Company Registration No. 04929823

LNT Group Limited

Annual Report and Financial Statements

For the year ended 31 March 2021

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LNT Group Limited
Company Registration No. 04929823

Annual Report and Financial Statements
For the year ended 31 March 2021

Contents

LNT Group Limited
Company Registration No. 04929823

Officers and professional advisers

Directors

L N Tomlinson
M G Lowe
P M Raven
D C Callinan

Company Secretary

P M Raven

Registered Office

2 Isabella Road
Helios 47
Garforth
Leeds
LS25 2DY

Registered Number

04929823 (England & Wales)

Solicitors

Freeths LLP
Cumberland Court
80 Mount Street
Nottingham
NG1 6HH

Independent Auditor

RSM UK Audit LLP
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Strategic Report (continued)
For the year ended 31 March 2021

The directors present their strategic report for the Company and its subsidiaries for the year ended 31 March 2021.

Principal activities

The principal activity of the Company during the year under review was the provision of central management to the LNT Group ('the Group').

The Group comprises four principal businesses operated through its subsidiaries as follows:

- Development and construction of high-quality purpose built standardised care homes
- Sale and ongoing support of software and related hardware for the management of residential care homes
- Wholesale of chemicals and de-icing products for the rail, aviation, and facilities management sectors
- Design and manufacture of high-performance GT and prototype cars for racing and the road as well as the running of the Ginetta Championships track racing series

Business review and future developments

The group reports revenue of £155.1m (2020 - £62.9m), an EBITDA of £40.0m (2020 - £1.2m) and profit before tax of £32.4m (2020 – loss before tax of £2.0m).

Cash balances at year end increased to £19.9m (2020 - £4.3m) as a result of significant cash generated from operations and a reduction in stock driven by the completion of a number of sites which were held in stock at the previous year end. Net assets increased to £46.4m (2020 - £21.9m) primarily due to an increase in debtors driven by increased turnover and therefore amounts recoverable on contracts, and a reduction in creditors driven by the repayment of amounts owed to related parties.

Construction and Developments

The group primarily focussed on the construction and developments divisions, which generated £136m turnover (2020 - £48.3m) and EBITDA of £44m (2020 - £8.6m).

There were 10 site completions in 2021 (2020 – 2). Work was undertaken on 23 sites with 18 sites contributing to profit.

The group continued to experience strong demand, particularly from both UK and mainland Europe investors, for top quality assets to meet the need of the ageing UK population. The COVID 19 pandemic has highlighted the poor provision of care home assets in the UK, further strengthening the group's position as the country's leading purpose-built care home developer.

Trading performance for the construction and development companies is expected to be even stronger in 2022 than 2021, with a strong pipeline of land opportunities and most of the 2022 forecast site completions pre-sold.

Wholesale of chemicals

LNT Solutions experienced its most successful year to date, with revenue of £6.3m (2020 - £2.8m) and EBITDA of £0.7m (2020 – £0.3m).

Cash balances grew by £0.8m to close the year on £1.3m as a result of the increase in profitability. The division experienced high demand for its specialist de-icing products during the colder than average start to 2021.

The sales order book went into 2021 strong and continued as new orders and additional contracts were won as the year progressed. The business earns its income in the autumn-winter period and are typically not influenced by the level of footfall (i.e. passenger numbers) and as such revenues were largely unaffected by the COVID 19 restrictions.

The business has pursued a policy of securing sales contracts as early as possible and subsequently placing back to back orders with suppliers for the raw materials.

Computer software

Coolcare continues to develop and sell management software to the residential care sector. In 2021, the majority of revenues 84% (2020 – 84%) derived from recurring monthly subscriptions to its CoolCare3 and CoolCare4 cloud-based software.

The company increased turnover – growth of 22% to £1.6m – and control of discretionary spending has resulted in an increase in EBITDA of 106% to £0.4m.

Strategic Report (continued)
For the year ended 31 March 2021

At year end FY21, Coolcare had increased the total number of installed sites by 9% (2020 - 8%) over the period. This was due to an increase in CoolCare4 sales; organic growth from current customer expansions; and the achievement of good customer retention rates. CoolCare4 was launched in mid-FY19 to replace its predecessor, CoolCare3. It is now actively sold across the UK and the migration of customers from CoolCare3 to CoolCare4 has accelerated. Consequently, recurrent revenues for CoolCare4 increased by 121% in 2021. The Directors are confident that the continued acceleration of CoolCare4 sales and conversion of the current subscription base to the new software, will continue to drive the growth of the company.

Motorsport and car manufacture

The automotive division of the group contributed £9.7m of turnover (2020 – £9.7m) and gross profit of £2.9m (2020 - £2.7m).

Ginetta's turnover decreased by 9% to £6.1m, with gross profit decreasing to £1.4m (2020 - £1.7m), due to the mix of cars and parts sales throughout the year.

Total automotive EBITDA achieved was -£3.8m (2020 – -£7.5m). The significantly reduced loss was driven by a full year of profitable trading by Want2race, a company the group acquired in 2019, in addition to much lower discretionary expenditure in Ginetta.

The in-house championships continued to thrive and produce some of the best racing in the United Kingdom with racing been shown live on ITV4 national television, as the popularity of Ginetta increases further.

The LMP1 cars that the business manufactured and raced in the WEC Championships have been reclassified as heritage assets as they are no longer actively racing.

The automotive division was the most adversely affected sub-division of the group due to Covid-19, as Government restrictions meant the Blyton racetrack, championship racing and the factory were required to be closed for prolonged periods of time.

The company continues to invest in research and development, with total expenditure being £0.3m (2020 - £0.5m).

The group acquired Ideas + Cars Media Limited and The Race Media Limited in November 2020 for £0.1m, which are various motorsport social media platforms, which complements the group's longer-term strategy to grow the brand.

Post year end, whilst the economic environment is still very much uncertain, the automotive division has experienced good levels of trading and exposure from the televised championships and continues to grow its presence overseas.

Events after the reporting period

On 1 April 2021, LNT Construction Limited and its subsidiaries de-merged from the LNT Group via a share for share exchange, creating a separate standalone group headed up by a new parent company, LNT Care Developments Holdings Limited.

Furthermore, on 1 April 2021 the investment held in Ideal Carehomes Topco Limited was spun out of LNT Group via a share for share exchange and subsequent dividend in specie, owned by a new holding company, LNT Care Investments Limited. There has been no change in the ultimate controlling party as a result of the above.

Future Developments

LNT Solutions expects to have another strong year, with new clients won since the year end and an order book expected to rival or exceed prior performance.

Coolcare is anticipated to grow further beyond the 2021 performance at both a turnover and EBITDA level. Transitioning the customer base to CoolCare 4 is expected to be largely completed by the end of 2022, with new customers having been secured throughout the year.

Ginetta is anticipated to reach pre-pandemic trading levels, with a full season of track events and notably the first season of Ginetta Championships being shown live on ITV4. Furthermore, sales from Ginetta to its sister company, TMI Auto-tech based in the United States of America, is expected to increase significantly as TMI Auto-tech (trading as Ginetta North America) has a strong pipeline of orders from US based customers.

Furthermore, the Blyton Park racetrack is expected to have a full season of track events from pent-up demand after the UK comes out of national lockdown.

The Directors expect Ideas + Cars Media, which is the Group's automotive social media business, to increase its number of followers on each social media platform and therefore start to develop ways in which to monetise this opportunity.

Strategic Report (continued)
For the year ended 31 March 2021

The Group is in a strong position at the end of 2021 and whilst the Construction & Developments entities have demerged from the Group as of 1st April 2021, 2022 and beyond is expected to show that the Group is more resilient with each of the operating divisions forecast to deliver growth.

Key performance indicators

	2021	2020	Change	%
Turnover	£155.1m	£62.9m	£92.2m	146.7
Gross profit	£57.6m	£22.1m	£35.5m	161.2
EBITDA*	£40.0m	£1.2m	£38.8m	3,238.3
Net assets	£46.4m	£21.9m	£24.5m	112.0
Average employees	305	288	17	5.9

* EBITDA relates to earnings before interest, tax, depreciation, amortisation, exceptional items and share of loss from investments.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks.

Construction and Developments

The key risks and uncertainties which the construction and developments division has to manage derive principally from macro-economic factors and, in particular, the availability of suitable funding for purchasers of our finished product to purchase the asset. The division has mitigated these risks by ensuring it has a diversified customer base, including third parties with sufficient cash reserves to purchase outright without requiring external finance. This enables it to maintain a steady pipeline of care home contracts.

