

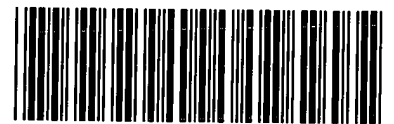
Registration number: 10013030

Brilliant In Excellence (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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Brilliant In Excellence (UK) Limited

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Brilliant In Excellence (UK) Limited

Company Information

Director	Cao Shan
Company secretary	OHS Secretaries Limited
Registered office	9th Floor 107 Cheapside London EC2V 6DN
Auditors	Ross Brooke Limited Chartered Accountants Suite I Windrush Court Abingdon Business Park Abingdon Oxfordshire OX14 1SY

Brilliant In Excellence (UK) Limited

Strategic Report for the Year Ended 31 December 2020

The director presents the strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is the provision of a Formula E motor racing team, R&D engineering support and marketing services.

Fair review of the business

Brilliant in Excellence (UK) Limited ("the company") provides services required to run a Formula E racing team.

The majority of income was sponsorship, which the company has contractual arrangements to cover the 3 seasons/years starting in November 2019.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Income	£	7,173,618	22,928,003
Operating profit / (loss)	£	(2,267,948)	(2,314,665)

Brilliant In Excellence (UK) Limited

Strategic Report for the Year Ended 31 December 2020

Principal risks and uncertainties

General economic risk

The company operates on a global stage and is subject to general economic risks which it seeks to manage at all times.

Currency risks

The company purchases a significant amount of materials and services in foreign currencies. At present these risks are mitigated by closely monitoring exchange rate movements. We do not currently see sufficient advantage to use currency instruments.

Specific industry risk

Part of the company's operations is the running of a Formula E motor racing team on behalf of other group companies. Formula E is becoming increasingly competitive with the addition of new, large manufacturers each season. We continue to make advances with the technologies used in the race cars and anticipate this will show on the race track next season.

The company also provides engineering support for the electric vehicle development of the road cars in China. The Chinese market for EV's is the largest single market in the world and has grown significantly over the past years. However, this has faced both a slowdown in overall car sale growth and a reduction in government subsidies for EV's. These changes are actively managed at all times by senior management.

Personnel risk

The company works extremely hard to attract and retain the strongest talent. Employees benefit from a great working environment.

Information & IT risk

The company operates up-to-date IT controls and procedures to protect its data and prevent unauthorised access, misuse or damage.

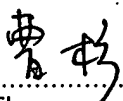
Brexit

The company continues to consider and have taken advice on Brexit for the company and its employees so that they are able to adapt to the various different outcomes of the process.

Covid-19 pandemic

The company has contractual sponsorship agreements securing funding to cover the company's costs and while the pandemic has affected the races and the sponsorship money has not been as forthcoming as hoped this is still contractually due and expected.

Approved by the director on 30/6/21 and signed on its behalf by:


.....
Cao Shan
Director

Brilliant In Excellence (UK) Limited

Director's Report for the Year Ended 31 December 2020

The director presents the report and the financial statements for the year ended 31 December 2020.

Director of the company

The director who held office during the year was as follows:

Cao Shan

Information included in the Strategic Report

The Director has set out the Company's financial risk management objectives and policies in the strategic report rather than the Director's report.

Future developments

The company will continue to invest in and operate a Formula E team.

Research and development

The company will continue to focus on developing in order to maintain a competitive position in Formula E. A team of engineers and other technicians is employed to ensure this. The total R&D spend in the period was £5,398,772 (2019: £14,465,354).

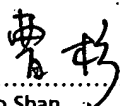
Going concern

The accounts are prepared on a going concern basis. The company is 100% owned by Brilliant In Excellence Co. LTD, which operates the company as a stand-alone business, with the majority of its income secured through race sponsorship. Sponsorship funds are received monthly from Nio, with the current agreement running until mid 2022. Discussions are ongoing with a number of partners for sponsorship partnerships for Generation 3, starting towards the end of 2022 and we intend to have this funding in place by the end of 2021.

Disclosure of information to the auditors

The director has taken steps that ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that of and of which the auditors are unaware.

Approved by the director on30/6/21..... and signed on its behalf by:


.....
Cao Shan
Director

Brilliant In Excellence (UK) Limited

Statement of Director's Responsibilities

The responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to ensure that the financial statements comply with the Companies Act 2006. 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.

