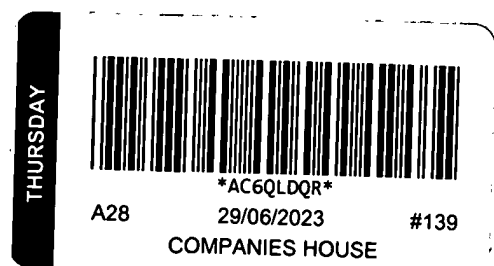


Land Navigation Systems Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

Company Registration No. 02910798



Land Navigation Systems Limited

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Land Navigation Systems Limited

DIRECTORS AND ADVISORS

DIRECTORS

Mr DK Adams
Mr C Green
Miss C Rosson

SECRETARY

Mr DK Adams

REGISTERED OFFICE

Bladon House
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5SH

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Land Navigation Systems Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Land Navigation Systems Limited for the year ended 30 June 2022.

REVIEW OF THE BUSINESS

The Group has in place a long-standing and established board to build on the Group's legacy and continue to build and enhance the Terrafix brand in the future. The Group's gross profit margin decreased from 41.7% to 38.4%, due to higher staff costs, whilst the Group's turnover rose to £11,110,252 (2021: £11,060,424).

Administrative expenses in the year have increased by £162,387 primarily as a result of administration salaries in the year increasing from £2,131,565 to £2,275,292. The Group's EBITDA for the year was £491,777 (2021: £1,277,872).

The development spend in the year was £460,042 (2021: £414,075), which demonstrates the directors' determination to ensure that products continue to be at the forefront of technology for the Group's customer base and ensure future sales growth will be achievable.

Total Net Assets increased from £4,986,750 to £5,033,327 as the Group continued to trade profitably.

The Group's deferred income decreased but the Group's stock levels to £2,611,156 due to higher costs to supply future contracts. The increase in stock and development spend previously highlighted has resulted in a reduced cash position of £1,357,150 (2021: £2,965,482).

KEY PERFORMANCE INDICATORS

The Group has established key performance indicators to measure progress in achieving its key business objectives and strategies, which the Board review on a regular basis.

Sales Turnover and Sales Margins

Our aim is to maintain the current core sales margin and at the same time develop sales in existing and emerging markets.

Cash Generation

Our aim is to generate and hold sufficient cash reserves to service the costs of capital and tax liabilities and allow re-investment in the business. In addition to profit targets, measures of capital expenditure are also in place.

RISKS AND UNCERTAINTIES

Economic and Political Climate

The Group continues to consolidate its position with its traditional customers in the Security Services and Emergency Services Markets. These markets are expected to continue to be a stable source of income for the Group in the foreseeable future, as it continues to design and develop new ranges of innovative products that incorporate the latest emerging technologies to enhance its already comprehensive systems. This development does require a substantial investment in Research & Development each year, and does result in an enhanced tax deduction each year in the corporation tax computation in accordance with the HM Revenue & Customs 'Research and Development Tax Credit Provisions'.

Customer Relations and Concentration

The Group is not overly reliant on any one large customer, the loss of which would dramatically impact on future trading, although it is dependent on Security Services and Emergency Markets.

RISK AND UNCERTAINTIES (continued)

Competition

Land Navigation Systems Limited subsidiary, Terrafix, is a market leader working with major long-term customers and having few major competitors. Barriers to entry vary but are generally such as to discourage new firms from trying to enter and compete in its markets.

Land Navigation Systems Limited

STRATEGIC REPORT

Regulatory Environment

Much of the Group's products are driven by government or industry requirements, the majority of which have been in place for a number of years.

By order of the board



DK Adams
Secretary

23 June 2023

Land Navigation Systems Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Land Navigation Systems Limited for the year ended 30 June 2022.

The Group has disclosed the following sections of the directors' report "Business review, key performance indicators, risks and uncertainties" in the strategic report on page 2.

PRINCIPAL ACTIVITIES

The principal activity of the Group throughout the year has been the design, development and marketing of automotive vehicle location systems, software and hardware design and the development of related communication applications.

Land Navigation Systems Limited provides certain management services to Terrafix Limited, its subsidiary undertaking.

