

Company registration number: 03653243

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

B-N GROUP LIMITED



MENZIES

B-N GROUP LIMITED

COMPANY INFORMATION

Directors	W A Hynett OBE D R Shaw (appointed 1 December 2020)
Company secretary	C L Butterworth
Registered number	03653243
Registered office	Bembridge Airport Bembridge Isle Of Wight PO35 5PR
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000A Parkway Whiteley Hampshire PO15 7FX

B-N GROUP LIMITED

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B-N GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Board of Directors presents its strategic report for the company and the Group for the year ended 31 March 2021.

Principal risks and uncertainties that the business encounters are incorporated into each section of the report.

Business review

The Group's core activities include the design and manufacture of aircraft and aircraft parts, maintenance and modification of new and preowned aircraft and ancillary support services. Britten-Norman is the Original Equipment Manufacturer of the Islander, Trislander and Defender aircraft.

The market for Britten-Norman's products and services is international. The majority of the Group's transactions are export, albeit that a significant element of trading volume remains within the UK. As part of a world-wide structure of businesses, Britten-Norman (UK) is the largest trading element within the Group and has prime responsibility for operations across Europe, Africa, the GCC region and West Asia, supporting both civil and military customers.

The broader international market conditions have been extremely challenging for the entire aerospace sector over the last 12 months, with the consensus agreeing that this is unlikely to pick up until beyond 2023. Despite these industry-wide problems, the Group has seen reasonably consistent trading in the period with support activities within approximately 15% of the 5 year average. New aircraft sales remain at similar levels to pre-pandemic trading, with pre-owned aircraft sales having seen a significant upturn in the last 12 months. Orderbook for the 12 months ahead is currently at capacity, necessitating growth in the Group's requirements for hangarage.

The progress of the Covid-19 virus and its variants remains fundamental to the Group's view on risk in the period ahead.

Treasury

The Group finances its activities through a combination of bank overdraft, shareholder equity and loans. Bank overdraft facilities remain modest in relation to turnover but continue to be a key enabler for the business. The Group enjoys a strong relationship with Lloyds Banking Group and has opportunities to extend facilities to enable future growth. At the present time, however, the business has sufficient convertible stock to meet its growth targets.

Project related cash flow risks are commonly mitigated through contractual terms requiring milestone payments against contracted deliverables. Medium-term business development activities (including R&D, plant and machinery) and aircraft financing are conducted utilising reinvestment of profits along with other sources of external financing, including recent successful grants for Government funding under the ATI scheme.

In addition to direct borrowing, the companies in the Group also maintain other financial assets in the form of trade creditors, which arise from normal trading activities. Company debtors are managed either through credit terms with selected customers or, in the case of foreign military customers, via irrevocable letter of credit.

The Group reports in Sterling but, depending on geography and market sector, operates in both US Dollars and Sterling. US Dollar foreign exchange is the only significant FX risk that the business encounters in normal trading. This risk is largely mitigated in the longer term by matching supply chain, much of which is US based, against international sales, the latter of which occurs in a mixture of US Dollars and Sterling. The Board continues to monitor customer and supplier trading volumes in order to manage the foreign exchange risk.

Financial key performance indicators

The key performance indicators of the Group are considered to be:

	2021	2020
Revenue	12,531,609	17,200,886
Gross margin %	66%	52%
Operating margin %	1%	3%
Net assets	5,064,328	4,875,419

B-N GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The above are in line with the Directors' expectation given the challenges faced by the aerospace sector as a result of Covid-19. At the year end the Group was in a net asset position and had a cash balance of £652,676 (2020: £208,000).

Regulatory Oversight

Aviation is a highly regulated operating environment and oversight is required at a national or supranational level. Britten-Norman maintains its operating approvals under the UK's Civil Aviation Authority (CAA) with Third Country oversight of selected key approvals by the European Union Aviation Safety Agency (EASA). Britten-Norman also holds approvals with a number of international territories. The company's Type Certificates (TC) are currently held under CAA authority; the decision where to maintain the TC in the medium term will be taken within the next 12 months.

