

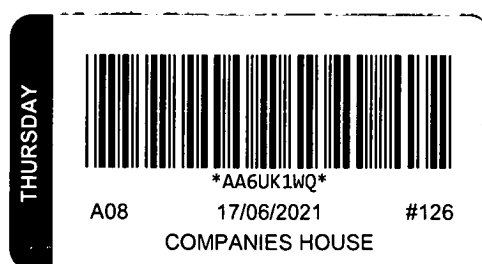
Gordon Murray Group Limited

Annual Report and Financial Statements

Year Ended

31 March 2020

Company Number 11569951



Gordon Murray Group Limited

Company Information

Directors	J Fieber C-P E M Forster J A McLaren I G Murray
Registered number	11569951
Registered office	Wharfside Broadford Park Shalford Guildford GU4 8EP
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Gordon Murray Group Limited

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Gordon Murray Group Limited

Group Strategic Report For the Year Ended 31 March 2020

Principal activities and review of business

The principal activity of the Group during the year continued to be that of automotive design, engineering and manufacturing, focusing on our innovative iStream@ manufacturing process and the Gordon Murray Automotive T.50 supercar programme.

The strategy of the Group is focused on maintaining our reputation as being one of the finest automotive design teams in the world and providing our customers with market opportunities that are enabled by the iStream@ manufacturing process. We are continuing to look for diversification opportunities into related products and markets.

During the year the Group continued with the development programme of the T.50 supercar, which is being contracted to design and develop by Gordon Murray Automotive Limited. The T.50 supercar is inspired by Professor Gordon Murray's 50 years of automotive industry engineering and design, spanning the pinnacle of Formula One.

The Group is continuing its investment in supporting the T.50 programme, which is now in the experimental prototype development stage and on track for its 2022 delivery programme.

The Directors view turnover, profitability and cash flow as essential indicators to monitor the operations and performance of the business.

Turnover for the year was £2,056,963 (2019: £ 11,172,568), representing external design and consultancy works through Gordon Murray Design Limited. The reduction in turnover represents the shift in the Groups focus on the internal T50 project and as such fewer external projects were taken on during the year. The gross margin has reduced from 68% in 2019 to 46%, largely due to a change in focus of the Group activity onto the T.50 supercar programme and away from external customer projects.

At the year-end £27,806,794 of deferred T.50 Development Costs have been capitalised as an intangible asset (2019: £1,768,189). These deferred costs will be amortised to the Consolidated Statement of Comprehensive Income in 2022 when the T.50 Supercar's are delivered to our customers. The Group continue to monitor and manage cash flow as part of the day to day operations, available cash remains healthy with cash and bank in excess of £18m across the Group.

Principal risks and uncertainties

The Board has always had a proactive approach to risk management and aims to protect its employees, customers and stakeholders, along with safeguarding the interests of the Group companies. The Group continually reviews its policies to ensure they are appropriately evaluating the risks of the business.

The Directors have assessed the impact on Brexit on the Group. There is a risk of minor short-term disruption to the business, however, the majority of the customer base is outside the European Union and therefore the directors consider the impact to be minimal.

Gordon Murray Group Limited

Group Strategic Report (continued) For the Year Ended 31 March 2020

Financial risk management

The Group uses various financial instruments including cash equity, trade receivables and trade payables in the course of its operations.

The use of these instruments gives rise to risks associated with liquidity risk and credit risk. The Directors review and agree policies to deal with each of these risks as summarised below.

Price risk

The Group continues to regularly review the market and monitor any change in risk.

Liquidity risk

The Group seeks to manage financial risk of liquidity by ensuring it has sufficient cash resources available to meet foreseeable needs at all times. Refer to the going concern section below for further information.

Credit risk

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by insuring against bad debts, credit scoring new customers and by monitoring payments against contractual agreements.

Cash flow risk

The Group monitors cash flow as part of its day-to-day control procedures.

Competitive risk

The iStream@ manufacturing process is in the public domain, however in order to mitigate the risk of patent infringement, the Group employs innovative individuals capable of pushing the boundaries of design and engineering. The Group have also designed several iterations of the technology which have so far not been made public.

Employment of disabled persons

The Group is an equal opportunities employer and is committed to creating and monitoring the working environment to ensure opportunities are available to all individuals.