RESULTS AND DIVIDENDS

The Group's trading profit for the year after taxation was £46,578 (2021: £784,476).

During the year, the Group paid no interim dividends on the ordinary shares (2021: nil). The directors do not recommend a final dividend (2021: £nil).

FUTURE DEVELOPMENTS

The Company continues to develop new products and systems to remain competitive and at the forefront of technology. Facing a new world with challenges which have never been experienced before has meant the requirement to remain flexible and reactive is more important than ever.

Following the success of the award in November 2017 by the Department of Health and Social Care (DHSC), to provide a National Centralised Ambulance Control System and Mobilisation Application, for every UK Ambulance Trust, the Company has continued the momentum with the DHSC and achieved its long-term strategy by being awarded two follow on contracts, the first awarded in August 2020 to supply a complete in vehicle data and communication hardware system complementing the Application contract and the second awarded in February 2021 to install and service both the Hardware and Software from the previous two awards.

Two of the contracts mentioned are extremely large developments, creating a universal application for Ambulance Trusts, communicating through a bespoke in-vehicle router, which is an enhanced version of the Terrafix MiniTagg, now rebadged as the Terrafix Vehicle Router (TVR). The development program will now run through to 2nd quarter of 2023 after which the complete system will be deployed across the whole of the UK. The result being a Terrafix application and bespoke hardware platform will be installed in every ambulance in the UK, approximately 6,750 initial systems. The final part of the complete solution will be the support and maintenance provided by Terrafix throughout the contractual term and beyond.

As the DHSC program has evolved the original forecast rollout phase has been delayed from the 2nd Quarter of 2022, due to a Central Government requirement to meet new limiting rules from the RTA (Road Traffic Act). This has required considerable additional development of both the software application and hardware provision to meet these new requirements with a revised GO Live date of April 2023. This is a significant and extremely important milestone in the whole program and from this point the aim will be to install the whole of the UK Ambulance Fleets over the next 18 months, which we trigger additional revenue from Service Management, Warranty and Support Charges.

The TVR has completed the external accreditation in the EE laboratories to be used on the secure Emergency Services Network (ESN). This device is the first system to pass all the requirements and be certified onto ESN. The Company is now planning on approaching the Home Office to offer the use of the TVR across the other Emergency Services specifically Police and Fire.

Land Navigation Systems Limited

DIRECTORS' REPORT

FUTURE DEVELOPMENTS (continued)

A new emerging requirement from the DHSC is to develop an engineered solution with Terrafix, which will take the existing contracted design and develop a way of utilising the in-vehicle Infotainment screen instead of a fitting a second screen. This is due to the lack of useable real estate in modern vehicles to house a second screen and so will be a great advantage to newer vehicles purchased by Ambulance Trusts. This project is in the early stages of research, but the aim will be to introduce a newly developed bootbox computer called the TVC(X) to work alongside the existing TVR to interface and drive the vehicles infotainment screen.

The new COMTRACK (bomb squad) solution hardware is now complete and awaiting installation. The second phase of the project is now underway to develop an application to replace the existing Terrafix system in their complete vehicle fleet.

The success of the Company's inexpensive dynamic tracking solution and secure Data Hosting Services continue to provide valuable income streams for the Company, with the current number of connections forecast to continue to grow. This is one area which has been given particular attention as there is a demand for increased capabilities by incorporating 3rd party systems.

The developing product will be used to bolster the inexpensive dynamic tracking solution, is still ongoing, this product will take advantage of the emerging narrowband technology, Terrafix are at the cutting edge of this technology and are working in partnership with Vodafone to mature a solution, the aim was to have a prototype shortly however the network development is slowed due to the global pandemic.

FINANCIAL INSTRUMENTS

The Group manages its financial risks as follows:

Liquidity

The Group maintains cash surpluses and facilities sufficient to fund its trading activities. Detailed forecasts of receipts and payments are made to monitor liquid resources, and are updated on a weekly basis.

Credit

Credit is managed by the Group's Financial Director, and a tight control on credit allowed is maintained. The Group maintains procedures to regularly maintain contact with its customers by its credit control function and by reviewing credit limits, terms and aged debtors list. The Group has minimal bad debt history.

