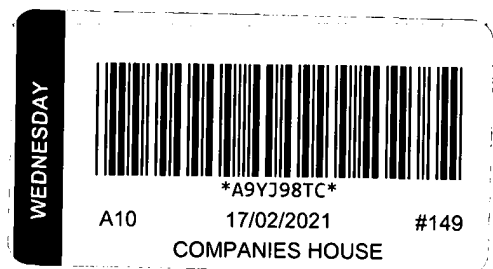


Company Registration No. 04929823

LNT Group Limited

Annual Report and Financial Statements

For the year ended 31 March 2020



LNT Group Limited

Company Registration No. 04929823

Annual Report and Financial Statements For the year ended 31 March 2020

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LNT Group Limited

Company Registration No. 04929823

Officers and professional advisers

Directors

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

Company Secretary

P M Raven

Registered Office

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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

LNT Group Limited

Company Registration No. 04929823

Strategic Report

For the year ended 31 March 2020

The directors present their strategic report for the Company and its subsidiaries for the year ended 31 March 2020.

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:

- Construction and sale of turn-of-key residential 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's Board of Directors report an EBITDA of £1.2m (2019 – £1.2m (excluding the exceptional profit on disposal of £18.4m)) and net asset position of £21.9m (2019 - £23.6m).

Throughout the year, the Board continued to focus on the construction & development element of its business. LNT Construction (LNT Construction Yorkshire, and LNT Construction) together with LNT Care Developments 3, produced a combined turnover of £48.3m, an increase of £5.9m on last year, and a combined cash at bank balance of £2.67m, an increase of £2.55m on last year.

Work was undertaken on an average of 13 sites in the year (2019 – 8 sites), with 5 care homes completed (2019 – 7 homes completed).

Due to strengthening investment appetite for care home assets, the number of developments and selling prices have increased. LNT Care Developments 3 and LNT Construction taken together achieved a £7.17m profit before tax (2019 - £0.61m). The Board expect this trend to accelerate and are forecasting significant increases in turnover and profit in the year to March 2021.

LNT Care Developments 3 and LNT Construction continue to benefit from high demand for top quality purpose built standardised LNT Care Homes to meet the needs of our aging population and the COVID-19 pandemic. The demand for modern assets with a modern design facilitates better virus control.

The COVID-19 pandemic caused only slight delays to the build programme in LNT Construction, but delayed completion of the sale of our care home in Bicester in LNT Care Developments 3. However, this did not cause any material adverse impact on cashflow. The pipeline of future sites has been expanded significantly and there is a renewed focus on providing an increasing number of care homes to care home operators and investors. Orders for 2021-22 are strong.

LNT Solutions continued to specialise in market leading track adhesion and de-icing solutions for rail, facilities management and aviation sectors of the UK and Europe.

Turnover for LNT Solutions' UK and European division decreased by 25% to £2.8m (2019 – £3.7m), with profit before taxation falling to £0.2m during the year (2019 – £0.4m). This was mainly due to reduced demand due to a warmer than average UK and European winter. Net assets increased to £1m (2019 – £0.8m).

The company's business earns its income in the autumn-winter period and as such revenues have been unaffected by the restrictions of COVID-19. Recognising the risks relating to availability of raw materials, the business has pursued a policy of securing sales contracts earlier than normal and are placing back to back orders for relevant raw materials.

The directors are taking steps to manage cashflow, reduce costs and plan appropriate mitigative commercial actions to take during this period of instability.

CoolCare continued to develop and sell management software to the residential care sector. 84% of revenues (2019 – 81%) is derived from monthly subscriptions to its CoolCare3 and CoolCare4 cloud-based software. Overall turnover increased by 10% to £1.3m, and cash at bank increased by 27% to £0.3m. This financial year marked the first full year of availability of CoolCare4 to the care market. Interest remained strong from both existing and new customers. Consequently, recurrent revenues for CoolCare4 increased by 183% year on year.

LNT Group Limited

Company Registration No. 04929823

Strategic Report (continued) For the year ended 31 March 2020

Business review and future developments (continued)

CoolCare has concentrated on refining its quality of products and services on offer, to achieve high levels of customer satisfaction. To further enhance the software experience, 33 updates were released to CoolCare4 customers. As a result, CoolCare achieved an average monthly customer retention rate of 99%.

CoolCare's software enables care operators to manage their business remotely, which has been a fundamental service for its residential care customers during the COVID-19 pandemic. The virus has strengthened impetus in the residential care sector to adopt more technology. Engagement with NHS Digital via the industry trade body, CASPA, indicates that this drive to digitalisation is also being supported by the Department of Health. Overall, the Directors consider this to be in the long-term interest of CoolCare and its ability to acquire and retain customers.

The Board 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.

Ginetta turnover fell to £6.7m (2019 – £8.6m), despite this reduction, gross profit only reduced by £0.4m.

Our LMP1 car is currently racing in the WEC Championships. £3m was spent on LMP1 race activities in the year, contributing to the increase in net liabilities and operating loss.

2020 will see the launch of our new G55 GTA Car. Based on our successful GT4 car, this car is aimed at track day enthusiasts and rookie racers. Ginetta will also release the second generation of the LMP3 car, a re-imagining of the original Ginetta LMP3 that dominated the class in 2015, with three different Ginettas winning all five races in that season's European Le Mans Series.

Our in-house championships continue to thrive and produce some of the best racing in the United Kingdom with the popularity of our series' shown by the fact over 130 different drivers raced with us through the year.

The company continues to invest in research and development, with total expenditure in the year being £0.5m (2019 – £1.1m).

Post year end business operations in Ginetta were temporarily suspended due to the COVID-19 pandemic. This led to a fall in demand as track racing across the UK was forced to close. At the time of writing, the business is fully operational, and the Ginetta Championships have resumed.

Whilst the trading environment is uncertain, we believe that our proposition will continue to appeal both in the UK and abroad, and we will continue to attract competitors from more expensive manufacturers. As the number of cars continues to rise, we will see a further growth in parts sales, whilst overseas expansion offers the potential for a year-round turnover stream.

The Board is satisfied that the Group continues to make progress towards its strategic objectives.

Key performance indicators

	2020	2019 (as restated)	Change
Turnover	£62,854,153	£94,107,949	(£31,253,796)
Gross profit	£22,068,847	£27,384,173	(£5,315,326)
EBITDA*	£1,196,791	£1,206,544	(£9,753)
Net assets	£21,878,514	£23,614,936	(£1,736,422)
Average employees	288	1,281	(993)

* EBITDA – excluding exceptional items

LNT Group Limited

Company Registration No. 04929823

Strategic Report (continued) For the year ended 31 March 2020

Principal risks and uncertainties

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

LNT Construction and LNT Care Developments 3

For the construction and developments businesses, the key risks and uncertainties which the business has to manage derive principally from macro-economic factors.