Brilliant In Excellence (UK) Limited

Independent Auditor's Report to the Members of Brilliant In Excellence (UK) Limited

Opinion

We have audited the financial statements of Brilliant In Excellence (UK) Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 2020 and of its loss 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.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which refers to a legal case mentioned in note 21 and the NIO sponsorship funding ending in May 2022. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Brilliant In Excellence (UK) Limited

Independent Auditor's Report to the Members of Brilliant In Excellence (UK) Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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, 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 the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Brilliant In Excellence (UK) Limited

Independent Auditor's Report to the Members of Brilliant In Excellence (UK) Limited

We have considered:

- the nature of the industry and sector, control environment and business performance including the company's remuneration policy, bonus levels, and performance targets;
- the company's own assessment, including assessments made by key management, of the risks that irregularities may occur either as a result of fraud or error;
- any matters we identified having reviewed the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed amongst the audit engagement team.

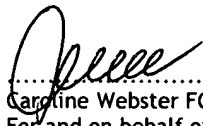
As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement, such as the disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context were the Companies Act and tax legislation.

A further description of our responsibilities is available 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.



Caroline Webster FCA (Senior Statutory Auditor)
For and on behalf of Ross Brooke Limited, Statutory Auditor

Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire
OX14 1SY

Date: 30/6/21

Brilliant In Excellence (UK) Limited

Profit and Loss Account for the Year Ended 31 December 2020

		Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £	Continuing operations 2019 £	Discontinued operations 2019 £	Total 2019 £
Note							
Turnover	3	7,173,618	-	7,173,618	15,908,310	7,019,693	22,928,003
Cost of sales		<u>(5,617,978)</u>	<u>-</u>	<u>(5,617,978)</u>	<u>(12,553,841)</u>	<u>(182,045)</u>	<u>(12,735,886)</u>
Gross profit		1,555,640	-	1,555,640	3,354,469	6,837,648	10,192,117
Administrative expenses		(5,435,980)	-	(5,435,980)	(6,150,197)	(8,092,427)	(14,242,624)
Other operating income	5	<u>1,612,392</u>	<u>-</u>	<u>1,612,392</u>	<u>1,204,392</u>	<u>531,450</u>	<u>1,735,842</u>
Operating loss	7	<u>(2,267,948)</u>	<u>-</u>	<u>(2,267,948)</u>	<u>(1,591,336)</u>	<u>(723,329)</u>	<u>(2,314,665)</u>
Loss before tax		(2,267,948)	-	(2,267,948)	(1,591,336)	(723,329)	(2,314,665)
Tax on loss	10	<u>1,283,073</u>	<u>-</u>	<u>1,283,073</u>	<u>(76,279)</u>	<u>(33,659)</u>	<u>(109,938)</u>
Loss for the financial year		<u>(984,875)</u>	<u>-</u>	<u>(984,875)</u>	<u>(1,667,615)</u>	<u>(756,988)</u>	<u>(2,424,603)</u>

The company has no recognised gains or losses for the year other than the results above.

Brilliant In Excellence (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£	£
Loss for the year	<u>(984,875)</u>	<u>(2,424,603)</u>
Total comprehensive income for the year	<u><u>(984,875)</u></u>	<u><u>(2,424,603)</u></u>

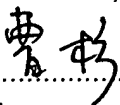
Brilliant In Excellence (UK) Limited

(Registration number: 10013030)

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	334,135	719,185
Current assets			
Debtors	12	3,228,754	3,148,241
Cash at bank and in hand		<u>920,520</u>	<u>1,117,971</u>
		4,149,274	4,266,212
Creditors: Amounts falling due within one year	14	<u>(8,214,182)</u>	<u>(7,731,295)</u>
Net current liabilities		<u>(4,064,908)</u>	<u>(3,465,083)</u>
Net liabilities		<u>(3,730,773)</u>	<u>(2,745,898)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(3,730,774)</u>	<u>(2,745,899)</u>
Shareholders' deficit		<u>(3,730,773)</u>	<u>(2,745,898)</u>

Approved and authorised by the director on 30/6/21



 Cao Shan
 Director

Brilliant In Excellence (UK) Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Share options reserve £	Profit and loss account £	Total £
At 1 January 2019	1	493,015	2,516,285	3,009,301
Loss for the year	-	-	(2,424,603)	(2,424,603)
Total comprehensive income	-	-	(2,424,603)	(2,424,603)
Dividends	-	-	(3,500,000)	(3,500,000)
Share based payment transactions	-	169,404	-	169,404
Closure of share options scheme	-	(662,419)	662,419	-
At 31 December 2019	1	-	(2,745,899)	(2,745,898)
		Share capital £	Profit and loss account £	Total £
At 1 January 2020		1	(2,745,899)	(2,745,898)
Loss for the year		-	(984,875)	(984,875)
At 31 December 2020		1	(3,730,774)	(3,730,773)