Currency

The Group carries a minimal amount of non sterling currencies. A small proportion of the Group's activities are in currencies other than sterling.

RESEARCH AND DEVELOPMENT

The Group is maintaining a research programme to keep abreast of rapidly advancing technology. The Group's accounting policy for Research and Development is that development costs are capitalised and written off over the period the benefit is expected to occur.

DIRECTORS

The directors who have held office since 1 July 2021 are as follows:

Mr DK Adams

Mr C Green

Miss C Rosson

Mr A Crowther Green (resigned 28 October 2021)

Land Navigation Systems Limited

DIRECTORS' REPORT

AUDITOR

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



DK Adams
Secretary

23 June 2023

Land Navigation Systems Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND NAVIGATION SYSTEMS LIMITED

Opinion

We have audited the financial statements of Land Navigation Systems Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the consolidated statement of income and retained earnings, consolidated and company statements of financial position, company statement of changes in equity, consolidated statement of cash flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND NAVIGATION SYSTEMS LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND NAVIGATION SYSTEMS LIMITED (continued)

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

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

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

The group audit engagement team identified the risk of management override of controls, and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We have tested revenue recognition over all revenue streams, including long term contracts, using a combination of substantive analytical review and substantive tests of detail.

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

Use of our report

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

Christopher Phillips

CHRISTOPHER PHILLIPS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

27/06/23

Land Navigation Systems Limited

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS for the year ended 30 June 2022

	Note	2022		2021	
		£	£	£	£
TURNOVER	2	11,110,252		11,060,424	
Cost of sales		(6,848,451)		(6,277,786)	
GROSS PROFIT		4,261,801		4,782,638	
Administrative expenses		(4,164,494)		(4,002,107)	
OPERATING PROFIT		97,307	97,307	780,531	780,531
Amortisation and impairment of intangible fixed assets		184,494		263,190	
Depreciation of tangible fixed assets		209,976		234,151	
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		491,777		1,277,872	
Interest receivable and similar income	3	417		148	
Interest payable and similar expenses	4	(50,452)		(49,411)	
PROFIT BEFORE TAXATION	5	47,272		731,268	
Taxation	7	(694)		53,208	
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		46,578		784,476	
RETAINED EARNINGS AT 1 JULY		4,553,033		3,768,557	
RETAINED EARNINGS AT 30 JUNE		4,599,611		4,553,033	

Land Navigation Systems Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		1,516,246		1,240,698
Tangible assets	10		4,044,377		4,178,086
			5,560,623		5,418,784
CURRENT ASSETS					
Stocks	12	2,611,156		1,673,971	
Debtors	13	3,155,085		2,575,939	
Cash at bank and in hand		1,357,150		2,965,482	
		7,123,391		7,215,392	
CREDITORS: Amounts falling due within one year	14	(2,592,618)		(2,159,808)	
NET CURRENT ASSETS		4,530,772		5,055,584	
TOTAL ASSETS LESS CURRENT LIABILITIES		10,091,395		10,474,368	
DEFERRED INCOME		(3,122,238)		(3,412,322)	
CREDITORS: Amounts falling due after more than one year	15	(1,935,829)		(2,075,296)	
NET ASSETS		5,033,328		4,986,750	
CAPITAL AND RESERVES					
Called up share capital	17	5,747		5,747	
Capital redemption reserve		427,970		427,970	
Profit and loss account		4,599,611		4,553,033	
TOTAL EQUITY		5,033,328		4,986,750	

The financial statements on pages 11 to 34 were approved by the board of directors and authorised for issue on **23rd June 2023** and were signed on its behalf by:


DK Adams
Director


Company Registration No. 02910798

Land Navigation Systems Limited
COMPANY STATEMENT OF FINANCIAL POSITION
at 30 June 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		79,567		79,567
			<u>79,567</u>		<u>79,567</u>
CURRENT ASSETS					
Debtors	13	405,810		396,818	
Cash at bank and in hand		10,689		10,721	
		<u>416,499</u>		<u>407,539</u>	
CREDITORS: amounts falling due within one year	14	(694)		-	
NET CURRENT ASSETS			<u>415,805</u>		<u>407,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>495,372</u>		<u>487,106</u>
NET ASSETS			<u>495,372</u>		<u>487,106</u>
CAPITAL AND RESERVES					
Called up share capital	17		5,747		5,747
Capital redemption reserve			427,970		427,970
Profit and loss account			61,655		53,389
TOTAL EQUITY			<u>495,372</u>		<u>487,106</u>

The Company's profit for the year and total comprehensive income was £8,266 (2021: £10,680).

