

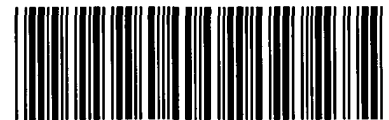
Onto Holdings Limited

**Annual report and consolidated financial
statements**

Registered number 10479888

31 December 2021

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Strategic report

The Directors present their strategic report of Onto Holdings Limited (“the Company”) and its subsidiaries (together “the Group”). This is the first time that consolidated audited statements have been prepared for the Group.

The Strategic report has been prepared to provide shareholders of the Group with information to assess the Group’s strategies and the potential for those strategies to succeed.

Principal activities

The Group operates an electric vehicle (“EV”) subscription platform that provides customers with fully flexible and hassle-free driving within a monthly contract. The customer pays a single monthly payment to include the capital cost of the car, maintenance, servicing, insurance, public electric charging within certain networks and tax.

The Group currently offers subscriptions to customers within Great Britain.

Business and finance review

Revenue for the year to 31 December 2021 was £12,648,000 which is a 253% increase per month versus the 4 months ended 31 December 2020. This reflects the increased acceptance of the EV subscription model in the targeted markets, with a commensurate increase in the fleet. The Group continues to offer an expanded range of models from the main manufacturers including Renault, Volkswagen, Peugeot, Jaguar and Tesla.

Most of our customers are consumers, although the Group has initiated an Onto for Business proposition for corporate customers.

Total net fixed assets increased to £122,327,000, compared to £26,876,000 at the prior year-end. Most assets are externally funded through SPVs that are 100% owned by the Company.

The business received new equity and debt lines totalling £101,000,000 to support its growth plans in 2021 from both new and existing investors and funders. The British Government’s Future Fund converted their convertible loan at this time. Since the year-end the business has received a further £96,000,000 of equity and debt lines also from new and existing investors and funders.

Overall the loss in the business was £15,774,000 compared to £3,375,000 in the preceding 4 months.

Principal risks and uncertainties

The Group is committed to ensuring that the key risks and threats are identified and continually assessed, mitigated and monitored. The Group is continuously working to develop and strengthen the enterprise risk management framework.

The risks described below are not an exhaustive list of the risks faced by the Group, but are a consolidation of those to be of principal significance to the Group. Additional risks and uncertainties, including those that are not currently known or are deemed to be immaterial may individually and/or cumulatively also have a material adverse effect on the Group.

Strategic and Commercial risk

As with all businesses, we are inherently exposed to a number of strategic and commercial risks. These risks are monitored closely by the Board and leadership team on an ongoing basis. They relate to areas such as:

- Reputation and brand management
- Competition and consumer trends
- Macroeconomic conditions
- Government taxation decisions and
- Reliance on third-party suppliers.

Strategic report *(continued)*

Strategic and Commercial risk *(continued)*

Mitigations for risks in these areas are embedded within the day-to-day processes and include the close monitoring of our KPIs, market research, sensitivity analysis and the maintenance of close relationships with key suppliers and partners.

Operational risk

Similarly to the Group's strategic and commercial risks, the Group faces a number of operational risks which are monitored by the Board and the leadership team. These risks include:

- Talent recruitment and succession
- Technology and systems
- Health and safety
- Business disruption
- Operational efficiency

To mitigate against these risk areas the Group is investing in automation and implementing greater controls and review processes wherever possible. The Group continues to invest in the data, system and IT infrastructure as well as the core technology-based systems used to drive and the support the Group and its customers.

Likewise, the Group continues to invest in its people, offering competitive employment packages and development opportunities to attract and retain the best talent. Through the Covid 19 pandemic, the Group proved resilient and continued to operate successfully during the difficult environment the country found itself in. Investment continues in the well-being of employees, and the Company have recently moved to a new office which support the health and safety policies required to protect employees.

Funding position

Following the split of the ordinary shares of the company 10:1 in March 2021, the company was funded through the issue of ordinary shares, with a total of 3,817,062 Series B preference shares of £0.000001 issued in the year, together with 24,600 ordinary shares, for a total net consideration of £28,460,000 (see note 20).

Subsequent to the year-end a further 10:1 split in the company's shares was made and the company was funded through the issue of 23,345,910 Series C preference shares of £0.0000001 for a total net consideration of £45,508,000. (see note 25)

Total funding lines for vehicle purchases at the end of December 2021 amounted to £112,000,000 (£37 million December 2020). Further funding lines of £50,000,000 have been secured during 2022.

The directors have prepared a budget extending to 31 December 2022 supplemented by forecasts for the period to 31 December 2023, and believe that, with the bank facilities in place and the ongoing support of the Group's major shareholders, the Group can continue to operate as a going concern for a period of at least twelve months from the date of the financial statements. The directors are confident that the funding position available to the Group is adequate to fund the Group's ongoing operational and growth requirements.

Financial risk management objectives and policies

The main risks arising from the Group's operations are customer risk, credit risk, liquidity risk and interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Customer risk

The Group has a broad portfolio of customers, geographically spread entirely within Great Britain, consisting mostly of consumers and small businesses, with no material exposure to any one customer. All customers are assessed on a number of criteria as identified on Onto's website, and potential customers are rejected if they fail to meet the relevant criteria.

Strategic report *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk

To reduce credit risk, consumers are required to pay via credit card/direct debit in advance for their monthly subscription, with small businesses invoiced in advance of the start of the month for payment via direct debit. To manage the credit risk, the directors ensure appropriate credit control policies and procedures are maintained. The credit worthiness of small businesses is assessed through checks with credit referencing agencies and are continually reviewed by the credit control team in conjunction with debt ageing and collection history. Failure to pay on time will result in the cancellation of the contract and the car being recovered from the client.

Funding and liquidity risk

The Group seeks to manage liquidity risk by analysing short and medium term cashflow requirements to ensure sufficient liquidity is available to meet foreseeable needs. The business has a series of funding lines for its vehicle purchases. These are actively managed and are a variety of fixed and floating rate funding lines, with different covenants for each funder. Continuous discussions are held with each of the funders to keep them abreast of developments in the business.