Whilst there is a risk of rising costs as a result of inflation, we are countering this by increased efficiencies from the use of standard designs, and from working with our supplier base. A large element of build costs is controlled internally, with our own planning, technical, mechanical and electrical departments. We are also continually striving to improve the quality, fitness for purpose and value for money delivered by our product to ensure we maintain our leading position in the market.

Wholesale of chemicals

For LNT solutions, the principal business risks are that it is a seasonal business which is partially dependent on weather patterns and a relatively small number of customers.

LNT Solutions has diversified its activities in non-weather-related rail business and in aviation. Where seasonality is higher, we sought to expand our contracts geographically into mainland Europe where weather patterns are less unpredictable than in the UK. The customer base continues to grow reducing the company's customer concentration.

Computer software

The key business risks and uncertainties affecting Coolcare are primarily considered to relate to competition from alternative software providers and technological obsolescence.

The technological risk is mitigated by continued research and improvements being made to CoolCare4 and the on-going research and planning for our next generation of software.

The competitor risk is addressed by closely monitoring market developments and ensuring that CoolCare4 continues to provide high functionality, reliability and ease of use at a competitive price, supported by high quality customer service.

Motorsport and car manufacture

The key business risks and uncertainties are primarily considered to relate to the working capital-intensive nature of the business, competition from alternative car marques and race series, and the macro-economic environment.

The management team continues to focus on careful cost control and investing in technology and working practices to assist it to manage and control its working capital requirements.

Ginetta continues to manufacture and build components in-house with the focus on offering quality parts with good profitability. The company continues to look for opportunities to bring further production in-house for greater cost control.

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Strategic Report (continued)
For the year ended 31 March 2021

Financial risk management

Exposure to credit, interest rate and foreign currency risk arises in the normal course of the Group's business.

Credit risk

The Group's credit risk is primarily attributed to its trade receivables and amounts recoverable on construction contracts. The Group has a credit control policy in place and the exposure to credit risk is monitored on an ongoing basis.

Interest rate risk

The Group has overdraft/bank loan borrowings with third parties on which it is exposed to variable interest rate risk. The Group does not currently enter into interest rate hedging arrangements on those borrowings but seeks to minimise the level of such borrowings wherever possible.

Foreign currency risk

The Group's customers and suppliers are predominantly UK based or business is transacted in GBP Sterling and therefore the Group does not have a significant exposure to foreign currency risk. The Group does have a small number of customers in Europe and America where sales are transacted in Euro or US Dollars, but it also sources its purchases for these supplies from suppliers in Europe and America and therefore there is a significant degree of natural hedging against foreign currency risk in these geographic areas.

Energy and Green House Gas Emissions

The Group's operations consume electricity and gas used for heating, lighting and powering equipment. This usage indirectly gives rise to emissions of Greenhouse Gases (Carbon Dioxide).

The Group's carbon dioxide emissions are summarised below:

	Year ended 31 March 2021		Year ended 31 March 2020	
Carbon dioxide emissions arising from:	kWh	tCO2e	kWh	tCO2e
Electricity consumption	473,581	133	605,241	170
Gas consumption	281,611	52	658,970	121
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Total carbon dioxide emissions	755,192	185	1,264,211	291
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Gross intensity ratio – tCO2e per person employed		0.6		1.0

The carbon dioxide emissions have been calculated from the Group's records for electricity and gas consumed using appropriate conversion factors.

The Group is committed to the minimisation of its energy usage. Unnecessary travel is actively being reduced where possible, best practice is promoted to staff and the Group is always undertaking a review of its sources of energy.

Strategic Report (continued)
For the year ended 31 March 2021

Section 172 statement

This section satisfies the Section 172 requirements of the Companies Act 2006, which requires the Directors to take into consideration the interest of stakeholders in their decision making.

The Board considers its stakeholders to be shareholders, employees, customers, suppliers and the environment.

The Directors have regarded the matters set out in section 172(1)(a) to (f) of the Companies Act as follows:

(a) The likely consequences of any decision in the long term

The Directors' role is to promote the long-term success of the group through setting a clear sustainable strategy, vision and mission. All decision making is aligned to the mission of the divisions of the group. For the Construction & Developments division, this is to provide every elderly person in the UK with a quality place to live. For the Automotive division, the mission is to provide a world class motorsport experience for amateur and professional racing drivers. The Chemicals division's purpose is to provide weather protection solutions to the aviation, rail and facilities management industries and the computer software business aims to provide every care home in the UK with the IT infrastructure to allow operators to effectively manage their businesses.

(b) Interest of the group's workforce

The engagement, wellbeing and success of the group's employees is of key importance to the Directors. This is achieved through informal and formal appraisals, monthly team meetings and group wide communications.

(c) The desirability of the group maintaining a reputation for high standards of business conduct

Maintaining a reputation for high standards of business conduct is a key focus for the Directors. This is achieved through ensuring sufficient vetting and controls exists in the group's supply chain, providing a top-quality product for both the customer and end consumer and striving to have a greater positive impact both socially and environmentally.

(d) The need to foster the group's business relationships with suppliers, customers and others

The Directors build strong relationships with customers and suppliers, most of whom are repeat customers that value the service and product provided by the group.

(e) The impact of the group's operations on the community and the environment

In the construction division of the group, one of the key focuses is to produce operationally carbon neutral and subsequently carbon negative care homes. During the year the care homes constructed have achieved BREEAM in-use ratings of very good for our investors, A and B EPA Ratings and has consistently produced care homes which are sector leading with regard to ESG credentials. The Directors align their decision making to ensure both a top-quality product is built, with as minimal impact of the environment as possible. As a standard practice the group aims to minimise unnecessary travel and CO2 emissions where possible. Furthermore, the group engages in local community initiatives where applicable.

(f) The need to act fairly as between members of the group

The Directors are the shareholders and therefore recognise the responsibility to act fairly as between members of the group. The Directors recognises their legal and regulatory duties and do not take any decisions or actions that would provide any shareholder with any unfair advantage.

Significant Decisions Made

The main significant decision in the year was to demerge LNT Construction and its subsidiaries from the LNT Group on 1st April 2021. Refer to note 25 for further detail.

Corporate Governance

The board is satisfied that its current composition provides the required degree of skills, experience, diversity and capabilities appropriate to the needs of the business. Board composition and succession planning are subject to review, taking account of the potential future needs of the business.

The board adopts a broad view during its decision making to take meaningful account of the impact of the business on all key stakeholders. The board recognises that the Group's long-term success is reliant on the efforts of its employees, customers and suppliers. Feedback from stakeholders is actively encouraged.

Strategic Report (continued)
For the year ended 31 March 2021

The board ensures that it has appropriate controls in place to safeguard Group assets and protect the business from identified risks including to its reputation; and promotes high ethical and moral standards. The board and all employees expect to be judged by and be held accountable for their actions.

The Group complies with the provisions of the Modern Slavery Act its policy concerning which can be found on its website at www.lntgroup.co.uk.

Employees

The Group regularly provides employees with information on matters which may concern them via email and company memos. Employees are encouraged to feedback any views through established reporting channels. The Group recognises that the retention of people is key to success and has in place incentive schemes related to its performance which allows employees to participate in that success. The Group employs a dedicated Employee Engagement Manager to oversee this communication with its employees and to feed back to the board as appropriate.

Going Concern

After considering all known relevant uncertainties, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

The directors have taken account of the impact to date of Covid 19. The virus resulted in shortages to materials, delayed site completions, reduced demand for car sales, and temporary closure of Ginetta championships, in the early stages of the year. However, as discussed in the Business Review, the Group overall has its best year to date, generating £40m EBITDA and £20m of cash at year end.

The Group has received financial support from the UK Government's Coronavirus Job Retention Scheme. Whilst the ongoing impact of the Coronavirus is difficult to quantify, the Directors have undertaken revised forecasting of performance and cash flows in determining the appropriateness of continuing to adopt the going concern basis in preparing the financial statements.

This forecasting has included considering downside scenarios including further delays to site completions, reductions to the number of sites in the pipeline to build, increased costs of materials and shortages of availability to materials. Where appropriate, the Directors have also considered the potential impact of strategies to reduce costs to reflect delayed and reduced income, as well as actions that might be taken to manage cash.

The Group has also received confirmation from L N Tomlinson that the existing loans will continue to be provided for the foreseeable future (being a period of not less than 12 months from the date the financial statements are signed) and he will provide further financial support as necessary to enable the group to meet its liabilities as they fall due.