The financial statements on pages 11 to 34 were approved by the board of directors and authorised for issue on 23rd June 2023 and were signed on its behalf by:


DK Adams
 Director

Land Navigation Systems Limited

COMPANY STATEMENT OF CHANGES IN EQUITY

at 30 June 2022

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 July 2020	5,747	427,970	42,709	476,426
Profit for the year and total comprehensive income	-	-	10,680	10,680
Balance at 30 June 2021	5,747	427,970	53,389	487,106
Profit for the year and total comprehensive income	-	-	8,266	8,266
Balance at 30 June 2022	5,747	427,970	61,655	495,372

Land Navigation Systems Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 £	2021 £
OPERATING ACTIVITIES			
Cash generated from operations	20	(934,010)	1,187,410
Interest received		417	148
Interest paid		(50,452)	(49,411)
Taxation received		51,489	11,569
NET CASH FROM OPERATING ACTIVITIES		(932,556)	1,149,716
INVESTING ACTIVITIES			
Purchase of intangible assets		(460,042)	(414,075)
Purchase of tangible fixed assets		(76,267)	(107,252)
NET CASH USED IN INVESTING ACTIVITIES		(536,309)	(521,327)
FINANCING ACTIVITIES			
Loan repayments and arrangement fees		(139,467)	(135,926)
NET CASH USED IN FINANCING ACTIVITIES		(139,467)	(135,926)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(1,608,332)	492,463
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,965,482	2,473,019
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,357,150	2,965,482
Relating to:-			
Bank balances and short term deposits included in 'cash at bank and in hand'		1,357,150	2,965,482

Land Navigation Systems Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Land Navigation Systems Limited ("the Company") is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Bladon House, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, ST1 5SH.

The Group consists of Land Navigation Systems Limited and all of its subsidiaries.

The Company's and Group's principal activities and nature of its operations are included in the directors' report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies And Groups (Accounts and Reports) Regulations 2008 and under the historical cost convention.

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

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year is disclosed on the Company Statement of Financial Position.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Land Navigation Systems Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 30 June 2022.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

GOING CONCERN

The directors continue to monitor the trading performance and ensure the cost base aligns to its ongoing requirements. The directors constantly review resource competence and availability. The directors believe that the Group and Company given these actions have adequate current resources to continue in operational existence for at least 12 months from date of signing the accounts. Thus they continued to adopt the going concern basis in preparing the financial statements.

Land Navigation Systems Limited

ACCOUNTING POLICIES

GOING CONCERN (continued)

At 30 June 2022 the Group had cash at bank of £1,357,150 with future trade expected to be cash generative. The directors consider this to be sufficient to fund the Group's expected working capital requirements, longer term capital commitments and allow for a level of headroom in the event that sales growth does not materialise as expected.

As a consequence of the factors outlined above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern basis of accounting in preparing the financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

FOREIGN CURRENCIES

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

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

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

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax. Turnover is recognised on maintenance contracts and lease agreements over the term of the contract with unrecognised income disclosed as deferred income. All other turnover arising on the supply of goods and services to customers is recognised when the contractual obligations to the customer have been met and the risks and rewards of ownership have been transferred to the customer.

Sale of professional services

Turnover from contracts for the provision of professional services in relation to development of new hardware and software is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised are recoverable.

OTHER INCOME

Interest income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

DEFERRED INCOME

Annual maintenance contracts are invoiced on an annual basis with the income being recognised evenly over the life of the contract.

Deferred income is shown separately on the face of the statement of financial position due to its significant nature. These include an element of deferred income relating to periods greater than one year.

Land Navigation Systems Limited

ACCOUNTING POLICIES

Deferred income is a disclosure departure from “Accruals and Deferred Income”. The directors have applied a true and fair override of the Companies Act 2006 as deferred income is the major composition of the balance.

