

Zeelo Limited

Registered number: 10274913

Annual Report

For the year ended 31 December 2022

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ZEELO LIMITED

COMPANY INFORMATION

Directors

S E Ryan
L Griffin
J Slingsby
M D J Liebreich
P G Sheehan

Registered number

10274913

Registered office

Building 423 - Sky View (Ro)
Argosy Road
East Midlands Airport
Derby
DE74 2SA

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
30 Old Bailey
London
EC4M 7AU

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022.**

Introduction

The directors present their Strategic Report on Zeelo Limited ("the Group") for the year ended 31 December 2022.

Principal activities

The business operates in two main sectors; corporate passenger transport and education passenger transport.

Corporate:

Provision of safe and reliable bus or coach commuter passenger transportation for home to work commuting for large corporates such as Amazon, Fidelity, Wincanton. Zeelo provide an enhanced solution for riders/passengers using the services.

Education:

Provision of safe and reliable bus or coach commuter passenger transportation for home to school commuting for large colleges or independent schools.

The Group comprises companies in the UK, South Africa and the United States involved in its principal activity and a non-revenue generating company in Spain where its technical and engineering team is based.

Business review

During the year under review, the Group saw expansion in its UK and its US operations. The Group continued to focus on its core principal activity of supplying commuting solutions, specifically the provision of commuting solutions to corporate organisations where the journeys represent commutes to places of work such as Offices, Warehouses and Logistics Centres, and Educational Institutions where the journeys represent commutes to places of Education and Learning. This focus was key to the expansion of the business, establishing new relationships and developing existing relationships to further provide commuting solutions to underserved communities through the creation of many new routes right across the regions in which the Group operates.

In addition to its offering to corporate organisations in the UK, the business has continued to establish new client relationships with Schools and Colleges, providing safe, reliable, technology enabled transport to and from school for students and teachers. This area of the business has grown substantially since its inception in September 2021, with a significant growth in Clients served and routes operated in the 2022/23 school year compared to the 2021/22 school year.

During the year ended 31 December 2022, the shareholders of the group entered into an agreement with Swvl Holdco Corp (a BVI business company incorporated in the British Virgin Islands) to purchase 100% of the Group share capital. The parties entered into a Share Sale and Purchase Agreement ("SPA") on 28 April 2022. All completion deliverables were met by both parties however the parties mutually agreed to terminate the SPA on 29 July 2022.

Zeelo Limited received \$10 million through the provision of two promissory loan notes of \$5 million each on 21 December 2021 and 28 April 2022 from Swvl Global FZE (a Limited Liability Free Zone Establishment incorporated under the Dubai World Trade Centre Authority). As part of the termination of the SPA, and effective from the date of termination of the SPA, it was agreed that the group would be released and discharged of all and any current or future liabilities under or pursuant to the convertible promissory loan notes.

ZEELO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Business review (continued)

As a result of the termination, both the \$5m convertible promissory loan note held within non-current liabilities, as at 31 December 2021 and the \$5m convertible promissory loan note issued on 28 April 2022 have been written off to the Profit and Loss Account in the year ended 31 December 2022. There was no interest payable under the promissory loan notes at the date of termination.

On 15 December 2022 Zeelo Limited completed an equity funding round with existing and new investors. The business raised £4.2m of equity funds, refer to Note 24 for further information.

During the year, Zeelo Limited granted the conversion of 12,010,000 employee share options to ordinary share capital at the agreed exercise price per the Option Agreements. Refer to Note 24 for further information.

Principal risks and uncertainties

Competitive Environment

In a competitive environment, the Group has continued to grow its business due to strength of its business model and the value of the Zeelo brand:

- Attention to customer service is shown by its 24/7 customer support.
- Quality of supply is ensured by strict and regular checks on its operators.
- The journey routing and mapping algorithms were built in house, and ensures the most efficient journeys are taken by all vehicles.
- The App provides an easy way for users to book journeys, for drivers and users to be tracked while en-route and for drivers to log a vehicle's progress. This is invaluable for all users and has proven to be indispensable for parents of students travelling on routes to and from School.

Legislative Risk

Legislative risk is low in the business as the Group sub-contract the running of the routes to its operators, who are responsible for the employment of its drivers and upkeep of its vehicles. The Group takes an active role in ensuring vehicles are safe and compliant, and that drivers follow government guidelines and use the App correctly, by vetting new and existing operators.

Liquidity Risk

The Group manages its cash and borrowing to meet its working capital requirements. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities.

Credit Risk

As a standard policy, all new customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis, contact made with clients with overdue balances and provision is made for doubtful debts where necessary.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Key performance indicators

Financial:

Turnover increased to £24,540,179 in 2022 (2021: £15,425,878), an increase of 59.1% (£9,114,301).

Gross Margin decreased to 15.1% in 2022 (£3,693,956), compared to 16.9% in 2021 (£2,602,985).

Loss for the financial year increased to £4,731,355 in 2022 from £3,906,392 in 2021.