Employee involvement

The Group actively promotes an inclusive and collaborative culture and workplace for its employees.

Employee training

The Group is committed to offer training and support to ensure our employees have best in class skills to perform their duties.

Employee development

The Group proactively works with our employees to create a culture to nurture employee development.

Future Developments

The Group continues to invest and develop our core iStream@ technology and its iterations.

The T.50 supercar programme has continued to be a success and in August 2020 following a virtual launch saw the Group sell the remainder of the 100 vehicles. Following this success the Group have launched the T.50s Trackspeed vehicle which has been well received by the market.

During the year the Group continued to invest in the Group's new Head Quarters in Windlesham, which has been granted planning permission with works due to commence in the summer of 2021.

Gordon Murray Group Limited

Group Strategic Report (continued) For the Year Ended 31 March 2020

Going concern and COVID - 19 pandemic

The financial statements have been prepared on the going concern basis.

The Group made a loss of £936,564 (2019: profit of £213,054) and had net assets of £3,618,136 (2019: £4,562,700) for the year ended 31 March 2020.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") with risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the above the Group has experienced some delays in its supply chains as, across the globe, clients have taken actions to mitigate the spread of the virus which include complete internal lockdown and bans on international travel. Management continuously monitors the impacts of this on its development and operational plans and is continuously taking action to reduce costs and to mitigate risks as they are identified. In addition to the cost reductions, the Group took advantage of the support offered by the UK Government in terms of Furlough Scheme and furloughed a small number of staff for a short period of time who could not perform their role from home.

The directors have reviewed the Group's cash flow forecasts taking into account likely COVID 19 impacts and scenarios and are satisfied that the Group has sufficient cash and resources to settle its liabilities as they fall due for a period of at least 12 months from the signing of these accounts. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board on 15-Jun-2021 | 4:37 PM BST and signed on its behalf.

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I G Murray
Director

Gordon Murray Group Limited

Directors' Report For the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020. The Company's year end was changed from 31 January to 31 March during the period.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company 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 Company and of the profit or loss of the Group 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.

Results and dividends

The loss for the year, after taxation, amounted to £936,564 (2019 - profit £213,054).

The directors do not recommend the payment of a dividend for the year (2019: £Nil).

Directors

The directors who served during the year were:

J Fieber
C-P E M Forster
I G Murray
M Cox (resigned 2 November 2020)

J A McLaren was appointed as a director on 1 April 2021.

Matters covered in the strategic report

The Group has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Group's Strategic Report the Group's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review, details of the principal risks and uncertainties and a review of future developments.

Gordon Murray Group Limited

Directors' Report (continued) For the Year Ended 31 March 2020

Disclosure of information to auditor

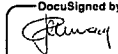
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15-Jun-2021 | 4:37 PM BST and signed on its behalf.

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I G Murray
Director

Gordon Murray Group Limited

Independent Auditor's Report to the Members of Gordon Murray Group Limited

Opinion

We have audited the financial statements of Gordon Murray Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and of the Parent Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Gordon Murray Group Limited

Independent Auditor's Report to the Members of Gordon Murray Group Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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.

Gordon Murray Group Limited

Independent Auditor's Report to the Members of Gordon Murray Group Limited (continued)

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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Mark Hutton
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Mark Hutton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Guildford
United Kingdom

Date: 16 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Gordon Murray Group Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	2,056,963	11,172,568
Cost of sales		(1,102,320)	(3,536,649)
Gross profit		954,643	7,635,919
Administrative expenses		(2,136,769)	(8,104,892)
Other operating income	5	11,170	334,353
Operating loss	6	(1,170,956)	(134,620)
Interest receivable and similar income	10	93,173	23,463
Interest payable and expenses	11	(63,413)	(74,029)
Loss before taxation		(1,141,196)	(185,186)
Tax credit on loss	12	204,632	398,240
(Loss)/profit for the financial year		(936,564)	213,054
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(936,564)	213,054
		(936,564)	213,054

There was no other comprehensive income for 2020 (2019: £Nil).