The business constantly monitors development in the marketplace and negotiates new funding lines well ahead of the required funding.

Interest rate risk

The Group continues to source a mix of third-party funding backed by the vehicle assets, both at fixed rates and variable rates linked to SONIA on competitive market terms. The business is developing hedging policies to mitigate the variability inherent in variable rate funding in the future.

Regulatory

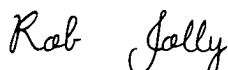
As a limited company, and consumer facing business, the Group is exposed to a number of regulatory areas, both directly and indirectly. These include, but are not limited to, financial conduct and reporting regulations, employment law, data protection and health & safety. To mitigate against the risks in this area the Group is continuously reviewing the in-house capabilities as well as the processes and controls. In addition, the Group maintains close relationships with a number of specialist advisers.

The Group continues to promote the adoption of zero-emission vehicles as a key stepping stone to meeting the Government's mandate on banning the sale of new petrol and diesel cars which will come into effect from 2030. Despite this mandate, the Government has stopped plug-in-car-grants in mid-2022 on the first registration of a zero-emission vehicle, increasing the cost to consumers to buy such vehicles.

Other

The Board continues to monitor the impact on the business of the war in Ukraine, and the impact on the business. The direct business disruption is limited, but there are some impacts on suppliers, and we continue to work closely with them to minimise the effects on the business.

On behalf of the Board



R Jolly
Director

Ailsa House
Wedgnock Lane
Warwick
CV34 5YA

22 November 2022

Directors' report

The directors present their annual report and consolidated financial statements for the year ended 31 December 2021.

Principal activities

The Company supplies consumers and business with electric vehicles on a monthly subscription.

Research and development

The Company develops software to support the business model and customer proposition.

Dividends

Interim dividends totalling £nil were paid during the year (2020: £nil). The directors do not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: £nil).

Directors

The directors who held office during the year and to the date of this report were as follows:

T Afshari (appointed 17 June 2021)
C J P Hopkins (appointed 17 June 2021)
R Jolly
D O'Meachair
D E Salaman
W J Pieterse (appointed 28 April 2022)

The directors and officers were insured by third party indemnity insurance during the period.

Political donations

There were no political donations made by either the Group or the Company in either year.

Going concern

Notwithstanding net current liabilities of £8,161,000 as at 31 December 2021 and a loss for the year then ended of £15,774,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group is financed by a series of loan facilities as set out in note 16, in addition subsequent to the year end there has been a further loan and equity raise as outlined in note 25.

The Directors have prepared two models to assess the going concern assumption for a period of at least 12 months from the date of approval of these financial statements. The first of these scenarios assumes no growth in the vehicle fleet throughout the assessment period. Under this scenario the business has sufficient cash to meet their liabilities as they fall due and is able to continue as a going concern. However, it remains the intention of the Directors to continue growing the fleet of electric vehicles available for hire. Therefore, the second scenario assumes continued growth in the fleet of electric vehicles which would need to be supported through additional funding or equity raises. The additional funding would include further covenants and most likely require a reset of covenants on the current facilities. However, the second scenario is entirely within the control of the Directors and additional funding to support the growth will not be entered in to without ensuring covenant compliance.

The Directors are currently engaged in a number of positive conversations with potential lenders and investors and continue to maintain strong relationships with existing funders. Therefore, the Directors are confident the additional funding required will be available and covenants remedied, if necessary. However, should either the funding not be available or the existing vehicle supply chain issues persist then, as evidenced in the first going concern scenario set out above, the Directors are confident in the Group and Company's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business.

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.

Directors' report *(continued)*

Post balance sheet events

On 28 January 2022 the company amended an existing loan agreement to increase the facility limit by £25,000,000.

On 31 January 2022 the Group raised additional debt facilities amounting to £25,000,000.

On 28 April 2022 the Company split the existing Ordinary Shares and Series B Preferred Shares in a ratio of 10 new shares for each existing share.

On 28 April 2022 the company issued 20,981,847 Series C Preferred Shares of £0.0000001 each for £41,500,000 consideration.

On 26 July 2022 the company issued 2,364,063 Series C Preferred Shares of £0.0000001 each for £4,008,000 consideration.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG LLP were appointed as auditor on 18 January 2022.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



R Jolly
Director

Ailsa House
Wedgcock Lane
Warwick
CV34 5YA

22 November 2022

Statement of Directors' responsibilities in respect of the Annual report, the Directors' report and the financial statements

The Directors are responsible for preparing the Annual report, the Directors' report and parent company 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 Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company 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 Group and parent 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 Group or the parent 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.



KPMG LLP

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United Kingdom

Independent auditor's report to the members of Onto Holdings Limited

Opinion

We have audited the financial statements of Onto Holdings Limited ("the Company") for the year ended 31 December 2021 which comprise the Consolidated profit and loss account, Consolidated and Company balance sheets, Consolidated and Company statement of changes in equity, Consolidated Cash flow statement 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 Group 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 Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and 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 Group or 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 Group or 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 as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

Independent auditor's report to the members of Onto Holdings Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (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 our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk that revenue generated from the rental of electric vehicles is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected pairings in relation to revenue, cash and loans and journals posted to seldom used accounts.
- Performing focused testing on revenue recognised around the year end to ensure recognition in the appropriate accounting period.

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 (as required by auditing standards) and discussed with the directors 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 Group 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 Group 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. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors 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.

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 these 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.

Independent auditor's report to the members of Onto Holdings Limited (continued)

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 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.

We have nothing to report in these respects.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 Group and 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 they either intend to liquidate the Group or the parent 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.

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.



