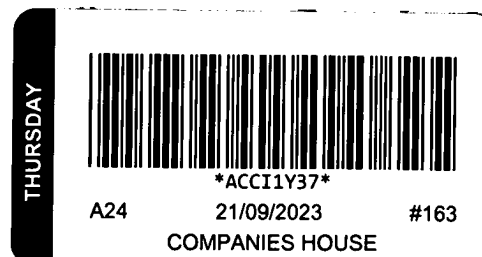


ALPINE RACING LIMITED

Annual Report and Financial Statements

31 December 2022



ALPINE RACING LIMITED

REPORT AND FINANCIAL STATEMENTS 2022

CONTENTS

	Page
Strategic report	1
Directors' report	4
Statement of directors' responsibilities	7
Independent auditor's report to the members of Alpine Racing Limited	8
Profit and loss account and other comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15-32

STRATEGIC REPORT

The Directors present their strategic report of the company for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the Company is the running of a Formula One racing team.

The Company carries out this activity through the design and manufacture of racing cars for participation in the FIA Formula One World Championship.

The Company's principal long-term objective is to win the FIA Formula One World Championship. The directors consider race results and championship performance to be the key performance indicators as well as financial control within the Company.

The team experienced a successful 2022 season, on and off track. A new title partner, BWT, was announced in **February 2022, alongside a growing portfolio of premium partners. The team's challenger, the A522, was a response** to sweeping regulation changes introduced for the 2022 season. Alongside a completely new chassis and car build, the team was proud to showcase its all-new RE22 power unit, finishing fourth place in the 2022 FIA Formula 1 World Championship, marking a clear, upwards trajectory of the team since **Renault's** acquisition in December 2015.

The team is supported by the dedication to Formula 1 by Renault Group on its ambitious road map to compete for **Formula 1 World Championship titles. Formula 1 remains seminal to Renault Group's 'Renaulution' ambitions, with** Alpine being synonymous with racing, and it remains true to its identity by remaining competitive in Formula 1 and other racing categories.

BUSINESS ENVIRONMENT

Turnover for the year, comprising mainly of sponsorship income and prize money, was £249.0 million (2021: £201.5 million) and the profit after taxation for the financial year was £26.2 million (2021: £29.1 million).

The strong growth in turnover experienced in 2021 continued through to 2022 where an increase of 23.6% on the prior year was achieved, representing improved on track performance influencing prize money, as well as the introduction of new partners including title sponsor BWT.

Operating costs have risen at a slower rate compared to turnover of 21.6%. Whilst operations have been impacted by inflation, a second year of Financial Regulations, coupled with a disciplined approach to cost control has led to an improvement in operating margin of 37.0%, resulting in an operating profit of £35.6 million.

Fixed asset investment continues to be healthy, totalling £11.1m for the year (excluding Right of use assets relating to leases of £6.2 million).

STRATEGIC REPORT

SECTION 172 STATEMENT

Engaging with stakeholders

Our stakeholders are key to the overall success of the Company and it is essential for us to have an effective engagement strategy in place to build positive stakeholder relationships and deliver long term success.

The Company is part of the Renault Group, the governance framework of the Group delegates authority for local decision-making to the local entity up to defined levels of cost and impact which allows senior management to take decisions. Decisions are made with a long-term view in mind and with the highest standards of conduct in line with Group policies.

Shareholders

We rely on the support of our ultimate shareholder, Renault S.A, and its opinions are important to us. We have an open dialogue with our shareholder through regular meetings and reporting to the Group Board. Our financial results are consolidated monthly. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance, and ethical practices. We also hold local Board meetings, covering similar topics, to ensure the interests of all shareholders are considered. From March 2022 the Company is fully owned by Grigny (UK) Limited.

Employees

Engaging and collaborating with employees at Alpine Racing is a top priority and key to our team's success. To drive and encourage an open culture we regularly hold staff debriefs to relay new company information, targets and current performance. Annually we conduct an employee survey and hold performance reviews to encourage feedback. The Team has a well-established intranet and internal communication to regularly update staff on current topics, employee benefits, successes, and wellbeing initiatives. In 2023 we have introduced a talent programme to retain our top talent, along with initiatives aligned with our D&I strategy and Rac(H)er programme.