Therefore, the Directors continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board of Directors and signed on behalf of the Board

M G Lowe

Director

Date: 9/12/2021

LNT Group Limited
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Report of the Directors
For the year ended 31 March 2021

The directors present their report with the audited consolidated financial statements for the Company and its subsidiaries for the year ended 31 March 2021.

Directors

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

L N Tomlinson
M G Lowe
P M Raven
Z D Morris (resigned 16 April 2021)
D C Callinan (appointed 1 April 2020)

Dividends

Dividends of £nil (2020 - £nil) were paid during the year. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Charitable and political donations

Charitable donations of £nil were paid during the year (2020 – £nil). £nil political donations were made during the year under review (2020 - £20,000).

Corporate & social responsibility

The Group and the Company recognise their impact, responsibilities and obligations on and towards their environment.

The Group and the Company aim to reduce environmental risk, both internally and externally by employing managers tasked with meeting all health, safety and environmental regulations.

Employees

The Group and the Company's policy is to consult and discuss with employees, through meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group and the Company's performance.

The Group and the Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Research and development

The Group incurred £305,347 of research and development expenditure (2020 - £545,148) of which £nil was capitalised (2020 - £111,389).

Heritage assets

The LMP1 cars that the business manufactured and raced in the WEC Championships, as well 6 other historic racing cars, have been reclassified as heritage assets as they are no longer actively racing. They are used to promote the Ginetta brand and history at the company's factory and head office and also at heritage track days.

Report of the Directors (continued)
For the year ended 31 March 2021

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing those 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 group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosures of information to Auditors

In the case of each of the persons who are directors of the Group and the Company at the date when this report was approved:

- so far as each of the directors is aware there is no relevant audit information (as defined in the Companies Act 2006) of which the Group and the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Group and the Company's auditor is aware of that information.

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

Strategic Report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Strategic Report information required by Medium-sized Companies (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Report of the Directors. It has done so in respect of future developments and financial risk management.

Independent Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

M G Lowe
Director
Date: 9/12/2021

Independent auditor's report to the members of LNT Group Limited

Opinion

We have audited the financial statements of LNT Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of LNT Group Limited (continued)

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 9, 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent auditor's report to the members of LNT Group Limited (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety on construction sites. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence including accident monitoring records.

The group audit engagement team identified the risk of management override of controls and the risk of incorrect revenue recognition in respect of the cut off and valuation assertions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed regarding the risk of management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed regarding the risk of incorrect revenue recognition included ensuring that the group's accounting policy for revenue was correctly applied, obtaining and reviewing management's calculation of revenue during the period based upon the stage of completion (for construction contracts) and corroborating key terms and assumptions for all revenue streams to contracts to ensure that appropriate revenue was recorded in the correct period.

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.

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

Pete Ady

Peter Adams FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
Fifth Floor
29 Wellington Street
Leeds
LS1 4DL

Date: 13/12/21

LNT Group Limited
Company Registration No. 04929823

Consolidated Profit and Loss Account
For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Turnover	2	155,052,346	62,854,153
Cost of sales		(97,410,093)	(40,785,306)
Gross profit		**57,642,253**	**22,068,847**
Administrative expenses		(20,912,487)	(22,627,840)
Share of results from investments	11	(523,837)	(127,439)
Other operating income		1,104,828	-
Exceptional costs	4	-	(277,174)
Operating profit/(loss)	7	**37,310,757**	**(963,606)**
Interest receivable and similar income	5	283,372	222,941
Interest payable and similar expenses	6	(5,243,680)	(1,291,308)
Profit/(loss) before taxation	7	**32,350,449**	**(2,031,973)**
Tax on profit/(loss)	8	(6,537,315)	676,125
Profit/(loss) for the financial year		**25,813,134**	**(1,355,848)**
Profit/(loss) for the financial year attributable to:			
Owners of the parent		19,077,103	(1,531,187)
Non-controlling interests		6,736,031	175,339
Profit/(loss) for the financial year		**25,813,134**	**(1,355,848)**

The notes on pages 20 to 49 form an integral part of these financial statements.

LNT Group Limited
Company Registration No. 04929823

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Profit/(loss) for the financial year	**25,813,134**	**(1,355,848)**
Currency translation difference on foreign currency net investments	122,585	(18,688)
Total comprehensive income/(expense) for the financial year	**25,935,719**	**(1,374,536)**

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Total comprehensive income/(expense) for the financial year attributable to:		
Owners of the parent	19,199,688	(1,549,875)
Non-controlling interests	6,736,031	175,339
Total comprehensive income/(expense) for the financial year	**25,935,719**	**(1,374,536)**

LNT Group Limited
Company Registration No. 04929823

Consolidated Balance Sheet
As at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Goodwill	9	555,934	769,998
Other intangible assets	9	2,769,415	3,611,015
Tangible assets	10	6,412,899	4,935,622
Investments	11	1,280,001	1,802,693
		11,018,249	11,119,328
Current assets			
Stocks	13	20,934,400	42,580,766
Debtors: amounts falling due within one year	14	32,817,083	18,694,271
Debtors: amounts falling due after more than one year	14	4,557,381	4,475,752
Cash at bank and in hand		19,938,984	4,319,267
		78,247,848	70,070,056
Creditors: amounts falling due within one year	15	(42,382,712)	(58,713,956)
Net current assets		**35,865,136**	**11,356,100**
Total assets less current liabilities		**46,883,385**	**22,475,428**
Creditors: amounts falling after more than one year	15	(443,746)	(596,914)
Provisions for liabilities	18	(65,906)	-
Net assets		**46,373,733**	**21,878,514**
Capital and reserves			
Called up share capital	19	763	768
Capital redemption reserve	20	203	198
Capital contribution reserve	20	240,779	240,779
Profit and loss account	20	39,812,223	21,225,805
Non-controlling interests		6,319,765	410,964
Total shareholders' funds		**46,373,733**	**21,878,514**

The financial statements on pages 13 to 49 were approved by the board of directors and authorised for issue on 9 December 2021 and were signed on its behalf by:

M G Lowe
Director

LNT Group Limited
Company Registration No. 04929823

Company Balance Sheet
As at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	10	177,721	195,089
Investments	11	4,072,072	2,770,929
		4,249,793	2,966,018
Current assets			
Debtors: amounts falling due within one year	14	35,154,601	33,706,971
Debtors: amounts falling due after more than one year	14	4,580,727	3,686,439
Cash at bank and in hand		4,722,411	-
		44,457,739	37,393,410
Creditors: amounts falling due within one year	15	(14,529,577)	(21,597,717)
Net current assets		**29,928,162**	**15,795,693**
Total assets less current liabilities		34,177,955	18,761,711
Net assets		**34,177,955**	**18,761,711**
Capital and reserves			
Called up share capital	19	763	768
Capital redemption reserve	20	203	198
Capital contribution reserve	20	240,779	240,779
Profit and loss account	20	33,936,210	18,519,966
Total shareholders' funds		**34,177,955**	**18,761,711**

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the financial year was £15,556,744 (2020 – £16,801,977).

The financial statements on pages 13 to 49 were approved by the board of directors and authorised for issue on 9 December 2021 and were signed on its behalf by:

M G Lowe
Director

LNT Group Limited
Company Registration No. 04929823

Consolidated Statement of Changes in Equity
For the year ended 31 March 2021

	Attributable to owners of the parent					
	Called up share capital	Capital redemption reserve	Capital contribution reserve	Profit and loss account	Non-controlling interests	Total shareholders' funds
	£	£	£	£	£	£
Balance at 1 April 2019	**768**	**198**	**240,779**	**22,775,680**	**597,511**	**23,614,936**
Year ended 31 March 2020:						
Loss for the financial year	-	-	-	(1,531,187)	175,339	**(1,355,848)**
Other comprehensive expense:						
Currency translation differences	-	-	-	(18,688)	-	**(18,688)**
Total comprehensive expense for the year	-	-	-	**(1,549,875)**	**175,339**	**(1,374,536)**
Transactions with owners:						
NCI on acquisition of TMI Autotech Incorporated	-	-	-	-	(361,886)	**(361,886)**
Balance at 31 March 2020	**768**	**198**	**240,779**	**21,225,805**	**410,964**	**21,878,514**
Year ended 31 March 2021:						
Profit for the financial year	-	-	-	19,077,103	6,736,031	**25,813,134**
Other comprehensive income:						
Currency translation differences	-	-	-	122,585	-	**122,585**
Total comprehensive income for the year	-	-	-	**19,199,688**	**6,736,031**	**25,935,719**
Transactions with owners:						
Redemption of shares (note 19)	(5)	5	-	(140,500)	-	**(140,500)**
Purchase of shares in LNT Chemicals Research from NCI (note 11)	-	-	-	(472,770)	(827,230)	**(1,300,000)**
Balance at 31 March 2021	**763**	**203**	**240,779**	**39,812,223**	**6,319,765**	**46,373,733**

