

Registered number: 09242359

**Oxa Autonomy Ltd**

Directors' Report and Financial Statements

For the Year Ended 31 December 2023

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## Oxa Autonomy Ltd

### Company Information

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<b>Directors</b>	Philip David Avery Dr Paul Michael Newman Clive Gerald Scrivener James Gralton IP2IPO Services Limited Erin Colleen Brown Parkwalk Advisors Ltd Gavin Jackson Graham Stephen Budd
<b>Registered number</b>	09242359
<b>Registered office</b>	8050 Alec Issigonis Way Oxford Business Park North Oxford Oxfordshire OX4 2HW
<b>Independent auditors</b>	Dains Audit Limited Statutory Auditors & Chartered Accountants 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Barclays Bank plc 54 Cornmarket Street Oxford OX1 3HB  National Westminster Bank Plc 43 Cornmarket Street Oxford OX13HA
<b>Solicitors</b>	Taylor Wessing LLP 5 New Street Square London EC4A 3TW

# Oxa Autonomy Ltd

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**Group Strategic Report  
For the Year Ended 31 December 2023**

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**Principal Activity**

The principal activity of the company is research, development and commercialisation of software solutions for self-driving vehicles.

**Business review**

2023 was a significant year for the Group in terms of scaling the Group's team globally and accelerating the development of its products towards commercialisation. The successful financing round at the end of 2022 means there is sufficient capital to continue this development drive and expansion throughout 2024.

The Group is engaged in research and development and although generating revenues, it relies on a combination of third party revenues and equity investment to fund its operations. The Group had net assets of £80,405,808 (2022 - £115,138,001) at 31 December 2023. The increase in loss in the period is due to the continued investment in its software product development.

With its unique market positioning, the Group's commercial traction continues to increase, which validates the tangible product development progress achieved year on year. The Board are confident that the Group can execute its go to market strategy and secure a pathway to profitability in line with its plans and projections.

**Principal risks and uncertainties**

**Financial risk**

In common with new technology businesses incurring losses through their growth stages, one of the Group's principal risks is associated with the ability to fund product development through to positive cash flow generation by securing additional funding.

**Technical risk**

As the Group develops cutting-edge technologies, the technical risk is inherent. The Group allows for contingency in time and cost to mitigate risk.

**Commercial risk**

Whilst the Board are confident of the Group's leading market position, the Group's products target new and emerging markets which entails some level of risk. To mitigate this, the Group conducts robust financial planning and scenario analysis which enable effective navigation through future commercial uncertainties.

**Foreign exchange risk**

The Group sells to and purchases goods from companies overseas and is therefore exposed to movements in exchange rates that occur between the date of delivery and settlement. The Group seeks to mitigate this risk by operating foreign currency bank accounts and seeking to match payments and receipts in the same currency.

**Key financial performance indicators**

The board consider the key financial performance indicators as follows:

	2023	2022
Operating loss	(45,323,479)	(35,458,801)
Loss for the financial year	(36,111,427)	(31,757,220)
Cash and cash equivalents	75,129,401	114,609,798
Total equity	80,405,808	115,138,001
Current assets: Liabilities ('current ratio')	19:1	17:1
Average number of employees	318	240
Intangible assets (IP)	917,960	237,016

The KPI's reported are in line with the Board expectations and the Group's financial forecast. The operating loss position will continue to increase as the Group expands its operation and invest in growth and product commercialisation.

**Oxa Autonomy Ltd**

**Group Strategic Report (continued)  
For the Year Ended 31 December 2023**

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**Other key performance indicators**

Having a highly skilled team of employees is vital to the Group. We continue to invest significantly in our people.

This report was approved by the board on 3 April 2024 and signed on its behalf.



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**Gavin Jackson**  
Director

## **Oxa Autonomy Ltd**

### **Directors' Report For the Year Ended 31 December 2023**

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The Directors present their report and the financial statements for the year ended 31 December 2023.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £36,111,427 (2022 - loss for the 15 month period £31,757,220).

No dividends have been declared in the current or prior periods.