In particular, the availability of suitable funding for purchasers of our finished product to purchase the asset. The Company 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 and secure sales earlier in the development cycle.

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 cost 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.

LNT Solutions

For the chemical solutions division, 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.

The division 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.

CoolCare

The key business risks and uncertainties affecting the company 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.

Ginetta Cars

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.

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.

LNT Group Limited

Company Registration No. 04929823

Strategic Report (continued) For the year ended 31 March 2020

Financial risk management (continued)

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 2020
Carbon dioxide emissions arising from:	Tonnes
Electricity consumption	170
Gas consumption	121

Total carbon dioxide emissions	291

Tonnes per person employed	1

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.

Statement by the Directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

The board considers its stakeholders to be its shareholders, employees, customers, suppliers/creditors and the environment. The way that the Group considers and discharges its obligations in respect of S172 Companies Act 2006 in respect of its stakeholders can be found below.

Significant Decisions Made

There were no significant decisions made in the period.

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.

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.

LNT Group Limited

Company Registration No. 04929823

Strategic Report (continued) For the year ended 31 March 2020

Statement by the Directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006
(continued)

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 feed back 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.

Environment

The Group seeks to minimise its impact on the environment and regularly monitors its energy consumption.

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 the Coronavirus as set out above. The virus has resulted in shortages to materials, delayed site completions, reduced demand for car sales, and temporary closure of Ginetta championships.

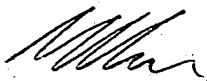
The Group has received financial support from the government's Coronavirus Job Retention Scheme. Whilst the ongoing impact of the Coronavirus is difficult to quantify, the Directors have undertaken revised forecasting of performance and cash flows in determining the appropriateness of continuing to adopt 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 meets its day to day working capital requirements through a £4.0m on demand group overdraft facility. The forecasts show that the Group should be able to operate within this facility for a period of at least 12 months from the date of these financial statements are signed.

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: 14 October 2020

LNT Group Limited

Company Registration No. 04929823

Report of the Directors For the year ended 31 March 2020

The directors present their report with the audited consolidated financial statements for the Company and its subsidiaries for the year ended 31 March 2020.

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
D C Callinan (appointed 1 April 2020)

Dividends

Dividends of £nil (2019 - £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 (2019 - £nil). £20,000 political donations were made during the year under review (2019 - £nil).

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.

Other matters

The Group incurred £545,148 of research and development expenditure (2019 - £2,190,504) of which £111,389 was capitalised (2019 - £858,336).

LNT Group Limited

Company Registration No. 04929823

Report of the Directors (continued)

For the year ended 31 March 2020

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 auditors are 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 auditors are 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

PricewaterhouseCoopers LLP resigned as auditor and RSM UK Audit LLP were appointed as auditor to fill the casual vacancy and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M G Lowe
Director

Date: 14 October 2020

Independent auditors' 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 2020 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss 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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditors' 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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Michael Thornton (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
West Yorkshire
LS1 4DL

16 October 2020

LNT Group Limited

Company Registration No. 04929823

Consolidated Profit and Loss Account For the year ended 31 March 2020

		Year ended 31 March 2020 Continued Operations	Year ended 31 March 2020 Discontinued Operations	Year ended 31 March 2020 Total	Year ended 1 April 2019 Continued Operations	Year ended 1 April 2019 Discontinued Operations as restated	Year ended 1 April 2019 Total as restated
	Note	£	£	£	£	£	£
Turnover	3	62,854,153	-	62,854,153	50,053,572	44,054,377	94,107,949
Cost of sales		(40,785,306)	-	(40,785,306)	(29,811,421)	(36,912,355)	(66,723,776)
Gross profit		22,068,847	-	22,068,847	20,242,151	7,142,022	27,384,173
Administrative expenses		(22,627,840)	-	(22,627,840)	(11,671,839)	(16,351,016)	(28,022,855)
Share of results from investments	12	(127,439)	-	(127,439)	(5)	-	(5)
Exceptional (costs)/income	5	(277,174)	-	(277,174)	-	18,464,393	18,464,393
Operating (loss)/profit		(963,606)	-	(963,606)	8,570,307	9,255,399	17,825,706
Interest receivable and similar income	6	222,941	-	222,941	-	6,578	6,578
Interest payable and similar expenses	7	(1,291,308)	-	(1,291,308)	(612,052)	(1,821,257)	(2,433,309)
(Loss)/profit before taxation	8	(2,031,973)	-	(2,031,973)	7,958,255	7,440,720	15,398,975
Tax on (loss)/profit	9	676,125	-	676,125	66,107	327,074	393,181
(Loss)/profit for the financial year		(1,355,848)	-	(1,355,848)	8,024,362	7,767,794	15,792,156
(Loss)/profit for the financial year attributable to:							
Owners of the parent		(1,531,187)	-	(1,531,187)	8,025,836	11,947,265	19,973,101
Non-controlling interests		175,339	-	175,339	(1,474)	(4,179,471)	(4,180,945)
(Loss)/profit for the financial year		(1,355,848)	-	(1,355,848)	8,024,362	7,767,794	15,792,156

The notes on pages 18 to 48 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 2020**

	Year ended 31 March 2020 £	Year ended 1 April 2019 as restated £
(Loss)/profit for the financial year	(1,355,848)	15,792,156
Currency translation difference on foreign currency net investments	(18,688)	18,388
Total comprehensive (expense)/income for the financial year	<u>(1,374,536)</u>	<u>15,810,544</u>
	Year ended 31 March 2020 £	Year ended 1 April 2019 as restated £
Total comprehensive (expense)/income for the financial year attributable to:		
Owners of the parent	(1,549,875)	19,991,489
Non-controlling interests	175,339	(4,180,945)
Total comprehensive (expense)/income for the year	<u>(1,374,536)</u>	<u>15,810,544</u>

LNT Group Limited
Company Registration No. 04929823

Consolidated Balance Sheet
As at 31 March 2020

	Note	31 March 2020 £	1 April 2019 as restated £
Fixed assets			
Intangible assets	10	4,381,013	4,564,736
Tangible assets	11	4,935,622	4,014,659
Investments	12	1,802,693	1,930,132
		11,119,328	10,509,527
Current assets			
Stocks	14	42,580,766	36,846,534
Debtors: amounts falling due within one year	15	18,694,271	17,634,626
Debtors: amounts falling due after more than one year	15	4,475,752	3,854,233
Cash at bank and in hand		4,319,267	5,981,635
		70,070,056	64,317,028
Creditors: amounts falling due within one year	16	(58,713,956)	(51,127,301)
Net current assets		11,356,100	13,189,727
Total assets less current liabilities		22,475,428	23,699,254
Creditors: amounts falling after more than one year	16	(596,914)	(84,318)
Net assets		21,878,514	23,614,936
Capital and reserves			
Called up share capital	20	768	768
Capital redemption reserve	21	198	198
Capital contribution reserve	21	240,779	240,779
Profit and loss account	21	21,225,805	22,775,680
Non-controlling interests		410,964	597,511
Total shareholders' funds		21,878,514	23,614,936