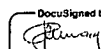
The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited
Registered number: 11569951

Consolidated Statement of Financial Position
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	27,806,794	1,768,189
Tangible assets	14	10,233,934	2,370,433
		<u>38,040,728</u>	<u>4,138,622</u>
Current assets			
Stocks	16	21,000	21,000
Debtors: amounts falling due within one year	17	16,001,465	2,802,902
Cash at bank and in hand	18	18,533,075	4,708,639
		<u>34,555,540</u>	<u>7,532,541</u>
Creditors: amounts falling due within one year	19	(7,191,487)	(1,436,928)
Net current assets		<u>27,364,053</u>	<u>6,095,613</u>
Total assets less current liabilities		<u>65,404,781</u>	<u>10,234,235</u>
Creditors: amounts falling due after more than one year	20	(61,786,645)	(5,671,535)
Net assets		<u><u>3,618,136</u></u>	<u><u>4,562,700</u></u>
Capital and reserves			
Called up share capital	22	546	547
Capital redemption reserve	23	1	-
Merger reserve	23	(84,761)	(84,761)
Profit and loss account	23	3,702,350	4,646,914
Equity attributable to owners of the parent Company		<u><u>3,618,136</u></u>	<u><u>4,562,700</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15-Jun-2021 | 4:37 PM BST

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IG Murray
Director

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited
Registered number: 11569951

Company Statement of Financial Position
As at 31 March 2020

	Note	31 March 2020 £	31 January 2019 £
Fixed assets			
Investments	15	759	-
		<u>759</u>	<u>-</u>
Current assets			
Cash at bank and in hand	18	17,009	-
		<u>17,009</u>	<u>-</u>
Creditors: amounts falling due within one year	19	(14,420)	-
		<u>2,589</u>	<u>-</u>
Net current assets		<u>2,589</u>	<u>-</u>
Total assets less current liabilities		<u>3,348</u>	<u>-</u>
Creditors: amounts falling due after more than one year	20	(210)	-
		<u>3,138</u>	<u>-</u>
Net assets		<u><u>3,138</u></u>	<u><u>-</u></u>
Capital and reserves			
Called up share capital	22	546	-
Capital redemption reserve	23	1	-
Profit and loss account	23	2,591	-
		<u>3,138</u>	<u>-</u>

The Company has elected to take advantage of the exemption under section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income. The Company profit for the financial year is £10,591 (2019: £Nil)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15-Jun-2021 | 4:37 PM BST

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I G Murray
 Director

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	547	-	(84,761)	4,646,914	4,562,700
Comprehensive income for the year					
Loss for the year	-	-	-	(936,564)	(936,564)
Total comprehensive income for the year	-	-	-	(936,564)	(936,564)
Contributions by and distributions to owners					
Purchase of own shares	-	-	-	(8,000)	(8,000)
Cancellation of shares	(1)	1	-	-	-
Total transactions with owners	(1)	1	-	(8,000)	(8,000)
At 31 March 2020	546	1	(84,761)	3,702,350	3,618,136

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	547	-	4,433,860	4,434,407
Comprehensive income for the year				
Profit for the year	-	-	213,054	213,054
Total comprehensive income for the year	-	-	213,054	213,054
Contributions by and distributions to owners				
Merger reserve adjustments on consolidation	-	(84,761)	-	(84,761)
Total transactions with owners	-	(84,761)	-	(84,761)
At 31 March 2019	547	(84,761)	4,646,914	4,562,700

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Company Statement of Changes in Equity For the Period Ended 31 March 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
Comprehensive income for the period				
Profit for the period	-	-	10,591	10,591
	-	-	10,591	10,591
Total comprehensive income for the period				
Contributions by and distributions to owners				
Purchase of own shares	-	-	(8,000)	(8,000)
Shares issued during the period	547	-	-	547
Cancellation of shares	(1)	1	-	-
	546	1	(8,000)	(7,453)
Total transactions with owners				
At 31 March 2020	546	1	2,591	3,138

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Company Statement of Changes in Equity For the Period Ended 31 January 2019

	Called up share capital £	Total equity £
Contributions by and distributions to owners		
Shares issued during the period	-	-
Total transactions with owners	-	-
At 31 January 2019	-	-

