

LIND AG LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



LIND AG LIMITED

COMPANY INFORMATION

Directors	R B Dacre D A Stuart (resigned 20 January 2021) D Bagheri (appointed 20 January 2021) S E Dacre (appointed 20 January 2021) D Richardson (appointed 20 January 2021)
Company secretary	R B Dacre
Registered number	02727708
Registered office	Brook Farm Five Oak Green Road Tonbridge Kent TN11 0QN
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL
Bankers	Bank of Scotland 3 Queen Street Norwich Norfolk NR2 4SG

LIND AG LIMITED

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LIND AG LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their strategic report for the year ended 31 December 2020.

Business review

The business retails Porsche new and used cars, parts, and related services from our dealerships in Kent, and Norwich.

Despite COVID-19, Porsche Centre Tonbridge has achieved its best ever sales and NPBT for the year ended 31 December 2020. This included best ever NPBT for each of the months July through to December 2020.

Porsche Centre Norwich commenced trading in January 2021 and has bettered expectations. We have a very strong hand-picked team to complement our state-of-the-art facilities. Very healthy customer satisfaction scores and NPBT have also been achieved for our first 6 months of trading.

Our launch pad has been established, momentum is building nicely from our Porsche Centre Tonbridge expansion and our new Porsche Centre Norwich. There is indeed much to be excited about re LIND AG Limited.

LIND AG LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

Competitive risks:

There is a healthy appetite for premium automotive offerings. However, business uncertainty, rapidly changing customer behaviours, and technology has meant an increase in the breadth and intensity of competition. Pressure on margins does provide a clear indicator. Our Company will remain focused on delivering the highest levels of customer satisfaction. This will include our commitment to competitively pricing, and investment in ensuring the best possible online/retail/ workshop facilities.

Supplier risks:

Our Company has established healthy, reliable, and trusted supplier relationships. This includes our manufacturers and franchisors. A key risk is the potential loss of a supplier including a franchise. Maintaining a close relationship including clear communication with all key suppliers does mitigate our risks.

General economy and political risk:

The Company is not immune to the general economic conditions. Brexit, inflation, growing unemployment, fall-out from a Global pandemic, interest rate and exchange rate fluctuations could have a negative impact on the business.

Regulatory compliance risk:

The Company is subject to regulatory compliance risk by failing to comply with laws, regulations or codes as set by the Health and Safety Executive, Financial Conduct Authority, and local authorities. Non-compliance can lead to fines, and suspension from selling general insurance products. GDPR and the safeguarding of information.

Management risk:

The Company is dependent on members of its senior management team and the loss of such individuals could have an adverse effect on the business. Further, failure to attract, develop and retain staff of sufficient calibre could also affect the ability of the business to grow.

Information risk:

The Company is dependent on the continuous operation of its information technology and computer systems which are vulnerable to damage, failure, and sabotage. Whilst insurance cover is in place, such a disaster could have a detrimental effect on the business.

Financial risk management objectives and policies:

In common with other businesses, the Company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level. Levels of stock are also regularly scrutinised to reduce the risk of slow-moving stocks being held.

LIND AG LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Financial key performance indicators

The Company uses a range of performance measures to monitor business performance. The directors consider that, consistent with the size and non-complex nature of the business, the key performance indicators are those that communicate the financial performance of the business as a whole. These include:

	2020 £	2019 £
Turnover	50,948,374	47,534,794
Gross profit	6,682,442	5,967,181
Net profit before tax	1,296,874	1,094,986
Net assets	2,870,923	1,914,826
Fixed assets	12,082,200	6,730,251

Other key performance indicators

The Company also reviews non-financial indicators, particularly those relating to customer satisfaction, manufacturer balanced scorecard performance and changes in employee numbers. Average employee numbers have increased during 2020 to 54 (2019: 49).

