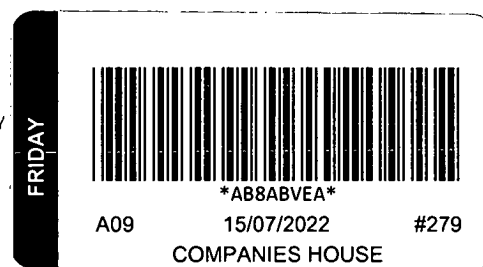


Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 30 September 2021  
for  
Racelogic Limited

AMENDING



Racelogic Limited (Registered number: 02743719)

Contents of the Consolidated Financial Statements  
for the Year Ended 30 September 2021

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Racelogic Limited

Company Information

for the Year Ended 30 September 2021

**DIRECTORS:**

J A D Thomas  
H F Thuillier  
C Smith  
K Bursnall  
Mrs A J Clifton  
G R Mackie  
I M Jones

**SECRETARY:**

M J Marshall

**REGISTERED OFFICE:**

Swan Business Park  
Unit 10 -11 Osier Way  
Buckingham  
MK18 1TB

**REGISTERED NUMBER:**

02743719 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Nicola Beeson

**AUDITORS:**

NB Consulting Limited  
Chartered Accountants and Statutory Auditors  
2 Foxglove Close  
Buckingham  
MK18 1FU

Group Strategic Report  
for the Year Ended 30 September 2021

The directors present their strategic report of the company and the group for the year ended 30 September 2021.

**REVIEW OF BUSINESS**

The group's principal activity during the year continued to be the design and manufacture of electronic systems for the automotive, motorsport and satellite receiver industries. Investment was also made into more research and market development for our unique indoor positioning systems in new sectors such as motion pictures, TV production and sports broadcasting.

Whilst the global spread of COVID-19 continued to dominate the news during this financial year with local lockdowns and reduced travel impacting business we are pleased to report an uplift in both sales and profit from the previous year. Key markets such as the USA, China and Germany started to return to more normal levels of trading during the year particularly in the areas of automotive R&D and GNSS testing. This appears to be fuelled by an increase in consumer demand post pandemic.

Unfortunately, this increase in demand also created new challenges in the form of electronic component shortages and supply chain issues.

Despite this our outlook for the next financial year remains positive and our diverse range of products, along with our wide geographic sales spread should see us continue to grow and expand our market reach.

Usually we consider our key financial performance indicators are those that communicate the financial performance and strength of the company. These indicators are revenue, gross profit margins and net profits. All three of these indicators improved over the period with sales revenues up 21%, gross profit up by 19% and net profit before tax increased by £1,508,766 (61%).

Stock values increased to £ 2,815,054 (2020 - £ 2,156,962) to support this growth.

Whilst the group has still not yet returned to pre-pandemic levels it has entered the new financial year in a strong and stable position. On this basis it is considered appropriate to prepare the accounts on an ongoing basis.

**PRINCIPAL RISKS AND UNCERTAINTIES**

All comments regarding future plans reflect the knowledge and information available to the directors as at the date of this report and may be subject to the effect of unforeseen events outside of their control.

**Global outlook**

The long-term effect of the COVID-19 pandemic are still being felt with global supply chain issues and electronic component shortages having a significant impact on trading. The war in Ukraine will also have long term consequences for global trade as Russia and Ukraine are key suppliers and refiners of the precious metals and inert gases used in the production of electronics.

Rising inflation and increased cost of borrowing within the Western economies will also have an effect on trading and consumer spending, although the global demand for new cars and trucks does not seem to be slowing with all manufacturers reporting a backlog of orders - fuelled in part by the global switch to electric vehicles.

**Customers**

As China was the first to recover to 'normality' post pandemic it was no surprise to see sales to this region return first with sales of £3.6m in the period representing 20% of our annual sales. Other traditionally strong markets such as Japan and India have taken longer to recover.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Customers (continued)**

Our strength remains in our diversity with the combination of innovative solutions for different markets and a wide geographic spread providing resilience to local lockdown issues and component shortages. This year also saw significant growth in the sales of our indoor positioning system (VIPS) with several large customers, such as Asta Zero the worlds largest indoor test track, installing a VIPS solution.

