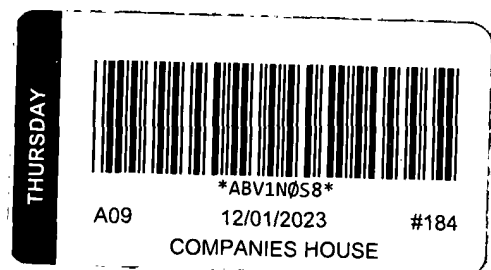

Company Registration No. 06427019 (England and Wales)

RFPRO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



RFPRO LIMITED

COMPANY INFORMATION

Directors A.M Daley
 P J Daley
 J M Routh
 S L Matthews-DeMers

Secretary D J Forbes

Company number 06427019

Registered office Middleton Drive
 Bradford-On-Avon
 Wiltshire
 England
 BA15 1GB

Auditor Crowe U.K. LLP
 Chartered Accountants
 55 Ludgate Hill
 London
 EC4M 7JW

REPRO LIMITED

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RFPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Directors present their report and the financial statements for the period ended 31 August 2022.

Political and charitable contributions

The Company made no political donations during the year (2021: £nil). The Company made no charitable donations during the year (2021: £nil).

Research and development

Total expenditure on research and development in the year was £1,157,936 of which £181,106 was capitalised (2021: £889,511 of which £126,911 was capitalised). The development of new products is important to maintain the Company's market position and we continue to provide innovative solutions to our customers' needs.

Creditor payment policy

While there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by creditors' terms of payment provided that the supplier is also complying with all relevant terms and conditions.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Financial risk management objectives and policies

The Company is part of AB Dynamics plc (AB Dynamics Group). The financial risk management objectives and policies relating to the AB Dynamics Group and its subsidiaries are also applicable to the Company and they are disclosed in the AB Dynamics plc annual report and accounts for the year ended 31 August 2022 on pages 118-119. Likewise, environmental and employee matters relating to the AB Dynamics Group also apply to the Company and are disclosed in the AB Dynamics plc annual report and accounts for the year ended 31 August 2022.

The key financial risks to which the company is exposed are:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

Principal risks and uncertainties

The Company is a subsidiary of AB Dynamics plc (AB Dynamics Group). The risks and uncertainties relating to the AB Dynamics Group and its subsidiaries are also applicable to the Company and they are disclosed in the AB Dynamics plc annual report and accounts for the year ended 31 August 2022; see the Group annual report pg 54-58.

RFPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Future developments

We expect to make good progress in 2023. At this stage the consequences for the global economy of the tragic events in Ukraine are uncertain. While the Group has no operations in this part of the world and no direct and indirect exposure to customers and suppliers in the region, we are carefully monitoring the situation.

Dividends

Dividends of £3.0m have been paid in the current period (2021: £2.0m).

Directors

The Directors who served during the year were:

A M Daley
P J Daley
J M Routh
S L Matthews-DeMers

Directors' indemnification

The Company's articles of association provide for the directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. The Company purchases and maintains insurance for the directors and officers of the Company in performing their duties, as permitted by section 233 Companies Act 2006.

Since 5 December 2006 a qualifying third-party indemnity provision has been in force for the benefit of all Directors of the Company.

Post balance sheet events

There have been no significant events affecting the Company since the year end. Directors believe there are no material uncertainties that call into doubt the Company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Company is a going concern.

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution will be proposed at the AGM of the parent company, AB Dynamics plc to appoint Grant Thornton UK LLP as its external auditor. This will include the appointment as the company's auditor.

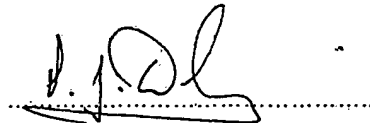
RFPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 December 2022 and signed on its behalf.



P DALEY
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"). Under company law 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 of the profit or loss of the Company for that period. In preparing these financial statements, directors are required to:

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

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

RFFRO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RFFRO LIMITED

Opinion

We have audited the financial statements of rFpro Limited (the 'Company') for the year ended 31 December 2022, which comprise the statement of income and retained earnings, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)..

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

We have nothing to report in this regard.

