

**Report of the Directors and
Financial Statements for the Year Ended 31st March 2014
for
Ginetta Track Limited**

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for the Year Ended 31st March 2014**

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Ginetta Track Limited

**Company Information
for the Year Ended 31st March 2014**

DIRECTORS: L N Tomlinson
M Lowe
C Taverner
P M Raven

SECRETARY: P M Raven

REGISTERED OFFICE: 2 Isabella Road
Helios 47
Garforth
Leeds
West Yorkshire
LS25 2DY

REGISTERED NUMBER: 07166220 (England and Wales)

AUDITORS: Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
LS1 2AL

**Report of the Directors
for the Year Ended 31st March 2014**

The directors present their report with the financial statements of the company for the year ended 31st March 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption which includes the exemption to preparing a strategic report.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the manufacture of sports road cars.

REVIEW OF BUSINESS

During the year under review, the company completed the sale of one G60 road car, recording a turnover of £52,511 (2013: £83,125) and an operating loss of £150,034 (2013: £317,771), as additional development costs were incurred in further refining the G60 model. Whilst the business has successfully completed the development of the G60, during the year the decision was taken by the company's parent, LNT Automotive, to prioritise the development of the Ginetta race cars activities and therefore whilst the G60 remains a current production model for the business, sales and marketing activities have been scaled down in the short term to allow more resource to be focused on the race car activities. This decision will be kept under review over the coming financial year.

During the financial year, the company also transferred its stock and employees to Ginetta Cars Limited, another member of the LNT Group in order to centralise the manufacture of vehicles within the group. Going forwards, Ginetta Cars Limited will manufacture the G60 model to order on behalf of Ginetta Track Limited.

At 31st March 2014, the company had net liabilities of £2,019,463 (2013: £1,869,429).

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2014 (2013: £nil).

FUTURE DEVELOPMENTS

The company will continue to seek to attract interest in its G60 supercar model, whilst also working with Ginetta Cars Limited in laying the foundations in the group's infrastructure for the future scaling up of production activity.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2013 to the date of this report.

L N Tomlinson
M Lowe
C Taverner

Other changes in directors holding office are as follows:

P M Raven - appointed 18th March 2014

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

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

**Report of the Directors
for the Year Ended 31st March 2014**

PRINCIPAL RISKS

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

The key business risks and uncertainties affecting the company are primarily considered to relate to the working capital intensive nature of the business, competition from alternative car marques and the difficult economic environment in which we are currently operating.

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

Whilst the trading environment is difficult, we believe that our value proposition will continue to appeal both in the UK and abroad and provide customers with a relatively modest budget the opportunity to enjoy ownership of a high performance sports road car.

Financial Risk Management:

Exposure to credit risk arises in the normal course of the company's business. The company's credit risk is primarily attributed to its trade receivables. The company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Transactions with the company's customers and suppliers are predominantly denominated in GBP Sterling and therefore the company does not have a significant exposure to foreign currency risk.

The company does not have any significant external borrowings or cash deposits and therefore is not exposed to interest rate risk.

CORPORATE AND SOCIAL RESPONSIBILITY

The company recognises its impact, responsibilities and obligations on and towards its environment.

The company aims to reduce environmental risk, both internally and externally by employing managers tasked with meeting all health, safety and environmental regulations.

EMPLOYEES

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

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

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

**Report of the Directors
for the Year Ended 31st March 2014**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

Deloitte LLP have expressed willingness to continue in office and a motion to reappoint them will be proposed at the company's forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C Taverner - Director

Date: 23/12/14

Report of the Independent Auditors to the Members of Ginetta Track Limited

We have audited the financial statements of Ginetta Track Limited for the year ended 31st March 2014 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2014 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



David M Johnson B.A. F.C.A. (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
LS1 2AL

Date: 23 December 2014

**Profit and Loss Account
for the Year Ended 31st March 2014**

	Notes	2014 £	2013 £
TURNOVER		52,511	83,125
Cost of sales		<u>(109,051)</u>	<u>(324,974)</u>
GROSS LOSS		(56,540)	(241,849)
Administrative expenses		<u>(93,494)</u>	<u>(75,922)</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(150,034)	(317,771)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(150,034)</u>	<u>(317,771)</u>

CONTINUING OPERATIONS

The above results relate wholly to continuing operations.