Brilliant In Excellence (UK) Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(984,875)	(2,424,603)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	7	401,472	423,403
Loss on disposal of tangible assets	6	-	219
Share based payment transactions		-	169,404
Income tax expense	10	(1,283,073)	109,938
Other operating income		<u>(1,509,965)</u>	<u>(1,735,842)</u>
		(3,376,441)	(3,457,481)
Working capital adjustments			
Decrease in stocks		-	8,050,000
Decrease in trade debtors	12	910,285	53,142,445
Increase/(decrease) in trade creditors	14	<u>482,889</u>	<u>(56,061,798)</u>
Cash generated from operations		(1,983,267)	1,673,166
Income taxes received/(paid)	10	<u>1,802,240</u>	<u>(734,259)</u>
Net cash flow from operating activities		<u>(181,027)</u>	<u>938,907</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(16,424)	(961,666)
Proceeds from sale of tangible assets		<u>-</u>	<u>1,402,550</u>
Net cash flows from investing activities		(16,424)	440,884
Cash flows from financing activities			
Dividends paid	19	<u>-</u>	<u>(3,500,000)</u>
Net decrease in cash and cash equivalents		(197,451)	(2,120,209)
Cash and cash equivalents at 1 January		<u>1,117,971</u>	<u>3,238,180</u>
Cash and cash equivalents at 31 December		<u><u>920,520</u></u>	<u><u>1,117,971</u></u>

The notes on pages 14 to 27 form an integral part of these financial statements.
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Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

9th Floor
107 Cheapside
London
EC2V 6DN
United Kingdom

The principal place of business is:

Centre for Innovation and Enterprise
Begbroke Science Park
Begbroke Hill
Begbroke
Oxfordshire
OX5 1PF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

Going concern

The accounts are prepared on a going concern basis. The company is 100% owned by Brilliant In Excellence Co. LTD, which operates the company as a stand-alone business, with the majority of its income secured through race sponsorship. Sponsorship funds are received monthly from Nio, with the current agreement running until mid 2022. Discussions are ongoing with a number of partners for sponsorship partnerships for Generation 3, starting towards the end of 2022 and we intend to have this funding in place by the end of 2021.

The director believes the company can save substantially on operational costs due to Formula E calendar changes, with less single races and more double header races.

With regards to the legal case in note 21, the outcome of which is still to be determined, we have the necessary funding position in place to cover the worst case scenario.

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Judgements

In preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies that have had a significant effect on the amounts recognised in the financial statements, uncertainty are addressed below

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:.

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £164,278 (2019 -£411,970).

(ii) Sponsorship income recognition

As noted in the revenue recognition policy income from the main sponsorship contract is recognised based on completion of races.

(iii) R&D tax credit due

The company makes a best estimate of R&D tax credit due for qualifying work done in the period. This assessment is reviewed by a tax accountant and included as a debtor due to the previously successful claims. The carrying amount is £1,283,073 (2019 -£1,406,032).

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of discounts and value added taxes.

Intercompany service agreements were signed during in 2018. For 2019 additional recharges were made up until the company split into continuing and discontinuing operations.

The income for continuing operations was primarily sponsorship. The primary contract is for \$10m per season for 3 seasons starting in season 6 (2019/20). The income is recognised by race. Other sponsorship income is recognised on invoicing.

Government grants

Government grants in relation to expenditure are credited when the expenditure is charged to profit and loss.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax payable.

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Straight line over the useful life
Furniture, fittings & equipment	Straight line over the useful life
Show cars Formula E	Straight line over the useful life
IT equipment	Straight line over the useful life
Show cars supercar	Straight line over the useful life
Motor vehicles	Straight line over the useful life

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

In the prior year the company operated an equity-settled, share-based compensation plan, under which the entity received services from employees as consideration for equity instruments (options) of the previous ultimate parent. The fair value of the employee services received was measured by reference to the estimated fair value at the grant date of equity instruments granted and was recognised as an expense over the vesting period. The estimated fair value of the option granted was calculated using the Binomial option pricing model. The total amount expensed was recognised over the vesting period, which was the period over which all of the specified vesting conditions were to be satisfied.

This scheme ended in the prior year as the company's ownership was transferred.