#### **Directors**

The Directors who served during the year were:

Philip David Avery  
Dr Paul Michael Newman  
Clive Gerald Scrivener  
James Gralton  
IP2IPO Services Limited  
Erin Colleen Brown  
Parkwalk Advisors Ltd  
Gavin Jackson  
Graham Stephen Budd

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### **Research and development activities**

The company continues to invest in research and development as this is important for supporting innovation objectives and future growth. All expenditures are written off as incurred. The company directly expensed £22,083k (2022: £11,815k) in the year which mostly relates to testing and development of its universal autonomy software.

**Directors' Report (continued)  
For the Year Ended 31 December 2023**

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**Going concern**

The Group has, as planned, recorded a significant loss in the year as it continues to invest in its software product development. Although generating revenues, the Group relies substantially on equity fundraisings to finance its operations. 2023 was a significant year for the Group in terms of scaling the Group's team globally and accelerating the development of its products towards commercialisation. The successful financing round at the end of 2022 means there is sufficient capital to continue this development drive and expansion throughout 2024. At the balance sheet date, the Group had cash at bank and in hand of £75,129,401 (2022 - £114,409,798) and net assets of £80,405,808 (2022 - £115,138,001). With its unique market positioning, the Group's commercial traction continues to increase which validates the tangible product development progress achieved year on year. The Board are confident that the Group can execute its go to market strategy and secure a pathway to profitability in line with its plans and projections.

The directors have prepared cashflow forecasts covering a period extending beyond 12 months from the date of approval of these financial statements, taking account of anticipated costs, revenues and the fund-raising exercise completed in the period. These forecasts demonstrate that the Group can operate within the finance facilities available to it throughout the forecast period and therefore the directors consider it is appropriate to continue to prepare financial statements on a going concern basis.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 April 2024 and signed on its behalf.



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**Gavin Jackson**  
Director

## **Opinion**

We have audited the financial statements of Oxa Autonomy Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Members of Oxa Autonomy Ltd (continued)**

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**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

**Independent Auditors' Report to the Members of Oxa Autonomy Ltd (continued)**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Mark Hargate FCA (Senior statutory auditor)

for and on behalf of  
**Dains Audit Limited**

Statutory Auditors  
Chartered Accountants

Birmingham

3 April 2024

Oxa Autonomy Ltd

**Consolidated Statement of Comprehensive Income  
For the Year Ended 31 December 2023**

	Note	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Turnover	4	794,147	332,692
Cost of sales		<b>(22,083,181)</b>	(17,109,146)
<b>Gross loss</b>		<b>(21,289,034)</b>	(16,776,454)
Administrative expenses		<b>(22,955,764)</b>	(20,262,095)
Other operating income	5	485	1,579,748
Other operating charges	6	<b>(1,079,166)</b>	-
<b>Operating loss</b>	7	<b>(45,323,479)</b>	(35,458,801)
Interest receivable and similar income	11	3,269,407	81,292
Interest payable and similar expenses	12	<b>(225)</b>	(2,963)
<b>Loss before taxation</b>		<b>(42,054,297)</b>	(35,380,472)
Tax on loss	13	5,942,870	3,623,252
<b>Loss for the financial year</b>		<b>(36,111,427)</b>	(31,757,220)
<b>Total comprehensive income for the year</b>		<b>(36,111,427)</b>	(31,757,220)
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		<b>(36,111,427)</b>	(31,757,220)
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		<b>(36,111,427)</b>	(31,757,220)

The notes on pages 17 to 35 form part of these financial statements.

**Oxa Autonomy Ltd**  
**Registered number:09242359**

**Consolidated Balance Sheet**  
**As at 31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	15	917,960	237,016
Tangible assets	16	1,816,111	2,084,549
		<u>2,734,071</u>	<u>2,321,565</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	6,951,482	5,064,562
Cash at bank and in hand	19	75,129,401	114,609,798
		<u>82,080,883</u>	<u>119,674,360</u>
Creditors: amounts falling due within one year	20	(4,328,306)	(6,857,924)
<b>Net current assets</b>		<u>77,752,577</u>	<u>112,816,436</u>
<b>Total assets less current liabilities</b>		<u>80,486,648</u>	<u>115,138,001</u>
Creditors: amounts falling due after more than one year	21	(80,840)	-
<b>Net assets</b>		<u><u>80,405,808</u></u>	<u><u>115,138,001</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	4,041	4,041
Share premium account	24	175,813,975	175,813,975
Share based payment reserves	24	3,019,253	1,640,019
Profit and loss account	24	(98,431,461)	(62,320,034)
		<u>80,405,808</u>	<u>115,138,001</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2024.