Compliance

As an aerospace design and manufacturing business that operates in the international civil and military aerospace market, the quality of the Group's products and services are paramount.

The compliance function within the group covers all areas of regulatory legislation including aerospace approvals, health & safety and environment. Compliance is administered on a divisional basis across two key areas; Design & Manufacturing and Continuing Airworthiness. One of the key risks that the company faces with regard to quality management is the proliferation of counterfeit aircraft parts in the marketplace as well as those manufactured under "Parts Manufacturing Authority" (PMA). As the Original Equipment Manufacturer and owner of the Intellectual Property Rights, Britten-Norman commits resource to investigating and prosecuting intellectual property theft and works closely with regulators to help enforce this.

Business management is conducted in accordance with ISO9001:2015. The Group also ensures compliance with Anti-Bribery legislation. Due to its size, the Group is not required to report on compliance with the UK's Modern Slavery Act, however it is cognisant of the legislation and monitors activities to ensure compliance. The business is also not required to report "gender pay gap" data due to its size, however it does monitor statistics in this area and has an active internal policy that ensures gender pay neutrality. Britten-Norman is an Equal Opportunities employer.

Environment

Through the Group's R&D function, Britten-Norman is investing heavily in renewable energy technology in the form of a zero emission variant of its hugely successful Islander aircraft. To support the Group's overall policy decision to reduce emissions wherever possible, an application is now in place to deliver ISO14001 accreditation in the period ahead. The company also operates a range of policies around reduction of energy consumption and currently seeks Government assistance to make further reductions in the period ahead.

Health & Safety

The company takes its obligations with regard to Health & Safety extremely seriously. A key aim of each company in the Group is to manage risk down to that which is as low as is reasonably practical within the confines of its core business, recognising that this will vary from business to business and sector to sector. In order to manage these risks locally, the Group's Health & Safety policies are set globally and then further devolved operationally so that each area / departmental Director and member of the Management Team takes responsibility for specific risks within their area.

Advice for Health & Safety management is provided by a suitably qualified and experienced member of the Governance team and is backed by external accredited consultants who provide additional auditing and advice. The Group is in the middle of a process that will ultimately lead to ISO45001 accreditation.

Covid-19

The past 12 months has continued to be very demanding on market conditions with large parts of the customer base suppressed through local or regional government Covid-19 lockdown measures. As a "key worker" business, the company has remained fully operational since the start of the international emergency, however restrictions over international travel have undoubtedly had an adverse impact on the supply chain and the company's ability to provide on-site support to customers. Much has been achieved through use of online video-conferencing, including the introduction of online training. The pre-owned aircraft sales market is often counter-cyclical and this has proven the case during the current trading period with an upturn in trading volume.

B-N GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Air Safety Management

A single, Group-wide Air Safety Management system operates across the business and is consolidated through a single quarterly safety review. Open reporting from customers and staff are key elements to maintaining a 'just culture', so the company has implemented both internal and external feedback that allows open process improvements via Safety Occurrence Reporting. These activities are further underpinned by regular Air Safety forums and safety and emergency planning exercises. The company also works closely with investigating bodies such as the Air Accidents Investigation Branch (and regional equivalents) to ensure that all aspects of incident management are considered as part of the product design review process.

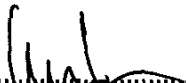
Future Developments

The central thrust of new development for Britten-Norman is the electrically powered Islander aircraft. The company has embarked on a Government part-funded, multi-stakeholder, collaborative project which will see a new hydrogen / electric powered aircraft achieving first flight within the next 18 months. Unlike other ostensibly similar industry-wide projects, the Britten-Norman initiative is structured as a pre-production model. This approach will allow the introduction of a productionised variant as a direct follow on to the R&D project.