The financial statements on pages 11 to 48 were approved by the board of directors and authorised for issue on *14 October 2020* 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 2020

	Note	31 March 2020 £	1 April 2019 £
Fixed assets			
Tangible assets	11	195,089	99,387
Investments	12	2,770,929	2,770,929
		<u>2,966,018</u>	<u>2,870,316</u>
Current assets			
Debtors: amounts falling due within one year	15	33,706,971	19,972,907
Debtors: amounts falling due after more than one year	15	3,686,439	3,783,502
Cash at bank and in hand		-	4,498,983
		<u>37,393,410</u>	<u>28,255,392</u>
Creditors: amounts falling due within one year	16	(21,597,717)	(29,165,974)
Net current assets/(liabilities)		<u>15,795,693</u>	<u>(910,582)</u>
Total assets less current liabilities		<u>18,761,711</u>	<u>1,959,734</u>
Net assets		<u>18,761,711</u>	<u>1,959,734</u>
Capital and reserves			
Called up share capital	20	768	768
Capital redemption reserve	21	198	198
Capital contribution reserve	21	240,779	240,779
Profit and loss account	21	18,519,966	1,717,989
Total shareholders' funds		<u>18,761,711</u>	<u>1,959,734</u>

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 £16,801,977 (2019 – £9,899,079).

The financial statements on pages 11 to 48 were approved by the board of directors and authorised for issue on 14 October 2020 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 2020**

	Attributable to owners of the parent			Profit and loss account	Non- controlling interests	Total shareholders' funds
	Called up share capital	Capital redemption reserve	Capital contribution reserve			
	£	£	£	£	£	£
Balance at 31 March 2018	768	198	240,779	2,784,191	1,797,283	4,823,219
Profit for the financial year (as restated)	-	-	-	19,973,101	(4,180,945)	15,792,156
Other comprehensive expense - Currency translation differences	-	-	-	18,388	-	18,388
Total comprehensive income for the year (as restated)	-	-	-	19,991,489	(4,180,945)	15,810,544
Transactions with owners -						
Disposal of shares in Ideal Carehomes (Number One) Limited to non-controlling interest	-	-	-	-	2,986,795	2,986,795
NCI on acquisition of Bookatrack.com Limited	-	-	-	-	(5,622)	(5,622)
Balance at 1 April 2019 (as restated)	768	198	240,779	22,775,680	597,511	23,614,936
Loss for the financial year	-	-	-	(1,531,187)	175,339	(1,355,848)
Other comprehensive income - 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 (Note 13)	-	-	-	-	(361,886)	(361,886)
Balance at 31 March 2020	768	198	240,779	21,225,805	410,964	21,878,514

LNT Group Limited

Company Registration No. 04929823

**Company Statement of Changes in Equity
For the year ended 31 March 2020**

	Called up share capital	Capital redemption reserve	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
Balance at 31 March 2018	768	198	240,779	11,617,068	11,858,813
Loss for the financial year	-	-	-	(9,899,079)	(9,899,079)
Total comprehensive expense for the year	-	-	-	(9,899,079)	(9,899,079)
Balance at 1 April 2019	768	198	240,779	1,717,989	1,959,734
Profit for the financial year	-	-	-	16,801,977	16,801,977
Total comprehensive income for the year	-	-	-	16,801,977	16,801,977
Balance at 31 March 2020	768	198	240,779	18,519,966	18,761,711

LNT Group Limited

Company Registration No. 04929823

**Consolidated Statement of Cash Flows
For the year ended 31 March 2020**

	Year ended 31 March 2020	Year ended 1 April 2019
Note	£	£
Operating activities		
Cash (used in) operations	22 (5,470,247)	(9,824,898)
Tax refunded	3,154	-
Interest paid	(1,291,308)	(2,433,309)
	<u>(6,758,401)</u>	<u>(12,258,207)</u>
Investing activities		
Purchase of subsidiary (note 13)	(34,727)	5,328
Disposal of subsidiary	-	(158,842)
Purchase of investment in joint venture (note 12)	-	(5)
Purchase of tangible assets	(1,978,502)	(384,496)
Purchase of intangible assets	(111,389)	(858,336)
Sale of tangible assets	188,785	9,933,439
Interest received	700	6,578
	<u>(1,935,133)</u>	<u>8,543,666</u>
Financing activities		
Proceeds of new borrowings	26,438,969	20,789,439
Repayments of borrowings	(21,384,189)	(12,042,932)
Cash flows associated with obligations under finance leases	(99,476)	(73,131)
	<u>4,955,304</u>	<u>8,673,376</u>
	<u>(3,738,230)</u>	<u>4,958,835</u>
Net (decrease)/increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	<u>5,981,635</u>	<u>1,022,800</u>
Cash and cash equivalents at end of year	<u>2,243,405</u>	<u>5,981,635</u>
Relating to: -		
Bank balances and short-term deposits included in cash at bank and in hand	4,319,267	5,981,635
Overdrafts included in "creditors: amounts falling due within one year"	(2,075,862)	-
	<u>2,243,405</u>	<u>5,981,635</u>

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements For the year ended 31 March 2020

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.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

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 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.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued) For the year ended 31 March 2020

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

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 the Coronavirus as set out above. The virus has resulted in shortages to materials, delayed site completions, reduced demand for car sales, and temporary closure of Ginetta championships.

The Group has received financial support from the 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 meets its day to day working capital requirements through a £4.0m on demand group overdraft facility. The forecasts show that the Group should be able to operate within this facility for a period of at least 12 months from the date of these financial statements are signed.

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).

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

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.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued)

For the year ended 31 March 2020

1. Accounting policies (continued)

Turnover (continued)

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

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
Leasehold property	2% on cost
Fixtures and fittings	10% on cost, 10-15% on reducing balance
Motor vehicles	20% on cost, 25% on reducing balance
Plant, machinery and other	5% on cost, 20-25% on cost, 20-33% on reducing balance
Computer equipment	20-33% on cost, 33% on reducing balance

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.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued)

For the year ended 31 March 2020

1. Accounting policies (continued)

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 impairment 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.

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.

Notes to the financial statements (continued)
For the year ended 31 March 2020

1. Accounting policies (continued)

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.

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.

Notes to the financial statements (continued)
For the year ended 31 March 2020

1. Accounting policies (continued)

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.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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, group and other debtors (including accrued income) 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.

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.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued) For the year ended 31 March 2020

1. Accounting policies (continued)

Financial instruments (continued)

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.

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.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

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 Company 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.

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.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued) For the year ended 31 March 2020

1. Accounting policies (continued)

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

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.

