7,994	204,426	9,363
- between one and five years	1,338,498	263	173,497	8,774
- greater than five years	1,756,778	-	-	-
	3,585,576	8,257	377,923	18,137

14. DEFERRED TAXATION

	£
As at 1 October 2020	202,838
Profit and loss account movement (note 7)	13,922
As at 30 September 2021	216,760

Deferred tax in respect of capital tax allowances and other timing differences has been recognised during the year given the ongoing and forecast performance. The analysis of deferred tax recognised and unrecognised is as follows.

	2021 £ Recognised	2021 £ Unrecognised	2020 £ Recognised	2020 £ Unrecognised
Excess of depreciation over tax allowances	215,445	-	201,910	-
Other timing differences	1,315	-	928	-
Deferred tax asset	216,760	-	202,838	-

15. CALLED-UP SHARE CAPITAL

	2021 £	2020 £
Allotted, issued, called-up and fully paid		
9,199,594 ordinary shares of 10p each	919,959	919,959

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

16. PENSION COMMITMENTS

The Company operates defined contributions pensions schemes for its directors and employees. The assets of the scheme are held separately from those of the Company in independently administered funds. Outstanding contributions as of 30 September 2021 amounted to £5,262 (2020: £4,887) and the expense during the year was £105,541 (2020: £90,481).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2021

17. ULTIMATE CONTROLLING PARTY

Amscreen Plc is the immediate parent company.

The Company's ultimate parent undertaking is Amshold Trading Limited, a company registered in England and Wales with company registration number 08557464. Amshold Trading Limited is the only parent to consolidate the financial statements of the Company. The consolidated financial statements can be obtained from Amshold Trading Limited's registered address at Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW.

The ultimate controlling party is The Lord Sugar Family Trust who is the shareholder of Amshold Trading Limited.

18. RELATED PARTY TRANSACTIONS

As at the year end the following amounts were owed to companies owned and controlled by Lord Sugar or Simon Sugar, a director.

Amscreen Plc	£164,168 (2020: £164,168)
Amshold Trading Limited	£Nil (2020: £Nil)

During the year Amscreen Group Limited paid audit fees of £3,000 on behalf of Amscreen Plc relating to the current and previous years.