Britten-Norman is also engaged in a wide range of other R&D projects including another Government backed collaboration involving automation of aircraft operations. This project is expected to have both civil and military application. R&D projects are driven by a dedicated area within Britten-Norman Aircraft's design area. This division of the company also offers third party services via the company's dedicated test and trial aircraft. The company also provides sub-contract design, consultancy and specialist manufacturing services.

In 2020, the company entered new leases at its historic home on the Isle of Wight, at the Lee-on-the-Solent on the UK's south coast and at Malta International Airport. Over the next 12 months the company will be focussing on a long-term lease on additional facilities at Lee-on-the-Solent and making its newly leased facilities at Malta International Airport operational. After some delays, the company will also now progress its Covid-19 delayed application for an Air Operator's Certificate.

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


.....
W A Hynett OBE
Director

Date: 22/12/21

B-N GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £188,909 (2020 - £545,788).

Directors

The directors who served during the year were:

W A Hynett OBE
D R Shaw (appointed 1 December 2020)

Future developments

Please refer to the Group Strategic Report.

Qualifying third party indemnity provisions

B-N Group Limited has indemnified one or more directors of the Group against liability in respect of proceedings brought by third parties, subject to the conditions set out by the Companies Act 2006, such that qualifying third party indemnity provision was in force during the year and remains in place to the date of this report.

Matters covered in the strategic report

Details of the principal activities, review of the business, principle risks and uncertainties and future developments can be found in the Group Strategic Report and form part of this report by cross reference.

B-N GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



W A Hynett OBE
Director

Date: 22/12/21

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF B-N GROUP LIMITED

Opinion

We have audited the financial statements of B-N Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF B-N GROUP LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF B-N GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. There are no industry specific laws and regulations which would be deemed to have a significant impact on the financial statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions.
- Misappropriation of funds through fraudulent purchase ledger and payroll activity
- Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

B-N GROUP LIMITED

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF B-N GROUP
LIMITED (CONTINUED)

Use of our report

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

Menzies LLP

James Hadfield FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000A Parkway
Whiteley
Hampshire
PO15 7FX

Date: 22/12/21

B-N GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	12,531,609	17,200,886
Cost of sales		(4,265,355)	(8,196,139)
Gross profit		8,266,254	9,004,747
Administrative expenses		(8,177,629)	(8,537,853)
Operating profit	5	88,625	466,894
Interest receivable and similar income	9	222	48
Interest payable and similar expenses	10	(8,739)	(4,744)
Profit before taxation		80,108	462,198
Tax on profit	11	108,801	83,590
Profit for the financial year		188,909	545,788
 Total comprehensive income for the year		188,909	545,788
 Profit for the year attributable to:			
Owners of the parent Company		188,909	545,788
		188,909	545,788
 Total comprehensive income for the year attributable to:			
Owners of the parent Company		188,909	545,788
		188,909	545,788


The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED
REGISTERED NUMBER:03653243

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	70,629	53,332
Tangible assets	13	733,973	956,154
		<u>804,602</u>	<u>1,009,486</u>
Current assets			
Stocks	15	5,688,109	4,051,511
Debtors: amounts falling due within one year	16	4,133,400	3,131,189
Cash at bank and in hand		652,676	208,000
		<u>10,474,185</u>	<u>7,390,700</u>
Creditors: amounts falling due within one year	17	(6,214,459)	(3,524,767)
Net current assets		<u>4,259,726</u>	<u>3,865,933</u>
Total assets less current liabilities		<u>5,064,328</u>	<u>4,875,419</u>
Net assets		<u>5,064,328</u>	<u>4,875,419</u>
Capital and reserves			
Called up share capital	18	500,000	500,000
Capital redemption reserve	19	500,000	500,000
Profit and loss account	19	4,064,328	3,875,419
		<u>5,064,328</u>	<u>4,875,419</u>

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


W A Hynett OBE
 Director

Date: 22/12/21

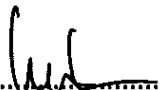
The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED
REGISTERED NUMBER:03653243

