

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 September 2024
for
Racelogic Limited

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for the Year Ended 30 September 2024

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DIRECTORS:

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

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: Thomas Copson FCCA

AUDITORS:

The Rowleys Partnership Limited
Charnwood House
Meridian Business Park
Harcourt Way
Leicester
Leicestershire
LE19 1WP

The directors present their strategic report of the company and the group for the year ended 30 September 2024.

REVIEW OF BUSINESS

The group continues to specialise in the design and manufacture of electronic systems for the automotive, motorsport and satellite receiver industries. This year we continued our research and market development efforts into new and innovative areas such as indoor positioning systems for TV production, sports broadcasting, and safety-critical GPS systems for tunnel use.

The year presented challenging market conditions which are reflected in our key financial indicators. Revenue decreased by 5.65% to £22.68 million (2023: £24.04 million), whilst gross profit fell by 7.64% to £14.62 million (2023: £15.83 million). Profit before taxation declined significantly by 42% to £3.09 million (2023: £5.33 million) due to the fall in gross profit and increased administrative expenses which rose to £11.54 million from £10.51 million in the previous year.

To manage our operations effectively during this period, we reduced our stock values to £4.44 million, down from £5.11 million in the previous year, representing a £0.66 million decrease. This prudent inventory management helped improve our cash position, which increased substantially by 51% to £3.24 million (2023: £2.14 million).

Despite the challenging year, we expanded our workforce to 122 employees (2023: 116), particularly strengthening our engineering and development teams to position ourselves for future growth. The group maintains a strong balance sheet and enters the new financial year in a stable financial position, with our diverse product range and wide geographic sales spread providing resilience for future market expansion.

PRINCIPAL RISKS AND UNCERTAINTIES

While we remain optimistic about our long-term prospects, we acknowledge that market conditions and unforeseen events may impact our future plans. Key areas of focus include:

Market Dynamics

We have seen reduced R&D budgets in the automotive sector particularly in the US and Europe, driven by lower than forecast sales of electric vehicles. Whilst ongoing demand for testing next-generation GNSS receivers continues due to advances in satellite technology, market timing can be unpredictable.

Customer Base

Our strength continues to lie in our market and geographic diversity. We have seen growing interest in our newer developments, including indoor positioning, GPS simulation in tunnels, and standalone GNSS and inertial systems for integration by third parties.

Supplier Relations

We maintain close collaboration with key suppliers to mitigate production risks and take a proactive approach to anticipating and addressing component supply issues.

Workforce Management

By retaining our hybrid working model we have continued to expand our recruitment reach for specialised roles, successfully growing our team by six employees during the year.

Economic and political challenges

We continue to monitor economic risks and adopt policies and procedures to mitigate their effect. The challenging market conditions experienced this year demonstrate the importance of maintaining operational flexibility.

Systems Upgrade

We successfully implemented a new cloud-based Enterprise Resource Planning and accounting system across all three offices. This has improved workflow and application integration as anticipated.

Cash Flow Management

While we have maintained healthy cash reserves, with cash increasing by over £1 million during the year. We continue to take a prudent approach to cash management and dividend timing in light of global economic pressures. Total dividends paid during the year were £2.39 million (2023: £3.10 million).

RESEARCH AND DEVELOPMENT

Our commitment to innovation remains strong, with a large number of projects progressing during the year across our core technology areas. These projects demonstrate our continued investment in advancing the state-of-the-art in GNSS technology, inertial navigation and video data systems.

Core Product Development

This year saw the much-awaited release of our flagship 100Hz data logger design for dynamic testing and the Adaptive Safety market, incorporating advanced CAN FD bus interpretation capabilities for modern vehicle testing. Significant enhancements to our combined GNSS and inertial products include improved attitude estimation accuracy and extended dead-reckoning capability during satellite outages.

GNSS Simulation and Testing

New updates to our LabSat GNSS testing solutions include multi-antenna synchronisation capabilities and real-time streaming functionality. We have also developed novel GNSS simulation technology for safety-critical tunnel applications.