**Gavin Jackson**  
 Director



**Clive Gerald Scrivener**  
 Director

The notes on pages 17 to 35 form part of these financial statements.

Oxa Autonomy Ltd  
Registered number:09242359

**Company Balance Sheet  
As at 31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	15	917,960	237,016
Tangible assets	16	1,816,111	2,084,549
Investments	17	304,577	-
		<u>3,038,648</u>	<u>2,321,565</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	6,888,212	5,064,562
Cash at bank and in hand	19	75,099,375	114,609,798
		<u>81,987,587</u>	<u>119,674,360</u>
Creditors: amounts falling due within one year	20	(4,298,574)	(6,857,924)
<b>Net current assets</b>		<u>77,689,013</u>	<u>112,816,436</u>
<b>Total assets less current liabilities</b>		<u>80,727,661</u>	<u>115,138,001</u>
Creditors: amounts falling due after more than one year	21	(80,840)	-
<b>Net assets</b>		<u><u>80,646,821</u></u>	<u><u>115,138,001</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	4,041	4,041
Share premium account	24	175,813,975	175,813,975
Share based payment reserves	24	3,019,253	1,640,019
Profit and loss account brought forward		(62,320,034)	(30,577,290)
Loss for the year		(35,870,414)	(31,757,220)
Other changes in the profit and loss account		-	14,476
Profit and loss account carried forward		<u>(98,190,448)</u>	<u>(62,320,034)</u>
		<u><u>80,646,821</u></u>	<u><u>115,138,001</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2024.



**Gavin Jackson**  
Director



**Clive Gerald Scrivener**  
Director

The notes on pages 17 to 35 form part of these financial statements.

Oxa Autonomy Ltd

**Consolidated Statement of Changes in Equity  
For the Year Ended 31 December 2023**

	Called up share capital £	Share premium account £	Equity reserves £	Profit and loss account £	Total equity £
At 1 January 2023	4,041	175,813,975	1,640,019	(62,320,034)	115,138,001
Loss for the year	-	-	-	(36,111,427)	(36,111,427)
Credit to equity for for equity settled share-based payment	-	-	1,379,234	-	1,379,234
<b>At 31 December 2023</b>	<b>4,041</b>	<b>175,813,975</b>	<b>3,019,253</b>	<b>(98,431,461)</b>	<b>80,405,808</b>

**Consolidated Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	Called up share capital £	Share premium account £	Equity reserves £	Profit and loss account £	Total equity £
At 1 October 2021	3,121	66,885,751	626,010	(30,577,290)	36,937,592
Loss for the 15 month period	-	-	-	(31,757,220)	(31,757,220)
Credit to equity for for equity settled share-based payment	-	-	1,028,485	-	1,028,485
Shares issued during the period	920	112,834,760	-	-	112,835,680
Transfer on exercise of share options	-	-	(14,476)	14,476	-
Expenses of equity share issues	-	(3,906,536)	-	-	(3,906,536)
<b>At 31 December 2022</b>	<b>4,041</b>	<b>175,813,975</b>	<b>1,640,019</b>	<b>(62,320,034)</b>	<b>115,138,001</b>

The notes on pages 17 to 35 form part of these financial statements.

Oxa Autonomy Ltd

**Company Statement of Changes in Equity  
For the Year Ended 31 December 2023**

	Called up share capital	Share premium account	Equity reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2023	4,041	175,813,975	1,640,019	(62,320,034)	115,138,001
<b>Comprehensive income for the period</b>					
Loss for the year	-	-	-	(35,870,414)	(35,870,414)
Credit to equity for equity settled share-based payment	-	-	1,379,234	-	1,379,234
<b>At 31 December 2023</b>	<b>4,041</b>	<b>175,813,975</b>	<b>3,019,253</b>	<b>(98,190,448)</b>	<b>80,646,821</b>

**Company Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	Called up share capital	Share premium account	Equity reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2021	3,121	66,885,751	626,010	(30,577,290)	36,937,592
Loss for the 15 month period	-	-	-	(31,757,220)	(31,757,220)
Credit to equity for equity settled share-based payment	-	-	1,028,485	-	1,028,485
Shares issued during the period	920	112,834,760	-	-	112,835,680
Transfer on exercise of share options	-	-	(14,476)	14,476	-
Expenses of equity share issues	-	(3,906,536)	-	-	(3,906,536)
<b>At 31 December 2022</b>	<b>4,041</b>	<b>175,813,975</b>	<b>1,640,019</b>	<b>(62,320,034)</b>	<b>115,138,001</b>

The notes on pages 17 to 35 form part of these financial statements.