Customers

Our ambition is to deliver best in class sports marketing assets to enable our partners to tell relevant, engaging and informative marketing campaigns that positively engage with their desired audience in F1. We spend a lot of time with them to understand their needs and listen to how we can improve our service for them. We use this knowledge to inform our decision making, for example, tailoring rights packages to suit our partners expectations, whilst providing some flexibility to enable them to maximise the impact of their marketing campaigns.

Suppliers

We strive for respectful relationships with all of our suppliers where our engagement is mutually beneficial and therefore fosters a healthy and long-term approach.

We have various ways to engage depending on the service or product required. By building strong and healthy relationships we believe they will be best placed to deliver our demands which can be very challenging in peak periods of our year. Regular reviews, constructive mutual feedback and data collection are some of the ways in which we measure our collective performance. Our key areas of focus are innovation, quality, speed of delivery and sustainability. As a Formula 1 Team the vital part our suppliers play in our short and long term success is recognised at every level of our organisation and we celebrate our achievements together.

ALPINE RACING LIMITED**Registered No: 1806337****STRATEGIC REPORT****SECTION 172 STATEMENT CONTINUED****Communities**

The Company will actively participate alongside Formula 1 in implementing the plan of decarbonisation of the sport by 2030 while developing and deploying its own actions with a Social and Sustainable Impact program aligned with **Groupe Renault's strategic vision. Our program is structured around two different dimensions, environmental and human.**

Our operating territories and our local **communities are at the heart of our program and we'll tangibly engage with** them as we already do where mutually beneficial projects are recognised and prioritised. We continue to develop environmental actions that aim to reduce our operating carbon footprint. Many of these integrated programs are complementary to our lean engineering processes, reduction in transport miles for deliveries including waste streams, upcycling, recycling, reduction and safe disposal of waste material, benefiting from a year-on-year improvement.

Government and regulators

The FIA F1 World Championship is run under the auspices of the Federation Internationale de l'Automobile, motor racing's international governing body. As a competitor in the Championship, we are bound by the regulations published by the FIA. The FIA has structures in place that allows competitors to consult and participate in the shaping of some of the sports regulations. Due to the niche nature of our business, there is limited need for consultation or interactions with any other regulators. Compliance with laws and regulations as well as health and safety is of course paramount to our business and the Board is updated on legal or regulatory developments that impact our operation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are of the opinion that a thorough risk management process is adopted through regular financial review. The risks and uncertainties facing the Company might be broadly grouped as: Competitive, Legislative, and Financial.

- **Competitive Risks**

The Company's financial performance is subject to variation where some of its principal sponsors pay bonuses in respect to results achieved on track. Such results also combine to affect a proportion **of the Company's income from prize money in the following season, as well as generally impacting on the Company's ability to generate sponsorships** in the future. The Company performs regular financial reviews to ensure they have sufficient financial resources to meet liabilities as they fall due.

- **Legislative Risks**

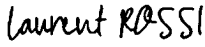
As a competitor in the FIA Formula One World Championship, the Team is subject to the International Sporting Code, the current F1 Technical and Sporting Regulations, and the provisions laid out in the 2021 Concorde Agreement or such similar agreements. The Company works with its employees, agents and advisors, and also the governing body to ensure its compliance.

- **Financial Risks**

The Company uses loans, cash, and trade payables and receivables directly in the course of its on-going operations. The Company seeks to minimise exposure to exchange risk through matching currency assets and expenditure to income and borrowings.

On behalf of the board

DocuSigned by:


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Laurent Rossi

Director

28th March 2023

ALPINE RACING LIMITED

Registered No: 1806337

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

The principal activities and associated risks have been discussed in the strategic report.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2021: £nil). The profit for the year of £26.2 million (2021: £29.1 million) has been offset against the deficit on the profit and loss account.

RESEARCH AND DEVELOPMENT

Information relating to research and development expenditure on racing cars is given in note 1 to the financial statements.

