
PRODRIVE INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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PRODRIVE INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS

T M Colchester
D P Richards
K Richards

REGISTERED NUMBER

02298732

REGISTERED OFFICE

Prodrive Headquarters
Chalker Way
Banbury
Oxfordshire
OX16 4XD

INDEPENDENT AUDITOR

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
17th Floor
103 Colmore Row
Birmingham
West Midlands
B3 3AG

PRODRIVE INVESTMENTS LIMITED

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PRODRIVE INVESTMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their business review for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a holding company.

The Company's key financial indicators for the year are as follows:

	2022	2021	Change
	(£'000)	(£'000)	(%)
Interest receivable and similar income	249	666	(63)
Profit before tax	249	666	(63)
Total assets less current liabilities	1,579	8,279	(81)

The Company's retained profit for the year amounts to £249,000 (2021: (£666,000)).

DIRECTORS

The directors who served during the year and after the year end were:

T M Colchester
D P Richards
K Richards

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PRODRIVE INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

GOING CONCERN

The directors have considered whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements as is more fully detailed in note 2.4.

On the basis of their assessment, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying indemnity insurance was in place for the directors during the year which was also in place at the date of this report.

POST BALANCE SHEET EVENTS

In June 2023, Prodrive (Holdings) Limited, a subsidiary of Prodrive Investments Limited, acquired 35% of the shares in HCI Systems Limited.

In April 2023, Prodrive Ventures Limited, a subsidiary of Prodrive Investments Limited, acquired 37.5% of the shares in Hummingbird Bicycle Company Limited, taking the shareholding to 81.3%.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

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

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

Tim Colchester

T M Colchester
Director

Date: 13/9/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRODRIVE INVESTMENTS LIMITED

OPINION

We have audited the financial statements of Prodrive Investments Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as the crisis in Ukraine and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRODRIVE INVESTMENTS LIMITED
(CONTINUED)**

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

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

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

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRODRIVE INVESTMENTS LIMITED
(CONTINUED)**

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER COMPANIES ACT 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF DIRECTORS

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRODRIVE INVESTMENTS LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the following laws and regulations were most significant: Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as tax legislation, anti-bribery legislation and employment law;
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates through our general and commercial and sector experience, discussions with management, inspection of the Company's health and safety records and legal correspondence.
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and of those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular manual journal entries to revenue;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRODRIVE INVESTMENTS LIMITED
(CONTINUED)**

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions; and
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Auditor's Report.

Use of our report

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

A handwritten signature in black ink, appearing to read "David White".

David White
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 13/9/2023

PRODRIVE INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Interest receivable and similar income	6	249	666
Profit before tax		<u>249</u>	<u>666</u>
Tax on profit		-	-
Profit for the financial year		<u>249</u>	<u>666</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>249</u>	<u>666</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 11 to 18 form part of these financial statements.

PRODRIVE INVESTMENTS LIMITED
REGISTERED NUMBER:02298732

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	8	1,579	1,579
		<u>1,579</u>	<u>1,579</u>
Current assets			
Debtors	9	-	6,700
		<u>-</u>	<u>6,700</u>
Total assets less current liabilities		<u>1,579</u>	<u>8,279</u>
Net assets		<u><u>1,579</u></u>	<u><u>8,279</u></u>
Capital and reserves			
Called up share capital	10	-	100
Share premium account	11	-	1,578
Profit and loss account	11	1,579	6,601
		<u>1,579</u>	<u>8,279</u>

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

Tim Colchester

T M Colchester
 Director
 Date: 13/9/2023

The notes on pages 11 to 18 form part of these financial statements.

PRODRIVE INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2022	100	1,578	6,601	8,279
Comprehensive income for the year				
Profit for the year	-	-	249	249
Total comprehensive income for the year	-	-	249	249
Dividends: Equity capital	-	-	(339)	(339)
Dividends in specie	-	-	(6,610)	(6,610)
Capital reduction	(100)	(1,578)	1,678	-
Total transactions with owners	(100)	(1,578)	(5,271)	(6,949)
At 31 December 2022	-	-	1,579	1,579

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	100	1,578	8,196	9,874
Comprehensive income for the year				
Profit for the year	-	-	666	666
Total comprehensive income for the year	-	-	666	666
Dividends: Equity capital	-	-	(2,261)	(2,261)
Total transactions with owners	-	-	(2,261)	(2,261)
At 31 December 2021	100	1,578	6,601	8,279

The notes on pages 11 to 18 form part of these financial statements.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

Prodrive Investments Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD. The registered number is 02298732.

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 financial statements are presented in British Pound Sterling, which is the Company's functional and presentational currency. All values are rounded to the nearest thousand pound (£000) except when otherwise indicated.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements Prodrive Group Limited as at 31 December 2022 and these financial statements may be obtained from Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD.

2.3 Exemption from preparing consolidated financial statements

The financial statements contain information about the individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt from preparing group accounts under s400 of Companies Act 2006 since the Company is a wholly owned subsidiary undertaking of another United Kingdom company which prepares consolidated accounts.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)
2.4 Going concern

In 2023 the Directors believe that the Group is in a strong financial position to continue to build on a growing demand for development, operating and consultancy services in Motorsport and to deliver innovative engineering solutions to a diverse range of customers in various industries.