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

3 Revenue

The analysis of the company's revenue for the year from continuing and discontinued operations is as follows:

	2020 £	2019 £
Recharges	-	21,363,546
Points income	-	23,708
Sponsorship	6,909,659	1,158,705
Other income	<u>263,959</u>	<u>382,044</u>
	<u>7,173,618</u>	<u>22,928,003</u>

4 Discontinued operations

On 16 September 2019 all the assets and trade for the design and engineering of the UK based NIO road car business was transferred to NIO Performance Engineering Limited. In the prior year the discontinued operations contributed post tax losses of £756,988. The company received consideration of £10,096,001 being the book value of assets at the date of transfer consequently no profit or loss on disposal was recognised in the profit and loss account.

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	102,427	-
R&D tax credit due	<u>1,509,965</u>	<u>1,735,842</u>
	<u>1,612,392</u>	<u>1,735,842</u>

6 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2020 £	2019 £
Gain (loss) on disposal of property, plant and equipment	<u>-</u>	<u>(219)</u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Operating loss

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	401,472	423,403
Foreign exchange losses/(gains)	487,234	(188,719)
Operating lease expense - plant and machinery	15,881	84,657
Loss on disposal of property, plant and equipment	<u>-</u>	<u>219</u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

8 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	1,665,330	6,388,733
Social security costs	195,889	948,479
Pension costs, defined contribution scheme	102,277	305,148
Share-based payment expenses	-	169,404
Other employee expense	<u>52,318</u>	<u>244,293</u>
	<u><u>2,015,814</u></u>	<u><u>8,056,057</u></u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Formula E	22	36
Automotive engineering	-	31
Management	1	8
Other departments	<u>2</u>	<u>6</u>
	<u><u>25</u></u>	<u><u>81</u></u>

9 Auditors' remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>12,000</u>	<u>14,000</u>
Other fees to auditors		
Taxation compliance services	<u><u>7,000</u></u>	<u><u>7,500</u></u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	<u>(1,283,073)</u>	<u>109,938</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(2,267,948)</u>	<u>(2,314,665)</u>
Corporation tax at standard rate	(430,910)	(439,786)
Effect of expense not deductible in determining taxable profit (tax loss)	61,470	282,514
Effect of tax losses	345,413	144,028
Decrease in UK and foreign current tax from adjustment for prior periods	-	(219,872)
Tax increase from effect of capital allowances and depreciation	24,027	13,244
Tax (decrease)/increase from effect of adjustment in research and development tax credit	<u>(1,283,073)</u>	<u>329,810</u>
Total tax (credit)/charge	<u>(1,283,073)</u>	<u>109,938</u>

Deferred tax

The Company has unprovided deferred tax assets arising from unutilised losses carried forward of £42,000 (2019: £181,000) and accelerated capital allowances of £160,000 (2019: £136,000).

Income tax debtor

The taxation debtor of £2,616,702 consists of £1,333,629 relating to prior year R&D credits due and £1,283,073 R&D credit due for the year ending 31 December 2020.

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Tangible assets

	Short leasehold land and buildings £	IT equipment £	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Cost or valuation						
At 1 January 2020	32,448	487,403	14,644	287,677	32,003	854,175
Additions	-	-	-	16,424	-	16,424
At 31 December 2020	<u>32,448</u>	<u>487,403</u>	<u>14,644</u>	<u>304,101</u>	<u>32,003</u>	<u>870,599</u>
Depreciation						
At 1 January 2020	1,139	67,400	2,615	57,827	6,009	134,990
Charge for the year	<u>4,558</u>	<u>223,949</u>	<u>10,460</u>	<u>143,433</u>	<u>19,074</u>	<u>401,474</u>
At 31 December 2020	<u>5,697</u>	<u>291,349</u>	<u>13,075</u>	<u>201,260</u>	<u>25,083</u>	<u>536,464</u>
Carrying amount						
At 31 December 2020	<u>26,751</u>	<u>196,054</u>	<u>1,569</u>	<u>102,841</u>	<u>6,920</u>	<u>334,135</u>
At 31 December 2019	<u>31,309</u>	<u>420,003</u>	<u>12,029</u>	<u>229,850</u>	<u>25,994</u>	<u>719,185</u>

Included within the net book value of land and buildings above is £26,751 (2019 - £31,309) in respect of short leasehold land and buildings.