Oxa Autonomy Ltd

**Consolidated Statement of Cash Flows  
For the Year Ended 31 December 2023**

	<b>Year ended 31 December 2023 £</b>	<b>15 month period ended 31 December 2022 £</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year/period	<b>(36,111,427)</b>	(31,757,220)
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>57,319</b>	14,438
Depreciation of tangible assets	<b>818,930</b>	905,875
(Profit)/Loss on disposal of tangible assets	<b>(9,826)</b>	3,716
Interest paid	<b>225</b>	2,963
Interest received	<b>(3,269,407)</b>	(81,292)
Taxation charge	<b>(5,942,870)</b>	(3,623,252)
(Increase) in debtors	<b>(471,374)</b>	(694,716)
(Decrease)/increase in creditors	<b>(2,573,246)</b>	5,137,701
Corporation tax received	<b>4,527,324</b>	908,499
Share based payment expense	<b>1,379,234</b>	1,028,485
<b>Net cash generated from operating activities</b>	<b>(41,595,118)</b>	(28,154,803)
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	<b>(738,263)</b>	(194,650)
Purchase of tangible fixed assets	<b>(412,865)</b>	(1,261,787)
Sale of tangible fixed assets	<b>57,782</b>	-
Interest received	<b>3,269,407</b>	81,292
HP interest paid	<b>(225)</b>	(2,963)
<b>Net cash from investing activities</b>	<b>2,175,836</b>	(1,378,108)

Oxa Autonomy Ltd

**Consolidated Statement of Cash Flows (continued)**  
**For the Year Ended 31 December 2023**

	2023 £	2022 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	112,835,680
Expenses of equity share issues	-	(3,906,536)
Repayment of/new finance leases	<b>(61,115)</b>	(32,659)
<b>Net cash used in financing activities</b>	<b>(61,115)</b>	108,896,485
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(39,480,397)</b>	79,363,574
Cash and cash equivalents at beginning of year	<b>114,609,798</b>	35,246,224
<b>Cash and cash equivalents at the end of year</b>	<b>75,129,401</b>	114,609,798
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>75,129,401</b>	114,609,798
	<b>75,129,401</b>	114,609,798

The notes on pages 17 to 35 form part of these financial statements.

**Oxa Autonomy Ltd**

**Consolidated Analysis of Net Debt  
For the Year Ended 31 December 2023**

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	<b>At 1 January 2023 £</b>	<b>Cash flows £</b>	<b>New finance leases £</b>	<b>At 31 December 2023 £</b>
Cash at bank and in hand	<b>114,609,798</b>	<b>(39,480,397)</b>	<b>-</b>	<b>75,129,401</b>
Finance leases	<b>(7,829)</b>	<b>61,115</b>	<b>(185,583)</b>	<b>(132,297)</b>
	<b><u>114,601,969</u></b>	<b><u>(39,419,282)</u></b>	<b><u>(185,583)</u></b>	<b><u>74,997,104</u></b>

The notes on pages 17 to 35 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

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**1. General information**

OXA Autonomy Limited is a private company limited by shares and registered in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page. The principal activity of the Company is research, development and commercialisation of software solutions for self-driving vehicles.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2. Accounting policies (continued)**

**2.3 Going concern**

The Group has, as planned, recorded a significant loss in the year as it continues to invest in its software product development. Although generating revenues, the Group relies substantially on equity fundraisings to finance its operations. 2023 was a significant year for the Group in terms of scaling the Group's team globally and accelerating the development of its products towards commercialisation. The successful financing round at the end of 2022 means there is sufficient capital to continue this development drive and expansion throughout 2024. At the balance sheet date, the Group had cash at bank and in hand of £75,129,401 (2022 - £114,409,798) and net assets of £80,405,808 (2022 - £115,138,001). With its unique market positioning, the Group's commercial traction continues to increase which validates the tangible product development progress achieved year on year. The Board are confident that the Group can execute its go to market strategy and secure a pathway to profitability in line with its plans and projections.