RFPRO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RFPRO LIMITED

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 3, 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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates,

RFPRO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RFPRO LIMITED

focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The most significant identified were the Companies Act 2006 and local trading laws. Our work included enquiry with the board of directors; reviewing board and relevant committee minutes, a review of legal expense and inspection of correspondence.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals by agreeing to supporting documentation and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

M Stallabass

Matthew Stallabass (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 20 December 2022

RFPRO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2022

		Year ended 31 August 2022 £	Year ended 31 August 2021 £
	Notes		
Turnover	3	6,341,667	4,792,744
Cost of sales		(1,154,135)	(1,040,292)
Gross profit		5,187,532	3,752,452
Administrative expenses		(2,924,962)	(2,848,740)
Other income		116,950	-
Operating profit	4	2,379,520	903,712
Interest receivable and similar income	8	8,971	67
Interest payable and similar expense	8	(1,468)	(30,014)
Profit before taxation		2,387,023	873,765
Tax on profit	9	(24,270)	(65,141)
Profit for the year		2,362,753	808,624
Total comprehensive profit for the year		2,362,753	808,624

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for the year ended 31 August 2022 and year ended 31 August 2021.

RFPRO LIMITED

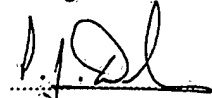
BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	£	31 August 2022 £	31 August 2021 £
Fixed assets				
Intangible assets	11		308,017	147,832
Property, plant and equipment	12		59,854	33,520
Right-of-use assets	13		38,231	65,219
Investments			-	71
Deferred tax assets	17		-	36,589
			<u>406,102</u>	<u>283,231</u>
Current assets				
Stocks	14	86,218		64,203
Debtors	15	605,533		947,233
Cash at bank and in hand		1,283,576		1,157,240
		<u>1,975,327</u>		<u>2,168,676</u>
Creditors: amounts falling due within one year	16	(2,048,760)	(1,469,672)	
Net current (liabilities)/assets			<u>(73,433)</u>	<u>699,004</u>
Total assets less current liabilities			<u>332,669</u>	<u>982,235</u>
Creditors falling due after one year				
Deferred tax	17		(6,441)	(18,760)
Net assets			<u>326,228</u>	<u>963,475</u>
Capital and reserves				
Called up share capital	19		375	375
Share premium account			74,825	74,825
Profit and loss reserves			251,028	888,275
Total equity			<u>326,228</u>	<u>963,475</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:



P Daley

Director

Company Registration No: 06427019

RFPRO LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2020		375	74,825	2,079,651	2,154,851
Period ended 31 August 2021:					
Profit and total comprehensive income for the year		-	-	808,624	808,624
Dividend Paid		-	-	(2,000,000)	(2,000,000)
Balance at 31 August 2021		375	74,825	888,275	963,475
Year ended 31 August 2022:					
Profit and total comprehensive income for the year		-	-	2,362,753	2,362,753
Dividend paid		-	-	(3,000,000)	(3,000,000)
Balance at 31 August 2022		375	74,825	251,028	326,228

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

rFpro Limited (formerly Kangaloosh Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Middleton Drive, Bradford-On-Avon, Wiltshire, England, BA15 1GB.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 Reduced Disclosure Framework requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 2.12).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101:

- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of cash flows
- IAS 8 Accounting Policies, Chased in Accounting Estimates and Errors
- IAS 24 Related Party Disclosures
- IAS 36 Impairment of Assets
- IFRS 1 First time adoption of International Financial Reporting Standards
- FRS 2 Share-based payments
- IFRS 7 Financial instruments

The exemption as allowed in paragraph 4(a) of IFRS 10 has been adopted therefore the company elects not to prepare consolidated financial statements and instead prepares separate financial statements for rFpro Limited. The consolidated results are included in the consolidated financial statement of AB Dynamics plc.

The information is included in the consolidated financial statements of AB Dynamics plc as at 31 August 2022. Copies of the latest financial statements of that company are available from its registered office or from Companies House.

The following principal accounting policies have been applied:

2.2 Going concern

The Company's activities and an outline of the developments taking place in relation to its products, services and marketplace are considered in the Director's Report.

In assessing the going concern assumption the Directors have reviewed the financial position of the company to determine the ability to continue its operations for the foreseeable future. Excluding deferred income which is a non-cash liability, the company has net current assets of £716,000. Considering the above, the cash balance of £1.3m of cash at 31 August 2022, and the overall net asset position, the Directors believe that the company is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the company will have adequate resources to continue in operation for at least twelve months from the signing date of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

RFPRO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2.3 Revenue

Revenue represents the value, net of sales taxes, of goods sold and services provided to customers.

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer (usually on delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale the company's software products is recognised on sale of software licences. The software sold on licensing arrangements for set contracted periods in contracts with customers. These contracts provide the customer with the right to access the product during the licence period. A new or renewed licence is a single performance obligation and revenue is recognised on a straight-line basis over the licence period.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.4 Intangible Assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research expenditure is written off as incurred. Development costs are written off as incurred unless forecast revenues for a particular project exceed attributable forecast development costs, in which case they are capitalised and amortised on a straight-line basis over the asset's estimated useful life. Costs are capitalised as intangible assets.