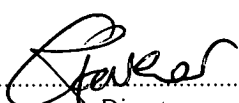
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

Balance Sheet
31st March 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		151,183		195,003
CURRENT ASSETS					
Stocks	7	-		195,611	
Debtors	8	-		59,939	
				255,550	
CREDITORS					
Amounts falling due within one year	9	(2,105,013)		(310,332)	
NET CURRENT LIABILITIES			(2,105,013)		(54,782)
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,953,830)		140,221
CREDITORS					
Amounts falling due after more than one year	10		(65,633)		(2,009,650)
NET LIABILITIES			(2,019,463)		(1,869,429)
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account	14		(2,019,563)		(1,869,529)
SHAREHOLDERS' FUNDS	15		(2,019,463)		(1,869,429)

The financial statements on pages 6 to 13 were approved by the Board of Directors on 23/2/14 and were signed on its behalf by:


.....
C Taverner Director

Notes to the Financial Statements
for the Year Ended 31st March 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards.

Basis of preparation

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

Financial reporting standard number 1

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company's cash flows in its own published consolidated cash flow statement.

Going concern

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

The company meets its day to day working capital requirements through a £4.0m on demand group overdraft facility, held by its parent company LNT Group Limited, to which the company is a party. The overdraft facility is secured by way of a fixed and floating debenture over the companies which are party to the facilities and is subject to annual review.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance and the uncertain economic environment, show that the company should be able to operate within the level of the banking facilities set out above. The company's banking facilities are expected to provide it with sufficient funding for a period of at least 12 months from the date these accounts are signed. The company has also held discussions with its funders about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal of its facilities may not be forthcoming on acceptable terms.

The company's ability to continue as a going concern is also reliant upon the ongoing financial support from its ultimate parent company, LNT Group Limited, and the continuation of loans to a number of LNT Group companies from L N Tomlinson. The company has received confirmation from L N Tomlinson that the existing loans will continue to be provided for the foreseeable future (being a period of not less than 12 months from the date the accounts are signed off). The company has also received confirmation from LNT Group Limited that ongoing financial support will continue to be provided for a period of not less than 12 months from the date the accounts are signed off.

The directors, having taken into account the factors discussed above as well as the uncertainties of the current economic environment, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Consequently they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover excludes VAT and is recognised at the point at which goods and services are supplied to customers. Where services are provided gradually over time, turnover is recognised as the activity progresses by reference to the value of services provided. Turnover is derived wholly in the United Kingdom.

Notes to the Financial Statements - continued
for the Year Ended 31st March 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Related party transactions

The company is exempt under Financial Reporting Standard No.8 "Related Party Disclosures" from disclosing transactions with its wholly owned subsidiary undertaking.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	-	144,170
Social security costs	-	14,452
	<u>-</u>	<u>158,622</u>

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

	2014	2013
Production	<u>-</u>	<u>3</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2014

3. **DIRECTORS' EMOLUMENTS**

The directors of the company were paid by LNT Group Limited for their services to the LNT Group as a whole. It is not possible to identify the proportion of their time which is spent directly on the affairs of the company and, as such, no remuneration for the directors is reflected in the company's accounts.

4. **OPERATING LOSS**

The operating loss is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	43,820	50,572
Irrecoverable intercompany debt	<u>48,517</u>	<u>-</u>

The company's audit fee, in the current year, of £2,000 (2013: £2,000) was borne by LNT Group Limited and not recharged to the company.

The irrecoverable intercompany debtor of £48,517 relates to the write off of a debtor owed from Farbio Sportscars Limited, a group company which was dissolved during the year.