Directors' statement of compliance with duty to promote the success of the Company

Directors of all UK companies must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006. The directors, both individually and together, consider that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company

The Company has a rigorous process to ensure stakeholders are included in the decision-making process. The directors and employees are all included throughout the year with continuous communication and interactions.

Engagement with suppliers, customers and others

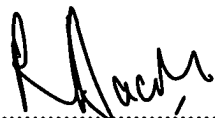
Fostering the Company's business relationships with suppliers, customers and others is a key component in the directors' aim to bring sustained long-term growth to the business and shareholder value. This is achieved by:

Suppliers	Engaging closely with suppliers via frequent communications, meetings where appropriate, using fair contract terms, paying promptly and providing safe working conditions.
Customers	Maintaining close contact throughout the sale process, the provision of transparent sales details, responding to customer requests and implementing changes as a result of customer feedback.

LIND AG LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board and signed on its behalf.



.....
R B Dacre
Director

Date: 25th September 2021

LIND AG LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company continued to be that of operating a motor dealership.

Results and dividends

The profit for the year, after taxation, amounted to £956,097 (2019 - £854,266).

The directors have not recommended the payment of a dividend (2019 - £1,500,000). No dividends have been declared post year end.

Directors

The directors who served during the year were:

R B Dacre
D A Stuart (resigned 20 January 2021)

LIND AG LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

LIND has embarked on a significant expansion from 2018 to 2021. An exciting milestone was reached with Porsche Centre Norwich commencing trading in January 2021 and has achieved a net profit in our first 6 months to June 2021.

Government restrictions in response to the Global pandemic COVID-19 included the 3rd National lockdowns imposed from 6th January 2021. "Non-essential" retail including car showrooms have re-opened in 16 April 2021. LIND has been adversely impacted. Nonetheless, LIND AG Limited for the first 6 months to June 2021 has exceeded budgets and last year's comparatives.

Matters covered in the strategic report

As permitted by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 certain matters required to be disclosed in the Directors' report are contained in the Strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

LIND has embarked on a significant expansion from 2018 to 2021. An exciting milestone was reached with Porsche Centre Norwich commencing trading in January 2021 and has achieved a net profit in our first 6 months to June 2021.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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R B Dacre
Director

Date: 25th September 2021

LIND AG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIND AG LIMITED

Opinion

We have audited the financial statements of Lind AG Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, 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 Financial Reporting Standard 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 Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

LIND AG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIND AG LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIND AG LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As a result of the dealership agreements in which the Company operates, we identified the following areas as those most likely to have a material impact on the financial statements: meeting the standards and requirements set by the dealership, including (but not limited to) Health and Safety; Employment Law; General Data Protection Regulations and compliance with the UK Companies Act.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management and those charged with governance around actual and potential litigation and claims;
- Reviewing legal and professional invoices to identify any other potential litigation or claims;
- Reviewing minutes of management meetings;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing compliance with laws and regulations including dealership agreements;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

LIND AG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIND AG LIMITED (CONTINUED)

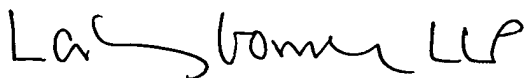
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Fitch FCA (Senior statutory auditor)
for and on behalf of
Larking Gowen LLP
Chartered Accountants &
Statutory Auditors
Ipswich

29 September 2021

LIND AG LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	50,948,374	47,534,794
Cost of sales		(44,265,932)	(41,567,613)
Gross profit		6,682,442	5,967,181
Administrative expenses		(5,301,519)	(4,672,652)
Other operating income	5	215,431	-
Operating profit	6	1,596,354	1,294,529
Interest receivable and similar income	9	12	-
Interest payable and similar expenses	10	(299,492)	(199,543)
Profit before tax		1,296,874	1,094,986
Tax on profit	11	(340,777)	(240,720)
Profit after tax		956,097	854,266
Retained earnings at the beginning of the year		1,914,726	2,560,460
		1,914,726	2,560,460
Profit for the year		956,097	854,266
Dividends declared and paid		-	(1,500,000)
Retained earnings at the end of the year		2,870,823	1,914,726

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

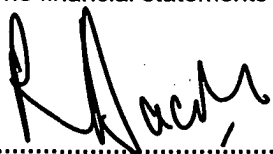
The notes on pages 13 to 29 form part of these financial statements.