DIRECTORS

The following served as directors during the year:

L Rossi
D Minto (appointed 31 December 2022)
T Cagnet (resigned 31 December 2022)
G Lopez (resigned 16 February 2022)
M Budkowski (resigned 12 January 2022)

B Mercer (Company Secretary) (resigned 8 November 2022)

CHARITABLE DONATIONS

The Company made £53,140 (2021: £0) charitable donations to a national charity during the period.

POLITICAL DONATIONS

The Company made £0 (2021: £0) political donations during the period.

EMPLOYEES

Applications for employment of disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability.

The company has arrangements for providing information to employees, involving employees in the company's performance and achieving awareness amongst employees of the factors affecting the company's performance.

GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed in producing this report. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations.

To arrive at the disclosed figures, the Company obtained relevant data from its various energy providers. The Company appointed a leading energy management company to independently assess Greenhouse Gas (GHG) emissions in accordance with relevant government guidelines.

ALPINE RACING LIMITED**Registered No: 1806337****DIRECTORS' REPORT****GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION (CONTINUED)**

In 2022 the company developed and implemented an Environmental Management System (EMS). Using the new EMS, the team will seek to achieve ISO 14001 and has recently achieved the FIA 3 Star Environmental Accreditation. The FIA Environmental Accreditation Programme aims to enhance the environmental performance for its motor sport and mobility stakeholders. Stakeholders are provided with a three-level framework against which to accredit their activities; **a3 Star Accreditation is defined as 'Best Practice' by the FIA.**

The Company is adding a third floor to an existing building, with solar panels to be installed on the roof for further green energy. This project is scheduled to go live in July 2023, and the incumbent PV installation will have an estimated annual production of 65,000 kWh.

	2022		2021	
	Energy Consumption (kWh)	CO2e (tonnes)	Energy Consumption (kWh)	CO2e (tonnes)
Scope 1 – Natural Gas and Company Vehicle Fuel	3,676,299	836.7	3,333,663	815.72
Scope 2 – Electricity	14,271,616	2,759.8	13,598,830	2,876.82
Scope 3 – Personal Cars used for Business Purposes	0	0	12,105	2.93
TOTAL	17,947,915	3,596.5	16,894,598	3695.47
Headcount	870		820	
Intensity Ratio tCO2e/headcount	4.13		4.51	

Total company emissions have risen from 2021 to 2022 predominantly driven by COVID-19 restrictions easing and **staff returning to the site. The Company's intensity ratio has fallen due to an increased headcount.**

The Company's sustainability strategy will be released in 2023, outlining the roadmap for reduction to emissions in line with the Science Based Targets initiative (SBTi) criteria.

DIRECTORS INDEMNITY

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approval of the Directors' Report.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is **unaware. Having made enquiries of fellow Directors and the group's auditor, each Director has taken all the steps that** they are obliged to take as a Director in order to have made themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ALPINE RACING LIMITED

Registered No: 1806337

DIRECTORS' REPORT

AUDITOR

KPMG LLP have expressed a willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board on 28th March 2023.

DocuSigned by:

Laurent Rossi

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Laurent Rossi

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- **assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;** and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED

Opinion

We have audited the financial statements of Alpine Racing Limited ("the company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- **we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- **Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.**
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet cost targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of incentives or pressures to fraudulently misstate revenue and all significant revenue amounts having signed contracts in place.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included cash journals posted to unusual accounts and journal entries containing specific words.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other **management (as required by auditing standards), and from inspection of the Company's regulatory and legal** correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition **of fines or litigation or the loss of the Company's license to operate.** We identified the following areas as those most likely to have such an effect: FIA Sporting, Technical and Financial Regulations, health and safety, anti-bribery, employment law, data protection and environmental legislation recognising the nature of the **company's activities.** Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)

Context of the ability of the audit to detect fraud or breaches of law or regulation

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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- **we have not identified material misstatements in the strategic report and the directors' report;**
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to **fraud or error**; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

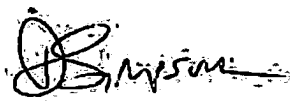
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from **material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report.** Reasonable assurance is a high level of assurance, but does not guarantee that an 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

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.



David Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE

Date 30 March 2023

ALPINE RACING LIMITED**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDING 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
TURNOVER	1	249,038	201,485
Cost of sales		<u>(170,395)</u>	<u>(145,264)</u>
GROSS PROFIT		78,643	56,221
Administration expenses		<u>(43,093)</u>	<u>(30,270)</u>
OPERATING PROFIT	2	35,550	25,951
Other interest receivable and similar income	5	320	12
Interest payable and similar charges	6	<u>(3,156)</u>	<u>(1,994)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		32,714	23,969
Tax on profit on ordinary activities	7	<u>(6,500)</u>	<u>5,088</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	20	<u>26,214</u>	<u>29,057</u>

The Company has no other comprehensive income for the year and hence the profit for the financial year represents the total comprehensive profit for the year.

All results relate to continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

ALPINE RACING LIMITED**BALANCE SHEET****Registered No: 1806337****Year ended 31 December 2022**

	Note	2022	2021
		£000	£000
NON-CURRENT ASSETS			
Intangible assets	8	11,067	6,414
Tangible fixed assets	9	60,091	54,712
Heritage assets	10	3,694	3,622
Debtors	13	3,473	5,250
		78,325	69,998
CURRENT ASSETS			
Stocks	11	13,213	10,039
Debtors	12	37,091	58,514
Cash at bank and in hand		15,908	2,152
		66,212	70,705
CREDITORS: amounts falling due within one year	14	(138,294)	(163,772)
NET CURRENT LIABILITIES		(72,082)	(93,067)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,243	(23,069)
CREDITORS: amounts falling due after one year	15	(6,886)	(3,788)
NET LIABILITIES		(643)	(26,857)
CAPITAL AND RESERVES			
Called up share capital	19	158,346	158,346
Share premium	19	13,256	13,256
Capital contribution reserves	21	42,154	42,154
Profit and loss account	20	(214,399)	(240,613)
EQUITY SHAREHOLDERS' DEFICIT	21	(643)	(26,857)

The notes on pages 15 to 32 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28th March 2023.

On behalf of the board

DocuSigned by:

Laurent Rossi

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Laurent Rossi

Director

ALPINE RACING LIMITED**STATEMENT OF CHANGES IN EQUITY****Year ended 31 December 2022**

	Called up Share capital	Share Premium account	Capital contribution reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
Balance at 1 January 2021	158,346	13,256	42,154	(269,670)	(55,914)
Total comprehensive income for the period					
Profit or loss	-	-	-	29,057	29,057
Total comprehensive income for the period	-	-	-	29,057	29,057
Balance at 31 December 2021	158,346	13,256	42,154	(240,613)	(26,857)
Total comprehensive income for the period					
Profit or loss	-	-	-	26,214	26,214
Total comprehensive income for the period	-	-	-	26,214	26,214
Balance at 31 December 2022	158,346	13,256	42,154	(214,399)	(643)

The notes on pages 15 to 32 form part of these financial statements

ALPINE RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES

Alpine Racing Limited is a private Company, incorporated, domiciled and registered in the UK. The registered number is 1806337. The registered address is Whiteways Technical Centre, Enstone, Oxfordshire, OX7 4EE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Renault S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Renault S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Renault 13/15, quai Le Gallo – 92513 Boulogne-Billancourt Cedex France.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except heritage assets which are stated at fair value.

Going concern

The Company's business activities, together with the factors that are likely to affect its future development and position, are set out within the strategic report on page 1. Notwithstanding net current liabilities of £72,082,000 and net liabilities of £643,000 as at 31 December 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared profit and cashflow forecasts for a period to 31 December 2024. These forecasts are based on an expected 23 race season for 2023 and 2024 and a severe but plausible downside scenario, which is based on a reduction in prize money and sponsorship income. These forecasts, which have been shared with the wider Renault Group, indicate that the company has sufficient funding, through its existing facility with its intermediate parent company, Renault S.a.S., to meet its liabilities as they fall due for the forecast period.