The directors have prepared cashflow forecasts covering a period extending beyond 12 months from the date of approval of these financial statements, taking account of anticipated costs, revenues and the fund-raising exercise completed in the period. These forecasts demonstrate that the Group can operate within the finance facilities available to it throughout the forecast period and therefore the directors consider it is appropriate to continue to prepare financial statements on a going concern basis.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

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**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.7 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2. Accounting policies (continued)**

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Government grants**

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2. Accounting policies (continued)**

**2.13 Share-based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.14 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

**2.15 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is charged on a 10% straight line basis for trademarks and 10% straight line basis for patents.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

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**2. Accounting policies (continued)**

**2.16 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.

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.

Depreciation is provided on the following basis:

Leasehold improvements	-	20%
Motor vehicles	-	33%
Fixtures and fittings	-	20%
Office equipment	-	20%

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.18 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.19 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.20 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.21 Financial instruments

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, 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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In this regards, the Directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below:

**Tangible Fixed assets depreciation**

Tangible fixed assets are depreciated over their useful life taking into account, where appropriate, residual values. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**Share option valuation**

The fair value of share-based payment recognised in the income statement is measured by use of the Stochastic simulation model, which takes into account conditions attached to the vesting and exercise of the equity instruments.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
United Kingdom	36,489	278,911
Rest of Europe	291,138	53,781
Rest of the world	466,520	-
	<u>794,147</u>	<u>332,692</u>

Notes to the Financial Statements  
For the Year Ended 31 December 2023

5. Other operating income

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Research and development tax credit receivable	(114)	239,011
Other government grants	599	470,898
Foreign exchange difference gain	-	869,839
	<u>485</u>	<u>1,579,748</u>

6. Other operating expense

	2023 £	2022 £
Foreign exchange difference loss	<u>1,079,166</u>	<u>-</u>

7. Operating loss

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

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Depreciation of tangible fixed assets	818,930	905,875
Amortisation of intangible fixed assets	57,319	14,438
Exchange differences	1,079,166	(869,839)
(Profit)/loss on disposal of fixed assets	(9,826)	3,715
Share-based payment expense	1,379,234	1,028,485
Other operating lease rentals	<u>670,497</u>	<u>190,160</u>

Notes to the Financial Statements  
For the Year Ended 31 December 2023

8. Auditors' remuneration

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	25,000	18,000
Fees payable to the Company's auditors in respect of:		
Taxation compliance services	10,445	11,700
Other services relating to taxation	14,750	8,000
All other services	16,657	21,989

9. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group Year ended 2023 £	Group 15 month period ended 2022 £	Company Year ended 2023 £	Company 15 month period ended 2022 £
Wages and salaries	24,878,062	21,328,400	24,668,630	21,328,400
Social security costs	2,933,978	2,573,921	2,923,687	2,573,921
Cost of defined contribution scheme	2,379,307	2,015,047	2,379,307	2,015,047
Share based payment	1,379,234	1,028,485	1,379,234	1,028,485
	<b>31,570,581</b>	<b>26,945,853</b>	<b>31,350,858</b>	<b>26,945,853</b>

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

	Group Year ended 31 December 2023 No.	Group 15 month period ended 31 December 2022 No.	Company Year ended 31 December 2023 No.	Company 15 month period ended 31 December 2022 No.
Technical staff	227	162	225	162
Administrative staff	91	78	91	78
	<b>318</b>	<b>240</b>	<b>316</b>	<b>240</b>

Notes to the Financial Statements  
For the Year Ended 31 December 2023

10. Directors' remuneration

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Directors' emoluments	741,947	723,556
Group contributions to defined contribution pension schemes	25,517	17,055
	<u>767,464</u>	<u>740,611</u>

During the year retirement benefits were accruing to 1 Director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £405,914 (2022 - £419,024).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2022 - £NIL).