LIND AG LIMITED
REGISTERED NUMBER: 02727708

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	12,082,200	6,730,251
		<u>12,082,200</u>	<u>6,730,251</u>
Current assets			
Stocks	14	9,589,580	6,989,332
Debtors: Amounts falling due within one year	15	8,338,580	7,334,879
Cash at bank and in hand	16	3,128	1,050
		<u>17,931,288</u>	<u>14,325,261</u>
Total assets		<u><u>30,013,488</u></u>	<u><u>21,055,512</u></u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account	22	2,870,823	1,914,726
		<u>2,870,923</u>	<u>1,914,826</u>
Provisions for liabilities	20	370,549	140,403
Creditors: Amounts Falling Due Within One Year	17	16,662,505	14,307,650
Creditors: Amounts Falling Due After More Than One Year	18	10,109,511	4,692,633
Total liabilities and shareholders' equity		<u><u>30,013,488</u></u>	<u><u>21,055,512</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



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R B Dacre
 Director

Date: 25th September 2021

The notes on pages 13 to 29 form part of these financial statements.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Lind AG Limited is a private company limited by shares and incorporated in England and Wales, registration number 02727708. The registered office is Brook Farm, Five Oak Green Road, Tonbridge, Kent, TN11 0QN. The principal places of business are Brook Farm, Five Oak Green Road, Tonbridge, Kent, TN11 0QN and 2 Neatmarket, Norwich, NR4 6FB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lind Group Holding Company Limited as at 31 December 2020 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the Company's position at the time of signing the financial statements, and in particular the impact of Covid-19 on the Company. The directors have taken account of the most recent management information including forecasts prepared up to September 2022 and consider the financial strength of the Company continues to allow the Company to meet its customers' requirements for the foreseeable future. In addition, the Company maintains a strong relationship with, and the support of, its bankers and during the year the Company agreed a further term loan which, together with its existing revolving credit facility which is renewed annually, provides the financial flexibility to manage working capital.

Based on this, the directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Vehicle sales

Vehicle sales are recognised at the point at which the vehicle is transferred to the buyer.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Turnover (continued)

Services

Service sales are recognised over the period which the service is carried out.

Parts sales

Parts sales are recognised at the point at which the parts are either delivered or collected.

Manufacturer bonuses

Manufacturer bonuses and related income are recognised in the period to which they relate providing they can be estimated with reasonable certainty.

Commissions

Commissions are recognised at the point at which the turnover for the associated vehicle sale is recognised.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold property improvements	- over the period of the lease
Plant and machinery	- 5-10 years
Motor vehicles	- 3-5 years
Fixtures and fittings	- 3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Stocks

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 reporting 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.

Under supply agreements with Porsche, the Company has access to 'consignment stock', Where the nature of these supply agreements transfer the risks and rewards of ownership to the company, which in substance gives the Company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the Statement of financial position together with the equivalent liability.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to and from related parties.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are:

Stock provisioning

For vehicle stock, provisions have been made for specific vehicles in line with available published industry data and taking into account further anticipated costs to sell. Parts stock have been provided for at different rates determined by the age of the parts in stock.

Impairment of intra-group debtors

The Company makes an estimate of the recoverable value of intra-group debtors. When assessing impairment, management considers factors including the current availability of reserves to settle the debtor, future revenue growth, sales mix and volumes.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable	215,431	-
	<u>215,431</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	505,039	301,433
	<u>505,039</u>	<u>301,433</u>

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>16,150</u>	<u>10,750</u>

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,773,973	1,629,718
Social security costs	226,183	213,966
Cost of defined contribution scheme	67,335	63,378
	<u>2,067,491</u>	<u>1,907,062</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	2	2
Sales	9	9
After sales	22	21
Technicians	14	10
Administration	7	7
	<u>54</u>	<u>49</u>

During the year, no director received any emoluments (2019 - £Nil) from this company.