INTANGIBLE FIXED ASSETS

Research and Development

The Group capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- (a) The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- (b) Its intention to complete the development and to use or sell the intangible asset.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 5 years. The directors consider this useful life to be appropriate based on the anticipated revenue streams and technological life of the products.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

Other intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software - 3 years based on expected replacement period of the software

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS

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

Land Navigation Systems Limited

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS (continued)

Freehold buildings	-	2% on cost
Long leasehold buildings	-	2% on cost
Assets held for use in leases	-	over the term of the lease
Plant and equipment	-	33.33% per annum on cost
Fixtures and fittings	-	10% per annum on cost
Motor vehicles	-	25% per annum on cost

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

IMPAIRMENTS OF FIXED ASSETS

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

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

FIXED ASSET INVESTMENTS

In the separate accounts of the Company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

TAXATION

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

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

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

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

Land Navigation Systems Limited

ACCOUNTING POLICIES

TAXATION (continued)

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax is charged or credited in profit or loss.

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

LEASED ASSETS AND OBLIGATIONS

The Group as lessee – operating leases

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

The Group holds absolute title over the long leasehold land and buildings included within tangible fixed assets.

The Group as lessor – operating leases

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease. Assets held for use in leases are included within Fixed Assets and depreciated over their useful lives.

RETIREMENT BENEFITS

The Group operates a contracted-out money-purchase pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund.

For money-purchase pension schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FINANCIAL INSTRUMENTS

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

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

Financial assets

Trade, group and other debtors

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

Land Navigation Systems Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Trade, group and other debtors (continued)

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

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

Financial liabilities and equity

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

Trade creditors

Trade and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

DIVIDENDS

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

GOVERNMENT GRANTS

Income from government grants is presented within other operating income.

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

Government grants relating to turnover are recognised as income over the period when the related costs are incurred.

RESERVES

Reserves of the company represent the following:

Capital Redemption Reserve

The nominal value of shares redeemed by the Company.

Profit and loss reserve

Cumulative profit and loss net of distribution to owners.

CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement cash and cash equivalents at the end of the period relate to bank balances and short term deposits included in cash at bank and in hand, and short term deposits included in debtors falling due within one year.

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates, assumptions and areas of judgement

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

The directors use the anticipated revenue streams and technological lifespans of the Group's products in order to estimate the useful economic lives of capitalised development costs.

The Group capitalises development costs based on the directors' assessment of the projects undertaken in the period against the criteria set under FRS102 section 18. As part of this the directors make judgements on the feasibility of such projects and projected revenues. These judgements are based on their knowledge and experience of the industry and historic performance. The directors assess these capitalised development costs annually for impairment using similar judgements.

The directors when undertaking projects need to decide when the project is complete and should be amortised. The directors take in the following factors in assessing this:

- a) whether the project is complete and operational;
- b) final sign off has been obtained from the principle customer;
- c) the project would only be subject to minor variations to allow additional operational capacity.

In order to assess the recognition of turnover and profits generated on contracts the management consider the stage of completion of the contracts ongoing at the yearend by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of expected total costs. This assessment includes an estimate of expected costs to complete which includes an element of judgement as projects can change and result in either additional or less costs depending on the outcome of work performed.

The Group recognises a deferred tax asset relating to brought forward tax losses subject to a maximum value, based on the future profits expected to be generated in the forecast period. This assessment therefore restricts the recognition of the deferred tax asset based on the expected recovery, the remaining tax losses are unprovided.

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 ANALYSIS OF TURNOVER

An analysis of the Group's turnover by class of business is as follows:

	2022 £	2021 £
Sale of goods	5,726,000	5,340,937
Revenue from maintenance contracts	2,998,930	2,875,029
Sale of other services	1,871,766	2,315,633
Equipment leasing income	513,556	528,825
	<u>11,110,252</u>	<u>11,060,424</u>

The Group's turnover was derived from its principal activities and was made in the following geographical markets:

	2022 £	2021 £
UK sales	11,055,065	11,027,731
Export EEC sales	55,187	32,693
	<u>11,110,252</u>	<u>11,060,424</u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £	2021 £
Bank interest receivable	417	148
	<u>417</u>	<u>148</u>