### **Suppliers**

Our largest supplier continued to work at full capacity during the year and worked closely with us to navigate the issues around the supply chain. This often meant the forward purchasing of key components to ensure supply. All our global suppliers of electronics continue to report demand outstripping supply which means that we will often have to modify a design to accommodate an alternative part or redesign a product to take an alternative part. We continue to work closely with our largest suppliers to mitigate this and reduce the risk to production wherever possible.

### **Staff**

Post lockdown we have retained a hybrid working model with production, administration and customer support staff working in the office and software developers and engineers working from home when possible. This has allowed us to recruit new skills from further afield and meet the changing expectations of the global work force around work life balance. Headcount also increased during the year in response to the need for more engineers and software developers.

We anticipate that the forecast increases in inflation and the cost of living will put some pressure on salaries in the coming year.

### **Cashflow**

Whilst cash reserves remain healthy the board are conscious that the requirement to secure scarce components and the rising cost of these components will have an impact on future cashflow. We will continue to be prudent in our management of cash and the timing of any dividend payments to mitigate this.

## **RESEARCH AND DEVELOPMENT**

The next year will see us launch new variants of our VBOX VB3i data logger product that specifically targets the Adaptive Safety market along with updates to our combined GNSS and Inertial products. New updates to our LabSat GNSS testing solutions and a virtual production specific version of our indoor positioning systems will also be launched.

The group will continue to invest in research and development and intends to continue to diversify outside of its traditional automotive and motorsport sectors into new and emerging markets.

### **ON BEHALF OF THE BOARD:**

*Graham Mackie*

.....  
G R Mackie - Director

21/06/2022  
Date: .....

Racelogic Limited (Registered number: 02743719)

Report of the Directors  
for the Year Ended 30 September 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2021.

**DIVIDENDS**

During the year the following interim dividends were paid:

9/4/2021 - £1,500,000

25/08/2021 - £1,000,000

The directors recommend that no final dividend be paid on either the Ordinary or B Ordinary shares.

The total distribution of dividends for the year ended 30 September 2021 will be £2,500,000. £2,374,535 on Ordinary shares and £125,465 on B Ordinary shares.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

J A D Thomas  
H F Thuillier  
C Smith  
K Burnsall  
Mrs A J Clifton  
G R Mackie  
I M Jones

**DISCLOSURE IN THE STRATEGIC REPORT**

Future developments and details of research and development as required under Schedule 7 of the Companies Act 2006 to be disclosed in the Directors' Report are set out in the Strategic Report in accordance with section 414(C) of the Companies Act 2006.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Racelogic Limited (Registered number: 02743719)

Report of the Directors  
for the Year Ended 30 September 2021

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, NB Consulting Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*Graham Mackie*

.....  
G R Mackie - Director

21/06/2022

Date: .....

Report of the Independent Auditors to the Members of  
Racelogic Limited

**Opinion**

We have audited the financial statements of Racelogic Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



Report of the Independent Auditors to the Members of  
Racelogic Limited

**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 Report of the Directors.

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

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities set out on page four, 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 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.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. The most significant which are directly relevant to the specific assertions in the financial statements are those related to the financial reporting frameworks (UK Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates;
- We enquired of management, whether they are aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- Our testing considered unusual or unexpected journal entries;
- We reviewed the financial statements and tested the disclosures against supporting documentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of  
Racelogic Limited

**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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

***ND Beeson***

Nicola Beeson (Senior Statutory Auditor)  
for and on behalf of NB Consulting Limited  
Chartered Accountants and Statutory Auditors  
2 Foxglove Close  
Buckingham  
MK18 1FU

21/06/2022

Date: .....

Racelogic Limited (Registered number: 02743719)

Consolidated Income Statement  
for the Year Ended 30 September 2021

	Notes	30.9.21 £	30.9.20 £
<b>TURNOVER</b>	3	17,998,010	14,880,546
Cost of sales		6,362,625	5,102,300
<b>GROSS PROFIT</b>		11,635,385	9,778,246
Administrative expenses		7,731,933	7,396,898
		3,903,452	2,381,348
Other operating income	4	97,545	112,231
<b>OPERATING PROFIT</b>	6	4,000,997	2,493,579
Interest payable and similar expenses	7	-	1,348
<b>PROFIT BEFORE TAXATION</b>		4,000,997	2,492,231
Tax on profit	8	285,938	95,829
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,715,059	2,396,402
Profit attributable to: Owners of the parent		3,715,059	2,396,402

The notes form part of these financial statements

Racelogic Limited (Registered number: 02743719)