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

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.

Notes to the financial statements (continued)
For the year ended 31 March 2020

2. Prior period adjustment

The financial statements for the year ended 1 April 2019 have been amended for a prior period adjustment as follows:

Changes to the consolidated balance sheet

		As previously reported	Adjustment	As restated
		£	£	£
Fixed assets				
Intangible assets	(a)	4,429,105	135,631	4,564,736
Creditors: amounts falling due within one year				
Amounts owed to related parties	(b)	(14,694,616)	505,415	(14,189,201)
Net current assets		<u>12,684,312</u>	<u>505,415</u>	<u>13,189,727</u>
Net assets		<u>22,973,890</u>	<u>641,046</u>	<u>23,614,936</u>
Profit and loss account	(a, b)	22,134,634	641,046	22,775,680
Total shareholders' funds		<u>22,973,890</u>	<u>641,046</u>	<u>23,614,936</u>

Changes to the consolidated profit and loss account

		As previously reported	Adjustment	As restated
		£	£	£
Exceptional items	(a, b)	17,823,347	641,046	18,464,393
Profit before taxation		<u>14,757,929</u>	<u>641,046</u>	<u>15,398,975</u>
Profit for the financial year		<u>15,151,110</u>	<u>641,046</u>	<u>15,792,156</u>

The adjustment to the consolidated profit and loss account all related to discontinued operations.

- (a) Goodwill of £135,631 was eliminated in respect of the disposal of the Ideal Carehomes Limited group and therefore included in the net liabilities disposed of when calculating the profit on disposal of £17,756,737 included within exceptional items. However, this goodwill remains within the Group and should not have been eliminated as part of the Ideal Carehomes Limited disposal. The prior year financial statements have therefore been restated to reinstate this goodwill resulting in an increase to goodwill and net assets of £135,631. The corresponding impact is an increase to the profit on disposal of the same amount resulting in an increase to the profit for the financial year.

Notes to the financial statements (continued)
For the year ended 31 March 2020

3. Turnover (continued)

The amount of turnover from construction contracts in the year was £48.3m (2019 - £53.1m). Turnover is recognised on construction contracts with reference to the value of work performed to date as a proportion of the total contract value.

4. Staff costs

	Group		Company	
	Year ended 31 March 2020 £	Year ended 1 April 2019 £	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Wages and salaries	9,489,709	25,763,352	866,851	864,836
Social security costs	1,041,593	2,355,146	16,443	152,474
Other pension costs	282,489	369,688	10,220	13,919
	<u>10,813,791</u>	<u>28,488,186</u>	<u>893,514</u>	<u>1,031,229</u>

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

	Group		Company	
	Year ended 31 March 2020 No.	Year ended 1 April 2019 No.	Year ended 31 March 2020 No.	Year ended 1 April 2019 No.
Administration	67	168	14	20
Directors	4	2	3	2
Carers	-	760	-	-
Domestic staff	-	173	-	-
Software development	6	7	-	-
Research, development and production	74	63	-	-
Sales and customer support	20	12	-	-
Construction	117	96	-	-
	<u>288</u>	<u>1,281</u>	<u>17</u>	<u>22</u>

Directors' emoluments

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Aggregate emoluments	494,217	443,087
Pension contributions	16,714	2,420

Notes to the financial statements (continued)
For the year ended 31 March 2020

4. Staff costs (continued)

Highest paid director

	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Aggregate emoluments	174,931	160,003
Pension contributions	1,316	1,210

There were retirement benefits accruing to three of the directors (2019 – two) under a defined contribution pension scheme.

5. Exceptional (costs)/income

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 As restated £
Profit on disposal of Ideal Carehomes Limited	-	18,397,783
Gain on sale and leaseback	-	66,610
Loss on disposal of tangible assets	(77,174)	-
Impairment of amounts owed by related parties	(200,000)	-
	<u>(277,174)</u>	<u>18,464,393</u>

6. Interest receivable and similar income

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Other interest	222,941	6,578

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****7. Interest payable and similar expenses**

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Bank loans and overdrafts	1,282,069	2,424,263
Hire purchase contracts	9,239	9,046
	<u>1,291,308</u>	<u>2,433,309</u>

8. (Loss)/profit before taxation

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 As restated £
Loss/profit before taxation is stated after charging/(crediting):	£	£
Operating leases		
- Plant and machinery	-	1,629,322
- Other	1,029,864	5,908,225
Depreciation of owned tangible assets	900,007	899,475
Depreciation of assets held under hire purchase agreements	14,739	60,198
Loss on disposal of tangible assets (non-exceptional)	30,656	72,119
Loss on disposal of tangible assets (exceptional)	77,174	-
(Profit) on disposal of business (exceptional)	-	(18,397,783)
Amortisation of intangible assets	968,477	873,975
Impairment of intangible assets	-	16,942
Research and development expenditure	433,759	1,332,168
(Profit)/loss on foreign exchange movements	(16,522)	35,836
Stocks		
- Impairment losses recognised in cost of sales	197,573	78,546
Auditors' fees payable		
- For the audit of the financial statements of the Company and Group	14,500	8,400
- For the audit of the financial statements of the Company's subsidiaries	54,500	81,300
- For the audit of the financial statements of the Company's associates	38,000	-
- For corporation tax compliance work	27,000	-
- For tax advisory services & other tax work	37,000	-
- For other services	9,000	-

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****9. Tax on (loss)/profit**

	Group	
	Year ended 31 March 2020 £	Year ended 1 April 2019 £
Current tax		
Current year charge	(12,266)	66,162
Adjustments in respect of prior periods	(42,340)	-
Total current tax	(54,606)	66,162
Deferred tax		
Origination and reversal of timing differences	(786,416)	(280,362)
Adjustments in respect of prior periods	170,001	(208,492)
Effects of changes in tax rates	(5,104)	29,511
Total deferred tax	(621,519)	(459,343)
Total tax on credit	(676,125)	(393,181)

Legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020 had been substantively enacted before the year end. However, in his budget in March 2020, the Chancellor announced that the rate of corporation tax would remain at 19% from 1 April 2020 rather than the rate of 17% which had previously been substantively enacted. As a result of this change, the deferred tax balances within these financial statements have been reassessed to reflect this new rate.

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****9. Tax on (loss)/profit (continued)**

The corporation tax charge for the year differs from the standard rate of tax in the UK of 19% (2019 – 19%). The actual charge differs from the standard rate for the reasons set out in the following reconciliations.