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Consolidated Statement of Cash Flows For the Year Ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(936,564)	213,054
Adjustments for:		
Depreciation of tangible assets	239,366	309,211
Loss on disposal of tangible assets	741	987
Interest paid	179,858	74,029
Interest received	(93,173)	(23,463)
Taxation charge	(204,632)	(398,240)
Increase in debtors	287,762	(139,860)
(Decrease) in creditors	(708,743)	(969,871)
Corporation tax received	-	533,376
Net cash generated from operating activities	(1,235,385)	(400,777)
Cash flows from investing activities		
Purchase of intangible fixed assets	(19,564,284)	(1,352,181)
Purchase of tangible fixed assets	(8,086,468)	(251,813)
Disposal of tangible fixed assets	8,276	13,300
Interest received	93,173	23,463
Payments received on account - deferred revenue	42,796,982	1,671,325
Net cash from investing activities	15,247,679	104,094

Gordon Murray Group Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 March 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	-	16
Purchase of ordinary shares	(8,000)	(85,000)
Loan raised	-	4,000,000
Interest paid	(179,858)	(74,029)
Net cash used in financing activities	(187,858)	3,840,987
Net increase in cash and cash equivalents	13,824,436	3,544,304
Cash and cash equivalents at beginning of year	4,708,639	1,164,335
Cash and cash equivalents at the end of year	18,533,075	4,708,639
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	18,533,075	4,708,639
	18,533,075	4,708,639

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Consolidated Analysis of Net Debt For the Year Ended 31 March 2020

	At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand	4,708,639	13,824,436	-	18,533,075
Debt due after 1 year	(4,000,210)	-	(36,435)	(4,036,645)
	<u>708,429</u>	<u>13,824,436</u>	<u>(36,435)</u>	<u>14,496,430</u>

The notes on pages 19 to 40 form part of these financial statements.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

1. General information

Gordon Murray Group Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office can be found on the Company Information page. The nature of the Group and Company's operations and principal activities are detailed in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company was dormant in the previous accounting period and prepared its first set of accounts for the 5 month period ended 31 January 2019. For the purpose of consolidation, the results and financial position of both the Company and the Group have been made up for the 12 month period ended 31 March 2019 for the comparative period.

Subsidiaries of the Company prepared their accounts for the 12 month period 31 March 2019 and it has therefore been deemed impractical to use the period ended 31 January 2019 for the purposes of consolidation.

The financial statements have been prepared on the going concern basis.

The Group made a loss of £936,564 (2019: profit of £213,054) and had net assets of £3,618,136 (2019: £4,562,700) for the year ended 31 March 2020.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") with risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the above the Group has experienced some delays in its supply chains as, across the globe, clients have taken actions to mitigate the spread of the virus which include complete internal lockdown and bans on international travel. Management continuously monitors the impacts of this on its development and operational plans and is continuously taking action to reduce costs and to mitigate risks as they are identified. In addition to the cost reductions, the Group took advantage of the support offered by the UK Government in terms of Furlough Scheme and furloughed a small number of staff for a short period of time who could not perform their role from home.

The directors have reviewed the Group's cash flow forecasts taking into account likely COVID 19 impacts and scenarios and are satisfied that the Group has sufficient cash and resources to settle its liabilities as they fall due for a period of at least 12 months from the signing of these accounts. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The following principal accounting policies have been applied:

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The financial statements incorporate the results of business combinations using the merger accounting method. The results and cash flows of all the combining entities has been brought into the financial statements of the Group from the beginning of the financial year in which the combination occurred. The comparative information has been restated by including the total comprehensive income for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date.

Share capital of the Company has been restated for the purposes of consolidation at the preceding reporting date to reflect the nominal value of new shares that were issued to acquire the merged Group had the merger taken place at that date.

2.3 Turnover

The turnover shown in the Consolidated Statement of Comprehensive Income represents amounts receivable for services provided during the year in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover is also received from government grants as a contribution towards work undertaken on projects of significant technological improvement and development. Grant income is recognised upon completion and submission of quarterly returns. An accrual for grant income is recognised where submissions from previously approved projects are ongoing at the year end.

Turnover from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised from the point the asset is deemed ready for use on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were incurred in the research phase only.

2.5 Intangible assets

Intangible assets, comprising capitalised development costs of the T.50 supercar, are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

All intangible assets are considered to have a finite useful life.

