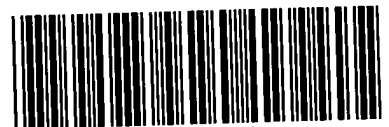


Company registration number 02727708 (England and Wales)

LIND AG LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANIES HOUSE

LIND AG LIMITED

COMPANY INFORMATION

Directors	D Bagheri R B Dacre S E Dacre D Richardson
Secretary	R B Dacre
Company number	02727708
Registered office	Brook Farm 5 Oak Green Road Tonbridge Kent TN11 0QN
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Bankers	Bank of Scotland 33 Old Broad Street The City of London London EC2N 1HW

LIND AG LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 22

LIND AG LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Review of the business

LIND AG's profits dropped from £3.7m before tax in 2022 to £3.15m in 2023, though the company remains strongly profitable. From Q3 2023 onwards, Porsche's electric vehicle margins, particularly for the Taycan, declined significantly, resulting in challenging sales conditions and some units being sold at a loss. Margins for the 911 Turbo were also affected due to an oversupply in the market.

While Porsche expects the Taycan issues to persist into 2024, the outlook for the second half of the year is positive, with new model launches including the Macan EV, 911 992.2, Cayenne, and Panamera. These developments are expected to strengthen Porsche's market position towards the end of 2024.

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 2023

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:

	2023	2022
	£	£
Turnover	141,185,215	116,489,324
Gross profit	15,327,040	15,106,745
Net profit before tax	3,655,512	4,431,429
Net assets	11,374,511	8,218,817
Fixed assets	11,648,616	11,460,796

Other 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 2023 to 108 (2022: 88).

Promoting the success of the company

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 are considered carefully so that the image of Lind is not tarnished through poor or rash decisions. In doing so, Lind can position itself as a premium brand operating with high quality brands also.
- The interests of the company's employees are aligned with Lind's goals to make sure every member of the team is a part of the strategy to help achieve its ambition of delivery an excellent customer service whereby customers want to be involved with Lind
- The impact of the company's operations on the community and the environment form an integral part of Lind's growth in that ways to reduce our footprint and become neutral are at the forefront of strategy consideration.
- The need to act fairly as between members of the company so that between the different entities, Lind goal congruence remains. By having different dealerships pro-actively operate as a unit rather than independently has allowed for synergies to perform to help boost company performance.

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.

LIND AG LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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.
- Others** An ever-evolving family business which continues to excel in how it can make a change for the wider environment. Constantly conscious of its impact on the environment and how it can reduce its footprint is a key component in the transition to neutrality. Ongoing charitable donations are part of Lind's heart in giving back to the community and to help those who need it.

On behalf of the board

Russell Dacre

.....

R B Dacre
Director

Date: 26/09/2024
.....

LIND AG LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

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

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

D Bagheri
R B Dacre
S E Dacre
D Richardson

Financial instruments

The company uses various financial instruments which include bank, financial institution and stock loans, cash and various items such as trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below.

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

Auditor

The auditor, UHY Hacker Young Manchester LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

LIND AG LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Energy and carbon report

The energy and carbon reporting of the company is included within the financial statements of Lind Group Holding Company Limited. These consolidated financial statements are available from its registered office, Brook Farm, 5 Oak Green Road, Tonbridge, TN11 0QN.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and engagement with key stakeholders.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Russell Dacre

.....
R B Dacre

Director

Date: 26/09/2024
.....

LIND AG LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIND AG LIMITED

Opinion

We have audited the financial statements of Lind AG Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

LIND AG LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIND AG LIMITED (CONTINUED)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of used vehicle stocks and recognition of supplier incentives. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

LIND AG LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIND AG LIMITED (CONTINUED)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We also obtained an understanding of the legal and regulatory frameworks the company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Our procedures to respond to risks identified included the following:

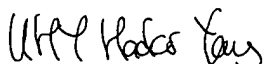
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- in addressing the risk of fraud through inappropriate valuation of used vehicle inventory, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold;
- in addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier;
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's FCA regulatory requirements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Ian McMahon FCCA FMAAT

Senior Statutory Auditor

For and on behalf of UHY Hacker Young Manchester LLP

Date: 26/09/2024

Chartered Accountants

Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

LIND AG LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 £	2022 £
	Notes		
Turnover	3	141,185,215	116,489,324
Cost of sales		(125,858,175)	(101,382,579)
Gross profit		15,327,040	15,106,745
Administrative expenses		(10,280,917)	(9,922,212)
Operating profit	4	5,046,123	5,184,533
Interest payable and similar expenses	8	(1,390,611)	(753,104)
Profit before taxation		3,655,512	4,431,429
Tax on profit	7	(499,818)	(700,258)
Profit for the financial year		3,155,694	3,731,171