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****1. ACCOUNTING POLICIES (CONTINUED)**

Those forecasts are dependent on the company's intermediate parent company, Renault S.a.S., not seeking repayment of the amounts currently due to them, which as at 31 December 2022 amounted to £100,221,000 (2021: £125,086,000). No amounts have been drawn down on this facility since the year end and no further drawdown is forecast to be required in the forecasts and in the severe but plausible downside scenario. Renault S.a.S. has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts or reduce the existing facility and has publicly supported the team. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Trade and other debtors / creditors

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method or fair value, depending on the classification of the financial asset or liability less any credit impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Company does not have any bank overdraft facilities.

ALPINE RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at deemed cost or historic cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 101, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold Buildings	10-30 years
Motor vehicles	5-8 years
Plant and machinery	6-18 years
Furniture and fittings	3-10 years

Assets under construction are held separately within fixed assets and are not subject to depreciation until they are brought into use. When the asset is brought into use it is transferred to the relevant fixed asset category.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant **change since last annual reporting date in the pattern by which the company expects to consume an asset's** future economic benefits.

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

Software and other intangible assets	2-7 years
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Heritage assets

The Company holds heritage assets, being its collection of historic cars. The carrying amounts of the **Company's heritage assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable** amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

The historic cars have an indefinite life, and therefore, are not depreciated. The Company maintains these vehicles on a regular basis, charging the maintenance costs to the profit and loss account when incurred. The Company may dispose of any cars from the collection subject to management approval, at such time the value would be removed from the balance sheet.

Research and development

Expenditure on research activities, primarily relating to the development of race cars, is recognised in the profit and loss account as an expense as incurred.

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****1. ACCOUNTING POLICIES (CONTINUED)****Stocks**

The company has recognised as stocks, items that will be used in the production of next seasons racing cars. Stocks include raw materials and work in progress and are stated at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks. Manufactured stocks and work in progress include an appropriate share of directly attributable overhead based on normal operating capacity.

Impairment excluding stocks and deferred tax assets*Financial assets (including trade and other debtors)*

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the **present value of the estimated future cash flows discounted at the asset's original effective interest rate**. Impairment losses are recognised in profit or loss.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Employee benefits*Defined contribution plans and other long-term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****1. ACCOUNTING POLICIES (CONTINUED)****Turnover**

Turnover principally comprises sponsorship income, prize money and other promotional income. Sponsorship receipts and promotional income are credited to the profit and loss account in line with the satisfaction of the relevant performance obligations and significant payment terms of the agreement. Prize money is credited to the profit and loss account in line with the year to which it relates.

In certain cases, the company enters into agreements with suppliers whereby goods and services are received in exchange for various sponsorship and marketing activities. In such cases turnover is recorded at the fair value of the goods or services rendered.

The directors do not consider there to be more than one class of business or geographical segment and therefore no further analysis of results by class of business or geographical segment is presented.

Expenses*Interest receivable and interest payable*

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Accounting estimates and judgments

The preparation of 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 period. However, the nature of estimation means that actual outcomes could differ from those estimates. The directors do not consider there to be any judgements or estimates in relation to these financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

ALPINE RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At the contract's commencement date, a lessee recognises an asset related to the right of use, and a financial liability that represents the lease obligation. The right-of-use asset is amortised over the term of the lease. The lease liability is initially recognised at the present value of lease payments over the expected term of the lease. The discount is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise.

The term of the lease is the non-cancellable period of a lease contract during which the lessee has the right to use the leased asset, extended by any renewal options the Company is reasonably certain to exercise.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

The Company does not currently act as a lessor in any capacity.

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****2. OPERATING PROFIT**

	2022	2021
	£000	£000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	10,711	10,705
Amortisation of intangible assets	2,840	1,679
Profit/(loss) on disposal of tangible fixed assets	(110)	(192)
Profit/(loss) on disposal of heritage assets	-	98
Lease expenses		
Land and buildings	11	29
Plant and machinery	49	55
Motor Vehicles	45	60
Loss on foreign exchange	(1,889)	(1,981)
Auditor's remuneration		
Audit of the financial statements	90	64
Other assurance services	40	25

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2022	2021
Average number of persons employed:		
Engineering	388	383
Production	272	263
Administration	211	174
	871	820

	2022	2021
	£000	£000
Staff costs during the year:		
Wages and salaries	62,636	52,299
Social security costs	8,162	6,440
Contributions made to defined contribution plans	1,496	1,179
	72,294	59,918

4. DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2022	2021
	£000	£000
Remuneration	208	1,817
Company contributions to pension plan	-	5
	208	1,822

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****4. DIRECTORS' REMUNERATION (CONTINUED)**

The notional cost of Directors not remunerated through Alpine Racing has been considered and is not deemed to be significant for the years ended 31 December 2022 or 31 December 2021.