11. Interest receivable

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Bank interest receivable	3,269,407	81,292

12. Interest payable and similar expenses

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Finance leases and hire purchase contracts	225	2,963

Notes to the Financial Statements  
For the Year Ended 31 December 2023

13. Taxation

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	(5,282,988)	(3,833,828)
Adjustments in respect of previous periods	(659,882)	210,576
<b>Tax on loss</b>	<b>(5,942,870)</b>	<b>(3,623,252)</b>

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	Year ended 31 December 2023 £	15 month period ended 31 December 2022 £
Loss on ordinary activities before tax	(42,054,297)	(35,380,472)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	(9,891,171)	(6,722,290)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	22,971	(24,602)
Adjustments to tax charge in respect of prior periods	(659,882)	210,576
Adjustment in research and development tax credit	-	(37,527)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(932,952)	(1,649,638)
Other differences leading to an increase (decrease) in the tax charge	403	(8,815)
Movement in deferred tax not recognised	5,517,761	4,609,044
<b>Total tax charge for the year/period</b>	<b>(5,942,870)</b>	<b>(3,623,252)</b>

**Factors that may affect future tax charges**

The group has carried forward trading losses of approximately £74,000,000 (2022 - £55,000,000) which are available to offset against total future profits.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**14. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year/period was £35,870,414 (2022 - loss £31,757,220).

**15. Intangible assets**

**Group and Company**

	Patents £	Trademarks £	Total £
<b>Cost</b>			
At 1 January 2023	174,568	119,243	293,811
Additions	695,731	42,532	738,263
Adjustment	-	(27,698)	(27,698)
At 31 December 2023	<u>870,299</u>	<u>134,077</u>	<u>1,004,376</u>
<b>Amortisation</b>			
At 1 January 2023	4,204	52,591	56,795
Charge for the year on owned assets	45,970	11,349	57,319
Adjustment	-	(27,698)	(27,698)
At 31 December 2023	<u>50,174</u>	<u>36,242</u>	<u>86,416</u>
<b>Net book value</b>			
At 31 December 2023	<u>820,125</u>	<u>97,835</u>	<u>917,960</u>
At 31 December 2022	<u>170,364</u>	<u>66,652</u>	<u>237,016</u>

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**16. Tangible fixed assets**

**Group and Company**

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2023	751,877	477,998	258,531	2,842,455	4,330,861
Additions	2,122	228,073	9,293	358,960	598,448
Disposals	-	(42,488)	(1,852)	(81,967)	(126,307)
At 31 December 2023	<u>753,999</u>	<u>663,583</u>	<u>265,972</u>	<u>3,119,448</u>	<u>4,803,002</u>
<b>Depreciation</b>					
At 1 January 2023	365,062	394,705	155,950	1,330,595	2,246,312
Charge for the year on owned assets	150,694	83,933	46,660	508,977	790,264
Charge for the year on financed assets	-	-	-	28,666	28,666
Disposals	-	(3,541)	(1,615)	(73,195)	(78,351)
At 31 December 2023	<u>515,756</u>	<u>475,097</u>	<u>200,995</u>	<u>1,795,043</u>	<u>2,986,891</u>
<b>Net book value</b>					
At 31 December 2023	<u>238,243</u>	<u>188,486</u>	<u>64,977</u>	<u>1,324,405</u>	<u>1,816,111</u>
At 31 December 2022	<u>386,815</u>	<u>83,293</u>	<u>102,581</u>	<u>1,511,860</u>	<u>2,084,549</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	156,916	-
Office equipment	-	11,079
	<u>156,916</u>	<u>11,079</u>

Notes to the Financial Statements  
For the Year Ended 31 December 2023

17. Fixed asset investments

Company

	Investments in subsidiary undertakings £
<b>Cost or valuation</b>	
Additions and capital contributions	304,577
At 31 December 2023	<u>304,577</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
OXA Autonomy (US) LLC	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801	Ordinary	100%
OXA Autonomy (Canada) Ltd	130 King Street West, Office 1943 & 1944, Toronto Exchange Tower, Regus Office, Suite 1900, Toronto, Canada, M5X 1E3	Ordinary	100%

18. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	114,408	-	114,408	-
Other debtors	114,200	174,852	114,200	174,852
Prepayments and accrued income	1,439,886	1,022,268	1,376,616	1,022,268
Tax recoverable	5,282,988	3,867,442	5,282,988	3,867,442
	<u>6,951,482</u>	<u>5,064,562</u>	<u>6,888,212</u>	<u>5,064,562</u>

19. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	75,129,401	114,609,798	75,099,375	114,609,798

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**20. Creditors: Amounts falling due within one year**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Trade creditors	1,018,717	796,233	1,018,389	796,233
Other taxation and social security	962,071	703,731	962,071	703,731
Obligations under finance lease and hire purchase contracts	51,457	7,829	51,457	7,829
Other creditors	269,202	204,910	269,202	204,910
Accruals and deferred income	2,026,859	5,145,221	1,997,455	5,145,221
	<u>4,328,306</u>	<u>6,857,924</u>	<u>4,298,574</u>	<u>6,857,924</u>

Obligations held under finance leases and hire purchase contracts are secured against the assets they relate to.