Nicola Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

22 November 2022

Consolidated profit and loss account
for year ended 31 December 2021

	<i>Note</i>	2021	4-month period ended 31 December 2020
		£000	£000
Turnover	2	12,648	1,195
Cost of sales		(10,048)	(1,028)
		<hr/>	<hr/>
Gross profit		2,600	167
Administrative expenses <i>(including exceptional items of £1,043,000 (4 month period ended 31 December 2020: £nil) as included in note 19)</i>		(13,759)	(2,062)
		<hr/>	<hr/>
Operating loss	3	(11,159)	(1,895)
Interest payable and similar charges	7	(5,479)	(1,480)
		<hr/>	<hr/>
Loss before tax		(16,638)	(3,375)
Taxation	8	864	-
		<hr/>	<hr/>
Loss for the financial year		(15,774)	(3,375)
		<hr/> <hr/>	<hr/> <hr/>

All results are from continuing operations.

There was no other comprehensive income in the current or preceding year. Therefore, a separate statement of comprehensive income has not been presented.

The notes on pages 16 to 37 form part of these financial statements.

Consolidated balance sheet
at 31 December 2021

	<i>Note</i>	2021 £000	£000	2020 £000	£000
Fixed assets					
Tangible assets	<i>9</i>		122,327		26,876
Intangible assets	<i>10</i>		1,061		-
			<hr/>		<hr/>
			123,388		26,876
Current assets					
Debtors	<i>12</i>	3,278		2,979	
Cash at bank and in hand	<i>13</i>	7,633		3,887	
			<hr/>	<hr/>	
		10,911		6,866	
Creditors: amounts falling due within one year	<i>14</i>	(19,072)		(6,181)	
			<hr/>	<hr/>	
Net current (liabilities)/assets			(8,161)		685
			<hr/>		<hr/>
Total assets less current liabilities			115,227		27,561
Creditors: amounts falling due after more than one year	<i>15</i>		(103,998)		(31,768)
			<hr/>		<hr/>
Net assets/(liabilities)			11,229		(4,207)
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	<i>20</i>		-		-
Share premium account			32,149		4,903
Profit and loss account			(23,841)		(10,363)
Share based payment reserve			2,921		1,253
			<hr/>		<hr/>
Shareholders' funds/(deficit)			11,229		(4,207)
			<hr/> <hr/>		<hr/> <hr/>

The notes on pages 16 to 37 form part of these financial statements.

These financial statements were approved by the board of Directors on 22 November 2022 and were signed on its behalf by:

Rab Jolly

R Jolly
Director

Company registered number: 10479888

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2020	-	4,453	1,011	(6,988)	(1,524)
Total comprehensive loss for the period					
Loss for the period	-	-	-	(3,375)	(3,375)
Total comprehensive loss for the period	-	-	-	(3,375)	(3,375)
Transactions with owners, recorded directly in equity					
Equity-settled share based payment transactions	-	-	242	-	242
Issue of shares at premium	-	450	-	-	450
Total contributions by owners	-	450	242	-	692
Balance at 31 December 2020	-	4,903	1,253	(10,363)	(4,207)
Balance at 1 January 2021	-	4,903	1,253	(10,363)	(4,207)
Total comprehensive loss for the year					
Loss for the year	-	-	-	(15,774)	(15,774)
Total comprehensive loss for the period	-	-	-	(15,774)	(15,774)
Transactions with owners, recorded directly in equity					
Issue of shares at premium	-	27,246	-	-	27,246
Equity-settled share based payment transactions	-	-	3,964	-	3,964
Transfer of share-based payment reserve	-	-	(2,296)	2,296	-
Total contributions by owners	-	27,246	1,668	2,296	31,210
Balance at 31 December 2021	-	32,149	2,921	(23,841)	11,229

The notes on pages 16 to 37 form part of these financial statements.

Consolidated cash flow statement
for year ended 31 December 2021

	2021	4-month period ended 31 December 2020
	£000	£000
Cash flows from operating activities		
Loss for the period	(15,774)	(3,375)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	4,590	587
Profit of sale of tangible fixed assets	(1,551)	(67)
Interest payable and similar charges	5,479	1,480
Equity settled share based payment expenses	3,964	242
Taxation	(864)	-
	<u>(4,156)</u>	<u>(1,133)</u>
Decrease/(Increase) in trade and other debtors	19	(1,613)
Increase/(Decrease) in trade and other creditors	8,277	2,241
	<u>4,140</u>	<u>(504)</u>
Tax received	546	-
Net cash inflow from operating activities	<u>4,686</u>	<u>(504)</u>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	14,455	2,562
Acquisition of tangible fixed assets	(98,256)	(12,564)
Acquisition of intangible fixed assets	(1,061)	-
Net cash outflow from investing activities	<u>(84,862)</u>	<u>(10,002)</u>
Cash flows from financing activities		
Proceeds from the issue of share capital	24,293	450
Repayment of finance lease liabilities	(9,485)	(2,451)
Proceeds from other borrowings	80,838	18,130
Repayment of other borrowings	(4,729)	(199)
Interest paid and debt issue costs	(6,995)	(1,610)
Net cash inflow from financing activities	<u>83,922</u>	<u>14,320</u>
Net increase in cash and cash equivalents	<u>3,746</u>	<u>3,814</u>
Cash and cash equivalents at 1 January 2021 (1 September 2020)	3,887	73
Cash and cash equivalents at 31 December	<u><u>7,633</u></u>	<u><u>3,887</u></u>

The notes on pages 16 to 37 form part of these financial statements.

Company Balance sheet
at 31 December 2021

	<i>Note</i>	2021	2020 (as restated*)		
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>9</i>		21,860		13,633
Intangible assets	<i>10</i>		1,061		-
Investments	<i>11</i>		-		-
			<hr/>		<hr/>
			22,921		13,633
Current assets					
Debtors	<i>12</i>	8,302		1,621	
Cash at bank and in hand	<i>13</i>	6,482		535	
			<hr/>		<hr/>
		14,784		2,156	
Creditors: amounts falling due within one year	<i>14</i>	(14,017)		(6,062)	
Net current assets/(liabilities)			<hr/> 767		<hr/> (3,906)
Total assets less current liabilities			<hr/> 23,688		<hr/> 9,727
Creditors: amounts falling due after more than one year	<i>15</i>		<hr/> (11,150)		<hr/> (14,020)
Net assets/(liabilities)			<hr/> 12,538		<hr/> (4,293)
Capital and reserves					
Called up share capital	<i>20</i>		-		-
Share premium account			32,149		4,903
Share based payment reserve			2,921		1,253
Profit and loss account			(22,532)		(10,449)
			<hr/>		<hr/>
			12,538		(4,293)
			<hr/> <hr/>		<hr/> <hr/>

*See note 24 for details of the restatement.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The Company's loss for the year was £14,379,000 (4 month period ended 31 December 2020: £3,127,000).