LNT Group Limited
Company Registration No. 04929823

Company Statement of Changes in Equity
For the year ended 31 March 2021

	Called up share capital	Capital redemption reserve	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
Balance at 1 April 2019	**768**	**198**	**240,779**	**1,717,989**	**1,959,734**
Year ended 31 March 2020:					
Profit for the financial year	-	-	-	16,801,977	**16,801,977**
Total comprehensive expense for the year	-	-	-	**16,801,977**	**16,801,977**
Balance at 31 March 2020	**768**	**198**	**240,779**	**18,519,966**	**18,761,711**
Year ended 31 March 2021:					
Profit for the financial year	-	-	-	15,556,744	**15,556,744**
Total comprehensive income for the year	-	-	-	**15,556,744**	**15,556,744**
Transactions with owners:					
Redemption of shares (note 19)	(5)	5	-	(140,500)	**(140,500)**
Balance at 31 March 2021	**763**	**203**	**240,779**	**33,936,210**	**34,177,955**

LNT Group Limited
Company Registration No. 04929823

Consolidated Statement of Cash Flows
For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Operating activities			
Cash generated from/(used in) operations	21	42,186,745	(5,470,247)
Tax (paid)/refunded		(3,786,329)	3,154
Interest paid		(5,222,782)	(1,291,308)
Net cash generated from (used in) operating activities		**33,177,634**	**(6,758,401)**
Investing activities			
Purchase of subsidiary net of cash acquired (note 12)		(56,130)	(34,727)
Purchase of listed investments		(1,145)	-
Purchase of tangible assets		(424,600)	(1,978,502)
Purchase of intangible assets		-	(111,389)
Sale of tangible assets		27,154	188,785
Interest received		13,044	700
Purchase of non-controlling interest (note 11)		(1,300,000)	-
Proceeds on disposal of other investments		2,250,000	-
Net cash used in investing activities		**508,323**	**(1,935,133)**
Financing activities			
Proceeds of new borrowings		20,019,515	26,438,969
Repayments of borrowings		(34,759,594)	(21,384,189)
Cash flows associated with obligations under finance leases		(116,079)	(99,476)
Purchase of own shares		(140,500)	-
Repayment of deferred consideration		(20,871)	-
Issue additional loan notes		(972,849)	-
Net cash (used in)/generated from financing activities		**(15,990,378)**	**4,955,304**
Net increase/(decrease) in cash and cash equivalents		**17,695,579**	**(3,738,230)**
Cash and cash equivalents at beginning of year		**2,243,405**	**5,981,635**
Cash and cash equivalents at end of year		**19,938,984**	**2,243,405**
Relating to: -			
Bank balances and short-term deposits included in cash at bank and in hand		**19,938,984**	**4,319,267**
Overdrafts included in "creditors: amounts falling due within one year"		-	**(2,075,862)**
		19,938,984	**2,243,405**

Notes to the financial statements
For the year ended 31 March 2021

1. Accounting policies

General information

LNT Group Limited ("the Company") is a private company limited by shares and is registered and incorporated in England. The address of the Company's registered office and principal place of business is 2 Isabella Road, Helios 47, Garforth, Leeds, LS25 2DY.

The Group ("the Group") consists of LNT Group Limited and all of its subsidiaries.

The Company's and the Group's principal activities are disclosed in the Strategic report.

Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The financial statements have been prepared with the application of the FRS 102 Triennial Review 2017 amendments in full. There is no impact on the current or comparative figures as a result of the amendments and as such no transitional adjustments have been made. The Group has applied the exemption to exclude the financial instruments note as all financial instruments are classified as basic. In accordance with the Triennial Review, the net debt reconciliation has been included for the cash flow statement.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Accounting policies are applied consistently in the financial statements of the subsidiaries and therefore no adjustments are required for the Group financial statements.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information in its company only financial statements, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – *Presentation of a Statement of Cash Flow and related notes and disclosures*
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'
- Section 33 'Related Party Disclosures' – *Compensation for key management personnel*

Basis of consolidation

The consolidated financial statements incorporate those of LNT Group 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). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March each year.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued, and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Basis of consolidation (continued)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Losses applicable to the non-controlling shareholders in excess of the non-controlling shareholders' share of changes in equity are allocated against the interests of the Group except to the extent that the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.

Loss of control

A subsidiary is no longer consolidated when control is lost. The difference between any disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill) is recognised in profit or loss as a gain or loss on disposal.

Change in interest where control is not obtained or lost

Where an interest in a subsidiary is increased or reduced, but control is not obtained or lost, the difference between the fair value of any consideration paid or received and the change to the non-controlling interest is recognised directly in equity and attributed to owners of the parent.

Going concern

The group and company's business activities, together with the factors likely to affect their future development, performance and position are set out in the Business Review which forms part of the Strategic Report. The Strategic Report also describes the financial position of the group and company; the group's objectives and policies for managing its capital; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The group and company have received confirmation from L N Tomlinson that the existing loans will continue to be provided for the foreseeable future (being a period of not less than 12 months from the date the financial statements are signed off).

However, the ongoing coronavirus pandemic and any changes in government restrictions could have a short to medium term impact on the group and company's financial performance which is not easy to forecast. The impact could be from a significant fall in demand, from customer credit losses or from late customer payments. These would restrict the group's ability to generate operating cashflow.

The directors are taking steps to manage cashflow, reduce costs and to plan appropriate mitigative commercial actions to take during the period of instability. The directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods and completed care homes is recognised when the goods are physically delivered to the customer or the care home sale is completed. 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.

Turnover from the running of care homes represents the value of fees accrued in respect of the residents that have occupied the homes, excluding value added tax.

Turnover includes the value of work done on construction contracts excluding Value Added Tax.

The Group records revenue from specific revenue streams as follows:

"Turn of key" or Forward Commitment care home sales

Revenue is recognised at practical completion of the care home being the point at which the significant risks and rewards of ownership have transferred to the customer and it is probable that the economic benefits associated with the contractual arrangement will flow to the Group.

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Turnover (continued)

Forward funded agreements to sell care homes

A forward funded agreement typically comprises two separately identifiable components:

- A sale at "golden brick". Revenue is recorded in full on achievement of "golden brick" as the significant risks and rewards of ownership have transferred to the customer and it is probable that the economic benefits associated with the contractual arrangement will flow to the Group.
- A construction contract (see below) for the building of the care home. Revenue is recorded based on the stage of completion of the construction works.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Intangible assets (goodwill)

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets (other than goodwill)

Intellectual property licences

The costs to acquire intellectual property licences are included at cost and depreciated in equal annual instalments over their estimated useful economic life. The useful economic life has been estimated to be the length of the relevant licence. Provision is made for any impairment.

Research and development

Costs relating to development are included on the balance sheet at cost and amortised in equal annual instalments over their estimated useful economic life from the date the related product goes live. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:-

Freehold buildings	2% on cost
Fixtures and fittings	10% on cost, 10-15% on reducing balance
Plant, machinery and other	5% on cost, 20-25% on cost, 20-33% on reducing balance
Motor vehicles	20% on cost, 25% on reducing balance
Computer equipment	20-33% on cost, 33% on reducing balance
Heritage assets	See below

1. Accounting policies (continued)

Tangible fixed assets (continued)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Land and buildings are accounted for separately even when acquired together. Land is not depreciated.

Heritage assets

The group has a collection of heritage vehicles, comprising 8 historic racing cars. These have been transferred from stock (3 vehicles) and tangible fixed assets (5 vehicles) during the year as they are no longer actively being marketed for sale or actively racing. The heritage assets are initially measured at cost. The directors have not obtained a valuation for the heritage assets on the grounds that the assets are so specific in nature that obtaining an accurate valuation would be impractical.

The vehicles are maintained by the company on a regular basis, with any maintenance costs being charged to the profit and loss when incurred. The cars are deemed to have indeterminate lives and therefore are not depreciated. The Directors do not consider an impairment loss to be required for the year.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Investments

In the separate financial statements of the company, interests in subsidiaries, joint ventures and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, joint ventures and associates are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

Associates

Undertakings in which the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to the reporting date.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the Group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the Group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the Group has an obligation or has made payments on behalf of the associate.