The remuneration of the highest paid Director was £208,046 (2021: £1,652,000), and company pension contributions of £0 (2021: £2,000) were made. £783,000 in relation to compensation for loss of office is included in the prior year amount.

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£000	£000
Other interest receivable	<u>320</u>	<u>12</u>
	320	12

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£000	£000
On intercompany loans	3,027	1,918
On lease liabilities	129	76
On bank loans and overdrafts, and other liabilities	<u>-</u>	<u>-</u>
	3,156	1,994

Interest payable and similar charges includes interest payable and similar on bank loans and overdrafts, this was £0 for 2022 (2021: £0). Of the above amount £3,027,000 (2021: £1,918,000) was payable to group undertakings.

7. TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022	2021
	£000	£000
Analysis of tax charge in the period		
UK current tax on income for the period	2,826	2,008
Adjustment in respect of prior years	442	45
Foreign tax suffered	<u>246</u>	<u>-</u>
Total current tax charge	3,514	2,053

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**7. TAXATION (CONTINUED)**

	2022 £000	2021 £000
Deferred tax		
Current year	2,712	(6,050)
Adjustment in respect of previous periods	119	-
Effect of changes in tax rates	155	(1,091)
Total deferred tax	2,986	(7,141)
Total tax (credit)/charge for the year	6,500	(5,088)

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit/(Loss) on ordinary activities before tax	32,714	23,969
Tax at 19% (2021: 19%) thereon	6,216	4,554
Effects of:		
Adjustments in respect of prior years	560	45
Expenses not deductible for tax purposes	749	534
Losses recognised	(1,030)	(8,699)
RDEC	(513)	(219)
Tax rate changes	155	(1,091)
Temporary differences (recognised)/not recognised	-	(137)
Fixed assets (recognised)/not recognised	-	-
RDEC step 2 recognised	117	(75)
Effects of group relief	-	-
Foreign tax suffered	246	-
Total tax (credit)/charge for the year	6,500	(5,088)

Factors affecting future tax charges

The main rate of corporation tax for the current financial year is 19%. It was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge. Deferred tax has been calculated based on the rate substantively enacted at the balance sheet date 25% (2021: 25%).

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**8. INTANGIBLE ASSETS**

	Software and Other Intangible Assets £000	Total £000
Cost		
At 1 January 2022	21,503	21,503
Additions	6,428	6,428
Transfers	1,065	1,065
Disposals	-	-
At 31 December 2022	28,996	28,996
Accumulated depreciation		
At 1 January 2022	15,089	15,089
Charge for the year	2,840	2,840
Transfers	-	-
Disposals	-	-
At 31 December 2022	17,929	17,929
Net book value		
At 31 December 2022	11,067	11,067
At 31 December 2021	6,414	6,414

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Plant and machinery	Furniture and Fittings	Motor vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2022	46,003	41,911	45,150	404	5,911	139,379
Additions	1,581	1,530	8,215	52	5,955	17,333
Transfers	2,320	431	1,782	-	(5,598)	(1,065)
Disposals	(2)	(311)	(15,095)	(40)	(67)	(15,515)
At 31 December 2022	49,902	43,561	40,052	416	6,201	140,132
Accumulated depreciation						
At 1 January 2022	23,904	25,033	35,366	364	-	84,667
Charge for the year	1,732	3,909	5,042	28	-	10,711
Disposals	(2)	(241)	(15,054)	(40)	-	(15,337)
At 31 December 2022	25,634	28,701	25,354	352	-	80,041
Net book value						
At 31 December 2022	24,268	14,860	14,698	64	6,201	60,091
At 31 December 2021	22,099	16,878	9,784	40	5,911	54,712

Included in the total for freehold land and buildings is land of £1,220,000 (2020: £1,220,000) which is not depreciated.