The notes on pages 16 to 37 form part of these financial statements.

These financial statements were approved by the board of Directors on 22 November 2022 and were signed on its behalf by:

Rab Jolly

R Jolly
Director

Company registered number: 10479888

Company statement of changes in equity

	Share capital £000	Share premium account £000	Other reserves £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2020 (as previously reported)	-	4,453	2,953	-	(4,783)	2,623
Prior period adjustment (see note 24)	-	-	(2,953)	1,011	(2,541)	(4,483)
Balance at 1 September 2020 (as restated)	-	4,453	-	1,011	(7,324)	(1,860)
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(3,125)	(3,125)
Total comprehensive loss for the period	-	-	-	-	(3,125)	(3,125)
Transactions with owners, recorded directly in equity						
Equity-settled share based payment transactions	-	-	-	242	-	242
Issue of shares at premium	-	450	-	-	-	450
Total contributions by owners	-	450	-	242	-	692
Balance at 31 December 2020 (restated)	-	4,903	-	1,253	(10,449)	(4,293)
Balance at 1 January 2021 (restated)	-	4,903	-	1,253	(10,449)	(4,293)
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(14,379)	(14,379)
Total comprehensive loss for the period	-	-	-	-	(14,379)	(14,379)
Transactions with owners, recorded directly in equity						
Issue of shares at premium	-	27,246	-	-	-	27,246
Equity-settled share based payment transactions	-	-	-	3,964	-	3,964
Transfer of share-based payment reserve	-	-	-	(2,296)	2,296	-
Total contributions by owners	-	27,246	-	1,668	2,296	31,210
Balance at 31 December 2021	-	32,149	-	2,921	(22,532)	12,538

The notes on pages 16 to 37 form part of these financial statements.

Notes

(forming part of the financial statements)

1 General information

Onto Holdings Limited is a private limited company, limited by shares, incorporated in England and Wales. The registered number is 10479888 and the registered office is Ailsa House, Wedgnoek Lane, Warwick, CV34 5YA, UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time;
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

The financial statements are prepared on the historical cost basis.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.13.

1.1 *Going concern*

Notwithstanding net current liabilities of £8,161,000 as at 31 December 2021 and a loss for the year then ended of £15,774,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group is financed by a series of loan facilities as set out in note 16, in addition subsequent to the year end there has been a further loan and equity raise as outlined in note 25.

The Directors have prepared two models to assess the going concern assumption for a period of at least 12 months from the date of approval of these financial statements. The first of these scenarios assumes no growth in the vehicle fleet throughout the assessment period. Under this scenario the business has sufficient cash to meet their liabilities as they fall due and is able to continue as a going concern. However, it remains the intention of the Directors to continue growing the fleet of electric vehicles available for hire. Therefore, the second scenario assumes continued growth in the fleet of electric vehicles which would need to be supported through additional funding or equity raises. The additional funding would include further covenants and most likely require a reset of covenants on the current facilities. However, the second scenario is entirely within the control of the Directors and additional funding to support the growth will not be entered in to without ensuring covenant compliance.

The Directors are currently engaged in a number of positive conversations with potential lenders and investors and continue to maintain strong relationships with existing funders. Therefore, the Directors are confident the additional funding required will be available and covenants will be remedied, if necessary. However, should either the funding not be available or the existing vehicle supply chain issues persist then, as evidenced in the first going concern scenario set out above, the Directors are confident in the Group and Company's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business.

Notes (continued)

1.1 Going concern (continued)

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.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Group companies' 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Group and the Company

In accordance with FRS 102.22, financial instruments issued by the Group and the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the entity to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the entity; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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.

Investments in subsidiaries

Investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	33%
Motor vehicles	Over the estimated holding period*
Office equipment	33%
Computer equipment	33%
Other fixed assets	33%

*In assessing depreciation, management estimates the holding period of the motor vehicles and references external industry standard sources to determine the future residual values. The motor vehicles are depreciated on a straight-line basis to this residual value forecast. When the residual value exceeds the carrying value a de minimus £15 per month charge is recognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The Group disposes of used vehicles through wholesale markets. At the time of disposal, any differences between proceeds received and net book values are recorded as adjustments to cost of sales.

Notes (continued)

1.7 Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred.

Other intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following using economic lives:

Software development 3 years.

1.8 Impairment excluding stocks

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is 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. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. 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.

1.9 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.

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

Notes (continued)

1.9 Employee benefits (continued)

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.10 Revenue

Revenue represents the amount receivable in relation to the renting of cars and light motor vehicles. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable taking into account the Onto Rewards scheme, excluding discounts, rebates, value added tax and other sales taxes.

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

From 1 January 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Interest payable

Interest payable and similar expenses include interest payable on finance leases and other borrowings.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.12 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. The following 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; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1.12 Taxation (continued)

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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.

1.13 Accounting estimates and judgements

Key sources of estimation uncertainty

In the application of the group's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Depreciation of motor vehicles

In assessing depreciation, management estimates the holding period of the motor vehicles and references external industry standard sources to determine the future residual values. The motor vehicles are depreciated on a straight-line basis to this residual value forecast. When the residual value exceeds the carrying value a de minimus £15 per month charge is recognised.

Share based payments

Share-based payments to employees are equity-settled and are measured at fair value of the equity instruments at the grant date using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the profit and loss account such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

Critical accounting judgements in applying the Company's accounting policies

The Directors consider that there are no critical accounting judgements (except those involving accounting estimates, included above).