9. Interest receivable

	2020 £	2019 £
Other interest receivable	12	-
	<u>12</u>	<u>-</u>

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	90,509	1,913
Other loan interest payable	208,983	197,630
	<u>299,492</u>	<u>199,543</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	110,631	121,829
Adjustments in respect of previous periods	-	6,621
Total current tax	<u>110,631</u>	<u>128,450</u>
Deferred tax		
Origination and reversal of timing differences	185,117	42,677
Adjustments in respect of previous periods	45,029	69,593
Total deferred tax	<u>230,146</u>	<u>112,270</u>
Taxation on profit on ordinary activities	<u>340,777</u>	<u>240,720</u>

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,296,874</u>	<u>1,094,986</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	246,406	208,047
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	937	375
Adjustments to tax charge in respect of prior periods	45,029	76,214
Differences due to change in rates during the period	21,815	(8,960)
Other differences leading to an increase (decrease) in the tax charge	26,590	(34,956)
Total tax charge for the year	<u>340,777</u>	<u>240,720</u>

Factors that may affect future tax charges

Future tax charges may be affected by the increase in corporation tax rate from 19% to 25% with effect from 1 April 2023.

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Dividends

	2020 £	2019 £
Dividends	-	1,500,000

13. Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
Cost					
At 1 January 2020	2,438,497	1,983,210	324,314	3,086,452	7,832,473
Additions	214,854	156,907	30,053	5,506,582	5,908,396
Disposals	-	-	(194,882)	-	(194,882)
At 31 December 2020	2,653,351	2,140,117	159,485	8,593,034	13,545,987
Depreciation					
At 1 January 2020	104,256	911,111	86,855	-	1,102,222
Charge for the year	139,947	197,067	47,471	-	384,485
Disposals	-	-	(22,920)	-	(22,920)
At 31 December 2020	244,203	1,108,178	111,406	-	1,463,787
Net book value					
At 31 December 2020	2,409,148	1,031,939	48,079	8,593,034	12,082,200
At 31 December 2019	2,334,241	1,072,099	237,459	3,086,452	6,730,251

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Stocks

	2020 £	2019 £
New vehicles	5,322,085	3,732,606
Used vehicles	3,826,854	3,024,282
Parts and other stocks	440,641	232,444
	<u>9,589,580</u>	<u>6,989,332</u>

Included within the total stock figure is consignment stock of £3,562,215 (2019 - £1,065,601), demonstrator vehicles amounting to £2,695,632 (2019 - £3,139,690) and used vehicles amounting to £3,174,755 (2019 - £2,996,391) which are security against the relevant vehicle creditors.

15. Debtors

	2020 £	2019 £
Trade debtors	340,822	468,362
Amounts owed by group undertakings	6,350,906	4,985,332
Other debtors	635,552	961,703
Prepayments and accrued income	1,011,300	919,482
	<u>8,338,580</u>	<u>7,334,879</u>

An impairment loss of £309 (2019 - £7,279) was recognised against trade debtors in the year.

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	3,128	1,050
Less: bank overdrafts	(513,654)	(57,579)
	<u>(510,526)</u>	<u>(56,529)</u>

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	513,654	57,579
Bank loans	3,479,742	4,280,880
Payments received on account	650,688	720,912
Trade creditors	10,423,144	8,176,298
Amounts owed to group undertakings	-	5,874
Other taxation and social security	202,053	171,013
Other creditors	40,873	2,257
Accruals and deferred income	1,352,351	892,837
	<u>16,662,505</u>	<u>14,307,650</u>

Included within trade creditors is the consignment stock creditor of £3,562,215 (2019 - £1,065,601), a demonstrator vehicle funding creditor of £2,695,632 (2019 - £3,139,690) and a used vehicle funding creditor of £3,174,755 (2019 - £2,996,391) which are all secured against the relevant vehicle stocks to which they relate.