	Group	
	Year ended 31 March 2020	Year ended 1 April 2019 As restated
	£	£
(Loss)/profit before taxation	(2,031,973)	15,398,975
(Loss)/profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019 – 19%)	(386,075)	2,925,805
Effects of:		
Expenses not deductible for tax purposes	154,414	545,480
Income not taxable for tax purposes	-	(3,893,110)
Adjustments in respect of prior periods	127,661	(208,492)
Effect of losses	-	113,665
Effect of changes in tax rates	(19,194)	29,716
Movement in unprovided deferred tax	(611,581)	80,346
Depreciation in ineligible assets	-	13,409
Other timing differences	58,650	-
Total tax (credit) for year	(676,125)	(393,181)

Notes to the financial statements (continued)
For the year ended 31 March 2020

10. Intangible assets

Group	Goodwill	Development costs	Intellectual Property Licences	Total
	£	£	£	£
Cost				
At 1 April 2019 (as restated)	1,059,382	3,292,459	1,500,000	5,851,841
Additions	-	111,389	-	111,389
Additions due to acquisition of TMI Autotech Incorporated (Note 13)	-	-	673,365	673,365
At 31 March 2020	1,059,382	3,403,848	2,173,365	6,636,595
Accumulated amortisation and impairment				
At 1 April 2019	198,704	588,401	500,000	1,287,105
Charge for year	90,680	604,284	273,513	968,477
At 31 March 2020	289,384	1,192,685	773,513	2,255,582
Net book value				
At 31 March 2020	769,998	2,211,163	1,399,852	4,381,013
At 1 April 2019 (as restated)	860,678	2,704,058	1,000,000	4,564,736

The intellectual property licence with a net book value of £750,000 (2019 - £1,000,000) is held by Ginetta Cars Limited.

The licence with a net book value of £649,852 (2019 - £nil) is held by TMI Autotech Incorporated. The licence is to sell Ariel Branded Cars in the American markets.

The development asset with a net book value of £391,875 (2019 - £309,387) is held by LNT Solutions Limited. The intangible asset will be amortised once the product it relates to goes live.

The development asset with a net book value of £768,774 (2019 - £1,025,122) is held by Coolcare Limited (formerly LNT Software Limited). The development costs are being amortised evenly over their estimated useful life of five years and amortisation is accounted for within administrative expenses.

The development asset with a net book value of £1,050,514 (2019 - £1,369,549) is 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 1 April 2020 (1 April 2019 – none).

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****11. Tangible assets****Group**

Cost	Freehold land and buildings	Leasehold property	Fixtures and fittings	Plant, machinery and other	Motor vehicles	Computer equipment	Total
	£	£	£	£	£	£	£
At 1 April 2019	475,000	63,169	560,811	4,864,107	1,481,159	123,707	7,567,953
Additions	-	-	248,416	1,318,428	248,844	162,814	1,978,502
Additions due to acquisition of TMI Autotech Incorporated (Note 13)	-	-	-	118,009	1,775	34,038	153,822
Disposals	-	(63,169)	(62,733)	(62,369)	(241,695)	(27,355)	(457,321)
At 31 March 2020	475,000	-	746,494	6,238,175	1,490,083	293,204	9,242,956
Accumulated depreciation							
At 1 April 2019	52,500	21,641	266,962	1,977,593	1,126,012	108,586	3,553,294
Charge for year	26,250	-	81,764	674,233	113,098	19,401	914,746
Eliminated on disposals	-	(21,641)	(16,751)	(16,002)	(102,195)	(4,117)	(160,706)
At 31 March 2020	78,750	-	331,975	2,635,824	1,136,915	123,870	4,307,334
Net book value							
At 31 March 2020	396,250	-	414,519	3,602,351	353,168	169,334	4,935,622
At 31 March 2019	422,500	41,528	293,849	2,886,514	355,147	15,121	4,014,659

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****11. Tangible assets (continued)**

The net book value of tangible fixed assets includes £105,393 (2019 – £223,721) in respect of motor vehicles held under hire purchase contracts.

Company	Fixtures and Fittings £	Computer equipment £	Total £
Cost			
At 1 April 2019	269,151	-	269,151
Additions	-	144,977	144,977
At 31 March 2020	<u>269,151</u>	<u>144,977</u>	<u>414,128</u>
Accumulated depreciation			
At 1 April 2019	169,764	-	169,764
Charge for year	35,337	13,938	49,275
At 31 March 2020	<u>205,101</u>	<u>13,938</u>	<u>219,039</u>
Net book value			
At 31 March 2020	<u><u>64,050</u></u>	<u><u>131,039</u></u>	<u><u>195,089</u></u>
At 1 April 2019	<u><u>99,387</u></u>	<u><u>-</u></u>	<u><u>99,387</u></u>

12. Investments

Group	Investment in associate £	Investment in joint venture £	Total £
Cost			
At 1 April 2019	1,930,132	-	1,930,132
Additions	-	-	-
Share of (loss)/profit	(130,333)	2,894	(127,439)
At 31 March 2020	<u>1,799,799</u>	<u>2,894</u>	<u>1,802,693</u>
Net Book Value			
At 31 March 2020	<u><u>1,799,799</u></u>	<u><u>2,894</u></u>	<u><u>1,802,693</u></u>
At 1 April 2019	<u><u>1,930,132</u></u>	<u><u>-</u></u>	<u><u>1,930,132</u></u>

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****12. Investments (continued)**

Company	Investment in associate £	Investment in joint venture £	Investments in subsidiary undertakings £	Total £
Cost				
At 1 April 2019 and 31 March 2020	1,930,132	5	16,427,928	18,358,065
Provisions for Impairment				
At 1 April 2019 and 31 March 2020	-	-	(15,587,136)	(15,587,136)
Net Book Value				
At 31 March 2020	<u>1,930,132</u>	<u>5</u>	<u>840,792</u>	<u>2,770,929</u>
At 1 April 2019	<u>1,930,132</u>	<u>5</u>	<u>840,792</u>	<u>2,770,929</u>

Investment in joint venture

The Company and the Group had an investment in the Ordinary shares of the following joint venture at 31 March 2020:

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			

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Notes to the financial statements (continued) For the year ended 31 March 2020

12. Investments (continued)

Investment in associates

The Company and the Group had an investment in the Ordinary shares of the following associates at 31 March 2020:

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

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

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Notes to the financial statements (continued) For the year ended 31 March 2020

12. 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 2020:

Company	Principal activities	Registered office	%	
			Direct	Indirect
LNT Construction Limited (formerly LNT Construction Newco Limited)	Construction	a)	75	-
LNT Construction Yorkshire Limited (formerly LNT Construction Limited)	Construction	a)	100	-
LNT Care Developments (2) Limited	Dormant	a)	100	-
LNT Care Developments (3) Limited	Care home developer	a)	100	-
LNT Developments Limited (*)	Care home developer	a)	100	-
Ideal Carehomes (Seven) Limited (*)	Financial management	a)	100	-
LNT Aviation Limited (*)	Non-scheduled passenger air transport	a)	100	-
Coolcare Limited	Computer software	a)	90	-
LNT Chemicals Limited	Wholesale chemicals	a)	65	-
LNT Automotive Limited	Motorsport	a)	100	-
Subsidiaries of LNT Construction Limited				
LNT Care Developments Limited	Dormant	a)	-	75
Subsidiaries of LNT Chemicals Limited				
LNT Solutions Limited	Wholesale chemicals	a)	-	65
LNT Solutions Incorporated (*)	Wholesale chemicals	b)	-	65
Subsidiaries of LNT Automotive Limited				
Ginetta Cars Limited	Sports car manufacturer	a)	-	100
Ginetta Limited (formerly Ginetta Track Limited) (*)	Sports car manufacturer	a)	-	100
Ginetta Heritage Limited (formerly LNT Driver Management Limited)	Dormant	a)	-	100
Want2Race Limited (*)	Arranging track days	a)	-	75
Bookatrack.com Limited (*)	Arranging racetrack meetings	a)	-	75
LNT Automotive Incorporated (*)	Holding company	c)	-	100
Subsidiaries of LNT Automotive Incorporated				
TMI Autotech Incorporated (*)	Sports car manufacturer	c)	-	51

Key Registered address

a)	Helios 47, Isabella Road, Garforth, Leeds, LS25 2DY
b)	Box 224, Jordan Stn, Ont. Canada LOR 1S0
c)	1201 Industrial Park Road, South Boston, VA 24592, USA

(*) 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 2020 until those liabilities are satisfied in full.

As noted in the PBSE note LNT Care Developments (3) Limited was acquired by LNT Care Developments Limited on 27 July 2020, as such on this date the group's interest reduced to 75%.

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Notes to the financial statements (continued) For the year ended 31 March 2020

13. Acquisitions

On 6 December 2019 the Group acquired 51% of the issued share capital of TMI Autotech Incorporated. The cost of the acquisition comprised consideration of £258,628 (\$320,000), including deferred consideration of £202,053 (\$250,000) and cash consideration of £56,575 (\$70,000).

Consolidated turnover and consolidated profit after tax comprise turnover of £409,280 and loss after tax of £85,050 contributed by TMI Autotech Incorporated between the date of its acquisition and 31 March 2020.

Intangible assets with a book value of £39,782 (\$49,222) were identified to have a fair value of £673,365 (\$835,260). These assets have been included as an addition at their fair value within Note 10.

TMI Autotech Incorporated has been accounted for using the acquisition method of accounting. At 6 December 2019 (the 'acquisition date'), the assets and liabilities of TMI Autotech Incorporated were consolidated at their fair values to the Group, calculated in US Dollars (\$) and then translated to Sterling (£) at the prevailing rate on the acquisition date, as set out below:

	Book value \$	Fair value \$	Book value £	Fair value £
Intangible assets	49,222	835,260	39,782	673,365
Tangible assets	193,427	193,427	156,330	153,822
Stock	998,100	998,100	806,676	806,676
Trade and other debtors	328,505	328,505	265,502	269,712
Cash at bank and in hand	27,033	27,033	21,848	21,848
Trade and other creditors	(1,661,707)	(1,661,707)	(1,343,010)	(1,343,010)
Non-current liabilities	(848,380)	(848,380)	(685,671)	(685,671)
	<u>(913,800)</u>	<u>(127,762)</u>	<u>(738,543)</u>	<u>(103,258)</u>
Goodwill		-		-
Non-controlling interest		447,762		361,886
Consideration		<u>320,000</u>		<u>258,628</u>

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****14. Stocks**

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Raw materials and parts	5,441,599	4,596,200	-	-
Work in progress	33,584,392	14,053,499	-	-
Land for development and resale	-	14,653,857	-	-
Finished goods and goods for resale	3,554,775	3,542,978	-	-
	<u>42,580,766</u>	<u>36,846,534</u>	<u>-</u>	<u>-</u>

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

15. Debtors

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Trade debtors	1,276,023	3,074,975	-	468,000
Amounts owed by group undertakings	-	-	30,146,175	16,553,778
Amounts owed by related parties	1,070,984	9,686,714	517,018	50,000
Amounts recoverable on contracts	9,615,634	-	-	-
Tax recoverable	130,000	-	130,000	-
VAT recoverable	1,893,107	456,703	24,147	11,141
Other debtors	451,494	559,446	353,373	467,391
Contingent consideration	2,250,000	2,250,000	2,250,000	2,250,000
Prepayments and accrued income	2,007,029	1,606,788	286,258	172,597
	<u>18,694,271</u>	<u>17,634,626</u>	<u>33,706,971</u>	<u>19,972,907</u>
Amounts due after more than one year:				
Loan notes	3,584,532	3,584,532	3,584,532	3,584,532
Deferred tax assets (Note 19)	891,220	269,701	101,907	198,970
	<u>23,170,023</u>	<u>21,488,859</u>	<u>37,393,410</u>	<u>23,756,409</u>

During the year, an impairment loss of £nil (2019 – £nil) was recognised in respect of trade receivables due from customers who are known to be in financial difficulty and from whom payment was overdue by more than eighteen months.

During the year, an impairment loss of £200,000 (2019 - £nil) was recognised in respect of amounts owed by related parties.

The contingent consideration of £2,250,000 (2019 - £2,250,000) is receivable in respect of the disposal of Ideal Carehomes Limited. The contingent consideration is based on the attainment of future earnings between the disposal date and 31 March 2020. The full earnout was met as expected and this was received post year end, as detailed in Note 24.

The loan notes of £3,584,532 (2019 - £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%.

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Notes to the financial statements (continued) For the year ended 31 March 2020

16. Creditors

	Note	Group		Company	
		31 March 2020	1 April 2019 As restated	31 March 2020	1 April 2019
		£	£	£	£
Amounts falling due within one year:					
Bank loans and overdrafts	17	28,170,480	20,789,439	2,075,862	-
Obligations under hire purchase agreements	18	105,393	120,551	-	-
Trade creditors		7,996,087	7,977,099	64,826	172,883
Amounts owed by group undertakings		-	-	2,510,000	18,153,998
Amounts owed to related parties		17,295,301	14,189,201	16,774,923	10,701,038
Corporation tax		14,710	66,162	-	-
Other taxation and social security		338,627	387,756	-	-
VAT payable		138,903	-	-	-
Other creditors		1,027,718	952,527	10,511	5
Accruals and deferred income		3,586,326	6,644,566	161,595	138,050
Deferred consideration		40,411	-	-	-
		<u>58,713,956</u>	<u>51,127,301</u>	<u>21,597,717</u>	<u>29,165,974</u>

	Note	Group		Company	
		31 March 2020	1 April 2019	31 March 2020	1 April 2019
		£	£	£	£
Amounts falling due after more than one year:					
Bank loans	17	435,272	-	-	-
Obligations under hire purchase agreements	18	-	84,318	-	-
Deferred consideration		161,642	-	-	-
		<u>596,914</u>	<u>84,318</u>	<u>-</u>	<u>-</u>

Fortwell Capital Partners Limited provides a £70.0m 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.