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

LIND AG LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		11,648,616		11,460,796
Current assets					
Stocks	10	21,360,529		16,023,399	
Debtors	11	16,405,376		13,281,018	
Cash at bank and in hand		-		505	
		37,765,905		29,304,922	
Creditors: amounts falling due within one year	12	(33,999,590)		(27,896,572)	
Net current assets			3,766,315		1,408,350
Total assets less current liabilities			15,414,931		12,869,146
Creditors: amounts falling due after more than one year	13		(3,113,825)		(3,883,897)
Provisions for liabilities					
Deferred tax liability	15	926,595		766,432	
			(926,595)		(766,432)
Net assets			11,374,511		8,218,817
Capital and reserves					
Called up share capital	17		100		100
Profit and loss reserves	18		11,374,411		8,218,717
Total equity			11,374,511		8,218,817

The financial statements were approved by the board of directors and authorised for issue on 26/09/2024 and are signed on its behalf by:

Russell Dacre

R B Dacre
Director

Company registration number 02727708 (England and Wales)

LIND AG LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2022	100	4,487,546	4,487,646
Year ended 31 December 2022: Profit and total comprehensive income	-	3,731,171	3,731,171
Balance at 31 December 2022	100	8,218,717	8,218,817
Year ended 31 December 2023: Profit and total comprehensive income	-	3,155,694	3,155,694
Balance at 31 December 2023	100	11,374,411	11,374,511

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Lind AG Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brook Farm, 5 Oak Green Road, Tonbridge, Kent, TN11 0QN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments': Carrying amounts, interest, income/expense and net gains/losses for each category of financial instrument; basis of determining fair values;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Lind Group Holding Company Limited and these consolidated financial statements may be obtained from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Sale of motor vehicles, parts and accessories are recognised on the earlier of full payment by, or delivery date to, the customer. Any other manufacturer income in relation to achieving targets is recognised on an accruals basis. Servicing revenue is recognised on the completion of the agreed work.

Turnover from commission's receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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

Freehold land and buildings	50 years - land is not depreciated
Leasehold improvements	over the period of the lease
Plant and equipment	3-10 years straight line
Motor vehicles	3-5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Consignment stock

Under supply agreements with Porsche, the company has access to consignment stock during a consignment period. Where the nature of these supply agreements transfers the risks and rewards 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 Balance Sheet together with the equivalent liability.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102. The company does not have any non-basic financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Consignment stock

Consignment vehicles are recognised on the balance sheet when the significant risks and rewards of ownership have passed to the company even though legal title has not yet passed. The corresponding liability is included within creditors: amounts falling due within one year.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic life of tangible and intangible assets

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended where necessary to reflect current estimates.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

3 Turnover

All turnover arose within the United Kingdom

	2023 £	2022 £
Turnover analysed by class of business		
Sale of goods	136,959,243	112,977,056
Rendering of services	4,225,972	3,512,268
	<u>141,185,215</u>	<u>116,489,324</u>

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	823,954	766,323
Operating lease charges	646,639	625,514
	<u></u>	<u></u>

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	27,000	26,516

6 Employees

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

	2023 Number	2022 Number
Sales	33	27
Aftersales	43	32
Technicians	25	22
Administration	7	7
Total	108	88

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	4,555,054	3,952,011
Social security costs	500,757	455,250
Pension costs	141,005	117,396
	5,196,816	4,524,657

7 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	339,655	689,089
Adjustments in respect of prior periods	-	(1,802)
Total current tax	339,655	687,287
Deferred tax		
Origination and reversal of timing differences	160,163	12,467
Adjustment in respect of prior periods	-	504
Total deferred tax	160,163	12,971
Total tax charge	499,818	700,258

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Taxation

(Continued)

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

	2023 £	2022 £
Profit before taxation	3,655,512	4,431,429
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	859,776	841,972
Tax effect of expenses that are not deductible in determining taxable profit	-	8,257
Adjustments in respect of prior years	-	(1,802)
Group relief	(443,390)	(208,341)
Depreciation on assets not qualifying for tax allowances	82,767	66,528
Deferred tax adjustments in respect of prior years	-	504
Remeasurement of deferred tax for changes in tax rates	9,478	2,993
Super-deduction expenditure adjustments	(5,650)	(9,853)
Amounts (charged)/credited directly to STRGL	(3,163)	-
Taxation charge for the year	499,818	700,258