Notes (continued)

2 Turnover

An analysis of the group's revenue is as follows:

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Vehicle subscriptions	12,648	1,195
	<u>12,648</u>	<u>1,195</u>

All turnover arose within the United Kingdom.

3 Operating loss

Included in profit/loss are the following items:

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Depreciation of tangible fixed assets	4,590	587
Operating lease rentals	123	41
Profit on disposal of fixed assets	(1,551)	(67)
Research and development expensed as incurred	180	-
	<u>180</u>	<u>-</u>

4 Auditor's remuneration

Included in profit/loss are the following items:

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Auditor's remuneration:		
Audit of these financial statements	67	-
Amount of receivables by the company auditors and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	60	-
Tax compliance	3	-
All other services	3	-
	<u>67</u>	<u>-</u>

Notes (continued)

5 Staff numbers and costs

The average monthly number of employees, including directors, during the year was as follows:

	Year ended 31 December 2021	4-month period ended 31 December 2020
Administration and sales	77	41
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Wages and salaries	3,522	628
Share based payment charges (see note 19)	3,694	114
Social security costs	376	69
Other pension costs	57	11
	<hr/>	<hr/>
	7,649	822
	<hr/> <hr/>	<hr/> <hr/>

6 Director's remuneration

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Remuneration	134	30
Company pension contribution to defined contribution pension scheme	3	1
Amounts receivable under long term incentive schemes	96	-
	<hr/>	<hr/>

During the year retirement benefits was accruing to 2 directors (4 month period ended 31 December 2020: 2) in respect of defined contribution pension schemes.

No share options were exercised by directors in the year (4 month period ended 31 December 2020: nil). The number of directors in respect of whose qualifying services shares were received under long term incentive schemes was 2 (4 month period ended 31 December 2020: 2).

7 Interest payable and similar charges

	Year ended 31 December 2021	4-month period ended 31 December 2020
	£000	£000
Interest payable on finance leases	1,081	836
Interest payable on other borrowings	3,640	621
Amortisation of debt issue costs	486	23
Other finance costs	272	-
	<hr/>	<hr/>
	5,479	1,480
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

8 Taxation

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

	Year ended 31 December 2021 £000	4-month period ended 31 December 2020 £000
<i>UK corporation tax</i>		
Current tax on loss for the period	(864)	-
	<hr/>	<hr/>
Total current tax	(864)	-
	<hr/>	<hr/>
Total tax	(864)	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax credit for the current period

The tax credit for the period is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

Reconciliation of effective tax rate

	Year ended 31 December 2021 £000	4-month period ended 31 December 2020 £000
Loss on ordinary activities before tax	(16,638)	(3,375)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2020: 19%)	(3,161)	(641)
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes	764	4
Current year losses for which no deferred tax asset was recognised	2,003	637
R&D tax credits	(372)	-
Other tax adjustments, relief and transfers of trade	(98)	-
	<hr/>	<hr/>
Total tax credit included in profit or loss	(864)	-
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future current and total tax charges

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase from 19% to 25% from 1 April 2023. The recognised deferred tax assets and liabilities at 31 December 2021 have been calculated at 19%.

Notes (continued)

9 Tangible assets

Group	Long term leasehold property £000	Motor vehicles £000	Office equipment £000	Computer equipment £000	Other fixed assets £000	Total £000
<i>Cost or valuation</i>						
At 1 January 2021	20	27,928	28	32	743	28,751
Additions	-	111,201	5	112	1,627	112,945
Disposals	-	(14,914)	-	-	-	(14,914)
At 31 December 2021	20	124,215	33	144	2,370	126,782
<i>Depreciation</i>						
At 1 January 2021	5	1,668	14	13	175	1,875
Charge for the period	7	4,053	10	24	496	4,590
Disposals	(1)	(2,009)	-	-	-	(2,010)
At 31 December 2021	11	3,712	24	37	671	4,455
<i>Net book value</i>						
At 31 December 2021	9	120,503	9	107	1,699	122,327
At 31 December 2020	15	26,260	14	19	568	26,876

The motor vehicle fleet is held by the Group under the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses, this gives a net book value of the motor vehicle fleet of £120,503,000 (2020: £26,260,000). However, if the fleet were held under the valuation model this would result in a value of £142,324,000 (2020: £28,554,000).

Leased tangible assets

At 31 December 2021 the carrying amount of Group's motor vehicles leased under finance leases was £20,036,000 (2020: £13,017,000). The leased equipment secures lease obligations (see note 16).

Notes (continued)

9 Tangible assets (continued)

Company	Long term leasehold property £000	Motor vehicles £000	Office equipment £000	Computer equipment £000	Other fixed assets £000	Total £000
Cost or valuation						
At 1 January 2021	20	14,245	28	32	743	15,068
Additions	-	16,281	5	112	1,627	18,025
Disposals	-	(9,082)	-	-	-	(9,082)
At 31 December 2021	20	21,444	33	144	2,370	24,011
Depreciation						
At 1 January 2021	5	1,228	14	13	175	1,435
Charge for the period	7	1,645	10	24	496	2,182
Disposals	(1)	(1,465)	-	-	-	(1,466)
At 31 December 2021	11	1,408	24	37	671	2,151
Net book value						
At 31 December 2021	9	20,036	9	107	1,699	21,860
At 31 December 2020	15	13,017	14	19	568	13,633

The motor vehicle fleet is held by the Company under the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses, this gives a net book value of the motor vehicle fleet of £20,036,000 (2020: £13,017,000). However, if the fleet were held under the valuation model this would result in a value of £22,060,000 (2020: £13,802,000).

Leased tangible assets

At 31 December 2021 the carrying amount of Company's motor vehicles leased under finance leases was £20,036,000 (2020: £13,017,000). The leased equipment secures lease obligations (see note 16).