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Debtors

	Note	2020 £	2019 £
Trade debtors		164,278	411,970
Other debtors		133,556	42,528
Prepayments		314,218	367,528
Accrued income		-	700,311
Income tax asset	10	<u>2,616,702</u>	<u>1,625,904</u>
		<u>3,228,754</u>	<u>3,148,241</u>

13 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>920,520</u>	<u>1,117,971</u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		3,252,316	3,580,449
Amounts due to related parties	23	4,816,328	3,872,481
Social security and other taxes		52,319	72,354
Outstanding defined contribution pension costs		18,779	45,148
Other payables		35,616	(10,644)
Accruals		<u>38,824</u>	<u>171,507</u>
		<u><u>8,214,182</u></u>	<u><u>7,731,295</u></u>

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £102,277 (2019 - £305,148). Contributions totalling £18,779 (2019 - £45,148) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	32,567	441,945
Later than one year and not later than five years	3,212	1,330,344
Later than five years	-	274,040
	<u>35,779</u>	<u>2,046,329</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £102,608 (2019 - £468,469).

18 Share-based payments

NIO Incentive Plan

Scheme details

In 2015, NIO Inc adopted the 2015 Stock Incentive Plan (the "2015 Plan"), which allowed the plan administrator to grant options and restricted shares of NIO Inc to employees, directors and consultants of the group of which NIO Inc is the parent.

The share options under the 2015 Plan have a contractual term of ten years from the grant date, and vest over a period of four years of continuous service, one quarter (1/4) of which vest upon the first anniversary of the stated vesting commencement date and the remaining vest rateably over the following 36 months.

In 2016, 2017 and 2018, the Board of Directors of NIO Inc further approved the 2016 Stock Incentive Plan (the "2016 Plan"), the 2017 Stock Incentive Plan (the "2017 Plan") and the 2018 Stock Incentive Plan (the "2018 Plan"). The share options of NIO Inc under the 2016, 2017 and 2018 Plans have a contractual term of seven or ten years from the grant date, and vest over a period of four or five years of continuous service.

The fair value of each option granted under the 2015, 2016, 2017 and 2018 Plans was estimated on the date of each grant using the binomial option pricing model. For details of the assumptions used in the valuation model, please see the financial statements of NIO Inc, which are publicly available from <https://ir.nio.com/financials/annual-reports>

As a result of the change in ownership in 2019 all options in relation to the 2015, 2016, 2017 and 2018 Plans that were held by employees of the Company and had not yet vested were cancelled on 1 September 2019, resulting in an acceleration of vesting. The contractual term of all options which had already vested at this date was revised to an end date of 1 December 2019, with all unexercised options expiring after this date. As a result, no share options are outstanding at the reporting date.

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

19 Dividends

Interim dividends paid

	2020 £	2019 £
Interim dividend of £Nil (2019 - £3,500,000) per Ordinary share	-	3,500,000

20 Commitments

Capital commitments

Contracts for future expenditure not provided in the financial statements - race car costs.

The total amount contracted for but not provided in the financial statements was £Nil (2019 - £1,775,940).

21 Contingent liabilities

A legal dispute arose with one of the company's suppliers due to inadequate provision of goods in accordance with a supply contract. The supplier requested a settlement of €2.6m which was in full and final settlement but this offer lapsed. At 31 December 2020 a balance relating to this supplier of £1.63m was held in trade creditors and no further progress has been made. If a settlement was reached any liability would be split equally between the company and NIO Performance Engineering Limited. The company is holding £900,000 on behalf of NIO Performance Engineering Limited relating to this claim. If the claim is unsuccessful this money will be repaid to NIO Performance Engineering Limited.

22 Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash and cash equivalents			
Cash	1,117,971	(197,451)	920,520
	<u>1,117,971</u>	<u>(197,451)</u>	<u>920,520</u>

Brilliant In Excellence (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23 Related party transactions

Summary of transactions with parent

Brilliant in Excellence Co., Limited (parent) provided funds to the company during the year. At the balance sheet date the amount due to Brilliant in Excellence Co., Limited was £4,816,328 (2019: £3,872,481). The loan is unsecured, bears no interest and is repayable on demand. The loan was provided in different currencies and is repayable in the original currency.

NIO Nextev Limited (parent prior to 16 September 2019) provided funds to the company up to the date of transfer. At the balance sheet date the amount due to NIO Nextev Limited was £nil (2019: £nil). During the period the company made recharges of £nil (2019: £7,321,632) to NIO Nextev Limited.

24 Parent and ultimate parent undertaking

The company's immediate parent is Brilliant in Excellence Co., Ltd, incorporated in Hong Kong People's Republic of China.

The ultimate controlling party is Shan Cao.

25 Non adjusting events after the financial period

The first race of Formula E season 7 was cancelled in January 2021. Additional races have been cancelled or delayed and the remaining racing are to be double headers. There are to be the same number of races, so the director expects the sponsorship income to be secure, but with fewer costs due to reduced travel and accommodation.