1. **Accounting policies (continued)**

Investments (continued)

Joint ventures

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as joint ventures. Joint ventures are accounted for using the equity method, as described in the accounting policy for associates above.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

1. Accounting policies (continued)

Leases

The Group as Lessee – Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

The Group as Lessee – Operating Leases

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

Retirement benefit plans

Defined contribution plans

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are presented within creditors: amounts falling due within one year.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Trade and other debtors (including accrued income), amounts owed by group undertakings, and amounts owed by related parties which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Basic financial liabilities

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. Provision is made for any impairment.

Exceptional items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

Government grants

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

Included within other operating income shown in the statement of comprehensive income are amounts received from the UK Government in respect of the Coronavirus Job Retention Scheme (CJRS).

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the profit and loss account. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Recoverability of debtors

A key source of estimation uncertainty is surrounding the recoverability of trade debtors. The directors review the provision in place on a monthly basis with reference to the latest available information and make provision for doubtful debts as considered necessary. The directors accordingly consider there to be no known unprovided exposure to bad debt at the balance sheet date.

Critical accounting estimates and areas of judgement

Revenue recognition

Determining whether or not to recognise revenue involves a degree of management judgement. The detailed criteria for the recognition of revenue from the sale of goods is set out in FRS 102 Section 23 Revenue and management must assess whether the Group had provided services to the customer before revenue is recognised.

Turnover is recognised at the point at which goods are supplied to customers. Where services are provided gradually over time, turnover is recognised as the activity progresses by reference to the value of services provided.

Customers are billed monthly for subscriptions so income matches the accounting period to which it relates. Invoicing for other income is done once the service has been performed or the goods have been delivered.

Revenue recognition – construction contracts

Construction contracts require management to make key judgements and estimates. Where the outcome of a construction contract can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the balance sheet date. Typically this is calculated by the proportion of costs incurred for work performed to date bear the total estimated contracts costs.

Where the outcome of a construction contract cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred where it is probable that they will be recovered.

The key estimation is the expected total contract costs to be incurred. Management undertake a thorough forecasting and review process, prior to and throughout the build process. These estimates are reviewed and challenged on a periodic basis and updated where required.

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Critical accounting estimates and areas of judgement

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

Valuation of stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell, and the Group uses judgement and estimate to determine the estimated selling price less costs to complete and sell of stock at the end of each reporting period.

Impairment of intangible assets

The group is required to consider whether its intangible assets have suffered any impairment based on the recoverable amount of those assets. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows that the assets will generate, which are inherently uncertain both in terms of timing and amount, and the determination of a pre-tax discount rate in order to calculate the present value of the cash flows. There is a risk that changes in those forecast cash flows could cause a material adjustment to the carrying amounts of the Group's intangible assets in the next financial year.

2. Turnover

Turnover is attributable to the following activities:

	Group	
	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Continuing operations		
"Golden brick" revenue	39,717,755	-
"Turn of key" revenue	73,509,136	-
Construction contracts and remedial works	24,293,115	48,308,838
Computer software	1,614,310	1,324,315
Wholesale of chemicals	6,267,095	3,551,048
Motorsport and car manufacture	9,650,935	9,669,952
Total	155,052,346	62,854,153

	Group	
	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Analysis by geographic market		
United Kingdom	151,742,043	59,101,890
Rest of Europe	1,738,900	1,515,850
Rest of the World	1,571,403	2,236,413
Total	155,052,346	62,854,153

Notes to the financial statements (continued)
For the year ended 31 March 2021

3. Staff costs

	Group		Company	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	£	£	£	£
Wages and salaries	12,953,560	9,489,709	172,888	866,851
Social security costs	1,236,612	1,041,593	18,483	16,443
Other pension costs	286,398	282,489	3,550	10,220
	14,476,570	10,813,791	194,921	893,514

Average number of employees (including directors) during the year:

	Group		Company	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	No.	No.	No.	No.
Administration	72	67	13	14
Directors	4	4	4	3
Software development	7	6	-	-
Research, development and production	74	74	-	-
Sales and customer support	13	20	-	-
Construction	135	117	-	-
	305	288	17	17

Directors' emoluments

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Aggregate emoluments	629,002	494,217
Compensation for loss of office	76,000	-
Pension contributions	5,024	16,714

Highest paid director

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Aggregate emoluments	101,285	174,931
Compensation for loss of office	76,000	-
Pension contributions	1,084	1,316

There were retirement benefits accruing to four of the directors (2020 – three) under a defined contribution pension scheme.

LNT Group Limited
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Notes to the financial statements (continued)
For the year ended 31 March 2021

4. Exceptional costs

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Loss on disposal of tangible assets	-	(77,174)
Impairment of amounts owed by related parties	-	(200,000)
	-	(277,174)

5. Interest receivable and similar income

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Other interest	283,372	222,941

Notes to the financial statements (continued)
For the year ended 31 March 2021

6. Interest payable and similar expenses

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Bank loans and overdrafts	121,302	121,681
Hire purchase contracts	20,898	9,239
Development loan interest	5,101,480	1,160,338
	5,243,680	1,291,308

7. Operating profit/(loss)

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
Operating profit/(loss) is stated after charging/(crediting):	£	£
Government grants	(766,051)	-
Operating lease costs	1,056,533	1,029,864
Depreciation of owned tangible assets	877,580	900,007
Depreciation of assets held under hire purchase agreements	66,404	14,739
(Profit)/loss on disposal of tangible assets (non-exceptional)	-	30,656
Loss on disposal of tangible assets (exceptional)	-	77,174
Amortisation of intangible assets	1,130,414	968,477
Research and development expenditure	305,347	433,759
(Profit)/loss on foreign exchange movements	12,901	(16,522)
Impairment losses recognised in respect of stocks	1,005,143	462,689
Auditors' fees payable		
- For the audit of the financial statements of the company and group	20,000	14,500
- For the audit of the financial statements of the company's subsidiaries	108,000	54,500
- For the audit of the financial statements of the company's associates	38,000	38,000
- For corporation tax compliance work	37,500	27,000
- For tax advisory services & other tax work	35,000	29,000
- For other services	23,250	9,000

During the year, the group received £766,051 (2020 - £nil) from the UK Government in respect of the Coronavirus Job Retention Scheme.

Notes to the financial statements (continued)
For the year ended 31 March 2021

8. Tax on profit/(loss)

	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Current tax		
Current year charge	5,523,752	(12,266)
Adjustments in respect of prior periods	56,437	(42,340)
Total current tax	**5,580,189**	**(54,606)**
Deferred tax		
Origination and reversal of timing differences	874,782	(786,416)
Adjustments in respect of prior periods	82,344	170,001
Effects of changes in tax rates	-	(5,104)
Total deferred tax	**957,126**	**(621,519)**
Total tax charge/(credit) for the year	**6,537,315**	**(676,125)**

In the March 2021 Budget it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023.

8. Tax on (loss)/profit (continued)

The corporation tax charge for the year differs from the standard rate of tax in the UK of 19% (2020 – 19%). The actual charge differs from the standard rate for the reasons set out in the following reconciliations.

	Group Year ended 31 March 2021	Group Year ended 31 March 2020
	£	£
Profit/(loss) before taxation	32,350,449	(2,031,973)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	6,146,585	(386,075)
Effects of:		
Expenses not deductible for tax purposes	187,152	154,414
Income not taxable for tax purposes	194,800	-
Adjustments in respect of prior periods	138,781	127,661
Effect of changes in tax rates	-	(19,194)
Movement in unprovided deferred tax	(130,003)	(611,581)
Other timing differences	-	58,650
Total tax charge/(credit) for the year	**6,537,315**	**(676,125)**

Notes to the financial statements (continued)
For the year ended 31 March 2021

9. Intangible assets

Group

	Goodwill	Development costs	Intellectual Property Licences	Total
	£	£	£	£
Cost				
At 1 April 2020	923,751	3,403,848	2,034,539	6,362,138
Additions on business combinations	74,748	-	-	74,748
At 31 March 2021	998,499	3,403,848	2,034,539	6,436,886
Accumulated amortisation and impairment				
At 1 April 2020	289,384	1,192,685	499,054	1,981,123
Charge for year	153,181	606,790	370,443	1,130,414
At 31 March 2021	442,565	1,799,475	869,497	3,111,537
Net book value				
At 31 March 2021	**555,934**	**1,604,373**	**1,165,042**	**3,325,349**
At 31 March 2020	**634,367**	**2,211,163**	**1,535,456**	**4,381,013**

Intellectual property licences with a net book value of £500,000 (2020 - £750,000) are held by Ginetta Cars Limited.