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	512,100	512,100
		<u>512,100</u>	<u>512,100</u>
Current assets			
Debtors: amounts falling due within one year	16	5,288,076	2,557,756
Cash at bank and in hand		3,017	2,646
		<u>5,291,093</u>	<u>2,560,402</u>
Creditors: amounts falling due within one year	17	(4,253,087)	(2,029,717)
Net current assets		<u>1,038,006</u>	<u>530,685</u>
Total assets less current liabilities		<u>1,550,106</u>	<u>1,042,785</u>
Net assets		<u><u>1,550,106</u></u>	<u><u>1,042,785</u></u>
Capital and reserves			
Called up share capital	18	500,000	500,000
Capital redemption reserve	19	500,000	500,000
Profit and loss account brought forward		42,785	(1,066,189)
Profit for the year		507,321	2,108,974
Other changes in the profit and loss account		-	(1,000,000)
Profit and loss account carried forward		<u>550,106</u>	<u>42,785</u>
		<u><u>1,550,106</u></u>	<u><u>1,042,785</u></u>

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



W A Hynett OBE
 Director

Date: 22/12/21

The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2019	1,000,000	-	4,329,631	5,329,631	5,329,631
Comprehensive income for the year					
Profit for the year	-	-	545,788	545,788	545,788
Total comprehensive income for the year	-	-	545,788	545,788	545,788
Purchase of own shares	-	500,000	(1,000,000)	(500,000)	(500,000)
Shares redeemed during the year	(500,000)	-	-	(500,000)	(500,000)
At 1 April 2020	500,000	500,000	3,875,419	4,875,419	4,875,419
Comprehensive income for the year					
Profit for the year	-	-	188,909	188,909	188,909
Total comprehensive income for the year	-	-	188,909	188,909	188,909
At 31 March 2021	500,000	500,000	4,064,328	5,064,328	5,064,328

The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	1,000,000	-	(1,066,189)	(66,189)
Comprehensive income for the year				
Profit for the year	-	-	2,108,974	2,108,974
	-	-	2,108,974	2,108,974
Total comprehensive income for the year				
Purchase of own shares	-	500,000	(1,000,000)	(500,000)
Shares redeemed during the year	(500,000)	-	-	(500,000)
Total transactions with owners	(500,000)	500,000	(1,000,000)	(1,000,000)
At 1 April 2020	500,000	500,000	42,785	1,042,785
Comprehensive income for the year				
Profit for the year	-	-	507,321	507,321
	-	-	507,321	507,321
Total comprehensive income for the year				
At 31 March 2021	500,000	500,000	550,106	1,550,106

The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	188,909	545,788
Adjustments for:		
Amortisation of intangible assets	22,000	20,000
Depreciation of tangible assets	429,046	578,000
Interest paid	8,739	5,000
Interest received	(222)	-
Taxation charge	(108,801)	-
(Increase)/decrease in stocks	(1,636,598)	1,769,000
(Increase) in debtors	(1,008,362)	(260,000)
Decrease/(increase) in amounts owed by participating ints	-	(278,000)
Increase/(decrease) in creditors	2,874,515	(1,108,000)
(Decrease)/increase in amounts owed to participating ints	(378,010)	670,000
Corporation tax received	114,952	84,000
Net cash generated from operating activities	506,168	2,025,788
Cash flows from investing activities		
Purchase of intangible fixed assets	(39,297)	-
Purchase of tangible fixed assets	(206,865)	(437,000)
Interest received	222	-
Net cash from investing activities	(245,940)	(437,000)

B-N GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from financing activities		
Purchase of ordinary shares	-	(1,000,000)
Repayment of/new finance leases	(15,932)	-
Interest paid	(8,739)	(5,000)
Net cash used in financing activities	(24,671)	(1,005,000)
Net increase in cash and cash equivalents	235,557	583,788
Cash and cash equivalents at beginning of year	208,000	(375,788)
Cash and cash equivalents at the end of year	443,557	208,000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	652,676	208,000
Bank overdrafts	(209,119)	-
	443,557	208,000