Intangible assets are comprised of software rights. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful lives of 5 years. Intangible assets are amortised when they are available for use. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software rights - 20% on cost

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment - 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2.6 Impairment reviews

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7 Leases

Under IFRS 16, a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value when new. The new standard also requires depreciation of the asset to be recognised separately from the interest expense on the lease liability.

The company has also elected to make use of the following exemptions provided by IFRS 16:

a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short-term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight-line basis across the life of the lease.

b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight-line basis across the life of the lease. To apply this exemption, a threshold of £5,000 has been utilised to define "low value".

c) Lease and non-lease components will not be separated; therefore, each lease component and any associated non lease component will be accounted for as a single component.

d) Where applicable, IFRS 16 will be applied to a portfolio of leases with similar characteristics.

The weighted average incremental borrowing rate applied to lease liabilities was 3.0%

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.9 Cash and cash equivalents

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

2.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.11 Financial instruments

Basic financial instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

The only non-basic financial instruments are derivatives which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognising any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.12 Judgements and key sources of estimation uncertainty

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

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

There are no accounting judgements that the directors consider having a significant effect on the amounts recognised in the financial statements.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	31 August 2022	31 August 2021
	£	£
Turnover analysed by class of business		
Licenses	956,101	903,910
Support	1,369,665	1,159,937
Tracks	4,015,901	2,728,897
	<u>6,341,667</u>	<u>4,792,744</u>
	31 August 2022	31 August 2021
	£	£

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Turnover analysed by geographical market

United Kingdom	1,816,391	1,498,506
Europe	1,647,542	1,764,988
N.America	2,553,570	1,442,532
Rest of World	324,164	86,718
	<u>6,341,667</u>	<u>4,792,744</u>

4 Operating profit

	31 August 2022	31 August 2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(8,869)	29,631
Depreciation of tangible fixed assets		
- Owned Assets	25,062	23,030
- Assets held under lease contracts	26,988	27,387
Amortisation of intangible assets	20,921	17,438

5 Auditor's remuneration

	31 August 2022	31 August 2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	<u>13,900</u>	<u>14,000</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	31 August 2022	31 August 2021
	Number	Number
Sales	8	5
Support	2	2

RFPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Operations	9	9
R&D	5	4
	<u>24</u>	<u>20</u>
Their aggregate remuneration comprised:		
	31 August 2022	31 August 2021
	£	£
Wages and salaries	1,511,239	1,444,884
Social security costs	191,111	173,181
Pension costs	96,270	93,484
	<u>1,798,620</u>	<u>1,711,549</u>
7 Directors' remuneration	31 August 2022	31 August 2021
	£	£
Emoluments	281,126	208,995
Company contributions to defined contribution pension schemes	17,436	15,987
	<u>298,562</u>	<u>224,982</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (31 August 2021 - 2).

The highest paid director received remuneration of £147,698 (2021: £125,662) and pension contributions of £9,169 (2021: £9,320).

The emoluments of 2 directors are paid by the parent company. Their services to this company and other subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to the services to the parent company. The above details do not include emoluments for these directors.

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022**

8 Interest income and expense

	31 August 2022	31 August 2021
	£	£
Interest income		
Interest on bank deposits	102	67
Foreign exchange gain	8,869	-
Total income	<u>8,971</u>	<u>67</u>
Interest expense		
Interest payable on finance leases	1,468	383
Foreign exchange loss	-	29,631
Total expense	<u>1,468</u>	<u>30,014</u>

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022**

9 Taxation

	31 August 2022	31 August 2021
	£	£
Current tax		
Adjustments in respect of prior periods	-	(60,905)
Total current tax	<u>-</u>	<u>(60,905)</u>
Deferred tax		
Origination and reversal of timing differences	106,139	148,955
Adjustments in respect of prior periods	(81,869)	(22,909)
Total deferred tax	<u>24,270</u>	<u>126,046</u>
Total tax charge	<u>24,270</u>	<u>65,141</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	31 August 2022	31 August 2021
	£	£
Profit before taxation	<u>2,387,023</u>	<u>873,765</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (31 August 2021: 19.00%)	453,534	166,015
Change in deferred tax timing differences	-	126,046
Losses utilised	-	(43,922)
Research and development tax credit	-	(111,209)
Group relief	(347,395)	-
Adjustments in respect of prior periods	(81,869)	(71,789)
Taxation charge for the year	<u>24,270</u>	<u>65,141</u>