Video and Camera Technology

Development of next-generation motorsport camera systems continues, with advances in real-time graphical overlay generation and GPS time synchronisation. Our broadcast and virtual production positioning systems have seen significant progress in precision camera tracking and augmented reality overlay capabilities.

Emerging Technologies

We continue to explore applications of artificial intelligence in customer support operations and have advanced our indoor positioning systems for virtual production environments. Additionally, work on predictive vehicle safety systems and enhanced data analysis tools demonstrates our expansion into new market segments.

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. This strategic approach, combined with our strong balance sheet and cash position, positions the group to navigate current market challenges and capitalise on future opportunities whilst maintaining our technological leadership in precision measurement and navigation systems.

ON BEHALF OF THE BOARD:

G R Mackie - Director

26 September 2025

Report of the Directors
for the Year Ended 30 September 2024

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2024.

DIVIDENDS

During the year a final dividend for the year to 30 September 2023 of £35,906 was paid on 31 October 2023 and the following interim dividends were paid:

12/04/2024 - £1,350,000

22/07/2024 - £1,000,000

The directors recommended 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 2024 was £2,251,250 to the Ordinary shareholders and £134,656 to the B Ordinary shareholders.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2023 to the date of this report.

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

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.

Report of the Directors
for the Year Ended 30 September 2024

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, The Rowleys Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G R Mackie - Director

26 September 2025

Opinion

We have audited the financial statements of Racelogic Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 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 2024 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.

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant which are directly relevant to 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 Group 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 on a sample basis;
- We evaluated the assumptions and judgements used by management within significant accounting estimates and assessing if these indicate evidence of management bias;
- We tested significant transactions, in particular the evaluation of the business rationale for any which appear unusual or outside the Group's normal course of business;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team by understanding the practical experience with audit engagements of a similar nature and complexity, plus ensuring the team had appropriate and relevant training of the financial reporting framework and the relevant tax compliance regulations specific to the entity;
- We reviewed the financial statements and tested the disclosures against supporting documentation;
- We have assessed these areas at group level and at component level where appropriate, we performed the component audit work ourselves as part of our audit of those entities; and
- We communicated relevant matters to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Thomas Copson FCCA (Senior Statutory Auditor)
for and on behalf of The Rowleys Partnership Limited
Charnwood House
Meridian Business Park
Harcourt Way
Leicester
Leicestershire
LE19 1WP

26 September 2025

Consolidated Income Statement
for the Year Ended 30 September 2024

	Notes	30.9.24 £	30.9.23 £
TURNOVER	3	22,683,967	24,041,633
Cost of sales		8,066,769	8,215,847
GROSS PROFIT		<u>14,617,198</u>	<u>15,825,786</u>
Administrative expenses		11,538,478	10,506,057
		<u>3,078,720</u>	<u>5,319,729</u>
Other operating income	4	5,109	3,177
OPERATING PROFIT	6	<u>3,083,829</u>	<u>5,322,906</u>
Interest receivable and similar income		7,264	4,229
PROFIT BEFORE TAXATION		<u>3,091,093</u>	<u>5,327,135</u>
Tax on profit	7	373,582	790,089
PROFIT FOR THE FINANCIAL YEAR		<u>2,717,511</u>	<u>4,537,046</u>
Profit attributable to: Owners of the parent		<u>2,717,511</u>	<u>4,537,046</u>

The notes form part of these financial statements

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Consolidated Other Comprehensive Income
for the Year Ended 30 September 2024

	30.9.24	30.9.23
Notes	£	£
PROFIT FOR THE YEAR	2,717,511	4,537,046
OTHER COMPREHENSIVE INCOME/(LOSS)		
Currency translation differences	121,739	(408,402)
Income tax relating to other comprehensive income/(loss)	-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	<u>121,739</u>	<u>(408,402)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,839,250</u></u>	<u><u>4,128,644</u></u>
Total comprehensive income attributable to: Owners of the parent	<u><u>2,839,250</u></u>	<u><u>4,128,644</u></u>

The notes form part of these financial statements

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Consolidated Balance Sheet
30 September 2024