The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	208,000	444,676	652,676
Bank overdrafts	-	(209,119)	(209,119)
Debt due within 1 year	(11,708)	(63,496)	(75,204)
Finance leases	(17,921)	15,932	(1,989)
	<u>178,371</u>	<u>187,993</u>	<u>366,364</u>

The notes on pages 18 to 35 form part of these financial statements.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

B-N Group Limited is a private limited company limited by shares incorporated in England and Wales. The address of the registered office and principal place of business is disclosed on the company information page.

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 judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 March 2016.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company'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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

2.5 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 on research 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 on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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 all incurred in the research phase only.

2.6 Interest income

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

2.7 Finance costs

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

2.8 Borrowing costs

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

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 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.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 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.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Hangar	- 10 years
Long-term leasehold property	- Over the term of the lease
Production machinery, equipment and fixtures	- 3 - 6 years
Motor vehicles	- 4 years
Furniture, fixtures and equipment	- 3 - 6 years
Aircraft	- 4 years

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

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

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

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

2.15 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.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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.

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

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

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

The directors believe the key source of estimation uncertainty in the financial statements to be that of provisioning of stock, particularly the raw material and component parts held by the group. Due to its nature this provision represents an estimate of future recoverable value of these assets; however differences may arise between expected recoverable amounts and the actual future value generated from the sale of this stock. Any difference between expectations and future realised recoverable amounts will be accounted for in the period when realisation occurs.

This provision is based on assessments of management data concerning stock composition and utilisation, and represents management's best estimate of the recoverable value of stock at the Balance Sheet date.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Turnover

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

	2021 £	2020 £
Sale of goods	2,480,332	6,687,377
Provision of services	10,051,277	10,513,509
	<u>12,531,609</u>	<u>17,200,886</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,781,807	15,297,886
Rest of Europe	637,261	567,000
Rest of the world	1,112,541	1,336,000
	<u>12,531,609</u>	<u>17,200,886</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	(3,468)	5,723
	<u></u>	<u></u>

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,000	52,000
	<u></u>	<u></u>

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

All other services	14,000	30,000
	<u>14,000</u>	<u>30,000</u>

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	5,719,136	5,123,471	46,250	-
Social security costs	618,497	514,235	6,079	-
Cost of defined contribution scheme	363,345	379,995	293	-
	<u>6,700,978</u>	<u>6,017,701</u>	<u>52,622</u>	<u>-</u>

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

	2021 No.	2020 No.
Management	34	34
Production and administration	136	118
	<u>170</u>	<u>152</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	219,718	-
Company contributions to defined contribution pension schemes	293	-
	<u>220,011</u>	<u>-</u>

During the year retirement benefits were accruing to 4 directors (2020 - NIL) in respect of defined contribution pension schemes.

9. Interest receivable

	2021 £	2020 £
Other interest receivable	222	48
	<u>222</u>	<u>48</u>

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	4,406	3,343
Other loan interest payable	4,333	1,401
	<u>8,739</u>	<u>4,744</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(108,801)	(83,590)
	<u>(108,801)</u>	<u>(83,590)</u>
Total current tax	<u>(108,801)</u>	<u>(83,590)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(108,801)</u>	<u>(83,590)</u>

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	80,108	462,198
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	15,221	87,818
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,499	-
Capital allowances for year in excess of depreciation	21,200	-
Utilisation of tax losses	-	(87,818)
Adjustments to tax charge in respect of prior periods	-	(32,000)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(148,751)	(51,590)
Unrelieved tax losses carried forward	2,788	-
Other differences leading to an increase (decrease) in the tax charge	(758)	-
Total tax charge for the year	(108,801)	(83,590)