Fern Trading Limited provides a £40.0m revolving credit facility to LNT Care Developments (2) Limited. This facility is undrawn and unutilised due to the dormant status of LNT Care Developments (2) Limited.

Pension contributions of £3,220 (2019 - £3,220) remain outstanding at the year end.

Deferred consideration of £202,053 (2019 - £nil), being £40,411 (2019 - £nil) falling due within one year and £161,642 (2019 - £nil) falling due after more than one year relates to the acquisition detailed in Note 13. The deferred consideration is payable in equal annual instalments of £40,411 (\$50,000) and is due for repayment by December 2024.

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Notes to the financial statements (continued) For the year ended 31 March 2020

17. Borrowings

An analysis of the maturity of loans is given below:

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Amounts falling due within one year or on demand				
Bank loans	26,094,618	20,789,439	-	-
Bank overdrafts	2,075,862	-	2,075,862	-
Amounts falling due after more than one year				
Bank loans	435,272	-	-	-
	<u>28,605,752</u>	<u>20,789,439</u>	<u>2,075,862</u>	<u>-</u>

The bank loans and overdrafts 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 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Bank loans	26,529,890	20,789,439	-	-
Bank overdrafts	2,075,862	-	2,075,862	-
	<u>28,605,752</u>	<u>20,789,439</u>	<u>2,075,862</u>	<u>-</u>

Metro Bank Plc has fixed and floating charges over the undertaking and all property and assets owned by the Company and a number of its subsidiaries. Metro Bank Plc also holds supported personal guarantees provided by L N Tomlinson to the value of £2.89m and unsupported personal guarantees provided by M G Lowe and P M Raven to the value of £7,500 each.

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.

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****18. Obligations under hire purchase agreements**

Future minimum lease payments due under hire purchase agreements:

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Less than one year	105,393	120,551	-	-
Between one and five years	-	84,318	-	-
	<u>105,393</u>	<u>204,869</u>	<u>-</u>	<u>-</u>

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 11.

19. Deferred tax

Deferred tax asset	Group £	Company £
Asset at 1 April 2019	(269,701)	(198,970)
Credit to profit and loss account in year	(621,519)	97,063
Asset at 31 March 2020	<u>(891,220)</u>	<u>(101,907)</u>

The deferred tax asset at 31 March relates to –

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Fixed asset timing differences	52,146	(103,676)	(32,541)	(34,115)
Short term timing differences	-	(101)	-	(43)
Trading losses	(943,366)	(165,924)	(69,366)	(164,812)
	<u>(891,220)</u>	<u>(269,701)</u>	<u>(101,907)</u>	<u>(198,970)</u>

At 31 March 2020, the Group had an unrecognised deferred tax asset of £3,636,393 (2019 – £3,426,611) which comprised £3,520,664 (2019 – £3,018,340) in relation to trading losses, £115,729 (2019 – £408,271) in relation to capital allowances and £nil (2019 – £nil) in relation to other short term timing differences.

LNT Group Limited

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****20. Called up share capital**

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
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	4	4
E Ordinary shares of £0.00001 each	2	2	2	2
Ordinary Deferred shares of £0.00001 each	1	1	1	1
	<u>768</u>	<u>768</u>	<u>768</u>	<u>768</u>

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.

21. Reserves

Reserves of the Group/Company represent the following:

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.

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**Notes to the financial statements (continued)
For the year ended 31 March 2020****22. Cash generated from/ (used in) operations**

	Year ended 31 March 2020	Year ended 1 April 2019 As restated
	£	£
(Loss)/profit for the financial year	(1,355,848)	15,792,156
Adjustments for:		
Depreciation of tangible fixed assets	914,746	959,673
Amortisation and impairment of intangible assets	968,477	890,917
Loss on disposal of tangible fixed assets	107,830	72,119
Profit on sale of business (note 5)	-	(18,397,783)
Profit on sale and leaseback (note 5)	-	(66,610)
Share of results of joint venture and associate	127,439	5
Non-cash change in respect of currency translation differences	(18,688)	18,388
Interest receivable	(222,941)	(6,578)
Interest payable	1,291,308	2,433,309
Taxation	(676,125)	(393,181)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	1,136,198	1,302,415
(Increase) in stocks	(4,927,556)	(18,131,055)
(Increase) in debtors	(567,692)	(9,392,846)
(Decrease)/increase in creditors	(1,111,197)	16,396,590
	<hr/>	<hr/>
Cash (used in) operations	(5,470,247)	(9,824,898)

Additions under hire purchase agreements during the year of £nil (2019 - £170,442) have been excluded from the cash flow statement as non-cash transactions.

Net debt reconciliation

	At 1 April 2019 £	Cash Flows £	On acquisition £	At 30 March 2020 £
Cash at bank and in hand	5,981,635	(1,662,368)	-	4,319,267
Bank overdrafts	-	(2,075,862)	-	(2,075,862)
Bank loans	(20,789,439)	(5,054,780)	(685,671)	(26,529,890)
Obligations under hire purchase agreements	(204,869)	99,476	-	(105,393)
	<hr/>	<hr/>	<hr/>	<hr/>
	(15,012,673)	(8,693,534)	(685,671)	(24,391,878)

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued) For the year ended 31 March 2020

23. Financial commitments

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

	Group		Company	
	31 March 2020 £	1 April 2019 £	31 March 2020 £	1 April 2019 £
Operating leases which expire				
Within one year	942,672	6,529,033	936,000	-
Within 2-5 years	1,347,787	27,125,273	1,335,000	-
After 5 years	270,000	223,084,565	270,000	-
	<u>2,560,459</u>	<u>256,738,871</u>	<u>2,541,000</u>	<u>-</u>

24. Events after the reporting date

Group

On 10 June 2020 LNT Care Developments (4) Limited was incorporated as a wholly owned subsidiary of LNT Care Developments Limited.

Company

On 7 July 2020 LNT Group Limited received the £2,250,000 contingent consideration which is included within trade and other debtors, in relation to the earn out element of the sale of Ideal Carehomes Limited which occurred in 2019. On the same date, a further £750,000 was invested in Ideal Carehomes Limited in line with the terms of the sale agreement.

On 27 July 2020 LNT Care developments Limited acquired LNT Care Developments (3) Limited from LNT Group Limited for £15,000,000.

25. Related party transactions

Company

The amount owed to L N Tomlinson, the Company's ultimate controlling party, at 31 March 2020 was £16,774,923 (2019 - £10,531,038), included in creditors falling due within one year. This loan is interest free and unsecured.

The amount owed by M Lowe, a director of the company, at 31 March 2020 was £200,000 (2019 - £200,000) included in debtors. This loan was interest free and unsecured.