Consolidated Other Comprehensive Income  
for the Year Ended 30 September 2021

	Notes	30.9.21 £	30.9.20 £
<b>PROFIT FOR THE YEAR</b>		3,715,059	2,396,402
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
Currency translation differences		(162,815)	108,821
Income tax relating to other comprehensive (loss)/income		-	-
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>		(162,815)	108,821
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,552,244</u>	<u>2,505,223</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,552,244</u>	<u>2,505,223</u>

The notes form part of these financial statements

Racelogic Limited (Registered number: 02743719)

Consolidated Balance Sheet  
30 September 2021

	Notes	30.9.21 £	£	30.9.20 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		1,488,327		1,510,910
Investments	12		-		-
			<u>1,488,327</u>		<u>1,510,910</u>
<b>CURRENT ASSETS</b>					
Stocks	13	2,815,054		2,156,962	
Debtors	14	1,731,633		1,587,176	
Cash at bank		2,019,763		1,666,962	
		<u>6,566,450</u>		<u>5,411,100</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	964,097		891,296	
<b>NET CURRENT ASSETS</b>			<u>5,602,353</u>		<u>4,519,804</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,090,680		6,030,714
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		-		(65,256)
<b>PROVISIONS FOR LIABILITIES</b>	20		(67,000)		(58,000)
<b>NET ASSETS</b>			<u><u>7,023,680</u></u>		<u><u>5,907,458</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		114		113
Share premium	22		825,435		761,458
Capital redemption reserve	22		10		10
Non Distributable Reserves	22		(12,622)		150,193
Retained earnings	22		6,210,743		4,995,684
<b>SHAREHOLDERS' FUNDS</b>			<u><u>7,023,680</u></u>		<u><u>5,907,458</u></u>

21/06/2022

The financial statements were approved by the Board of Directors and authorised for issue on .....  
and were signed on its behalf by:

*Graham Mackie*

.....  
G R Mackie - Director

The notes form part of these financial statements

Racelogic Limited (Registered number: 02743719)

Company Balance Sheet  
30 September 2021

	Notes	30.9.21 £	£	30.9.20 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		1,381,768		1,414,286
Investments	12		21,789		21,789
			<u>1,403,557</u>		<u>1,436,075</u>
<b>CURRENT ASSETS</b>					
Stocks	13	2,588,004		1,983,989	
Debtors	14	1,876,497		1,822,953	
Cash at bank		1,589,451		1,347,309	
		<u>6,053,952</u>		<u>5,154,251</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	834,158		773,270	
		<u>834,158</u>		<u>773,270</u>	
<b>NET CURRENT ASSETS</b>			<u>5,219,794</u>		<u>4,380,981</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,623,351</u>		<u>5,817,056</u>
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>67,000</u>		<u>58,000</u>
<b>NET ASSETS</b>			<u><u>6,556,351</u></u>		<u><u>5,759,056</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		114		113
Share premium	22		825,435		761,458
Capital redemption reserve	22		10		10
Retained earnings	22		5,730,792		4,997,475
			<u>6,556,351</u>		<u>5,759,056</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>6,556,351</u></u>		<u><u>5,759,056</u></u>
Company's profit for the financial year			<u><u>3,233,317</u></u>		<u><u>2,465,918</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21/06/2022  
and were signed on its behalf by: .....

*Graham Mackie*

.....  
G R Mackie - Director

The notes form part of these financial statements

Racelogic Limited (Registered number: 02743719)

Consolidated Statement of Changes in Equity  
for the Year Ended 30 September 2021

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 October 2019</b>	113	6,115,057	772,463
<b>Changes in equity</b>			
Issue of share capital	-	-	(11,005)
Dividends	-	(3,515,775)	-
Total comprehensive income	-	2,396,402	-
<b>Balance at 30 September 2020</b>	113	4,995,684	761,458
<b>Changes in equity</b>			
Issue of share capital	1	-	63,977
Dividends	-	(2,500,000)	-
Total comprehensive income	-	3,715,059	-
<b>Balance at 30 September 2021</b>	114	6,210,743	825,435
	Capital redemption reserve £	Non Distributable Reserves £	Total equity £
<b>Balance at 1 October 2019</b>	10	41,372	6,929,015
<b>Changes in equity</b>			
Issue of share capital	-	-	(11,005)
Dividends	-	-	(3,515,775)
Total comprehensive income	-	108,821	2,505,223
<b>Balance at 30 September 2020</b>	10	150,193	5,907,458
<b>Changes in equity</b>			
Issue of share capital	-	-	63,978
Dividends	-	-	(2,500,000)
Total comprehensive income	-	(162,815)	3,552,244
<b>Balance at 30 September 2021</b>	10	(12,622)	7,023,680