The fixed assets have been considered for indicators of impairment and none noted in the current year.

Right-of-use assets

At 31 December 2022 tangible fixed assets includes right-of-use assets as follows:

	Land and Buildings	Plant and equipment	Motor Vehicles	Fixtures and fittings	Total
	£000	£000	£000	£000	£000
Cost					
Balance as at 1 January 2022	679	986	-	10,250	11,915
Additions to right-of-use assets	-	895	52	5,204	6,151
Disposals	-	-	-	(5,989)	(5,989)
Balance as at 31 December 2022	679	1,881	52	9,465	12,077
Accumulated depreciation					
Balance as at 1 January 2022	106	-	-	5,794	5,900
Depreciation charge for the year	127	168	9	2,164	2,468
Reversals	-	-	-	(5,989)	(5,989)
Disposals	-	-	-	-	-
Balance as at 31 December 2022	233	168	9	1,969	2,379
Net book value as at 31 December 2022	446	1,713	43	7,496	9,698
Net book value as at 31 December 2021	573	986	-	4,456	6,015

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****10. HERITAGE ASSETS**

<i>Valuation</i>	Historic Cars £000
At 1 January 2022	3,622
Additions	72
Disposals	-
At 31 December 2022	3,694

Five-year financial summary of heritage asset transactions

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Additions	72	122	-	-	-
Disposals	-	(450)	(20)	(10)	-
Total	72	(328)	(20)	(10)	-

These assets are held on the balance sheet at valuation and are formally re-valued every five years. The assets were valued independently as at 30 September 2020 by T.J. Madden MRICS of Wyles Hardy & Co. Ltd. No material difference was identified and therefore, the financial statements were not updated.

11. STOCKS

	2022 £000	2021 £000
Raw materials and work in progress	13,213	10,039

The difference between the purchase price of stocks and their replacement cost is not material.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000	2021 £000
Trade debtors	1,600	3,289
Amounts due from group undertakings	497	17,629
Value added tax	2,968	2,267
Other debtors	749	29
Prepayments and accrued income	30,595	33,409
Deferred tax asset (note 17)	682	1,891
	37,091	58,514

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£000	£000
Deferred tax asset (note 17)	3,473	5,250
	3,473	5,250

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Trade creditors	7,452	6,178
Amounts owed to group undertakings	405	8,943
Corporation tax	2,826	4,015
Withholding tax	450	450
Other taxation and social security	6,028	2,572
Accruals and deferred income	18,327	14,740
Loans	100,221	125,086
Lease liabilities	2,585	1,788
	138,294	163,772

15. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2022	2021
	£000	£000
Lease liabilities	6,886	3,788

16. INTEREST BEARING LOANS AND BORROWINGS

	2022	2021
	£000	£000
Borrowings falling due within less than one year		
Intercompany loan	100,000	125,000
Accrued interest on intercompany loan	221	86
	100,221	125,086

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)****Terms and debt repayment schedule**

	Principal borrowed £000	Year of maturity	Principal Outstanding	
			2022 £000	2021 £000
Intercompany loan	100,000	2023	100,000	125,000
			100,000	125,000

17. DEFERRED TAX ASSETS AND LIABILITIES

	2022 £000	2021 £000
Recognised deferred tax:		
Fixed assets	(6,054)	(5,737)
Temporary differences	114	89
Losses	10,095	12,789
Net tax assets	4,155	7,141
Unrecognised deferred tax:		
Fixed assets	-	-
Temporary differences	-	-
Losses	13,619	10,986
Net unrecognised tax assets	13,619	10,986

18. DEFINED CONTRIBUTION PLANS

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £1,496,000 (2021: £1,179,000)

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**19. CALLED UP SHARE CAPITAL**

	2022	2021	2022	2021
	No.	No.	£000	£000
	000's	000's	£000	£000
Allotted, called-up and fully paid Ordinary A shares	142,512	142,512	142,512	142,512
Allotted, called-up and fully paid Ordinary B shares	15,834	15,834	15,834	15,834
Share premium	-	-	13,256	13,256
	158,346	158,346	171,602	171,602

Included in the note above, there is 151,601,990 ordinary shares allotted for £1 each and 6,744,444 shares allotted for £2.965404 each.