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Mortgage interest	50,452	49,411
	<u>50,452</u>	<u>49,411</u>

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

5 PROFIT BEFORE TAXATION

	2022 £	2021 £
Profit before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets:		
Owned	209,976	234,151
Amortisation of intangible fixed assets	184,494	225,068
Impairment of intangible fixed assets	-	38,122
Research and development expenditure -capitalised	(460,042)	(414,075)
Operating lease rentals:		
Plant and machinery	343,397	331,504
Other including land and buildings	40,275	53,435
Auditor's remuneration:		
Audit services		
- Statutory audit of parent and consolidated accounts	3,000	3,000
- Statutory audit of subsidiary accounts	33,750	29,250
Stock		
- Impairment losses expensed to cost of sales	22,931	142,196
	<u> </u>	<u> </u>

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

6 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group and Company (including directors) during the year, analysed by category, was as follows:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Management and administration	13	12	3	4
Engineers	58	58	-	-
	<u>71</u>	<u>70</u>	<u>3</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	4,599,599	4,462,483	-	-
Social security costs	550,078	521,178	-	-
Other pension costs	507,484	496,435	-	-
Capitalisation of Research and Development	(448,599)	(401,007)	-	-
	<u>5,208,562</u>	<u>5,079,089</u>	<u>-</u>	<u>-</u>

DIRECTORS' REMUNERATION

	2022	2021
	£	£
Directors' emoluments	1,136,544	1,160,518
Pension contributions	97,193	99,829
	<u>1,233,737</u>	<u>1,260,347</u>

Number of directors

2022	2021
------	------

Retirement benefits are accruing to the following number of directors under:

Money purchase pension schemes	3	4
--------------------------------	---	---

Directors' emoluments include £375,241 (2021: £359,080) including benefits in kind, and pension contributions include £33,323 (2021: £31,984), in respect of the highest paid director.

Land Navigation Systems Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

7	TAXATION	2022	2021
		£	£
	Current tax:		
	UK corporation tax on profits of the year	(102,030)	-
	Adjustment in respect of prior period	(4,425)	-
		(106,455)	-
	Deferred taxation:		
	Origination and reversal of timing differences	107,149	(53,208)
		107,149	(53,208)
	Tax credit on profit	694	(53,208)
	Factors affecting tax charge for year:	2022	2021
		£	£
	The tax assessed for the period is lower (2021: lower) than the average standard rate of corporation tax in the UK 19% (2021: 19%).		
	The differences are explained below:		
	Profit before tax	47,272	731,268
	Profit multiplied by the average standard rate of corporation tax in the UK 19% (2021 : 19%)	8,981	138,941
	Effects of:		
	Tax effect of expenses that are not deductible in determining taxable profit		7,355
	Enhanced R&D relief	(81,965)	(102,277)
	Movement and variance in deferred tax rate	5,913	(43,084)
	Adjustment in respect of prior period	(4,425)	(14,257)
	Income not included in determining taxable profit	(55,685)	(39,886)
	Deferred tax asset not recognised	127,875	-
	Tax credit for the year	694	(53,208)

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

8 COMMITMENTS UNDER OPERATING LEASES

The Group as a lessee:

The total future minimum lease payments under non-cancellable leases for plant and machinery are as follows:

	2022		2021	
	Land and buildings	Other	Land and Buildings	Other
	£	£	£	£
Amounts due:				
Within one year	33,295	344,427	44,393	393,263
Between one and five years	-	183,077	33,295	476,675
	<u>33,295</u>	<u>527,504</u>	<u>77,688</u>	<u>869,938</u>

The Group as a lessor:

At the year end the Group had contracted with other parties, under non-cancellable operating leases, for the following future minimum lease payments:

	2022	2021
	Other	Other
	£	£
Amounts receivable:		
Within one year	106,540	99,283
Between one and five years	113,102	99,884
	<u>219,642</u>	<u>199,167</u>

The operating leases represent leases of tracker systems. The leases are negotiated over terms of 3 years (2021: 3 years) and rentals are fixed for 3 years (2021: 3 years).