Notes (continued)

10 Intangible assets

Group and Company	Software development £000	Total £000
<i>Cost or valuation</i>		
At 1 January 2021	-	-
Additions	1,061	1,061
	<hr/>	<hr/>
At 31 December 2021	1,061	1,061
	<hr/> <hr/>	<hr/> <hr/>
<i>Amortisation</i>		
At 1 January 2021	-	-
Charge for the period on owned assets	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2021	-	-
	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>		
At 31 December 2021	1,061	1,061
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	-	-
	<hr/> <hr/>	<hr/> <hr/>

11 Fixed asset investments

Company	Total £
<i>Cost</i>	
At 1 January 2021	103
Additions	2
	<hr/>
At 31 December 2021	105
	<hr/> <hr/>

The following were the principal subsidiary undertakings of the company at the year-end:

	Country of incorporation	% shareholding	Description
Evezzy Asset 1 Limited	England & Wales	100%	Electric vehicle subscriptions
Onto Tech 1 Limited	England & Wales	100%	Electric vehicle subscriptions
Onto Tech 2 Limited	England & Wales	100%	Electric vehicle subscriptions
Onto Tech 3 Limited	England & Wales	100%	Electric vehicle subscriptions
Onto Tech 4 Limited	England & Wales	100%	Dormant
Rente Limited	England & Wales	100%	Dormant

The registered office address of all subsidiary undertakings is Ailsa House, Wedgnoek Lane, Warwick, CV34 5YA, UK.

Notes (continued)

12 Debtors

	Group 2021	2020	Company 2021	2020 (as restated*)
	£000	£000	£000	£000
Trade debtors	828	4	528	4
Amounts owed by group undertakings	-	-	6,856	76
Other debtors	156	30	99	30
Prepayments and accrued income	188	1,292	179	1,292
Other taxation and social security	1,466	1,434	-	-
Corporation tax	640	219	640	219
	<u>3,278</u>	<u>2,979</u>	<u>8,302</u>	<u>1,621</u>

*See note 24 for details of the restatement.

13 Cash and cash equivalents

	Group 2021	2020	Company 2021	2020
	£000	£000	£000	£000
Cash at bank and in hand	<u>7,633</u>	<u>3,887</u>	<u>6,482</u>	<u>535</u>

14 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020 (as restated*)
	£000	£000	£000	£000
Other loans (see note 16)	1,313	761	1,313	761
Trade creditors	6,002	1,924	2,825	1,946
Amounts owed to group undertakings	-	-	36	-
Other taxation and social security	552	295	176	295
Obligations under finance lease contracts (see note 16)	5,848	2,039	5,848	2,039
Other creditors	1,373	730	982	591
Accruals and deferred income	3,984	432	2,837	430
	<u>19,072</u>	<u>6,181</u>	<u>14,017</u>	<u>6,062</u>

*See note 24 for details of the restatement.

The finance lease liabilities are secured over the assets purchased.

Notes (continued)

15 Creditors: amounts falling due after more than one year

	Group 2021	2020	Company 2021	2020 (as restated*)
	£000	£000	£000	£000
Other loans (see note 16)	92,849	22,014	-	4,266
Obligations under finance lease contracts (see note 16)	11,149	9,754	11,150	9,754
	<u>103,998</u>	<u>31,768</u>	<u>11,150</u>	<u>14,020</u>

*See note 24 for details of the restatement.

The finance lease liabilities are secured over the assets purchased.

16 Interest-bearing loans and borrowings

	Group 2021	2020	Company 2021	2020
	£000	£000	£000	£000
<i>Creditors falling due within one year</i>				
Finance lease liabilities	5,848	2,039	5,848	2,039
Other loans	1,313	761	1,313	761
	<u>7,161</u>	<u>2,800</u>	<u>7,161</u>	<u>2,800</u>
<i>Creditors falling due after more than one year</i>				
Finance lease liabilities	11,149	9,754	11,150	9,754
Other loans	92,849	22,014	-	4,266
	<u>103,998</u>	<u>31,768</u>	<u>11,150</u>	<u>14,021</u>

The table sets out the debt maturity profile as at the year end. Directly attributable fee and other finance costs in respect of the other loans of £2,186,000 (2020: £433,000) have been deducted to arrive at the outstanding borrowings for the Group. Directly attributable fee and other finance costs in respect of the other loans of £50,000 (2020: £31,000) have been deducted to arrive at the outstanding borrowings for the Company.

During the year interest on Other loans was borne at rates between 5.1% and 10.0%. The Groups' facilities are due to mature between August 2022 and July 2025.

The Other loans are held in the subsidiary asset companies and carry fixed and floating charges over the assets and shares within those specific entities.

Finance lease liabilities will be settled in full by the end of January 2024.

Since the balance sheet date further facilities have been agreed, as disclosed in note 25.

Notes (continued)

17 Net debt

The below is an analysis of net debt of the group from the beginning to the end of the current reporting period.

Group	Borrowings due within one year £000	Borrowings due after one year £000	Obligations under finance lease liabilities £000	Subtotal £000	Cash and cash equivalents £000	Net debt £000
<i>Net debt analysis</i>						
At beginning of the year	761	22,013	11,793	34,567	(3,887)	30,680
New finance raised	468	80,370	14,689	95,527	-	95,527
Cash flows	(1,229)	(3,500)	(9,485)	(14,214)	(3,746)	(17,960)
Settled with equity issues	-	(2,953)	-	(2,953)	-	(2,953)
Capitalisation of debt issue costs	-	(2,254)	-	(2,254)	-	(2,254)
Unwind of debt issue costs	-	486	-	486	-	486
Transfers between < 1 year and > 1 year	1,313	(1,313)	-	-	-	-
At end of year	1,313	92,849	16,997	111,159	(7,633)	103,526

18 Deferred taxation

Group	2021 £000
At beginning of year	-
Charged to profit or loss	-
At end of year	-

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(3,692)	(987)
Unused tax losses	3,692	987
	-	-

In addition to the deferred tax position above, the Group has unrecognised gross tax losses of £19,549,000 (2020: £9,272,000). These haven't been recognised due to uncertainty over the timing of profits against which the tax losses can be recovered.