Amortisation is provided on the following basis:

Development costs - over 1 year

This period has been selected as it is expected that the development products will be manufactured within one year once the T.50 supercar is ready for production. Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

2.6 Tangible fixed assets

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

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as below.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold improvements	- over the life of the lease
Plant and machinery	- 33% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% reducing balance
Computer equipment	- 33% straight line
Display vehicles	- over a period of 20-25 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Government grants

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

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Borrowing costs

Borrowing costs have been recognised in the Consolidated Statement of Comprehensive Income in the year in which they were incurred. Where borrowing costs were directly attributable to the production of a qualifying intangible asset, these have been capitalised and form part of the asset cost.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.14 Creditors

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

2.15 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.16 Finance costs

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

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.18 Pensions

Defined contribution pension plan

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

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

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

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

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- **Impairment of intangibles (note 13)**
Determine whether there are indicators of impairment of the Group's capitalised development costs included in intangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected financial performance of the project. Where it is a component of a larger cash generating unit, the viability and expected performance of that project.
- **Capitalisation of intangibles (note 13)**
The Directors have exercised an element of judgement in the capitalisation of overhead costs associated with the development of the intangible asset. At year end, the Directors prepared a detailed review of costs incurred and in making their judgement, considered the detailed criteria for recognition required under FRS 102.
- **Tangible fixed assets (see note 14)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Deferred tax (see note 21)**
Management estimation is required to determine the amount of deferred tax assets that can be recognised based upon likely timing and level of future taxable profits together with an assessment of the future tax planning strategies.
- **Residual value of display vehicles (see note 14)**
The residual value of display vehicles, which are collectable cars, requires estimation by management with periodic input from qualified external valuers.
- **Stage of completion of contracts**
Turnover is calculated as that proportion of total contract value which costs incurred to date bear to the total expected costs for that contract. The Directors are required to estimate the total costs expected for the contract which directly impacts the amount of turnover and profit recognised.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Services	979,728	10,126,963
Grant income	1,077,235	1,045,605
	<u>2,056,963</u>	<u>11,172,568</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Research and development tax credit	-	334,353
CJRS Government grant income	11,170	-
	<u>11,170</u>	<u>334,353</u>

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	10,812,665	8,500,140
Depreciation of tangible fixed assets	239,366	309,211
Exchange differences	906	(464)
Other operating lease rentals	715,459	675,049
Defined contribution pension cost	206,271	163,388
	<u>11,974,667</u>	<u>9,647,344</u>

7. Auditor's remuneration

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	32,370	21,400
All other services - accounts preparation	8,990	3,850
	<u>41,360</u>	<u>25,250</u>

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	5,353,429	4,725,649	-	-
Social security costs	619,898	626,445	-	-
Cost of defined contribution scheme	206,271	163,388	-	-
	<u>6,179,598</u>	<u>5,515,482</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Management	6	6
Design & Engineering	64	64
Administration Staff	17	19
	<u>87</u>	<u>89</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £ Nil)

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	559,849	559,849
Social security costs	67,977	68,034
Cost of defined contribution scheme	28,035	-
Benefits in kind	7,206	7,227
	<u>663,067</u>	<u>635,110</u>

During the year retirement benefits were accruing to no Directors (2019 - £Nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £459,849 (2019 - £459,849).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £28,035 (2019 - £Nil).

In the opinion of the Directors, key management personnel are the Directors of the Group.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

10. Interest receivable

	2020 £	2019 £
Bank interest receivable	<u>93,173</u>	<u>23,463</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	<u>63,413</u>	<u>74,029</u>

Interest totalling £152,880 on loans has been capitalised to intangible assets (development costs) during the period.

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on losses for the year	-	(286,567)
Adjustments in respect of previous periods	<u>(6,085)</u>	<u>-</u>
Total current tax	<u>(6,085)</u>	<u>(286,567)</u>
Deferred tax		
Origination and reversal of timing differences	(157,964)	(111,673)
Changes to tax rates	<u>(40,583)</u>	<u>-</u>
Total deferred tax	<u>(198,547)</u>	<u>(111,673)</u>
Taxation on loss on ordinary activities	<u><u>(204,632)</u></u>	<u><u>(398,240)</u></u>

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

12. Taxation (continued)

Factors affecting tax credit for the year.