The notes form part of these financial statements

Racelogic Limited (Registered number: 02743719)

Company Statement of Changes in Equity  
for the Year Ended 30 September 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 October 2019</b>	113	6,047,332	772,463	10	6,819,918
<b>Changes in equity</b>					
Issue of share capital	-	-	(11,005)	-	(11,005)
Dividends	-	(3,515,775)	-	-	(3,515,775)
Total comprehensive income	-	2,465,918	-	-	2,465,918
<b>Balance at 30 September 2020</b>	113	4,997,475	761,458	10	5,759,056
<b>Changes in equity</b>					
Issue of share capital	1	-	63,977	-	63,978
Dividends	-	(2,500,000)	-	-	(2,500,000)
Total comprehensive income	-	3,233,317	-	-	3,233,317
<b>Balance at 30 September 2021</b>	114	5,730,792	825,435	10	6,556,351

The notes form part of these financial statements



Racelogic Limited (Registered number: 02743719)

Consolidated Cash Flow Statement  
for the Year Ended 30 September 2021

	Notes	30.9.21 £	30.9.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,319,499	3,359,899
Interest paid		-	(1,348)
Government grants		6,186	112,231
Tax paid		(147,623)	(149,113)
Net cash from operating activities		<u>3,178,062</u>	<u>3,321,669</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(228,585)	(143,183)
Sale of tangible fixed assets		550	4,139
Net cash from investing activities		<u>(228,035)</u>	<u>(139,044)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	93,531
Share issue		76,269	-
Share buyback		(12,291)	(11,005)
Equity dividends paid		(2,500,000)	(3,515,775)
Net cash from financing activities		<u>(2,436,022)</u>	<u>(3,433,249)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>514,005</u>	<u>(250,624)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,666,962	1,804,693
Effect of foreign exchange rate changes		(161,204)	112,893
<b>Cash and cash equivalents at end of year</b>	2	<u><u>2,019,763</u></u>	<u><u>1,666,962</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 September 2021

<b>1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>		
	30.9.21	30.9.20
	£	£
Profit before taxation	4,000,997	2,492,231
Depreciation charges	247,153	243,407
Profit on disposal of fixed assets	(318)	(791)
Government grants	(97,545)	(112,231)
Finance costs	-	1,348
	<hr/>	<hr/>
	4,150,287	2,623,964
(Increase)/decrease in stocks	(658,092)	330,659
(Increase)/decrease in trade and other debtors	(211,558)	69,945
Increase in trade and other creditors	38,862	335,331
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>3,319,499</b>	<b>3,359,899</b>
	<hr/>	<hr/>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 September 2021**

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	2,019,763	1,666,962
	<hr/>	<hr/>

**Year ended 30 September 2020**

	30.9.20	1.10.19
	£	£
Cash and cash equivalents	1,666,962	1,804,693
	<hr/>	<hr/>

Racelogic Limited (Registered number: 02743719)

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 September 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.20 £	Cash flow £	Other non-cash changes £	At 30.9.21 £
<b>Net cash</b>				
Cash at bank	1,666,962	352,801		2,019,763
	<u>1,666,962</u>	<u>352,801</u>		<u>2,019,763</u>
<b>Debt</b>				
Debts falling due within 1 year	(28,275)	-	28,275	-
Debts falling due after 1 year	(65,256)	-	65,256	-
	<u>(93,531)</u>	<u>-</u>	<u>93,531</u>	<u>-</u>
<b>Total</b>	<u>1,573,431</u>	<u>352,801</u>	<u>93,531</u>	<u>2,019,763</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Racelogic Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated accounts incorporate the financial statements of Racelogic Limited and its subsidiary undertakings as at 30 September 2021 using the acquisition method of accounting.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Any revisions to estimates are recognised in the period of the revision and future periods if applicable.

There are not considered to be any key sources of estimation uncertainty that have a significant effect on the amounts recognised in either the Group or company financial statements.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when the significant risks and rewards of ownership have been passed to the buyer, the Group retains no continuing involvement or control over the goods and it is probable that the future economic benefit of the goods will flow to the entity.