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	274,499	265,841
Stocking loan interest	1,116,112	487,263
	1,390,611	753,104

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	7,752,379	2,820,456	3,636,205	220,605	14,429,645
Additions	161,394	407,236	422,385	20,759	1,011,774
At 31 December 2023	7,913,773	3,227,692	4,058,590	241,364	15,441,419
Depreciation and impairment					
At 1 January 2023	407,155	535,969	1,863,514	162,211	2,968,849
Depreciation charged in the year	211,315	162,659	419,025	30,955	823,954
At 31 December 2023	618,470	698,628	2,282,539	193,166	3,792,803
Carrying amount					
At 31 December 2023	7,295,303	2,529,064	1,776,051	48,198	11,648,616
At 31 December 2022	7,345,224	2,284,487	1,772,691	58,394	11,460,796

Included within freehold land and buildings is land which is not depreciated amounting to £1,625,000 (2022: £1,625,000).

10 Stocks

	2023 £	2022 £
Parts and other stock	688,119	634,391
Vehicle stock	20,672,410	15,389,008
	21,360,529	16,023,399

During the period an impairment loss of £171,289 (2022: £21,132) was recognised against stock.

All vehicle stock is pledged as security for the company's vehicle funding and bank facilities.

Included within vehicle stock are consignment vehicles amounting to £8,507,697 (2022: £2,779,844).

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	475,780	700,138
Amounts owed by group undertakings	13,777,882	10,056,325
Other debtors	1,857,221	2,274,835
Prepayments and accrued income	294,493	249,720
	16,405,376	13,281,018

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	14	1,002,739	2,451,935
Other borrowings	14	5,450,434	1,750,000
Trade creditors		25,395,244	21,311,318
Corporation tax		303,564	651,425
Other taxation and social security		293,202	265,631
Other creditors		700,911	479,981
Accruals and deferred income		853,496	986,282
		<u>33,999,590</u>	<u>27,896,572</u>

Vehicle funding of £13,284,633 (2022: £13,006,347) included within trade creditors is secured directly over the vehicles to which it relates.

Included within trade creditors is consignment vehicle funding amounting to £8,507,697 (2022: £2,779,844).

13 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	14	<u>3,113,825</u>	<u>3,883,897</u>
Amounts included above which fall due after five years are as follows:			
Payable by instalments		<u>-</u>	<u>1,387,897</u>

14 Loans and overdrafts

	2023 £	2022 £
Bank loans	3,737,825	5,627,905
Bank overdrafts	378,739	707,927
Other borrowings	5,450,434	1,750,000
	<u>9,566,998</u>	<u>8,085,832</u>
Payable within one year	6,453,173	4,201,935
Payable after one year	<u>3,113,825</u>	<u>3,883,897</u>

The interest rate charged on bank loans totaling £3,737,825 (2022: £4,507,897) 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 other borrowing balance is a rolling credit facility with VW for an overdraft of £5,450,434 (2022: £1,750,000).

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	946,159	783,215
Short term timing differences	(19,564)	(16,783)
	<u>926,595</u>	<u>766,432</u>
Movements in the year:		2023 £
Liability at 1 January 2023		766,432
Charge to profit or loss		160,163
Liability at 31 December 2023		<u>926,595</u>

16 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>141,005</u>	<u>117,396</u>

17 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18 Profit and loss reserves

Includes all current and prior period retained profits and losses, less dividends paid.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	733,716	733,716
Between two and five years	3,129,864	3,064,864
In over five years	8,714,864	9,513,580
	<u>12,578,444</u>	<u>13,312,160</u>

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of tangible fixed assets	<u>50,668</u>	<u>144,234</u>

21 Related party transactions

The company has taken advantage of the exemption available in FRS102 whereby it has not disclosed transactions with its 100% parent company or fellow subsidiary undertakings.

During the year, the company rented premises from the director's close family under a formal lease agreement and paid rent totalling £625,000 (2022: £625,000).

During the year, the company sold goods for £875,146 (2022: £1,157,234) to the directors and their immediate family. The company purchased goods for £1,023,602 (2022: £1,268,857) from the directors and their immediate family.

22 Ultimate controlling party

The ultimate parent company is considered to be Lind Group Holding Company Limited, which owns 100% of the issued share capital within Lind AG Limited.

The ultimate controlling party is R B Dacre by virtue of their majority shareholding in the ultimate parent company.