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

9 INTANGIBLE FIXED ASSETS

Group	Development costs £	Purchased computer software £	Total £
<i>Cost</i>			
At beginning of year	5,051,483	111,260	5,162,743
Additions	460,042	-	460,042
	<hr/>	<hr/>	<hr/>
At end of year	5,511,525	111,260	5,622,785
	<hr/>	<hr/>	<hr/>
<i>Amortisation and impairment</i>			
At beginning of year	3,822,341	99,704	3,922,045
Amortisation charged in the year	177,561	6,933	184,494
	<hr/>	<hr/>	<hr/>
At end of year	3,999,902	106,637	4,106,539
	<hr/>	<hr/>	<hr/>
<i>Carrying amount</i>			
At 30 June 2022	1,511,623	4,623	1,516,246
	<hr/>	<hr/>	<hr/>
At 30 June 2021	1,229,142	11,556	1,240,698
	<hr/>	<hr/>	<hr/>

Included in the carrying value of development costs are the capitalised costs in respect of MiniTagg. The carrying amount is £1,440,188 (2021: £980,146), which is not currently amortised as the development is not yet considered to be complete.

The amortisation charge for the year is recognised within administrative expenses.

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

10 TANGIBLE FIXED ASSETS

Group	Freehold buildings	Long leasehold buildings	Assets held for use in leases	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
<i>Cost</i>							
At beginning of year	613,429	3,333,433	77,083	351,203	354,948	8,220	4,738,316
Additions	-	1,750	1,196	43,762	29,559	-	76,267
At end of year	613,429	3,335,183	78,279	394,965	384,507	8,220	4,814,583
<i>Depreciation</i>							
At beginning of year	18,985	166,360	59,754	231,689	75,222	8,220	560,230
Charge in year	9,495	72,256	5,867	83,253	39,105	-	209,976
At end of year	28,480	238,616	65,621	314,942	114,327	8,220	770,206
<i>Carrying amount</i>							
At 30 June 2022	584,949	3,096,567	12,658	80,023	270,180	-	4,044,377
At 30 June 2021	594,444	3,167,073	17,329	119,514	279,726	-	4,178,086

The directors have estimated that included within freehold land and buildings is £175,000 (2021: £175,000) in respect of freehold land, which is not depreciated.

Security against land and buildings-The Group has pledged land and buildings, having a net book value of £3,681,516, to secure its bank loans (note 19) by way of a fixed charge.

Company	Motor vehicles
	£
<i>Cost</i>	
At beginning and end of year	8,220
<i>Depreciation</i>	
At beginning of year	8,220
Charge in year	-
At end of year	8,220
<i>Carrying amount</i>	
At 30 June 2022 and 30 June 2021	-

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

11 FIXED ASSET INVESTMENTS

Company	Shares in subsidiary undertaking £
<i>Cost</i>	
At beginning and end of year	79,567

The Company holds more than 20% of the equity of the following undertakings:

<i>Subsidiary undertaking</i>	<i>Registered office address</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
Terrafix Limited	Bladon House, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, ST1 5SH	Design and developer of automotive vehicle location systems	Ordinary shares - 100%

12 STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	2,611,156	1,673,971	-	-

13 DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Trade debtors	903,282	910,650	-	-
Amounts owed by group undertakings	-	-	405,810	396,818
Other debtors	21,002	40,895	-	-
Prepayments and accrued income	1,603,941	1,014,624	-	-
Corporation tax receivable	107,149	50,839	-	-
Deferred Tax Asset	160,498	267,647	-	-
	2,795,872	2,284,655	405,810	396,818
<i>Amounts falling due after more than one year:</i>				
Other debtors	35,140	32,423	-	-
Amounts recoverable on contracts	324,073	258,861	-	-
	3,155,085	2,575,939	405,810	396,818

Trade debtors are stated net of a provision of £75,673 (2021: £2,278).