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Intangible assets

Group and Company

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 April 2020	-	109,999	109,999
Additions - internal	39,297	-	39,297
At 31 March 2021	39,297	109,999	149,296
Amortisation			
At 1 April 2020	-	56,667	56,667
Charge for the year on owned assets	-	22,000	22,000
At 31 March 2021	-	78,667	78,667
Net book value			
At 31 March 2021	39,297	31,332	70,629
At 31 March 2020	-	53,332	53,332

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

Group

	Hangar £	Production machinery, equipment and fixtures £	Motor vehicles £	Furniture, fixtures and equipment £	Aircraft £	Total £
Cost or valuation						
At 1 April 2020	634,083	1,837,284	75,188	492,518	967,719	4,006,792
Additions	105,129	36,434	1,850	63,452	-	206,865
At 31 March 2021	739,212	1,873,718	77,038	555,970	967,719	4,213,657
Depreciation						
At 1 April 2020	577,957	1,585,814	55,382	149,758	681,727	3,050,638
Charge for the year on owned assets	63,896	119,500	15,451	103,280	126,919	429,046
At 31 March 2021	641,853	1,705,314	70,833	253,038	808,646	3,479,684
Net book value						
At 31 March 2021	97,359	168,404	6,205	302,932	159,073	733,973
At 31 March 2020	56,126	251,470	19,806	342,760	285,992	956,154

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	97,359	56,126
	<u>97,359</u>	<u>56,126</u>

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets (continued)

Company

	Plant and machinery £
Cost or valuation	
At 1 April 2020	617,352
At 31 March 2021	<u>617,352</u>
Depreciation	
At 1 April 2020	617,352
At 31 March 2021	<u>617,352</u>
Net book value	
At 31 March 2021	<u>-</u>
At 31 March 2020	<u>-</u>

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	512,100
At 31 March 2021	<u>512,100</u>

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Britten-Norman Aircraft Limited	Bembridge Airport, Bembridge, Isle Of Wight, PO35 5PR	Ordinary	100%
BN Defence Limited	Bembridge Airport, Sandown Road, Bembridge, Isle Of Wight, PO35 5PR	Ordinary	100%
BN Aviation Limited	Bembridge Airport, Bembridge, PO35 5PR	Ordinary	100%
Fly BN Limited	Bembridge Airport, Bembridge, Isle Of Wight, PO35 5PR	Ordinary	100%
Britten-Norman Limited	Bembridge Airport, Bembridge, Isle Of Wight, PO35 5PR	Ordinary	100%
BN Daedalus	Bembridge Airport, Bembridge, Isle Of Wight, PO35 5PR	Ordinary	100%

These subsidiary entities are exempt from the requirements of the Companies Act relating to the audit of their individual accounts by virtue of s479A of the Act. B-N Group Limited has given a guarantee under s479C in respect of the year ended 31 March 2021 and these entities are included in these consolidated accounts. Each of the subsidiary entities have filed a written notice of the agreement of members, a statement of guarantee and a copy of these consolidated accounts together with their own individual financial statements.

15. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	2,974,765	2,549,623
Work in progress (goods to be sold)	1,495,794	782,879
Finished goods and goods for resale	1,217,550	719,009
	5,688,109	4,051,511

The difference between purchase price or production cost of stocks and their replacement cost is not material.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,538,972	1,046,597	(2,671)	26,963
Amounts owed by group undertakings	-	-	4,906,348	2,099,933
Other debtors	774,698	829,653	25,000	25,000
Prepayments and accrued income	1,819,730	1,254,939	359,399	405,860
	<u>4,133,400</u>	<u>3,131,189</u>	<u>5,288,076</u>	<u>2,557,756</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	209,119	-	-	-
Trade creditors	1,450,856	1,091,401	142,429	150,565
Amounts owed to group undertakings	-	-	3,158,234	830,818
Amounts owed to related parties	797,762	1,175,772	797,762	1,042,762
Other taxation and social security	2,024,672	542,337	97,579	2,189
Obligations under finance lease and hire purchase contracts	1,989	17,921	-	-
Other creditors	83,902	51,346	-	-
Accruals and deferred income	1,646,159	645,990	57,083	3,383
	<u>6,214,459</u>	<u>3,524,767</u>	<u>4,253,087</u>	<u>2,029,717</u>