Notes *(continued)*

18 **Deferred taxation** *(continued)*

Company

	2021 £000
At beginning of year (as restated*)	-
Credited to profit or loss	-
	-
At end of year	-

The deferred tax asset is made up as follows:

	2021 £000	2020 £000 (as restated*)
Accelerated capital allowances	(1,297)	(624)
Unused tax losses	1,297	624
	-	-

*See note 24 for details of the restatement.

In addition to the deferred tax position above, the Company has unrecognised gross tax losses of £17,287,000 (2020: £8,283,000). These haven't been recognised due to uncertainty over the timing of profits against which the tax losses can be recovered.

Notes (continued)

19 Share options

The group operates a share-based payment scheme for its employees and certain institutional investors.

Employees and certain institutional investors are granted share options in Onto Holdings Limited as part of the share scheme. The options are granted with a fixed exercise price, vest in stages over a period of up to four years from the date of grant and are then only exercisable on an exit event. Employees are not entitled to dividends until the options are exercised. Employees are required to remain in employment with the group until vesting, otherwise the awards lapse. On exercise of the options by the employees, the company issues new shares.

A reconciliation of share option movements over the year to 31 December 2021 is shown below:

	Weighted average exercise price 2021	Number of options 2021	Weighted average exercise price 2020	Number of options 2020
Outstanding at the beginning of the year	£0.00001	70,412	£0.00001	68,932
Cancelled during the year	£0.00001	(70,412)	-	-
Exercised during the year	-	-	-	-
Granted during the year	£0.43906	348,691	£0.00001	6,654
Modification due to share split*	£0.55700	753,129	-	-
Forfeited during the year	£0.00691	(8,832)	£0.00001	(5,174)
	<u>£0.58350</u>	<u>1,092,988</u>	<u>£0.00001</u>	<u>70,412</u>
Outstanding at the end of the year				
Exercisable at the end of the year	-	-	-	-

*During the year there was a share split (see note 20) resulting in an increase in the number of options granted to employees and a corresponding reduction in the exercise price.

The share options issued prior to 2021 were valued using the price achieved at the most recent equity issue as a proxy for the value of the shares which was considered appropriate given the nominal exercise price. The fair value of issues granted during 2021 has been determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to our scheme. The following inputs have been used to value the 2021 grants:

- Risk free rate – between 0.24% and 0.50%
- Expected volatility – 80%
- Share price - £0.5515
- Exercise price – between £0.000001 and £0.8355

The total charge for the year was £3,964,000 (4 months ended 31 December 2020: £242,000), of which £3,694,000 (4 months ended 31 December 2020: £114,000) relates to employees.

During the year, the group cancelled the existing share option scheme and reissued the existing options under new arrangements. This cancellation has resulted in the immediate recognition of the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The cancellation of the original scheme resulted in a one-off accelerated charge of £1,043,000 which has been recorded as an exceptional item and is included in the total charge for the year.

Notes (continued)

20 Share capital

	Number 2021	2020	Share capital 2021 £	2020 £
Ordinary Shares of £0.000001 each (2020: £0.00001 each)	3,268,190	324,359	3	3
Series B Preferred Shares of £0.000001 each	3,817,062	-	4	-
	<u>7,085,252</u>	<u>324,359</u>	<u>7</u>	<u>3</u>

On 8 March 2021 the Company split the existing Ordinary Shares in a ratio of 10 new shares for each existing share.

On 23 March 2021 the company the company issued 3,044,499 Series B Preferred Shares of £0.000001 each for £21,750,000 consideration.

On 11 May 2021 the company the company issued 772,563 Series B Preferred Shares of £0.000001 each for £6,610,000 consideration.

On 17 June 2021 the company the company issued 24,600 Ordinary Shares of £0.000001 each for £100,000 consideration.

The Company incurred incremental costs of £1,214,000 as part of the above equity issues. This amount has been recorded directly in the share premium account.

Both the Ordinary Shares and Series B Preferred Shares have full rights in the company in respect to voting and dividends. On the distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the surplus assets of the company remaining after payment of its liabilities shall be applied (to the extent the company is lawfully permitted to do so) first in paying to each of the series B preferred shareholders, in priority to any other class of shares, an amount equal to the greater of:

- i. The preference amount in respect of each such series B preferred share, and;
- ii. Such amount as it would have received in respect of each such Series B Preferred Share if the surplus assets of the company remaining after payment of its liabilities were distributed pro rata among the holders of the equity shares as if the equity shares constituted one and the same class, provided that if there are insufficient surplus assets to pay each Series B preferred shareholder an amount per series B preferred share which is equal to the preference amount in respect of each such Series B Preferred Share, the remaining surplus assets shall be distributed to each Series B preferred shareholder pro rata to their respective holdings of Series B Preferred Shares.

The balance of the surplus assets (if any) shall be distributed among the holders of the Series B Preferred shares and Ordinary Shares pro rate to the number of such relevant equity shares thereby held. Both the Ordinary Shares and the Series B Preferred shares are non-redeemable.

Notes (continued)

21 Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £57,000 (2020: £11,000). Contributions totalling £17,000 (2020: £7,000) were payable to the fund at the balance sheet date and are included in creditors.

22 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	Group 2021	2020	Company 2021	2020
	£000	£000	£000	£000
Less than one year	93	114	93	114
Between one and five years	-	83	-	83
	<u>93</u>	<u>93</u>	<u>93</u>	<u>197</u>

During the year £123,000 (4-month period ended 31 December 2020: £41,000) was recognised by the Group as an expense in the profit and loss account in respect of operating leases.

23 Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 22.1A from disclosing transactions with entities which are wholly part of the group. Only the directors are considered to be key management personnel. Total remuneration in respect of the individuals is given in note 5.

R Jolly received vehicle rentals from the business under a salary sacrifice arrangement amounting to £13,000 during the year (4 months to 31 December 2020: 2,000).