The holders of A ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of B ordinary shares are entitled to receive dividends as declared from time to time and have no voting rights attached to them.

20. PROFIT AND LOSS ACCOUNT

	2022	2021
	£000	£000
Balance at 1 January	(240,613)	(269,670)
Profit for the financial year	26,214	29,057
Balance at 31 December	(214,399)	(240,613)

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2022	2021
	£000	£000
Profit for the year	26,214	29,057
Net decrease to shareholders' deficit	26,214	29,057
Opening shareholders' deficit	(26,857)	(55,914)
Closing shareholders' deficit	(643)	(26,857)

On 17 December 2015, 90,901,990 shares at £1 each were issued in order to capitalise the outstanding liabilities under the intercompany loan. Further intercompany debts were waived, this value (£42,154,000) is shown as capital contribution reserves.

ALPINE RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

22. FINANCIAL INSTRUMENTS

The Company has taken an exemption from the requirement to prepare a financial instruments note on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. The amounts owed by group undertakings have not been included within the consolidated financial statements and have been considered below.

Amounts owed by and to group undertakings

The fair value of amounts owed by and to group undertakings are estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Management believe there are no risks arising from these financial instruments on the grounds that intercompany balances are payable on demand and interest is charged to group undertakings. While the intercompany loan is interest bearing, and repayable on a 3 month rolling basis, this is in line with a signed agreement. The Board reviews and agrees policies for managing these risks. There have been no substantive changes in the Company's exposure to financial instrument risks or its objectives, policies and processes for managing and measuring those risks during the periods in this report unless otherwise stated.

	Level	Carrying amount 2022 £000	Fair value 2022 £000	Carrying amount 2021 £000	Fair value 2021 £000
Amounts due from Group undertakings	3	497	497	17,629	17,629
Total financial assets		497	497	17,629	17,629
Amounts owed to Group undertakings	3	405	405	8,943	8,943
Intercompany loan	3	100,221	100,221	125,086	125,086
Total financial liabilities measured at amortised cost		100,626	100,626	134,029	134,029

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

Level 1 – inputs are quoted prices in active markets.

Level 2 – a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets.

Level 3 – a valuation using unobservable inputs, i.e. a valuation technique.

There were no transfers between levels throughout the periods under review.

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**23. LEASES***Right-of-use assets*

See note 9.

Lease liabilities

	2022	2021
	£000	£000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	3,159	1,813
One to five years	7,669	3,551
More than five years	-	497
Total undiscounted lease liabilities at 31 December	10,828	5,861
Lease liabilities included in the statement of financial position as at 31 December	9,471	5,576
Current	2,585	1,788
Non-current	6,886	3,788

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the company is a lessee:

	2022	2021
	£000	£000
Leases under IFRS 16		
Interest expense on lease liabilities	129	76
Expenses relating to short-term leases	14	18
Expenses relating to leases of low-value assets accounted, excluding short-term leases of low-value assets	1	2
Other lease payments including variable lease payments	90	124

ALPINE RACING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****24. RELATED PARTIES**

	Sales to		Administrative expenses incurred from	
	2022	2021	2022	2021
	£000	£000	£000	£000
Entities with control, joint control or significant influence	17,497	17,508	3,268	1,920
Other related parties	42,296	60,688	17,189	16,985
	59,793	78,196	20,457	18,905

	Receivables outstanding		Creditors outstanding	
	2022	2021	2022	2021
	£000	£000	£000	£000
Entities with control, joint control or significant influence	363	17,231	100,221	125,144
Other related parties	134	398	405	8,885
	497	17,629	100,626	134,029

For transactions with Directors please see note 4.

25. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Grigny (UK) Limited. The ultimate controlling party is Renault S.A. at Renault 13-15, quai Le Gallo – 92513 Boulogne-Billancourt Cedex, France.