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,000 (2020 - 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Reserves

Capital redemption reserve

This represents the Company repurchase of 500,000 of their own shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

20. Contingent liabilities

The Company, along with Britten-Norman Aircraft Limited, Britten Norman Limited and BN Defence Limited have signed an omnibus guarantee and set off agreement to guarantee amounts due to the Group's bankers. At 31 March 2021, the borrowings covered by this guarantee amounted to £Nil (2020: £24,111).

21. Pension commitments

The Group operates 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 £410,517 (2020 - £379,995). Contributions totalling £75,204 (2020 - £24,288) were payable to the fund at the reporting date and are included in creditors.

22. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	409,702	216,446	71,500	-
Later than 1 year and not later than 5 years	253,884	421,251	7,547	-
	663,586	637,697	79,047	-

During the year, the total lease payments recognised as an expense were £472,278 (2020: £287,497).

B-N GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Related party transactions

During the year, the group made purchases of £14,400 (2020: £140,033) from Airborne Surveillance (UK) Limited, a company in which Mr. W A Hynett OBE is a director and shareholder. At the Balance Sheet date, £211,652 was due from Airborne Surveillance (UK) Limited (2020: £169,172). This balance is receivable under the normal trade credit terms of Britten-Norman.

During the year, the group made sales to Chewton Glen Limited of £9,117 (2020: £13,020) and purchases of £703,979 (2020: £719,827). At the Balance Sheet date, £113,319 was due to Chewton Glen Limited (2020: £32,701 due from). Chewton Glen Limited is a company in which Mr. W A Hynett OBE has a beneficial interest.

The group also contracted with Britten-Norman Inc, a company in which Mr. W A Hynett OBE is President and CEO and, during the year, made purchases of £NIL (2020: £7,122). Sales made to Britten-Norman Inc, less credit notes raised with respect to sales were £371,144 (2020: £570,967). At the Balance Sheet date, £398,208 (2020: £319,684) was due from Britten-Norman Inc. This balance is receivable under the normal trade credit terms of Britten-Norman.

The group also contracted with Britten-Norman Aircraft Inc, a company in which Mr. W A Hynett OBE is President and CEO and, during the year, made purchases of £43,731 (2020: £57,741). At the Balance Sheet date, £49,091 (2020: £57,741) was due to Britten-Norman Aircraft Inc.

Included within other debtors as at 31 March 2021, the group was due a combined sum of £227,039 (£266,408) from Irton Properties Limited, an Isle of Man company controlled by Mr. A Q Zawawi. This amount is repayable on demand and is being settled through the netting of the expenses of services provided by Irton Properties Ltd to the group.

During the year, the group made sales of £87,189 (2020: £102,844) to Britten-Norman Limited, a Hong-Kong based company. At the balance sheet date, £120,609 (2020: £61,287) was due from Britten Norman Limited Hong-Kong.

During the year, the group made sales of £4,309 (2020: £770) to and purchases of £47,000 (2020: £108,000) from BN Academy Limited. At the balance sheet date, £80,000 (2020: £72,231) was due to BN Academy Limited.

During the year, the group made payments on behalf of Britten-Norman Limited, a Malta based company. As at 31 March 2021, £149,236 (2020: £55,828) was due from Britten-Norman Limited.

During the year, the group made payments on behalf of Britten-Norman Aircraft Limited, a Malta based company. As at 31 March 2021, £17,229 (2020: £6,356) was due from Britten-Norman Aircraft Limited.

During the year, the group made payments on behalf of Melitair Limited, a Malta based company. As at 31 March 2021, £6,843 (2020: £6,410) was due from Melitair Limited.

24. Controlling party

The ultimate controlling party is Mr A Q Zawawi by virtue of his majority shareholding.