The amount owed by P Raven, a director of the company, at 31 March 2020 was £142,762 (2019 - £129,762) included in debtors. This loan is interest free and unsecured.

The Company was owed £nil (2019 - £200,000) at 31 March 2020 by Ginetta Research Limited, a company in which L N Tomlinson is a shareholder. During the year repayments of £nil (2019 - £nil) were made by the company. An impairment provision of £200,000 (2019 - £nil) was recognised during the year against this balance.

The Company owed £nil (2019 - £370,000) to LNT Properties LLP at 31 March 2020, a partnership in which L N Tomlinson and P L Tomlinson (L N Tomlinson's spouse) are the partners, as an interest free and unsecured loan due within one year. During the year the Company repaid £370,000 (2019 - £nil) to the LLP.

The Company was owed £117,000 (2019 - £nil) by Want2Race Limited at 31 March 2020, as an interest free and unsecured loan due within one year.

During the year the Company subscribed to loan notes with a value of £nil (2019 - £3,584,532) in Ideal Carehomes Midco 1 Limited, a company in which LNT Group Limited holds a 25% indirect shareholding via its investment in the associate Ideal Carehomes Topco Limited. At 31 March 2020 £3,584,532 (2019 - £3,584,532) was outstanding within debtors falling due after more than one year. The loan notes are unsecured, repayable on 1 April 2029 and attract interest a rate of 6.2%.

LNT Group Limited

Company Registration No. 04929823

Notes to the financial statements (continued) For the year ended 31 March 2020

25. Related party transactions (continued)

At 31 March 2020, the Company is owed contingent consideration of £2,250,000 (2019 - £2,250,000) from Ideal Carehomes Bidco Limited, a company in which LNT Group Limited holds a 25% indirect shareholding via its investment in the associate Ideal Carehomes Topco Limited, as consideration for the disposal of Ideal Carehomes Limited. The balance is included within debtors falling due within one year and is based on the attainment of future earnings between the disposal date and 31 March 2020.

At 31 March 2020, the Company is owed £50,000 (2019 - £50,000) by Simtrack DPC Limited, a company in which P Raven is a director, as an interest free and unsecured loan due within one year.

At 31 March 2020, the Company is owed £461,018 (2019 - £nil) by Halcyon Care Homes Limited, a company where L N Tomlinson is a shareholder. Interest is charged on the loan at 3% above the Barclays Bank Base Rate and the loan is for a maximum period of 4 years ending on 20 November 2023.

Group

The following related party creditors are included within creditors falling due within one year:

£nil (2019 - £3,831,009) owed to LNT Properties LLP, as an interest free and unsecured loan due within one year. During the year repayments of £3,831,009 (2019 - £nil) were made by the Group.

£16,774,923 (2019 as restated - £11,558,793) owed to L N Tomlinson as an interest free and unsecured loan due within one year. During the year repayments of £4,710,715 (2019 - £nil) were made by the Group.

During the year the Group loaned £2,000,000 from Mrs P Tomlinson (spouse of L N Tomlinson), £300,000 from Mrs C Raven (spouse of P M Raven), and £100,000 from Mrs A Lowe (spouse of M G Lowe). Interest is charged at 4% per annum and repayable on demand.

The following related party debtors are included within debtors:

The Group was owed £nil (2019 - £200,000) by Ginetta Research Limited, a company in which L N Tomlinson is a shareholder. During the year repayments of £nil (2019 - £nil) were made by the company. An impairment provision of £200,000 (2019 - £nil) was recognised during the year against this balance.

During the year the Group subscribed to loan notes with a value of £nil (2019 - £3,584,532) in Ideal Carehomes Midco 1 Limited, a company in which LNT Group Limited holds a 25% indirect shareholding via its investment in its associate Ideal Carehomes Topco Limited. At 31 March 2020, £3,584,532 (2019 - £3,584,532) was outstanding within debtors falling due after more than one year. The loan notes are unsecured, repayable on 1 April 2029 and attract interest at a rate of 6.2%.

At 31 March 2020, the Group is owed contingent consideration of £2,250,000 (2019 - £2,250,000) from Ideal Carehomes Bidco Limited, a company in which LNT Group Limited holds a 25% indirect shareholding via its investment in the associate Ideal Carehomes Topco Limited, as consideration for the disposal of Ideal Carehomes Limited. The balance is included within debtors falling due within one year and is based on the attainment of future earnings between the disposal date and 31 March 2020.

At 31 March 2020, the Group was owed £nil (2019 - £9,636,713) by Ideal Care Developments Limited (formerly LNT Care Developments Limited), £nil (2019 - £1) by De Brook CH Limited and £553,966 (2019 - £nil) by Ideal Care Developments (2) Limited, former subsidiaries of the Company. The balances are interest free, unsecured and due within one year.

At 31 March 2020, the Group is owed £50,000 (2019 - £50,000) by Simtrack DPC Limited, a company in which P Raven is a director, as an interest free and unsecured loan due within one year.

The Group entered the following transactions with related parties during the year:

During the year, the Group purchased goods relating to the construction of care homes, in the ordinary course of business, from Q-Gen Limited, a company in which L N Tomlinson is a shareholder, with an invoice value of £975,119 (2019 - £1,128,135). At the year end, £176,257 (2019 - £nil) was owed by the Group to Q-Gen Limited and is included within trade creditors. Transactions are on an arm's length basis.

During the year the Group charged £18,894,942 (2019 - £nil) to Ideal Care Developments Limited, a company in which L N Tomlinson is a shareholder, in respect of build costs.

During the year £29,012 (2019 - £40,630) was sold to Ideal Care Homes No. 1 Limited, a company in which L N Tomlinson is a shareholder, in respect of subscription fees.

LNT Group Limited

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Notes to the financial statements (continued) For the year ended 31 March 2020

25. Related party transactions (continued)

During the year £2,156 (2019 - £1,802) was sold to Ideal Care Homes Limited, a company in which L N Tomlinson is a shareholder, in respect of subscription fees.

During the year L N Tomlinson purchased a used car for £100,000 (2019 - £nil) from Ginetta Cars Limited.

During the year the Group paid £162,768 (2019 - £nil) in respect of rent incentives to Halcyon Care Homes Limited, a company where L N Tomlinson is a shareholder. At 31 March 2020, the Group is owed £461,018 (2019 - £nil) by Halcyon Care Homes Limited. Interest is charged on the loan at 3% above the Barclays Bank Base Rate and the loan is for a maximum period of 4 years ending on 20 November 2023.

Remuneration of key management personnel

The total remuneration of the key management personnel of the Group was £978,140 (2019 – £879,985).

26. Contingent liabilities

At 31 March 2020, 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 2020 the Group had borrowings to which this security related of £28,605,752 (2019 – £20,789,439).

27. Controlling party

The ultimate controlling party is L N Tomlinson.