**Tangible fixed assets**

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

Depreciation is provided on all fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold property - 2.5% straight line

Plant and machinery - 33.3% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Cost is based on a first-in, first out basis and includes an addition for labour and overheads where appropriate.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

When stocks are sold the carrying amount of these stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for obsolete or slow moving items is recognised as an expense in the period in which the write-down or loss occurs.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

**Company**

The company's functional and presentational currency is pounds sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Group**

The Group financial statements are presented in pounds sterling. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at an average rate. All resulting exchange differences are recognised in other comprehensive income. Non-monetary items that are measured at historic cost are not retranslated.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

2. **ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Investments in subsidiaries**

Investment in a subsidiary is held at cost less accumulated impairment losses. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.9.21	30.9.20
	£	£
United Kingdom	2,095,321	1,669,904
Europe	4,191,850	3,547,942
Asia	5,985,493	5,068,592
Americas	5,184,424	4,110,933
Rest of world	540,922	483,175
	<u>17,998,010</u>	<u>14,880,546</u>

4. **OTHER OPERATING INCOME**

	30.9.21	30.9.20
	£	£
Government grants	<u>97,545</u>	<u>112,231</u>

During the year the group received government payroll support grants in response to the covid-19 pandemic.

5. **EMPLOYEES AND DIRECTORS**

	30.9.21	30.9.20
	£	£
Wages and salaries	3,752,997	3,544,582
Social security costs	292,080	336,170
Other pension costs	128,291	159,811
	<u>4,173,368</u>	<u>4,040,563</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

5. **EMPLOYEES AND DIRECTORS - continued**

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

	30.9.21	30.9.20
Administration	13	12
Development	61	57
Distribution	6	6
Manufacturing	12	12
Sales	10	11
	<u>102</u>	<u>98</u>

	30.9.21	30.9.20
	£	£
Directors' remuneration	616,333	976,310
Directors' pension contributions to money purchase schemes	<u>25,747</u>	<u>34,581</u>

The number of directors to whom retirement benefits were accruing was as follows:

	5	5
Money purchase schemes	<u>5</u>	<u>5</u>

Information regarding the highest paid director is as follows:

	30.9.21	30.9.20
	£	£
Emoluments etc	190,529	241,723
Pension contributions to money purchase schemes	<u>2,592</u>	<u>2,567</u>

6. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	30.9.21	30.9.20
	£	£
Other operating leases	89,079	94,671
Depreciation - owned assets	247,153	243,407
Profit on disposal of fixed assets	(318)	(791)
Auditors' remuneration	10,000	15,607
Foreign exchange differences	<u>97,608</u>	<u>100,547</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.21	30.9.20
	£	£
Bank interest	<u>-</u>	<u>1,348</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

8. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.9.21	30.9.20
	£	£
Current tax:		
UK corporation tax	199,142	78,748
Overseas taxation	77,796	17,081
Total current tax	276,938	95,829
Deferred tax	9,000	-
Tax on profit	285,938	95,829

**Reconciliation of total tax charge included in profit and loss**

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

	30.9.21	30.9.20
	£	£
Profit before tax	4,000,997	2,492,231
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	760,189	473,524
Effects of:		
Expenses not deductible for tax purposes	4	788
Depreciation in excess of capital allowances	5,374	10,685
Research and development enhanced deduction	(459,960)	(416,212)
Other reconciling items	(18,493)	21,349
Overseas tax differences	(10,176)	5,695
Deferred tax	9,000	-
Total tax charge	285,938	95,829

**Tax effects relating to effects of other comprehensive income**

	30.9.21	
	Gross	Net
	£	£
Currency translation differences	(162,815)	(162,815)
	30.9.20	
	Gross	Net
	£	£
Currency translation differences	108,821	108,821



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. **DIVIDENDS**

	30.9.21 £	30.9.20 £
Ordinary shares of 0.0001p each		
Interim	2,374,535	3,346,488
B Ordinary shares of 0.0001p each		
Interim	125,465	169,287
	<u>2,500,000</u>	<u>3,515,775</u>