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

	2020 £	2019 £
Loss on ordinary activities before tax	(1,141,196)	(185,186)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(216,827)	(35,185)
Effects of:		
Expenses not deductible for tax purposes	16,969	14,691
Capital allowances for year in excess of depreciation	5,189	-
Other permanent differences	9	41
Surrender of tax losses for research and development credit refund	-	108,650
Additional research and development deduction	-	(467,480)
Other adjustments	-	(18,957)
Non-taxable income	4,750	-
Effect of change in tax rate on deferred tax	(40,584)	-
Adjustment to prior year corporation tax	(6,085)	-
Adjustments to prior year deferred tax	34,039	-
Prior year losses recognised as deferred tax	(2,092)	-
Total tax charge for the year	(204,632)	(398,240)

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This will change the Group's future tax charge accordingly.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

13. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 April 2019	1,768,189
Additions	26,038,605
At 31 March 2020	<u>27,806,794</u>
Net book value	
At 31 March 2020	<u>27,806,794</u>
At 31 March 2019	<u>1,768,189</u>

The Company has no intangible fixed assets.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

14. Tangible fixed assets

Group

	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Display vehicles £	Total £
Cost or valuation								
At 1 April 2019	-	2,185,729	488,557	97,523	1,119,940	198,579	332,000	4,422,328
Additions	7,539,057	465,652	-	-	106,808	367	-	8,111,884
Disposals	-	-	-	(31,636)	(831)	(2,937)	-	(35,404)
At 31 March 2020	7,539,057	2,651,381	488,557	65,887	1,225,917	196,009	332,000	12,498,808
Depreciation								
At 1 April 2019	-	426,920	421,040	56,153	969,134	178,648	-	2,051,895
Charge for the year	-	114,142	22,280	9,133	85,496	8,315	-	239,366
Disposals	-	-	-	(23,168)	(774)	(2,445)	-	(26,387)
At 31 March 2020	-	541,062	443,320	42,118	1,053,856	184,518	-	2,264,874
Net book value								
At 31 March 2020	7,539,057	2,110,319	45,237	23,769	172,061	11,491	332,000	10,233,934
At 31 March 2019	-	1,758,809	67,517	41,370	150,806	19,931	332,000	2,370,433

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

14. Tangible fixed assets (continued)

The Company has no tangible fixed assets.

Freehold property comprises land which is not depreciated.

The display vehicles comprise a 1968 Lotus Elan S.3 which was used as a benchmark vehicle during the McLaren F1 roadcar project and a prototype Mercedes-Benz SLR McLaren vehicle.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
Additions	759
At 31 March 2020	<u>759</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Gordon Murray Design Limited	Automotive design and engineering	Ordinary	100%
Gordon Murray Heritage Limited	Dormant	Ordinary	100%
Gordon Murray Automotive Limited	Development and production of supercar	Ordinary	100%
Gordon Murray Marketing Limited	Dormant	Ordinary	100%
Gordon Murray Racing Limited	Dormant	Ordinary	100%
Gordon Murray Property Limited	Dormant	Ordinary	100%
Gordon Murray Systems Limited	Dormant	Ordinary	100%
Gordon Murray Advanced Power Systems Limited	Dormant	Ordinary	100%
Gordon Murray Development Limited	Dormant	Ordinary	100%
Gordon Murray iTechnologies Limited	Development of automotive technologies	Ordinary	100%

All of the Company's subsidiary undertakings which are dormant and have generated no profit or loss in the period have been excluded from consolidation as their inclusion is not material to the Group.

The registered office address of all the above subsidiaries except Gordon Murray Design Limited is the same as the Parent Company and is as shown on the Company Information page.

The registered office address of Gordon Murray Design Limited is Ashcombe House, 5 The Crescent, Leatherhead, Surrey, KT22 8DY.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

16. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials and consumables	21,000	21,000	-	-

There is no material difference between the replacement cost of stock and its carrying amount.

17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	11,274,907	550,225	-	-
Other debtors	2,554,529	174,207	-	-
Prepayments and accrued income	780,284	891,357	-	-
Tax recoverable	625,236	619,151	-	-
Deferred taxation (see note 21)	766,509	567,962	-	-
	<u>16,001,465</u>	<u>2,802,902</u>	<u>-</u>	<u>-</u>

Included in other debtors due within one year is a loan to I G Murray, a director, amounting to £Nil (2019: £2,355).