Bank loans are secured by a general fixed and floating charge over the assets of the company, and a guarantee from its parent company, Lind Group Holding Company Limited. Bank loans falling due within one year amounting to £602,148 are also secured by a first legal charge granted by Loren Property Limited over certain properties of that company.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	8,484,511	3,067,633
Amounts owed to group undertakings	1,625,000	1,625,000
	<u>10,109,511</u>	<u>4,692,633</u>

Interest is payable on the loan from the parent company at a rate equivalent to 2.25% above Bank of England base rate. No formal agreement is in place for the loan but the directors do not anticipate repayment within the next year.

The bank loan is secured by a general fixed and floating charge over the assets of the company, and a guarantee from its parent company, Lind Group Holding Company Limited. Bank loans falling due after more than one year amounting to £1,861,766 are also secured by a first legal charge granted by Loren Property Limited over certain properties of that company.

The interest rate charged on bank loans totalling £1,565,666 (2019 - £2,162,479) was 1.85% over base rate. The loan is repayable in 36 equal monthly instalments and is due to be fully repaid in 2023.

The interest rate charged on bank loans totalling £5,073,598 (2019 - £905,154) was 2.40% over base rate. The loan is repayable in 110 equal monthly instalments and is due to be fully repaid in 2029.

The interest rate charged on bank loans totalling £1,845,247 (2019 - £Nil) was 2.25% over base rate. The loan is repayable in 24 equal monthly instalments and is due to be fully repaid in 2023.

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	3,479,742	4,280,880
	3,479,742	4,280,880
Amounts falling due 1-2 years		
Bank loans	3,010,231	1,267,833
	3,010,231	1,267,833
Amounts falling due 2-5 years		
Bank loans	2,795,143	1,288,955
	2,795,143	1,288,955
Amounts falling due after more than 5 years		
Bank loans	2,679,137	510,845
	2,679,137	510,845
	11,964,253	7,348,513

LIND AG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Deferred taxation

	2020 £	2019 £
At beginning of year	(140,403)	(28,133)
Charged to profit or loss	(230,146)	(112,270)
At end of year	(370,549)	(140,403)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(374,092)	(140,403)
Short term timing differences	3,543	-
	(370,549)	(140,403)

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1 each	100	100

22. Reserves**Profit and loss account**

The profit and loss account includes all current and prior period profits and losses.

23. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	377,225	3,210,184
	377,225	3,210,184

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. Pension commitments

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period was £67,335 (2019 - £63,378). At 31 December 2020, the company had outstanding contributions of £Nil (2019 - £Nil).

25. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	645,042	311,234
Later than 1 year and not later than 5 years	2,509,479	1,207,338
Later than 5 years	9,525,000	282,850
	<u>12,679,521</u>	<u>1,801,422</u>

26. Related party transactions

The Company has taken advantage of the exemptions available under Financial Reporting Standards 102, whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

During the year, the Company rented premises from a director under a formal lease agreement and paid rent totalling £443,344 (2019 - £285,593).

During the year, the Company sold goods for £311,124 (2019 - £731,547) to a director and their immediate family. The Company purchased goods for £272,577 (2019 - £301,968) from a director and their immediate family.

27. Post balance sheet events

LIND has embarked on a significant expansion from 2018 to 2021. An exciting milestone was reached with Porsche Centre Norwich commencing trading in January 2021 and has achieved a net profit in our first 6 months to June 2021.

28. Controlling party

The ultimate parent undertaking of the Company is Lind Group Holding Company Limited, a company registered in England and Wales. Lind Group Holding Company Limited prepares consolidated financial statements in which the results of Lind AG Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

Lind Group Holding Company Limited is controlled by R B Dacre.