The licence with a net book value of £665,042 (2020 - £785,456) is held by TMI Autotech Incorporated. The licence is to sell Ariel Branded Cars in the American markets.

Development costs with a net book value of £386,898 (2020 - £391,875) are held by LNT Solutions Limited. The intangible asset will be amortised once the product it relates to goes live.

Development costs with a net book value of £512,426 (2020 - £768,774) are held by Coolcare Limited. The development costs are being amortised evenly over their estimated useful life of five years and amortisation is accounted for within administrative expenses.

Development costs with a net book value of £705,049 (2020 - £1,050,514) are held by Ginetta Cars Limited. The development costs are being amortised evenly over their estimated useful life of six years and amortisation is accounted for within administrative expenses.

Company

The Company did not hold any intangible assets at 31 March 2021 (31 March 2020 – none).

LNT Group Limited
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Notes to the financial statements (continued)
For the year ended 31 March 2021

10. Tangible assets

Group

Cost	Freehold land and buildings £	Fixtures and fittings £	Plant, machinery and other £	Motor vehicles £	Computer equipment £	Heritage assets £	Total £
At 1 April 2020	475,000	746,494	6,238,175	1,490,083	293,204	-	9,242,956
Additions	48,000	90,681	48,013	353,124	18,056	-	557,874
Additions on business combinations	-	13,161	26,712	-	-	-	39,873
Transfers	-	-	(416,917)	(608,421)	-	2,876,000	1,850,668
Disposals	-	-	(34,425)	(6,854)	-	-	(41,279)
At 31 March 2021	523,000	850,336	5,861,558	1,227,932	311,260	2,876,006	11,650,092
Accumulated depreciation							
At 1 April 2020	78,750	331,975	2,635,824	1,136,915	123,870	-	4,307,334
Charge for year	29,125	72,075	633,362	154,993	54,429	-	943,984
Transfers	-	-	(405,462)	(601,536)	-	1,006,998	-
Eliminated on disposals	-	-	(13,843)	(282)	-	-	(14,125)
At 31 March 2021	107,875	404,050	2,849,881	690,090	178,299	1,006,998	5,237,193
Net book value							
At 31 March 2021	**415,125**	**446,286**	**3,011,677**	**537,842**	**132,961**	**1,869,008**	**6,412,899**
At 31 March 2020	396,250	414,519	3,602,351	353,168	169,334	-	4,935,622

Notes to the financial statements (continued)
For the year ended 31 March 2021

10. Tangible assets (continued)

Tangible fixed assets include heritage assets with a cost of £1,850,668 (2020 - £nil) transferred from stock during the year. These assets relate to 2 LMP1 racing cars, and an LMP1 Tub no longer used for racing, and are not depreciated. These assets are held at the company's factory and head office, with the main purpose of promoting the Ginetta brand.

Tangible fixed assets also include heritage assets with a cost of £1,025,338 (2020 - £nil) and a net book value of £18,340 (2020 - £nil) transferred from tangible fixed assets during the year. These assets relate to 5 historic racing cars, no longer used for racing. As at 31 March 2021, these assets will no longer be depreciated. These assets are held in secure storage and are held for the main purpose of promoting the Ginetta brand.

The net book value of tangible fixed assets includes £187,910 (2020 – £121,041) held under hire purchase contracts.

Company

	Fixtures and Fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2020	269,151	144,977	414,128
Additions	33,188	17,877	51,065
At 31 March 2021	302,339	162,854	465,193
Accumulated depreciation			
At 1 April 2020	205,101	13,938	219,039
Charge for year	17,544	50,889	68,433
At 31 March 2021	222,645	64,827	287,472
Net book value			
At 31 March 2021	**79,694**	**98,027**	**177,721**
At 31 March 2020	64,050	131,039	195,089

11. Investments

Group	Investment in associate	Investment in joint venture	Listed investments	Total
	£	£	£	£
Cost				
At 1 April 2020	1,799,799	2,894	-	1,802,693
Additions	-	-	1,145	1,145
Share of (loss)/profit	(520,948)	(2,889)	-	(523,837)
At 31 March 2021	1,278,851	5	1,145	1,280,001
Net Book Value				
At 31 March 2021	**1,278,851**	**5**	**1,145**	**1,280,001**
At 31 March 2020	1,799,799	2,894	-	1,802,693

Notes to the financial statements (continued)
For the year ended 31 March 2021

11. Investments (continued)

Company	Investment in associate £	Investment in joint venture £	Investments in subsidiary undertakings £	Listed investments £	Total £
Cost					
At 1 April 2019 and 31 March 2020	1,930,132	5	14,840,792	-	16,770,929
Additions	-	-	1,300,000	1,145	1,301,145
Disposals	-	-	(2)	-	(2)
	1,930,132	5	16,140,790	1,145	18,072,072
Provisions for Impairment					
At 1 April 2019 and 31 March 2020	-	-	(14,000,000)	-	(14,000,000)
Net Book Value					
At 31 March 2021	**1,930,132**	**5**	**2,140,790**	**1,145**	**4,072,072**
At 1 April 2020	**1,930,132**	**5**	**840,792**	-	**2,770,929**

During the year the company acquired 100% of the share capital of LNT Chemicals Research Limited for consideration of £1.3m. No goodwill has arisen on this transaction. This resulted in the company acquiring the remaining 35% of the share capital of LNT Chemicals Limited from non-controlling interests.

During the year the company sold the entire share capital of LNT Care Developments (3) Limited to LNT Care Developments Limited, a fellow subsidiary undertaking, for consideration of £15,000,000.

During the year the company disposed of the entire share capital of Ideal Carehomes (Seven) Limited, a company which has been struck off the register, for no consideration.

Investment in joint venture

The Company and the Group had an investment in the Ordinary shares of the following joint venture at 31 March 2021:

Company	Principal activities	Registered office	% Direct	% Indirect
Simtrack DPC Limited	Reproduction of computer media	a)	50	-

Key	Registered address
a)	Helios 47, Isabella Road, Garforth, Leeds, LS25 2DY

Notes to the financial statements (continued)
For the year ended 31 March 2021

11. Investments (continued)

Investment in associates

The Company and the Group had an investment in the Ordinary shares of the following associates at 31 March 2021:

Company	Principal activities	Registered office	% Direct	% Indirect
Ideal Carehomes Topco Limited	Holding company	a)	25	-
Subsidiaries of Ideal Carehomes Topco Limited				
Ideal Carehomes Midco 1 Limited	Holding company	a)	-	25
Subsidiaries of Ideal Carehomes Midco 1 Limited				
Ideal Carehomes Midco 2 Limited	Holding company	a)	-	25
Subsidiaries of Ideal Carehomes Midco 2 Limited				
Ideal Carehomes Bidco Limited	Holding company	a)	-	25
Subsidiaries of Ideal Carehomes Bidco Limited				
Ideal Carehomes Limited	Care home operator	a)	-	25
Subsidiaries of Ideal Carehomes Limited				
Ideal Carehomes (Number One) Limited	Care home operator	a)	-	25
Subsidiaries of Ideal Carehomes (Number One) Limited				
Ideal Carehomes (Three) Limited	Holding company	a)	-	25
De Brook CH Limited	Holding company	a)	-	25
Subsidiaries of Ideal Carehomes (Three) Limited				
Ideal Care Developments (2) Limited	Care home developer	a)	-	25
Subsidiaries of De Brook CH Limited				
Ideal Care Developments Limited	Care home developer	a)	-	25

Key	Registered address
a)	Helios 47, Isabella Road, Garforth, Leeds, LS25 2DY

Notes to the financial statements (continued)
For the year ended 31 March 2021

11. Investments (continued)

Investments in subsidiary undertakings

The Company and the Group had investments in the Ordinary shares of the following subsidiary undertakings at 31 March 2021:

Company	Principal activities	Registered office	% Direct	% Indirect
LNT Construction Limited	Construction	a)	75	-
LNT Construction Yorkshire Limited	Construction	a)	100	-
LNT Care Developments (2) Limited (+)	Dormant	a)	100	-
LNT Developments Limited (*)	Care home developer	a)	100	-
LNT Aviation Limited (*)	Non-scheduled passenger air transport	a)	100	-
Coolcare Limited	Computer software	a)	90	-
LNT Chemicals Limited	Wholesale chemicals	a)	100	-
LNT Automotive Limited	Motorsport	a)	100	-
LNT Chemicals Research	Wholesale chemicals	a)	100	-
Ideas + Cars Holdings Limited (*)	Holding company	a)	100	-
Subsidiaries of LNT Construction Limited				
LNT Care Developments Limited	Holding company	a)	-	75
Subsidiaries of LNT Care Developments Limited				
LNT Care Developments (3) Limited	Care home developer	a)	-	75
LNT Care Developments (4) Limited	Care home developer	a)	-	75
Subsidiaries of LNT Chemicals Limited				
LNT Solutions Limited	Wholesale chemicals	a)	-	100
LNT Solutions Incorporated	Wholesale chemicals	b)	-	100
Subsidiaries of LNT Automotive Limited				
Ginetta Cars Limited	Sports car manufacturer	a)	-	100
Ginetta Limited (formerly Ginetta Track Limited) (^)	Dormant	a)	-	100
Ginetta Heritage Limited (formerly LNT Driver Management Limited) (^)	Dormant	a)	-	100
Want2Race Limited (*)	Arranging track days	a)	-	75
Ideas + Cars Media Limited (formerly Bookatrack.com Limited) (+)	Arranging racetrack meetings	a)	-	100
LNT Automotive Incorporated	Holding company	c)	-	100
Subsidiaries of LNT Automotive Incorporated				
TMI Autotech Incorporated	Sports car manufacturer	c)	-	51
Subsidiaries of Ideas + Cars Holdings Limited				
Ideas + Cars Limited (*)	Social media activities	a)	-	100
Driver DB AB	Driving database	e)	-	100
Subsidiaries of Ideas + Cars Limited				
The Race Media Limited (*)	Social media activities	d)	-	100

Key	Registered address
a)	Helios 47, Isabella Road, Garforth, Leeds, LS25 2DY
b)	Box 224, Jordan Stn, Ont. Canada L0R 1S0
c)	1201 Industrial Park Road, South Boston, VA 24592, USA
d)	88 Sheep Street, Bicester, Oxfordshire, United Kingdom, OX26 6LP
e)	Södermalmsgatan 5, 852 35 Sundsvall, Sweden

Notes to the financial statements (continued)
For the year ended 31 March 2021

11. Investments (continued)

(*) denotes subsidiary has taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirements in the Act for their individual financial statements to be audited. The company has guaranteed all outstanding liabilities of those subsidiary companies at 31 March 2021 until those liabilities are satisfied in full.

(^) denotes subsidiary has taken the exemption in Section 448A of the Companies Act 2006 (the Act) from the requirements in the Act for their individual financial statements to be filed at Companies House.

(+) denotes entity has been struck off the register following the year end.

12. Acquisitions

On 3 November 2020 the group acquired 100% of the issued share capital of Ideas + Cars Limited. The cost of the acquisition comprised cash consideration of £58,962.

LNT Group Limited consolidated turnover and consolidated profit after tax includes £371,016 of turnover and £814,455 of loss after tax contributed by Ideas + Cars Limited and its subsidiary undertakings between the date of its acquisition and 31 March 2021.

Ideas + Cars Holdings Limited has been accounted for using the acquisition method of accounting. At 3 November 2020 (the 'acquisition date'), the assets and liabilities of Ideas + Cars Limited were consolidated at their fair values to the Group as set out below:

	Book value	Fair value
	£	£
Tangible assets	39,873	36,456
Stock	197,295	197,295
Trade and other debtors	50,964	50,964
Cash	2,832	2,832
Trade and other creditors	(306,750)	(306,750)
	(15,786)	(15,786)
Goodwill		74,748
Consideration		58,962

Notes to the financial statements (continued)
For the year ended 31 March 2021

13. Stocks

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Raw materials and parts	4,281,807	5,441,599	-	-
Work in progress	8,640,840	33,584,392	-	-
Finished goods and goods for resale	8,011,753	3,554,775	-	-
	20,934,400	42,580,766	-	-

The directors consider the net book value of stocks to be similar to their replacement value.

During the year an impairment charge of £226,333 (2020 - £nil) was recognised in respect of stock and is included within administrative expenses.

14. Debtors

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Trade debtors	5,052,870	1,276,023	19,898	-
Amounts owed by group undertakings	-	-	32,897,207	30,146,175
Amounts owed by related parties	8,114,749	1,070,984	1,710,505	517,018
Amounts recoverable on contracts	16,664,287	9,615,634	-	-
Tax recoverable	130,000	130,000	130,000	130,000
VAT recoverable	1,362,280	1,893,107	38,189	24,147
Other debtors	264,705	451,494	10,000	353,373
Contingent consideration	-	2,250,000	-	2,250,000
Prepayments and accrued income	1,228,192	2,007,029	348,802	286,258
	32,817,083	18,694,271	35,154,601	33,706,971
Amounts due after more than one year:				
Loan notes	4,557,381	3,584,532	4,557,381	3,584,532
Deferred tax asset (Note 18)	-	891,220	23,346	101,907
Aggregate amounts	37,374,464	23,170,023	39,735,328	37,393,410

During the year, an impairment loss of £nil (2020 - £200,000) was recognised in respect of amounts owed by related parties.

The loan notes of £4,557,381 (2020 - £3,584,532) are due for repayment on 1 April 2029. The loan notes are unsecured and attract interest at a rate of 6.2%.

Notes to the financial statements (continued)
For the year ended 31 March 2021

15. Creditors

	Note	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
		£	£	£	£
Amounts falling due within one year:					
Bank loans and overdrafts	16	11,454,774	28,170,480	-	2,075,862
Obligations under hire purchase agreements	17	143,486	105,393	-	-
Trade creditors		10,007,994	7,996,087	108,909	64,826
Amounts owed by group undertakings		-	-	7,975,000	2,510,000
Amounts owed to related parties		9,302,588	17,295,301	5,308,091	16,774,923
Corporation tax		1,808,570	14,710	175,826	-
Other taxation and social security		346,734	338,627	26,026	-
VAT payable		-	138,903	-	-
Other creditors		1,559,954	1,027,718	10,000	10,511
Accruals and deferred income		7,686,139	3,586,326	825,725	161,595
Deferred consideration		72,473	40,411	-	-
		42,382,712	58,713,956	14,429,577	21,597,717

	Note	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
		£	£	£	£
Amounts falling due after more than one year:					
Bank loans	16	335,037	435,272	-	-
Deferred consideration		108,709	161,642	-	-
		443,746	596,914	-	-

Fortwell Capital Partners Limited provided a £75m committed revolving credit facility carrying interest of 9% above LIBOR with a term of 4 years to LNT Care Developments (3) Limited, repayable to 1 August 2022, the loan is drawn down against each development and repayable on sale of each completed development. The facility is guaranteed by LNT Group Limited and LNT Construction Limited.

Pension contributions of £1,980 (2020 - £3,220 outstanding) were prepaid at the year end.

Deferred consideration of £181,181 (2020 - £202,053), being £72,473 (2020 - £40,411) falling due within one year and £108,709 (2020 - £161,642) falling due after more than one year relates to the acquisition of TMI Autotech Incorporated. The deferred consideration is payable in equal annual instalments of $50,000 and is due for repayment by December 2024.

Notes to the financial statements (continued)
For the year ended 31 March 2021

16. Borrowings

An analysis of the maturity of loans is given below:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	11,454,774	26,094,618	-	-
Bank overdrafts	-	2,075,862	-	2,075,862
Amounts falling due after more than one year				
Bank loans	335,037	435,272	-	-
	11,789,811	28,605,752	-	2,075,862

The bank loans are subject to variable rate interest linked to the relevant lender's bank base rate or LIBOR.

The following secured debts are included within creditors:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Bank loans	11,789,811	26,529,890	-	-
Bank overdrafts	-	2,075,862	-	2,075,862
	11,789,811	28,605,752	-	2,075,862

At the year end date, the company was party to a group overdraft arrangement which included unlimited cross guarantees between a number of companies in the LNT Group. The company had a contingent liability in respect of these borrowings which amounted to a maximum group liability of £nil (2020 - £nil). Following the year end, the company ceased to have access to the overdraft facility.

At the year end date, Metro Bank PLC had fixed and floating charges over the undertaking and all property and assets owned by the company. Following the year end, the charge has been released and has been replaced by a fixed and floating charge with HSBC.

Fortwell Capital Partners has a legal charge over the cash and asset balances of LNT Care Developments (3) Limited and a mortgage over all of the land and care home properties owned by this company. The facility is guaranteed by LNT Group Limited and LNT Construction Limited.

The group has provided cross guarantee over a funding facility taken out by Oakdale Care Homes Group Limited, a company in which L N Tomlinson, M G Lowe, and P M Raven are shareholders. The facility includes fixed and floating charges over the assets of the LNT Care Developments (3) Limited.