D O'Meachair received vehicle rentals from the business under a salary sacrifice arrangement amounting to £5,000 during the year (4 months to 31 December 2020: 2,000).

D Salaman paid vehicle rentals to the business under a consumer arrangement amounting to £4,000 during the year (4 months to 31 December 2020: £nil).

The following amounts are included in other creditors and are payable to the directors of the business:

	R Jolly £000	D O'Meachair £000
Outstanding at the beginning of the year	32	10
Interest payable	-	-
Repayments	27	(5)
	<u>5</u>	<u>5</u>

Notes (continued)

24 Prior period restatement

This is the first year in which the group has presented consolidated financial statements. The prior year adjustments below therefore relate to the Company accounts only.

The 1 September 2020 brought forward equity balances and 31 December 2020 comparative figures have been restated for the below:

- 1) Included in the 2020 balance sheet are amounts of £2,953k classified as other reserves relating to convertible debt. Having reassessed the requirements of FRS 102 section 22, it has been determined that these amounts should have been classified as non-current liabilities, rather than equity, due to the terms of the arrangement. Finance charges on the debt were previously being recognised through profit and loss. Therefore, an adjustment has been included in the prior year financial statements to reclassify the other reserve amount as other loans within non-current liabilities. Due to the initial recognition of the debt facility being in July 2020, (before the beginning of the comparative accounting period) both the 1 September 2020 and 31 December 2020 balance sheets have been restated.

There is no impact on the profit and loss account as a result of this adjustment.

- 2) Employees of the business have been granted share options in the company as part of the share scheme (see note 19). No accounting was previously recognised for these transactions.

At 1 September 2020 retained earnings have been restated to recognise historical share based payment charges of £1,011,000, with a share based payment reserve being recognised for this amount. Further share based payment charges of £242,000 have been recognised in the profit and loss account for 4 month period to 31 December 2020.

- 3) The business has previously recognised deferred tax assets arising as a result of accumulated tax losses. No assessment was performed as to the recoverability of these assets in line with the provisions of section 29 of FRS 102. As a result there was insufficient evidence that there will be future taxable profits against which these losses can be utilised, and therefore these deferred tax assets should not have been recognised. The impact of this adjustment is to reduce debtors at 1 September 2020 by £1,530,000 with an equal adjustment being recognised in retained earnings. At 31 December 2020 the deferred tax asset of £1,575,000 has been derecognised with an additional impact on the prior year profit and loss of £45,000.
- 4) The business entered in to a loan facility for £1,500,000 in November 2020 which was classified as a current liability in the 2020 financial statements. Following a reassessment of the facility terms it was noted that the balance was repayable in quarterly instalments from December 2021. As a result £1,313,000 should have been classified as a non-current liability in the 31 December 2020 balance sheet.

There is no impact on the profit and loss account as a result of this adjustment.

Notes (continued)

24 Prior period restatement (continued)

Company

Balance sheet at 1 September 2020	Adjustment	1 September 2020 (Previously reported) £000	Adjustments £000	1 September 2020 (Restated) £000
Fixed Assets				
Tangible assets		11,543	-	11,543
Current assets				
Debtors	3	3,258	(1,530)	1,728
Cash at bank and in hand		73	-	73
		3,331	(1,530)	1,801
Creditors falling due within one year		(5,059)	-	(5,059)
Net current liabilities		(1,728)	(1,530)	(3,258)
Total assets less current liabilities		9,815	(1,530)	8,285
Creditors falling due after more than one year	1	(7,192)	(2,953)	(10,145)
Net assets		2,623	(4,483)	(1,860)
Called up share capital		-	-	-
Share premium account		4,453	-	4,453
Other reserves	1	2,953	(2,953)	-
Share based payment reserve	2	-	1,011	1,011
Profit and loss account	2, 3	(4,783)	(2,541)	(7,324)
Shareholders' funds		2,623	(4,483)	(1,860)
Balance sheet at 31 December 2020				
	Adjustment	31 December 2020 (Previously reported) £000	Adjustments £000	31 December 2020 (Restated) £000
Fixed Assets				
Tangible assets		13,633	-	13,633
Current assets				
Debtors	3	3,196	(1,575)	1,621
Cash at bank and in hand		535	-	535
		3,731	(1,575)	2,156
Creditors falling due within one year	4	(7,375)	1,313	(6,062)
Net current liabilities		(3,644)	(262)	(3,906)
Total assets less current liabilities		9,989	(262)	9,727
Creditors falling due after more than one year	1,4	(9,754)	(4,266)	(14,020)
Net assets		235	(4,528)	(4,293)
Called up share capital		-	-	-
Share premium account		4,903	-	4,903
Other reserves	1	2,953	(2,953)	-
Share based payment reserve	2	-	1,253	1,253
Profit and loss account	2,3	(7,621)	(2,828)	(10,449)
Shareholders' funds		235	(4,528)	(4,293)

Notes *(continued)*

25 Post balance sheet events

On 28 January 2022 the company amended an existing loan agreement to increase the facility limit by £25,000,000.

On 31 January 2022 the Group raised additional debt facilities amounting to £25,000,000.

On 28 April 2022 the Company split the existing Ordinary Shares and Series B Preferred Shares in a ratio of 10 new shares for each existing share.

On 28 April 2022 the company the company issued 20,981,847 Series C Preferred Shares of £0.0000001 each for £41,500,000 consideration.

On 26 July 2022 the company issued 2,364,063 Series C Preferred Shares of £0.0000001 each for £4,008,032 consideration.

26 Contingencies and commitments

During the year the group settled an other loan balance with a particular lender. This lender has now gone into administration and the administrators have not yet lifted the charge over the company. However, the directors consider that they have fully extinguished their liabilities.

Contractual commitments to purchase tangible fixed asset at the year-end were £25,323,000 (2020: £14,741,000).

27 Ultimate controlling party

There is no ultimate controlling party due to the constitution of the shareholdings.