	Notes	30.9.24	30.9.23
		£	£
FIXED ASSETS			
Intangible assets	10	166,870	-
Tangible assets	11	1,893,255	1,813,256
Investments	12	-	-
		<u>2,060,125</u>	<u>1,813,256</u>
CURRENT ASSETS			
Stocks	13	4,438,693	5,105,009
Debtors	14	2,755,719	2,538,824
Cash at bank		3,236,949	2,144,203
		<u>10,431,361</u>	<u>9,788,036</u>
CREDITORS			
Amounts falling due within one year	15	<u>2,123,361</u>	<u>1,563,755</u>
NET CURRENT ASSETS		<u>8,308,000</u>	<u>8,224,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,368,125	10,037,537
PROVISIONS FOR LIABILITIES	18	<u>100,000</u>	<u>149,000</u>
NET ASSETS		<u><u>10,268,125</u></u>	<u><u>9,888,537</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	116	117
Share premium	20	853,106	926,861
Capital redemption reserve	20	10	10
Non Distributable Reserves	20	(200,279)	(322,018)
Retained earnings	20	9,615,172	9,283,567
SHAREHOLDERS' FUNDS		<u><u>10,268,125</u></u>	<u><u>9,888,537</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2025 and were signed on its behalf by:

G R Mackie - Director

The notes form part of these financial statements

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Company Balance Sheet

30 September 2024

	Notes	30.9.24	£	30.9.23	£
FIXED ASSETS					
Intangible assets	10	166,870		-	
Tangible assets	11	1,347,621		1,559,134	
Investments	12	21,789		21,789	
		<u>1,536,280</u>		<u>1,580,923</u>	
CURRENT ASSETS					
Stocks	13	4,083,894		4,700,885	
Debtors	14	2,612,819		2,091,597	
Cash at bank		2,773,545		1,816,001	
		<u>9,470,258</u>		<u>8,608,483</u>	
CREDITORS					
Amounts falling due within one year	15	<u>1,947,249</u>		<u>1,305,629</u>	
NET CURRENT ASSETS		<u>7,523,009</u>		<u>7,302,854</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		9,059,289		8,883,777	
PROVISIONS FOR LIABILITIES	18	<u>100,000</u>		<u>149,000</u>	
NET ASSETS		<u><u>8,959,289</u></u>		<u><u>8,734,777</u></u>	
CAPITAL AND RESERVES					
Called up share capital	19	116		117	
Share premium	20	853,106		926,861	
Capital redemption reserve	20	10		10	
Retained earnings	20	8,106,057		7,807,789	
SHAREHOLDERS' FUNDS		<u><u>8,959,289</u></u>		<u><u>8,734,777</u></u>	
Company's profit for the financial year		<u><u>2,684,174</u></u>		<u><u>3,870,479</u></u>	

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2025 and were signed on its behalf by:

G R Mackie - Director

The notes form part of these financial statements

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Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2024

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 October 2022	115	7,846,521	908,624
Changes in equity			
Issue of share capital	2	-	18,237
Dividends	-	(3,100,000)	-
Total comprehensive income	-	4,537,046	-
Balance at 30 September 2023	<u>117</u>	<u>9,283,567</u>	<u>926,861</u>
Changes in equity			
Issue of share capital	(1)	-	(73,755)
Dividends	-	(2,385,906)	-
Total comprehensive income	-	2,717,511	-
Balance at 30 September 2024	<u>116</u>	<u>9,615,172</u>	<u>853,106</u>
	Capital redemption reserve £	Non Distributable Reserves £	Total equity £
Balance at 1 October 2022	10	86,384	8,841,654
Changes in equity			
Issue of share capital	-	-	18,239
Dividends	-	-	(3,100,000)
Total comprehensive income	-	(408,402)	4,128,644
Balance at 30 September 2023	<u>10</u>	<u>(322,018)</u>	<u>9,888,537</u>
Changes in equity			
Issue of share capital	-	-	(73,756)
Dividends	-	-	(2,385,906)
Total comprehensive income	-	121,739	2,839,250
Balance at 30 September 2024	<u>10</u>	<u>(200,279)</u>	<u>10,268,125</u>