The Group's cash flow forecasts use assumptions that are low risk and consider possible changes in trading performance as a result of any further disruption due to Covid-19. The review process includes a reverse stress test on cash flow forecasts and associated covenants to support the Group's risk management plan. The cash flow forecasts across the next 18 months show that the Group will be able to operate within its facility and associated covenants.

The Group operates within the Group bank arrangement facility and the Directors have further comfort from a letter of support from the ultimate parent company.

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 Interest income

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

2.6 Taxation

Tax is recognised in the 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 operates and generates 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.

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)**2.8 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.

2.9 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.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other receivables and payables, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 receivables and payables, 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.

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 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 Company 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.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no significant accounting judgements or areas of estimation uncertainty in these statements.

4. AUDITOR'S REMUNERATION

Auditor's remuneration was borne by a fellow group undertaking. Any audit and non-audit fees paid to the Company's auditor are disclosed in the financial statements of Prodrive Group Limited.

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2021: £Nil).

6. INTEREST RECEIVABLE

	2022	2021
	£000	£000
Interest on intercompany loans	249	666
	<u><u>249</u></u>	<u><u>666</u></u>

7. DIVIDENDS

	2022	2021
	£000	£000
Equity dividend	339	2,261
Dividend in specie	6,610	-
	<u><u>6,949</u></u>	<u><u>2,261</u></u>

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST	
At 1 January 2022 and 31 December 2022	1,579
NET BOOK VALUE	
At 31 December 2021 and 31 December 2022	1,579

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Prodrive (Holdings) Limited	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	76.14%
Brandand Limited*	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Prodrive Automotive Technology (Europe) Limited*	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Prodrive Engineering Limited***	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Prodrive Advanced Technologies Limited*	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Prodrive Motorsport Limited*	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Aston Martin Racing Limited**	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Rally 2011 Limited**	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	100%
Hybraero Limited**	Unit 9 Tetbury Road, Cirencester, Gloucestershire, England, GL7 6JJ	Ordinary	50%
Prodrive Ventures Limited*	Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD	Ordinary	80%

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. FIXED ASSET INVESTMENTS (continued)**SUBSIDIARY UNDERTAKINGS (continued)**

Prodrive (Holdings) Limited is a direct subsidiary of Prodrive Investments Limited of which Prodrive Investments Limited owns 76.14%.

*Prodrive (Holdings) Limited owns these subsidiary undertakings.

**Prodrive Motorsport Limited owns these subsidiary undertakings.

***Prodrive Automotive Technology (Europe) Limited owns these subsidiary undertakings.

****Prodrive Ventures Limited owns these subsidiary undertakings.

Prodrive (Holdings) Limited also directly owns 45% of the shares of Prodrive Composites Limited and indirectly owns 43.8% (2021: 43.8%) of the shares of The Hummingbird Bicycle Company Limited**** and 3.4% of the shares of AMOC Racing Ltd**.

Prodrive Motorsport Limited directly owns 35% of the shares of Prodrive International B.S.C.

Prodrive Ventures Limited directly owns 4.65% of the shares of Lightz Limited.

9. DEBTORS

	2022	2021
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	-	6,295
Due within one year		
Amounts owed by group undertakings	-	405
	<u>-</u>	<u>6,700</u>
	<u>-</u>	<u>6,700</u>

The amounts owed by group undertakings were repaid in full during the year by an in specie distribution to Prodrive Group Limited.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. SHARE CAPITAL

	2022	2021
	£	£
Allotted, called up and fully paid		
1 (2021: 100,250) Ordinary share of £1	1	100,250
	<u>1</u>	<u>100,250</u>

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

11. RESERVES**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

12. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with other related parties, which are related parties by virtue of common shareholders who exercise significant influence over the entities.

During the year, the outstanding loan balance of £6,295,000, including all interest owed by Prodrive (Holdings) Limited, was repaid in full. During the year, the Company charged interest of £249,000 (2021: £666,000) to Prodrive (Holdings) Limited on these loans of which £Nil (2021: £405,000) remains unpaid at the reporting date.

13. CONTROLLING PARTY

The Company was controlled by its immediate and ultimate parent company Prodrive Group Limited, a company incorporated in England and Wales until 23 February 2023, after which, following a group reorganisation, the immediate and ultimate parent company became Prodrive Topco Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Prodrive Group Limited. The consolidated accounts of Prodrive Group Limited are publicly available from Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD.

The ultimate controlling party is D P Richards by virtue of a majority holding in Prodrive Group Limited.

PRODRIVE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. POST BALANCE SHEET EVENTS

In June 2023, Prodrive (Holdings) Limited, a subsidiary of Prodrive Investments Limited, acquired 35% of the shares in HCI Systems Limited.

In April 2023, Prodrive Ventures Limited, a subsidiary of Prodrive Investments Limited, acquired 37.5% of the shares in Hummingbird Bicycle Company Limited, taking the shareholding to 81.3%.