**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Net obligations under finance leases and hire purchase contracts	80,840	-	80,840	-

Obligations held under finance leases and hire purchase contracts are secured against the assets they relate to.

**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Within one year	51,457	7,829	51,457	7,829
Between 1-5 years	80,840	-	80,840	-
	<u>132,297</u>	<u>7,829</u>	<u>132,297</u>	<u>7,829</u>

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

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**23. Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
177,177 (2022 - 177,177) Ordinary shares shares of £0.01 each	<b>1,772</b>	1,772
674 (2022 - 674) Series B EIS shares shares of £0.01 each	<b>7</b>	7
156,365 (2022 - 156,365) Series B Preferred shares shares of £0.01 each	<b>1,563</b>	1,563
69,873 (2022 - 69,873) Series C Preferred Shares shares of £0.01 each	<b>699</b>	699
	<hr/> <b>4,041</b> <hr/>	<hr/> <b>4,041</b> <hr/>

Series C Preferred shares have first priority capital distribution rights. Series B Preferred shares have second priority capital distribution rights. Ordinary shares and Series B EIS shares have capital distribution rights, following priority payment to the Series C and B Preferred shares.

All shares rank *pari passu* in all other respects.

**24. Reserves**

**Share premium account**

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

**Share based payment reserve**

The share based payment reserve represents the cumulative expense in relation to the fair value of share options granted.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**25. Share-based payments**

Share options have been granted to subscribe for Ordinary shares of the company. Details of the share options outstanding are as follows:

	<b>Weighted average exercise price (pence) 2023</b>	<b>Number 2023</b>	<b>Weighted average exercise price (pence) 2022</b>	<b>Number 2022</b>
Outstanding at the beginning of the year	246.03	31,974	251.36	13,059
Granted during the year	1,471.32	10,463	250.00	21,374
Exercised during the year	-	-	160.00	(188)
Forfeited during the year	135.06	(2,758)	321.19	(2,271)
<b>Outstanding at the end of the year</b>	<b>595.62</b>	<b>39,679</b>	<b>246.03</b>	<b>31,974</b>

In arriving at the fair value, each option grant has been professionally valued using a stochastic simulation model and the resulting fair value is expensed over the vesting period. The following table lists the range of assumptions used in the model.

	<b>2023</b>	<b>2022</b>
Weighted average contractual life (days)	<b>3 years</b>	3 years
Expected volatility	<b>50%</b>	50%
Expected dividend growth rate	<b>None</b>	None
Risk-free interest rate	<b>0-1.97%</b>	0-1.97%

**26. Capital commitments**

At 31 December 2023 the Group and Company had capital commitments as follows:

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Contracted for but not provided in these financial statements	<b>97,825</b>	64,624	<b>97,825</b>	64,624

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**27. Pension commitments**

The Company operates a defined contribution 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 £2,379,307 (2022 - £2,015,047). Contributions totaling £223,964 (2022 - £173,585) were payable to the fund at the balance sheet date and are included within creditors.

**28. Commitments under operating leases**

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Not later than 1 year	<b>559,086</b>	670,497	<b>531,903</b>	670,497
Later than 1 year and not later than 5 years	<b>1,191,304</b>	414,134	<b>1,191,304</b>	414,134
Later than 5 years	<b>545,038</b>	-	<b>545,038</b>	-
	<b><u>2,295,428</u></b>	<u>1,084,631</u>	<b><u>2,268,245</u></b>	<u>1,084,631</u>

**29. Related party transactions**

Key management personnel of the company comprises the directors and senior management team. The total amount of employee benefits received by the key management personnel for their services to the company was £2,933,036 (2022 - £2,667,390).

During the year there were sales and purchases made with companies connected with significant investor shareholders. All such transactions were undertaken on an arms length basis on normal commercial terms.

**30. Controlling party**

At 31 December 2023, there is no one controlling party.