11. **TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 October 2020	1,616,055	2,082,585	3,698,640
Additions	22,600	205,985	228,585
Disposals	-	(21,159)	(21,159)
Exchange differences	-	(10,968)	(10,968)
At 30 September 2021	<u>1,638,655</u>	<u>2,256,443</u>	<u>3,895,098</u>
<b>DEPRECIATION</b>			
At 1 October 2020	511,949	1,675,781	2,187,730
Charge for year	43,035	204,118	247,153
Eliminated on disposal	-	(20,927)	(20,927)
Exchange differences	-	(7,185)	(7,185)
At 30 September 2021	<u>554,984</u>	<u>1,851,787</u>	<u>2,406,771</u>
<b>NET BOOK VALUE</b>			
At 30 September 2021	<u>1,083,671</u>	<u>404,656</u>	<u>1,488,327</u>
At 30 September 2020	<u>1,104,106</u>	<u>406,804</u>	<u>1,510,910</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

11. **TANGIBLE FIXED ASSETS - continued**

Company	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 October 2020	1,616,055	1,639,060	3,255,115
Additions	22,600	121,998	144,598
At 30 September 2021	1,638,655	1,761,058	3,399,713
<b>DEPRECIATION</b>			
At 1 October 2020	511,949	1,328,880	1,840,829
Charge for year	43,035	134,081	177,116
At 30 September 2021	554,984	1,462,961	2,017,945
<b>NET BOOK VALUE</b>			
At 30 September 2021	1,083,671	298,097	1,381,768
At 30 September 2020	1,104,106	310,180	1,414,286

12. **FIXED ASSET INVESTMENTS**

Company	Shares in group undertakings £
<b>COST</b>	
At 1 October 2020 and 30 September 2021	21,789
<b>NET BOOK VALUE</b>	
At 30 September 2021	21,789
At 30 September 2020	21,789

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

12. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Racelogic USA Corporation**

Registered office: United States of America

Nature of business: Electronic systems for the automotive industry

	% holding	30.9.21	30.9.20
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		1,156,915	794,789
Profit for the year		362,126	12,951

**Racelogic GmbH**

Registered office: Germany

Nature of business: Electronic systems for the automotive industry

	% holding	30.9.21	30.9.20
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		144,479	121,392
Profit for the year		23,087	29,895

13. **STOCKS**

	<b>Group</b>		<b>Company</b>	
	30.9.21	30.9.20	30.9.21	30.9.20
	£	£	£	£
Raw materials	2,815,054	2,156,962	2,588,004	1,983,989

14. **DEBTORS**

	<b>Group</b>		<b>Company</b>	
	30.9.21	30.9.20	30.9.21	30.9.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,364,826	1,297,487	989,000	758,494
Amounts owed by group undertakings	-	-	543,526	470,477
Other debtors	147,909	118,859	164,745	136,305
Tax	858	67,959	858	65,820
Prepayments and accrued income	218,040	102,871	178,368	83,985
	1,731,633	1,587,176	1,876,497	1,515,081

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

14. **DEBTORS - continued**

	<b>Group</b>		<b>Company</b>	
	30.9.21	30.9.20	30.9.21	30.9.20
	£	£	£	£
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	-	307,872
	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,872</u>
Aggregate amounts	1,731,633	1,587,176	1,876,497	1,822,953
	<u>1,731,633</u>	<u>1,587,176</u>	<u>1,876,497</u>	<u>1,822,953</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	30.9.21	30.9.20	30.9.21	30.9.20
	£	£	£	£
Bank loans and overdrafts (see note 17)	-	28,275	-	-
Trade creditors	462,133	523,524	440,476	504,357
Tax	62,214	-	-	-
Social security and other taxes	145,004	201,539	120,157	180,910
Other creditors	39,698	1,306	35,512	-
Accruals and deferred income	255,048	136,652	238,013	88,003
	<u>964,097</u>	<u>891,296</u>	<u>834,158</u>	<u>773,270</u>

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

	<b>Group</b>	
	30.9.21	30.9.20
	£	£
Bank loans (see note 17)	-	65,256
	<u>-</u>	<u>65,256</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	30.9.21	30.9.20
	£	£
Amounts falling due within one year or on demand:		
Bank loans	-	28,275
	<u>-</u>	<u>28,275</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	65,256
	<u>-</u>	<u>65,256</u>

**17. LOANS - continued**

During the year the bank loan which was an unsecured Paycheck Protection Program loan received by the company's subsidiary Racelogic USA Corporation, from the U.S. federal government, to provide support during the covid-19 pandemic, was forgiven. The loan has been reallocated to grant income received and is included in other operating income in note 4 to the financial statements.