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2014 nor for the year ended 31st March 2013.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Loss on ordinary activities before tax	<u>(150,034)</u>	<u>(317,771)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	(34,508)	(76,265)
Effects of:		
Expenses not deductible for tax purposes	11,493	-
Depreciation in excess of capital allowances	10,079	12,137
Group relief not paid for	12,936	-
Tax losses arising in the period - not recognised	<u>-</u>	<u>64,128</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The prevailing tax rate from 1 April 2013 was 23%. On 17 July 2013 legislation was enacted that reduced the rate of corporation tax from 23% to 21% as of 1 April 2014, with a further reduction to 20% from 1 April 2015. Accordingly, deferred tax balances have been revalued to the lower rate of 20% in these accounts to the extent that timing differences are expected to reverse after this date.

At 31 March 2014, the company had an unrecognised deferred tax asset of £14,579 (2013: £68,143) in relation to capital allowances of £14,579 (2013: £6,687) and trading losses of £nil (2013: £61,456).

Notes to the Financial Statements - continued
for the Year Ended 31st March 2014

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st April 2013 and 31st March 2014	<u>168,288</u>	<u>6,264</u>	<u>150,035</u>	<u>324,587</u>
DEPRECIATION				
At 1st April 2013	77,829	2,417	49,338	129,584
Charge for year	<u>18,061</u>	<u>584</u>	<u>25,175</u>	<u>43,820</u>
At 31st March 2014	<u>95,890</u>	<u>3,001</u>	<u>74,513</u>	<u>173,404</u>
NET BOOK VALUE				
At 31st March 2014	<u>72,398</u>	<u>3,263</u>	<u>75,522</u>	<u>151,183</u>
At 31st March 2013	<u>90,459</u>	<u>3,847</u>	<u>100,697</u>	<u>195,003</u>

7. STOCKS

	2014 £	2013 £
Stocks	-	164,389
Work-in-progress	-	<u>31,222</u>
	-	<u>195,611</u>

8. DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	-	<u>11,333</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	<u>48,606</u>
Aggregate amounts	-	<u>59,939</u>

Under the terms of the LNT group's banking facilities, the majority of the group's debtor and creditor intercompany balances are subordinated to the banking facilities and therefore are not available for repayment within the next 12 month period.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts (see note 11)	2,100,889	247,894
Trade creditors	1	30,044
VAT Payable	4,123	2,400
Social security and other taxes	-	<u>29,994</u>
	<u>2,105,013</u>	<u>310,332</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2014

10. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Amounts owed to group undertakings	<u>65,633</u>	<u>2,009,650</u>

11. **Overdrafts**

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,100,889</u>	<u>247,894</u>

12. **SECURED DEBTS**

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank overdrafts	<u>2,100,889</u>	<u>247,894</u>

Natwest Bank Plc has fixed and floating charges over the undertaking and all property and assets owned by the company.

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

14. **RESERVES**

	Profit and loss account £
At 1st April 2013	(1,869,529)
Deficit for the year	<u>(150,034)</u>
At 31st March 2014	<u>(2,019,563)</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2014

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Loss for the financial year	<u>(150,034)</u>	<u>(317,771)</u>
Net reduction of shareholders' funds	(150,034)	(317,771)
Opening shareholders' funds	<u>(1,869,429)</u>	<u>(1,551,658)</u>
Closing shareholders' funds	<u>(2,019,463)</u>	<u>(1,869,429)</u>

16. CONTINGENT LIABILITIES

The company is party to a group overdraft arrangement which includes unlimited cross guarantees between a number of companies in the LNT Group. The company had a contingent liability in respect of these borrowings at the year-end which amounted to a maximum group liability of £3,942,381 (2013: £nil).

17. ULTIMATE PARENT COMPANY

The immediate parent company is LNT Automotive Limited incorporated in England.

The ultimate parent company is LNT Group Limited incorporated in England.

The group headed by LNT Group Limited is the smallest and largest group which prepares consolidated financial statements that include the results of the company.

The consolidated accounts of LNT Group Limited are publicly available and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

18. ULTIMATE CONTROLLING PARTY

The Ultimate Controlling Party is L N Tomlinson.