The notes form part of these financial statements

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Company Statement of Changes in Equity
for the Year Ended 30 September 2024

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 October 2022	115	7,037,310	908,624	10	7,946,059
Changes in equity					
Issue of share capital	2	-	18,237	-	18,239
Dividends	-	(3,100,000)	-	-	(3,100,000)
Total comprehensive income	-	3,870,479	-	-	3,870,479
Balance at 30 September 2023	<u>117</u>	<u>7,807,789</u>	<u>926,861</u>	<u>10</u>	<u>8,734,777</u>
Changes in equity					
Issue of share capital	(1)	-	(73,755)	-	(73,756)
Dividends	-	(2,385,906)	-	-	(2,385,906)
Total comprehensive income	-	2,684,174	-	-	2,684,174
Balance at 30 September 2024	<u>116</u>	<u>8,106,057</u>	<u>853,106</u>	<u>10</u>	<u>8,959,289</u>

The notes form part of these financial statements

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Consolidated Cash Flow Statement
for the Year Ended 30 September 2024

	Notes	30.9.24 £	30.9.23 £
Cash flows from operating activities			
Cash generated from operations	1	4,639,831	4,260,356
Tax paid		(581,148)	(272,199)
Net cash from operating activities		<u>4,058,683</u>	<u>3,988,157</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(80,100)	-
Purchase of tangible fixed assets		(573,903)	(570,906)
Sale of tangible fixed assets		7,566	15,751
Interest received		7,264	4,229
Net cash from investing activities		<u>(639,173)</u>	<u>(550,926)</u>
Cash flows from financing activities			
Share issue		28,960	28,559
Share buyback		(102,716)	(10,320)
Equity dividends paid		(2,385,906)	(3,100,000)
Net cash from financing activities		<u>(2,459,662)</u>	<u>(3,081,761)</u>
Increase in cash and cash equivalents		<u>959,848</u>	<u>355,470</u>
Cash and cash equivalents at beginning of year	2	2,144,203	2,188,340
Effect of foreign exchange rate changes		132,898	(399,607)
Cash and cash equivalents at end of year	2	<u><u>3,236,949</u></u>	<u><u>2,144,203</u></u>

The notes form part of these financial statements

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Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2024

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.9.24	30.9.23
	£	£
Profit before taxation	3,091,093	5,327,135
Depreciation charges	383,505	252,777
Loss/(profit) on disposal of fixed assets	4,904	(14,871)
Finance income	(7,264)	(4,229)
	<u>3,472,238</u>	<u>5,560,812</u>
Decrease/(increase) in stocks	666,316	(985,397)
Increase in trade and other debtors	(216,895)	(770,593)
Increase in trade and other creditors	718,172	455,534
Cash generated from operations	<u><u>4,639,831</u></u>	<u><u>4,260,356</u></u>

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 2024

	30.9.24	1.10.23
	£	£
Cash and cash equivalents	<u>3,236,949</u>	<u>2,144,203</u>

Year ended 30 September 2023

	30.9.23	1.10.22
	£	£
Cash and cash equivalents	<u>2,144,203</u>	<u>2,188,340</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.10.23	Cash flow	Foreign exchange movements	At 30.9.24
	£	£	£	£
Net cash				
Cash at bank	2,144,203	1,225,644	(132,898)	3,236,949
	<u>2,144,203</u>	<u>1,225,644</u>	<u>(132,898)</u>	<u>3,236,949</u>
Total	<u><u>2,144,203</u></u>	<u><u>1,225,644</u></u>	<u><u>(132,898)</u></u>	<u><u>3,236,949</u></u>

The notes form part of these financial statements

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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 2024 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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

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

Equipment, fixtures and fittings - 12.5%, 20% and 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.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

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.

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2. ACCOUNTING POLICIES - continued**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.