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Non-cancellable operating leases	
	30.9.21	30.9.20
	£	£
Within one year	60,423	48,871
Between one and five years	264,858	76,444
	<u>325,281</u>	<u>125,315</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £50,757 (2020 - £45,857). The above disclosure relates to the group only. There are no non-cancellable operating lease agreements held by the company only.

**19. FINANCIAL INSTRUMENTS**

**Group**

Financial instruments that are debt instruments measured at amortised cost totalled £3,384,589 as at 30 September 2021 (2020 - £2,964,449).

Financial liabilities that are measured at amortised cost totalled £462,133 as at 30 September 2021 (2020 - £617,055).

**Company**

Financial instruments that are debt instruments measured at amortised cost totalled £3,121,977 as at 30 September 2021 (2020 - £2,884,152).

Financial liabilities that are measured at amortised cost totalled £440,476 as at 30 September 2021 (2020 - £504,357).

**20. PROVISIONS FOR LIABILITIES**

	Group		Company	
	30.9.21	30.9.20	30.9.21	30.9.20
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>67,000</u>	<u>58,000</u>	<u>67,000</u>	<u>58,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

20. **PROVISIONS FOR LIABILITIES - continued**

**Group**

	Deferred tax £
Balance at 1 October 2020	58,000
Provided during year	9,000
	<hr/>
Balance at 30 September 2021	67,000
	<hr/> <hr/>

**Company**

	Deferred tax £
Balance at 1 October 2020	58,000
Provided during year	9,000
	<hr/>
Balance at 30 September 2021	67,000
	<hr/> <hr/>

21. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	30.9.21	30.9.20
Number:	Class:	value:	£	£
1,085,337	Ordinary	0.0001p	108	108
60,798	B Ordinary	0.0001p	6	5
			<hr/>	<hr/>
			114	113
			<hr/> <hr/>	<hr/> <hr/>

The Ordinary shares have full rights without exception to dividends, capital in the event of wind up and voting rights. The B Ordinary shares rank pari passu with the Ordinary shares in respect of dividends and capital but carry no voting rights.

814 and 381 B Ordinary shares of 0.0001p per share were sold during the year at premiums of £11.88 and £6.88 per share respectively. 2,859 and 6,122 B Ordinary shares of 0.0001p per share were allotted during the year at premiums of £11.88 and £6.91 per share respectively.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

22. **RESERVES**

**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Non Distributable Reserves £	Totals £
At 1 October 2020	4,995,684	761,458	10	150,193	5,907,345
Profit for the year	3,715,059				3,715,059
Dividends	(2,500,000)				(2,500,000)
Purchase of own shares	-	(12,291)	-	-	(12,291)
Cash share issue	-	76,268	-	-	76,268
Currency translation differences	-	-	-	(162,815)	(162,815)
At 30 September 2021	<u>6,210,743</u>	<u>825,435</u>	<u>10</u>	<u>(12,622)</u>	<u>7,023,566</u>

**Company**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2020	4,997,475	761,458	10	5,758,943
Profit for the year	3,233,317			3,233,317
Dividends	(2,500,000)			(2,500,000)
Purchase of own shares	-	(12,291)	-	(12,291)
Cash share issue	-	76,268	-	76,268
At 30 September 2021	<u>5,730,792</u>	<u>825,435</u>	<u>10</u>	<u>6,556,237</u>

23. **PENSION COMMITMENTS**

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £172,367 (2020 - £159,811).

There were no outstanding or prepaid contributions at the beginning of the financial year, £35,513 (2020 - £nil) outstanding contributions and no prepaid (2020 - £nil) contributions at the end of the financial year.

24. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £2,273,355 (2020 - £3,425,907) were paid to the directors.

During the year the group received services totalling £139,807 (2020 - £101,828) from entities controlled by a close family member of key management personnel. The balance owed by the company at the end of the year was £nil (2020 - £nil). All transactions were conducted on an arms length basis.

All directors of the parent company have authority and are responsible for the planning, directing and controlling of the activities of the Group and are considered to be the key management personnel of the Group. Their total remuneration is outlined in note 5 to the consolidated financial statements.

Racelogic Limited (Registered number: 02743719)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2021

**25. ULTIMATE CONTROLLING PARTY**

J A D Thomas, director and family are the ultimate controlling party owning 70% of the issued share capital of the company.