17. Obligations under hire purchase agreements

Future minimum lease payments due under hire purchase agreements:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Less than one year	143,486	105,393	-	-
Between one and five years	-	-	-	-
	143,486	105,393	-	-

Finance lease payments represent rentals payable by the Group for motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3.75 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under hire purchase agreements are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in Note 10.

18. Deferred tax

	Group	Company
	£	£
Asset at 1 April 2020	(891,220)	(101,907)
Credit to profit and loss account in year	957,126	78,561
Liability/(asset) at 31 March 2021	65,906	(23,346)

The deferred tax asset at 31 March relates to –

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Fixed asset timing differences	31,035	52,146	(23,346)	(32,541)
Short term timing differences	34,975	-	-	-
Trading losses	(104)	(943,366)	-	(69,366)
	65,906	(891,220)	(23,346)	(101,907)

At 31 March 2021, the Group had an unrecognised deferred tax asset of £3,704,310 (2020 – £3,636,393) which comprised £3,680,321 (2020 – £3,520,664) in relation to trading losses, £23,877 (2020 – £115,729) in relation to capital allowances and £111 (2020 – £nil) in relation to other short term timing differences.

Notes to the financial statements (continued)
For the year ended 31 March 2021

19. Called up share capital

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Allotted and called-up				
A Ordinary shares of £0.00001 each	760	760	760	760
B Ordinary shares of £0.00001 each	1	1	1	1
C Ordinary shares of £0.00001 each	-	4	-	4
E Ordinary shares of £0.00001 each	2	2	2	2
Ordinary Deferred shares of £0.00001 each	-	1	-	1
	763	768	763	768

Ordinary share rights

The holders of the Ordinary A shares are entitled to one vote per share. The holders of the Ordinary B, C, E and Deferred shares are not entitled to vote. All classes of Ordinary share are entitled to receive income distributions as determined by the controlling shareholder. All classes of Ordinary share rank pari passu in a share sale, flotation, return of capital, capital reduction or winding up of the company.

During the year 140,500 C Ordinary shares of £0.00001 each were redeemed for total consideration of £140,500. The difference between the nominal value of the shares and the consideration paid has been debited to the profit and loss account.

During the year 7,800 Ordinary deferred shares of £0.00001 each were redeemed at nominal value, and has been credited to the capital redemption reserve.

20. Reserves

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Capital contribution reserve

Additional capital contributed by shareholders.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Notes to the financial statements (continued)
For the year ended 31 March 2021

21. Cash generated from/ (used in) operations

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Profit/(loss) for the financial year	25,813,134	(1,355,848)
Adjustments for:		
Depreciation of tangible fixed assets	943,984	914,746
Amortisation and impairment of intangible assets	1,130,414	968,477
Loss on disposal of tangible fixed assets	-	107,830
Share of results of joint venture and associate	523,837	127,439
Non-cash transfer between stock and tangible fixed assets	(1,850,668)	-
Non-cash change in respect of currency translation differences	122,585	(18,688)
Interest receivable	(283,372)	(222,941)
Interest payable	5,243,680	1,291,308
Taxation	6,537,315	(676,125)
Operating cash flows before movements in working capital	38,180,909	1,136,198
Decrease/(increase) in stocks	21,843,661	(4,927,556)
(Increase) in debtors	(16,051,522))	(567,692)
(Decrease) in creditors	(1,786,303)	(1,111,197)
Cash generated from/(used in) operations	42,186,745	(5,470,247)

Net debt reconciliation

	1 April 2020 £	Additions £	Interest & foreign exchange £	Cash Flows £	30 March 2021 £
Cash at bank and in hand	4,319,267	-	122,585	15,497,132	19,938,984
Bank overdrafts	(2,075,862)	-	-	2,075,862	-
Bank loans	(26,529,890)	(20,019,515)	-	34,759,594	(11,789,811)
Obligations under hire purchase agreements	(105,393)	-	(154,172)	116,079	(143,486)
	(24,391,878)	(20,019,515)	(31,587)	52,448,667	8,005,687

Notes to the financial statements (continued)
For the year ended 31 March 2021

22. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Operating leases which expire				
Within one year	936,000	942,672	936,000	936,000
Within 2-5 years	459,000	1,347,787	459,000	1,335,000
After 5 years	215,000	270,000	215,000	270,000
	1,610,000	2,560,459	1,610,000	2,541,000

23. Related party transactions

During the year the following related party transactions were entered into:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Sales to companies under common control	16,229,876	-	-	-
Purchases from companies under common control	1,264,344	1,005,736	901,344	842,968
Sales to associated undertakings	8,117,469	19,508,931	-	-
Purchases from associated undertakings	4,288,951	975,119	-	-

The following balances were outstanding at the year end

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Amounts due from companies under common control	13,774,033	578,018	1,676,529	578,018
Amounts owed to companies under common control	-	-	-	-
Amounts due from associated undertakings	4,607,381	6,438,498	-	-
Amounts owed to associated undertakings	199,828	176,257	-	-

Group and Company

Within amounts due from companies under common control are loans of £800,000 (2020 - £461,018) and £759,529 (2020 - £nil). Both are advanced at 3% above the base rate and are due for repayment on the 20 November 2023 and 30 July 2024.

Within amounts due from associated undertakings are loan notes of a principal amount of £3,584,532 (2020 - £3,584,532), accrued interest of £212,849 (2020 - £nil), and additional loan notes of £750,000 (2020 - £nil) which were subscribed for within the year. The loan notes are unsecured, repayable on the 1 April 2029 and attract interest at a rate of 6.2% which rolls up on the anniversary of the notes.

Within amounts due from associated undertakings in 2020 was contingent consideration of £2,250,000. This amount has been received within the year.

Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Related party transactions (continued)

Group

Within amounts due from companies under common control are development loans of £3,404,244 (2020 - £nil) and £8,693,260 (2020 - £nil) due for repayment on completion of the sites. No interest is charged on the initial advance.

At the year end the following balances were outstanding with directors:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Opening amounts due (to)/from directors	(16,942,958)	(10,976,835)	(16,432,161)	(10,531,038)
Advances to directors	23,341,045	4,513,000	23,341,045	4,513,000
Amounts acquired on business combinations	(183,700)	-	-	-
Repayments from directors	(13,393,764)	(10,479,123)	(12,193,764)	(10,414,123)
Impact of foreign exchange	66,788	-	66,788	-
Closing amounts due (to)/from directors	(7,112,588)	(16,942,958)	(5,218,092)	(16,432,161)

At the year end the following balances were outstanding with the spouses of directors:

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Opening amounts due (to)/from spouses	(2,400,000)	-	-	-
Advances to spouses	400,000	-	-	-
Amounts acquired on business combinations	-	-	-	-
Repayments from spouses	-	(2,400,000)	-	-
Impact of foreign exchange	-	-	-	-
Closing amounts due (to)/from spouses	(2,000,000)	(2,400,000)	-	-

Directors loans are received and advanced on a interest free basis to and from the group. The loans which are advanced from the directors spouses are advanced at 4% per annum and are repayable on demand.

During the prior year the controlling shareholder and director Lawrence Tomlinson purchased a vehicle from Ginetta Cars Limited for £100,000.

Remuneration of key management personnel

The total remuneration of the key management personnel of the Group was £1,430,943 (2020 – £978,140).

24. Contingent liabilities

At 31 March 2021, the Group's banking facilities were secured on the Group's freehold property and other assets via a combination of legal charges, inter-company guarantees and fixed and floating charge debentures. At 31 March 2021 the Group had borrowings to which this security related of £11,789,811 (2020 – £28,605,752).

Notes to the financial statements (continued)
For the year ended 31 March 2021

25. Events after the reporting date

On 1 April 2021, following the year end, a share for share exchange occurred between LNT Group Limited and LNT Holdings Limited, creating a new ultimate holding company. From this date the new ultimate parent company is LNT Holdings Limited.

Following the year end an additional legal charge was raised and held by Fortwell Capital Partners which contained a fixed charge over the Group's assets. This was part of a guarantee for borrowings on behalf of Oakdale Topco Limited. This charge was subsequently satisfied on 19 August 2021.

Following the year end an additional legal charge was raised and held by HSBC which contains fixed and floating charges over the Group's assets.

On 5 November 2021 the Group acquired the remaining 25% of the Ordinary Share Capital of Want2Race Limited. Immediately following this the share capital was redesignated from A and B classes of shares to a single Ordinary class of shares.

26. Controlling party

The ultimate controlling party is L N Tomlinson by virtue of his majority shareholding.