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:

	30.9.24	30.9.23
	£	£
United Kingdom	1,619,959	2,297,787
Europe	5,936,795	5,692,603
Asia	7,509,246	6,981,875
Americas	6,858,468	8,331,852
Rest of world	759,499	737,516
	<u>22,683,967</u>	<u>24,041,633</u>

4. OTHER OPERATING INCOME

	30.9.24	30.9.23
	£	£
Sundry receipts	<u>5,109</u>	<u>3,177</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

5. **EMPLOYEES AND DIRECTORS**

	30.9.24	30.9.23
	£	£
Wages and salaries	7,169,691	6,788,205
Social security costs	710,317	676,188
Other pension costs	259,748	239,494
	<u>8,139,756</u>	<u>7,703,887</u>

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

	30.9.24	30.9.23
Administration	16	15
Development	72	69
Distribution	8	6
Manufacturing	13	13
Sales	13	13
	<u>122</u>	<u>116</u>

	30.9.24	30.9.23
	£	£
Directors' remuneration	807,049	872,572
Directors' pension contributions to money purchase schemes	<u>41,081</u>	<u>38,093</u>

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

Money purchase schemes	<u>6</u>	<u>6</u>
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Information regarding the highest paid director is as follows:

	30.9.24	30.9.23
	£	£
Emoluments etc	200,594	226,944
Pension contributions to money purchase schemes	<u>3,118</u>	<u>2,923</u>

6. **OPERATING PROFIT**

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

	30.9.24	30.9.23
	£	£
Other operating leases	181,086	148,960
Depreciation - owned assets	358,608	252,777
Loss/(profit) on disposal of fixed assets	4,904	(14,871)
Computer software amortisation	24,897	-
Auditors' remuneration	23,750	10,000
Foreign exchange differences	<u>347,824</u>	<u>109,494</u>

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

7. **TAXATION**

Analysis of the tax charge

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

	30.9.24	30.9.23
	£	£
Current tax:		
UK corporation tax	414,490	457,335
Prior year under provision	-	128,927
Overseas taxation	8,092	129,827
Total current tax	<u>422,582</u>	<u>716,089</u>
Deferred tax	(49,000)	74,000
Tax on profit	<u>373,582</u>	<u>790,089</u>

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:

	30.9.24	30.9.23
	£	£
Profit before tax	<u>3,091,093</u>	<u>5,327,135</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25 % (2023 - 22 %)	772,773	1,171,970
Effects of:		
Capital allowances in excess of depreciation	-	(49,501)
Depreciation in excess of capital allowances	24,342	-
Adjustments to tax charge in respect of previous periods	-	128,927
Research and development enhanced deduction	(404,744)	(491,785)
Foreign currency translation	(4,817)	(74,964)
Overseas tax differences	2,552	29,584
Deferred tax	(49,000)	74,000
Other reconciling items	32,476	1,858
Total tax charge	<u>373,582</u>	<u>790,089</u>

Tax effects relating to effects of other comprehensive income

	30.9.24		30.9.23
	Gross	Tax	Net
	£	£	£
Currency translation differences	<u>121,739</u>	<u>-</u>	<u>121,739</u>
Currency translation differences	<u>(408,402)</u>	<u>-</u>	<u>(408,402)</u>

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

8. **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.

9. **DIVIDENDS**

	30.9.24	30.9.23
	£	£
Ordinary shares of 0.0001p each		
Interim	2,251,250	2,928,415
B Ordinary shares of 0.0001p each		
Interim	134,656	171,585
	<u>2,385,906</u>	<u>3,100,000</u>

10. **INTANGIBLE FIXED ASSETS**

Group

	Computer software £
COST	
Additions	80,100
Reclassification/transfer	120,000
At 30 September 2024	<u>200,100</u>
AMORTISATION	
Amortisation for year	24,897
Reclassification/transfer	8,333
At 30 September 2024	<u>33,230</u>
NET BOOK VALUE	
At 30 September 2024	<u>166,870</u>

Company

	Computer software £
COST	
Additions	80,100
Reclassification/transfer	120,000
At 30 September 2024	<u>200,100</u>
AMORTISATION	
Amortisation for year	24,897
Reclassification/transfer	8,333
At 30 September 2024	<u>33,230</u>
NET BOOK VALUE	
At 30 September 2024	<u>166,870</u>

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

10. **INTANGIBLE FIXED ASSETS - continued**

Company

During the year the costs associated with the development and implementation of a new cloud-based Enterprise Resource Planning and accounting system were reclassified from tangible fixed assets.

11. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Short leasehold £	Equipment, fixtures and fittings £	Totals £
COST				
At 1 October 2023	1,658,978	-	3,041,141	4,700,119
Additions	31,372	197,814	344,717	573,903
Disposals	-	-	(126,418)	(126,418)
Exchange differences	-	-	(62,896)	(62,896)
Reclassification/transfer	-	-	(120,000)	(120,000)
At 30 September 2024	<u>1,690,350</u>	<u>197,814</u>	<u>3,076,544</u>	<u>4,964,708</u>
DEPRECIATION				
At 1 October 2023	643,461	-	2,243,402	2,886,863
Charge for year	43,752	18,065	296,791	358,608
Eliminated on disposal	-	-	(113,948)	(113,948)
Exchange differences	-	(787)	(50,950)	(51,737)
Reclassification/transfer	-	-	(8,333)	(8,333)
At 30 September 2024	<u>687,213</u>	<u>17,278</u>	<u>2,366,962</u>	<u>3,071,453</u>
NET BOOK VALUE				
At 30 September 2024	<u>1,003,137</u>	<u>180,536</u>	<u>709,582</u>	<u>1,893,255</u>
At 30 September 2023	<u>1,015,517</u>	<u>-</u>	<u>797,739</u>	<u>1,813,256</u>

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

11. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Equipment, fixtures and fittings £	Totals £
COST			
At 1 October 2023	1,658,978	2,223,923	3,882,901
Additions	31,372	98,182	129,554
Reclassification/transfer	-	(120,000)	(120,000)
At 30 September 2024	<u>1,690,350</u>	<u>2,202,105</u>	<u>3,892,455</u>
DEPRECIATION			
At 1 October 2023	643,461	1,680,306	2,323,767
Charge for year	43,752	185,648	229,400
Reclassification/transfer	-	(8,333)	(8,333)
At 30 September 2024	<u>687,213</u>	<u>1,857,621</u>	<u>2,544,834</u>
NET BOOK VALUE			
At 30 September 2024	<u>1,003,137</u>	<u>344,484</u>	<u>1,347,621</u>
At 30 September 2023	<u>1,015,517</u>	<u>543,617</u>	<u>1,559,134</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2023 and 30 September 2024	<u>21,789</u>
NET BOOK VALUE	
At 30 September 2024	<u>21,789</u>
At 30 September 2023	<u>21,789</u>

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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

	%		
Class of shares:	holding		
Ordinary	100.00		

	30.9.24	30.9.23
	£	£
Aggregate capital and reserves	2,044,909	2,031,178
Profit for the year	<u>13,731</u>	<u>358,061</u>

Racelogic Gmbh

Registered office: Germany

Nature of business: Electronic systems for the automotive industry

	%		
Class of shares:	holding		
Ordinary	100.00		

	30.9.24	30.9.23
	£	£
Aggregate capital and reserves	193,586	193,250
Profit for the year	<u>336</u>	<u>3,806</u>

13. **STOCKS**

	Group		Company	
	30.9.24	30.9.23	30.9.24	30.9.23
	£	£	£	£
Raw materials	<u>4,438,693</u>	<u>5,105,009</u>	<u>4,083,894</u>	<u>4,700,885</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.9.24	30.9.23	30.9.24	30.9.23
	£	£	£	£
Trade debtors	2,365,712	1,907,973	1,430,746	1,038,090
Amounts owed by group undertakings	-	-	904,895	683,402
Other debtors	277,207	172,589	183,271	162,313
Prepayments and accrued income	112,800	458,262	93,907	207,792
	<u>2,755,719</u>	<u>2,538,824</u>	<u>2,612,819</u>	<u>2,091,597</u>