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022**

10 Dividends

	31 August 2022	31 August 2021
	£	£
Final paid	<u>3,000,000</u>	<u>2,000,000</u>

11. Intangible assets

	Software rights £	Capitalised R&D £	Total £
Cost			
At 31 August 2021	87,767	126,911	214,678
Additions	-	181,106	181,106
At 31 August 2022	<u>87,767</u>	<u>308,017</u>	<u>395,784</u>
Amortisation			
At 31 August 2021	66,846	-	66,846
Charge for the year	20,921	-	20,921
At 31 August 2022	<u>87,767</u>	<u>-</u>	<u>87,767</u>
Carrying amount			
At 31 August 2022	<u>-</u>	<u>308,017</u>	<u>308,017</u>
At 31 August 2021	<u>20,921</u>	<u>126,911</u>	<u>147,832</u>

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022**

12 Tangible fixed assets

	Office equipment
	£
Cost	
At 31 August 2021	236,210
Additions	51,396
Disposals	(20,979)
At 31 August 2022	<u>266,627</u>
Depreciation and impairment	
At 31 August 2021	202,690
Depreciation charged in the period	25,062
Accumulated Depreciation on disposals	(20,979)
At 31 August 2022	<u>206,773</u>
Carrying amount	
At 31 August 2022	<u>59,854</u>
At 31 August 2021	<u>33,520</u>

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****13 Right-of-use assets**

		Land & buildings £
Cost		
At 1 September 2021		108,527
At 31 August 2022		<u>108,527</u>
Depreciation		
At 1 September 2021		43,308
Charge for the year		<u>26,988</u>
At 31 August 2022		<u>70,296</u>
Net book value		
At 31 August 2022		<u>38,231</u>
At 31 August 2021		<u>65,219</u>
	31	31
	August	August
	2022	2021
	£	£
Maturity analysis of lease liabilities		
Less than one year	28,500	28,500
One to five years	<u>11,875</u>	<u>40,375</u>
Total undiscounted cash flows	40,375	68,875
Discount	<u>(691)</u>	<u>(2,159)</u>
Total lease liabilities	<u>39,684</u>	<u>66,716</u>
Current	27,844	27,032
Non-current	11,840	39,684
	31	31
Amounts recognised in the income statement:	August	August
	2022	2021
	£	£
Depreciation of right-of-use assets:	26,988	15,606
Interest on lease liabilities	1,468	383

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022**

14 Stocks

31 August 2022	31 August 2021
£	£
Work in progress	
<u>86,218</u>	<u>64,203</u>

15 Debtors

	31 August 2022	31 August 2021
	£	£
Amounts falling due within one year:		
Trade debtors	507,430	836,575
Amounts owed by Group undertakings	31,458	35,402
Corporation tax recoverable	12,136	4,500
Prepayments and accrued income	54,509	70,756
	<u>605,533</u>	<u>947,233</u>

16 Creditors: amounts falling due within one year

	31 August 2022	31 August 2021
	£	£
Trade creditors	130,214	49,347
Amounts owed to Group undertakings	145,743	82,183
Taxation and social security	74,140	65,299
Other creditors	399,883	321,366
Accruals and deferred income	1,259,096	884,761
Lease liability	39,684	66,716
	<u>2,048,760</u>	<u>1,469,672</u>

RFPRO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 22**

17 Deferred taxation:

	31 August 2022	31 August 2021
	£	£
At 1 September	17,829	143,875
Charge to profit or loss	(24,270)	(126,046)
At 31 August	<u>(6,441)</u>	<u>17,829</u>

The deferred tax balance is made up as follows:

	31 August 2022	31 August 2021
	£	£
Accelerated capital allowances	(29,965)	(3,427)
Other timing differences	23,524	21,256
	<u>(6,441)</u>	<u>17,829</u>

The deferred tax balance is analysed as follows:

	£	£
Deferred tax asset	70,718	36,589
Deferred tax liability	(77,159)	(18,760)
	<u>(6,441)</u>	<u>17,829</u>

18 Retirement benefit schemes

	31 August 2022	31 August 2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>96,270</u>	<u>93,484</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

RFFRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 22

19 Share capital

	31 August 2022	31 August 2021
	£	£
Ordinary share capital		
Issued and fully paid		
375 (31 August 2021: 375) Ordinary of £1 each	<u>375</u>	<u>375</u>

20 Ultimate controlling party

The ultimate parent company and controlling party of rFpro Limited is AB Dynamics plc and its registered office is Middleton Drive, Bradford on Avon, Wiltshire, BA15 1GB, the parent undertaking of the smallest and largest Company for which consolidated financial statements are prepared. A copy of the consolidated financial statements is available from Companies House.