All debtors are due within one year. All trade debtors are due within the Group's normal terms, which is thirty days. Trade debtors are shown net of impairment in respect of doubtful debts.

The deferred tax asset comprises mainly tax losses, which the Directors consider it will be probable that they will be utilised in the coming years.

18. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	18,533,075	4,708,639	17,009	-

At the year end, HSBC hold the following as securities:

1. A debenture incorporating fixed and floating charges over all assets including the property and undertaking of the Group.
2. An unlimited intercompany multilateral guarantee from group companies.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	6,234,810	931,192	-	-
Amounts owed to group undertakings	-	-	320	-
Other taxation and social security	177,672	181,492	-	-
Other creditors	5,579	14,272	-	-
Accruals and deferred income	773,426	309,972	14,100	-
	<u>7,191,487</u>	<u>1,436,928</u>	<u>14,420</u>	<u>-</u>

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Directors' loan	4,036,435	4,000,000	-	-
Payments received on account - deferred revenue	57,750,000	1,671,325	-	-
Share capital treated as debt	210	210	210	-
	<u>61,786,645</u>	<u>5,671,535</u>	<u>210</u>	<u>-</u>

During the prior year, the Group received an unsecured loan of £4,000,000 from I G Murray. The loan is repayable in May 2022 and bears interest at a fixed rate of 1.5% on the principal amount and 5% on the loan utilised.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

21. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	567,962	456,289
Charged to profit or loss	198,547	111,673
At end of year	766,509	567,962

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(38,526)	(36,483)	-	-
Tax losses carried forward	805,035	604,445	-	-
	766,509	567,962	-	-

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

22. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
54,600 (2019 - 54,700) Ordinary shares of £0.01 each	<u>546</u>	<u>547</u>
Shares classified as debt		
Allotted, called up and fully paid		
21,000 (2019 - 21,000) 'B' Redeemable preferred shares shares of £0.01 each	<u>210</u>	<u>210</u>

The share capital held by the Company at the 31 March 2019 was 1 Ordinary share of £0.01. Share capital of the Company has been restated for the purposes of consolidation at the preceding reporting date to reflect the nominal value of new shares that were issued to acquire the merged Group had the merger taken place at that date.

On 7 June 2019, the Company issued 54,699 Ordinary shares and 21,000 B Redeemable preferred shares of £0.01 each at par.

On 27 January 2020, the Company cancelled and repurchased 100 Ordinary shares of £0.01 at £80 each.

The terms of the 'B' redeemable preference share were:

The 'B' redeemable shares rank pari passu to the ordinary shares in terms of dividend and voting rights. Upon liquidation or winding up, the 'B' redeemable shares shall receive an amount equal to the subscription price and then any remaining surplus shall be distributed to the holder of 'B' redeemable shares and ordinary shares in proportion to the number of shares held by them respectively (pari passu as if they were all shares of the same class).

The 'B' redeemable shares may be converted to ordinary shares at any time at the option of the shareholder.

The 'B' redeemable shares may be redeemed at the option of the shareholder at any point from 7 years after the date of issue. Redemption is at subscription price plus any dividend arrears.

Gordon Murray Group Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

23. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the Group.

Merger Reserve

This reserve records the consolidation adjustments required to restate the comparative figures to include the results for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date.

Profit and loss account

This reserve records retained earnings and accumulated losses, net of dividends paid.

24. Pension commitments

The Group operate a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £206,271 (2019 - £163,388). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the reporting date.

25. Commitments under operating leases

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

	Group 2020 £	Group 2019 £
Not later than 1 year	725,558	542,664
Later than 1 year and not later than 5 years	1,162,218	599,753
	1,887,776	1,142,417

The Company had no commitments under non-cancellable operating leases at the reporting date.

Gordon Murray Group Limited

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26. Related party transactions and controlling party

The Group has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose related party transactions with other wholly owned members of the Group.

Included within debtors is an amount due from I G Murray of £Nil (2019 - £2,355), and the maximum overdrawn position during the year was £2,355 (2019 - £4,056).

During 2019, the Group received an unsecured loan of £4,000,000 from I G Murray. The loan is repayable in May 2022 and interest of £216,293 (2019 - £74,029) was charged on the loan during the year.

The Group is under the control of I G Murray throughout the year and previous year by virtue of his shareholding.

27. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.