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

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

	Group		Company	
	30.9.24	30.9.23	30.9.24	30.9.23
	£	£	£	£
Trade creditors	1,164,155	602,557	1,150,618	571,948
Tax	80,445	239,011	162,975	189,169
Social security and other taxes	182,102	223,454	152,084	193,345
Other creditors	357,490	154,144	187,884	45,200
Accruals and deferred income	339,169	344,589	293,688	305,967
	<u>2,123,361</u>	<u>1,563,755</u>	<u>1,947,249</u>	<u>1,305,629</u>

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.9.24	30.9.23
	£	£
Within one year	104,711	118,549
Between one and five years	307,514	379,495
In more than five years	252,263	340,337
	<u>664,488</u>	<u>838,381</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £121,651 (2023 - £103,368). The above disclosure relates to the group only. There are no non-cancellable operating lease agreements held by the company only.

17. **FINANCIAL INSTRUMENTS**

Group

Financial instruments that are debt instruments measured at amortised cost totalled £5,602,661 as at 30 September 2024 (2023 - £4,052,176).

Financial liabilities that are measured at amortised cost totalled £1,164,155 as at 30 September 2024 (2023 - £602,557).

Company

Financial instruments that are debt instruments measured at amortised cost totalled £5,109,186 as at 30 September 2024 (2023 - £3,537,493).

Financial liabilities that are measured at amortised cost totalled £1,150,618 as at 30 September 2024 (2023 - £571,948).

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.9.24 £	30.9.23 £	30.9.24 £	30.9.23 £
Deferred tax				
Accelerated capital allowances	<u>100,000</u>	<u>149,000</u>	<u>100,000</u>	<u>149,000</u>
Group				Deferred tax £
Balance at 1 October 2023				149,000
Credit to Income Statement during year				<u>(49,000)</u>
Balance at 30 September 2024				<u>100,000</u>
Company				Deferred tax £
Balance at 1 October 2023				149,000
Credit to Statement of Comprehensive Income during year				<u>(49,000)</u>
Balance at 30 September 2024				<u>100,000</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.9.24	30.9.23
Number:	Class:		£	£
1,095,337	Ordinary	0.0001p	110	110
60,229	B Ordinary	0.0001p	<u>6</u>	<u>7</u>
			<u>116</u>	<u>117</u>

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.

2,158 B Ordinary shares of 0.0001p per share were purchased at a premium of £13.42 per share. 128 and 7,550 B Ordinary shares of 0.0001p per share were sold during the year at premiums of £10.91 and £13.42 per share, respectively.

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2024

20. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Non Distributable Reserves £	Totals £
At 1 October 2023	9,283,567	926,861	10	(322,018)	9,888,420
Profit for the year	2,717,511				2,717,511
Dividends	(2,385,906)				(2,385,906)
Purchase of own shares	-	(102,715)	-	-	(102,715)
Cash share issue	-	28,960	-	-	28,960
Currency translation differences	-	-	-	121,739	121,739
At 30 September 2024	<u>9,615,172</u>	<u>853,106</u>	<u>10</u>	<u>(200,279)</u>	<u>10,268,009</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2023	7,807,789	926,861	10	8,734,660
Profit for the year	2,684,174			2,684,174
Dividends	(2,385,906)			(2,385,906)
Purchase of own shares	-	(102,715)	-	(102,715)
Cash share issue	-	28,960	-	28,960
At 30 September 2024	<u>8,106,057</u>	<u>853,106</u>	<u>10</u>	<u>8,959,173</u>

21. 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 £259,748 (2023 - £239,494).

There were outstanding contributions of £45,200 (2023 - £nil) at the beginning and £46,727 (2023 - £45,200) at the end of the financial year. There were no prepaid contributions (2023 - £nil) at the beginning or the end of the financial year.

22. RELATED PARTY DISCLOSURES

During the year, dividends of £2,235,408 (2023 - £2,967,365) were paid to the directors and final dividends of £nil (2023 - £31,252) have been approved since the year end.

During the year the group received services totalling £292,787 (2023 - £275,036) from entities controlled by a close family member of key management personnel. The balance owed by the group at the end of the year was £4,208 (2023 - £306). 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.

23. **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.