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

14 CREDITORS: Amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	141,050	141,050	-	-
Trade creditors	1,548,103	884,518	-	-
Other taxation and social security	646,631	957,091	-	-
Accruals	212,247	134,060	-	-
Other payables	43,893	43,089	-	-
Corporation tax payable	694	-	694	-
	<u>2,592,618</u>	<u>2,159,808</u>	<u>694</u>	<u>-</u>

15 CREDITORS: Amounts falling due after one year

	Group	
	2022	2021
	£	£
Bank loans	1,935,829	2,075,296
	<u>1,935,829</u>	<u>2,075,296</u>
Included in creditors are:	2022	2021
	£	£
Amounts repayable by instalments falling due after more than five years	1,329,308	1,484,998
	<u>1,329,308</u>	<u>1,484,998</u>

The bank loan is repayable by monthly instalments until 2037. The loan bears interest at a rate of 2% above the base rate.

The base rate was 1.25% at 30 June 2022.

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

16 DEFERRED TAXATION

The amounts provided for deferred taxation and the amounts not provided are set out below:

Group	2022		2021	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	424,916	(16,346)	400,497	(17,747)
Other timing differences	(11,633)	-	(11,652)	-
Tax losses	(573,781)	(82,671)	(656,492)	(160)
	<u>(160,498)</u>	<u>(99,017)</u>	<u>(267,647)</u>	<u>(17,907)</u>

Company	2022		2021	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	-	(16,346)	-	(17,747)
Tax losses	-	(160)	-	(160)
	<u>-</u>	<u>(16,506)</u>	<u>-</u>	<u>(17,907)</u>

Deferred tax (assets) have only been recognised where their recoverability is certain, where the recoverability is uncertain the assets have not been recognised.

17 SHARE CAPITAL

	2022 £	2021 £
Allotted, issued and fully paid		
574,685 ordinary shares of 1p each	5,747	5,747

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

18 PENSION SCHEME

The Group operates a contracted-out money-purchase pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charged in the profit and loss account represents contributions payable to the fund. The pension cost charge totalled £507,484 (2021: £496,435).

Contributions amounting to £43,893 (2021: £43,089) were payable to the funds at 30 June 2022.

19 CONTINGENT LIABILITIES AND SECURITY HELD

The Company has guaranteed the overdrafts of its subsidiary, Terrafix Limited. The amount outstanding at the year end was £nil (2021: £nil). The Company and Group have a debenture dated 22 December 1994 held against all assets.

The mortgages of £2,078,878 are secured by fixed charges over Bladon House, Festival Park, ST1 5SH and 1 Merlin Way, Dunfermline, KY11 9JY.

All group companies are members of a VAT group.

At 30 June 2022 the VAT exposure of the VAT group excluding that of the Company was a creditor of £470,694 (2021: £793,137 creditor).

20 CASH FLOWS	2022 £	2021 £
Reconciliation of profit after tax to net cash generated from operations		
Profit after tax	46,578	784,476
Adjustments for:		
Depreciation of tangible fixed assets	209,976	234,151
Amortisation of intangible assets	184,494	225,068
Impairment of intangible assets	-	38,122
Interest receivable	(417)	(148)
Taxation	694	(53,208)
Interest payable	50,452	49,411
Operating cash flows before movements in working capital	491,777	1,277,872
(Increase) in stocks	(1,148,190)	(663,558)
(Increase) in debtors	(419,630)	(1,187,365)
Increase in creditors	142,033	1,760,461
	(934,010)	1,187,410

Land Navigation Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

20A CONSOLIDATED ANALYSIS OF CHANGES IN NET DEBT

	Note	30 June 2021 £	Cash flow £	30 June 2022 £
Cash at bank and in hand		2,965,482	(1,608,332)	1,357,150
Bank loans	14	(141,050)	3,075	(137,975)
Debt due within one year		(141,050)	3,075	(137,975)
Bank loans	15	(2,075,296)	136,393	(1,938,903)
Debt due after one year		(2,075,296)	136,393	(1,938,903)
Total net debt		749,136	(1,468,864)	(719,728)

21 RELATED PARTY TRANSACTIONS

During the year the following amounts were owed to the Group by directors:

	At beginning of year £	Maximum owed to Company £	At end of year £
Directors of the Group	50,946	74,246	40,746

The loans are interest free and have no other conditions.

The Company received funding of £700 in the year from a close family member of a director. £700 remains due to this related party at the period end (2021: £600).

22 CONTROLLING PARTY

The Group is under the control of the Mr JB Rosson trust.