Non-financial:

Taking cars off the road: In 2022 we were able to get 31,673 people away from cars into a shared solution, totalling more than 2m rides. This is up from 9,925 people and 1m rides in 2021.

Emission Offset: in 2022 we were able to offset 2,607 tonnes of CO₂ (up 47% from 2021), and by removing cars from the road we saved 5,885 tonnes of CO₂ (up 273% from 2021).

Net Zero: Zeelo is committed to a 100% net zero fleet by 2030.

Other Developments

Share Sale and Purchase Agreement

During the year ended 31 December 2022, the shareholders of the group entered into an agreement with Swvl Holdco Corp (a BVI business company incorporated in the British Virgin Islands) to purchase 100% of the Group share capital. The parties entered into a Share Sale and Purchase Agreement ("SPA") on 28 April 2022. All completion deliverables were met by both parties however the parties mutually agreed to terminate the SPA on 29 July 2022.

Zeelo Limited received \$10 million through the provision of two promissory loan notes of \$5 million each on 21 December 2021 and 28 April 2022 from Swvl Global FZE (a Limited Liability Free Zone Establishment incorporated under the Dubai World Trade Centre Authority). As part of the termination of the SPA, and effective from the date of termination of the SPA, it was agreed that the group would be released and discharged of all and any current or future liabilities under or pursuant to the convertible promissory loan notes.

As a result of the termination, both the \$5m convertible promissory loan note held within non-current liabilities as at 31 December 2021 and the \$5m convertible promissory loan note issued on 28 April 2022 have been written off to the Profit and Loss Account in the year ended 31 December 2022. There was no interest payable under the promissory loan notes at the date of termination.

Repayment of the Lloyds Bank bounce back Loan

In March 2022, the Group repaid its bounce back loan to Lloyds Bank in full. The loan, for £50,000, had repayment terms of 72 months, and had originally been taken out in May 2020.

ZEELO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Future Developments

Ukrainian Conflict and Rising Fuel Prices

The Group was not significantly impacted by the Ukrainian crisis and the knock-on impact to rising fuel prices and market uncertainty. The Group contracts with its operators using fixed journey rates for a fixed period of time (for instance, several months or a School term). As such, the impact of the rising fuel prices are borne in the short to medium term by the operators.

After the end of the fixed period, if operators seek to increase the journey rates due to fuel price rises, the Group have the option to either negotiate an increase in the journey rate with the client to pass this increase on or to seek alternative operators in the area, which we are readily able to do due to existing relationships with many operators across the regions we operate in.

Fundraise

On 31 January 2023 Zeelo Limited completed an equity funding round with existing and new investors. The business raised £1.19m of equity funds.

In June 2023 and July 2023 Zeelo Limited completed an equity round with existing and new investors. The business raised £5.6m of equity funds.

US Accounts Receivable Purchase Facility

In June 2023, Zeelo Inc. entered into an agreement with First Business Speciality Finance LLC for the provision of an Accounts Receivable Purchase Facility providing a maximum of \$2.5m to assist with short term working capital requirements of day to day trading. A first priority security lien was entered into on the same date as security for this facility.

This report was approved by the board and signed on its behalf by:



J. Slingsby
Director

Date: Dec 11, 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £4,522,328 (2021: loss of £3,906,392).

The directors do not recommend the payment of a dividend for the year (2021: £nil).

Directors

The directors who served during the year and to the date of this report were:

S E Ryan
L Griffin
J Slingsby
M D J Liebreich
P G Sheehan

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation; rising interest rates, labour shortages; disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The Group continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Going concern

The financial statements have been prepared on the going concern basis. The Group and the Company incurred losses during the year however the directors have a reasonable expectation that the performance of Group and the Company will be reversed when the research and development stage has been completed and has sufficient resources available to meet its future liabilities, as and when they fall due. The directors have considered the impact of the Covid 19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the business to trade in the future. On this basis, the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

Qualifying third party indemnity provisions

The directors benefit from a third party qualifying indemnity provision in the form permitted by Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Directors' Report.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to principal activities, business review, principal risks and uncertainties and future developments.

Provision of information to auditor

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

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

ZEELO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Post balance sheet events

Fundraise

On 31 January 2023 Zeelo Limited completed an equity funding round with existing and new investors. The business raised £1.19m of equity funds.

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US Accounts Receivable Purchase Facility

In June 2023, Zeelo Inc. entered into an agreement with First Business Speciality Finance LLC for the provision of an Accounts Receivable Purchase Facility providing a maximum of \$2.5m to assist with short term working capital requirements of day to day trading. A first priority security lien was entered into on the same date as security for this facility.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J Slingsby
Director

Date: Dec 11, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEELO LIMITED

Opinion

We have audited the financial statements of Zeelo Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 and of 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 "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEELO LIMITED

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 light of the knowledge and understanding of the group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEELO LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 intend either to liquidate the Group and the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEELO LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of share options, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

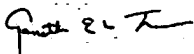
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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



Gareth Jones (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: Dec 11, 2023

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	24,540,179	15,425,878
Cost of sales		(20,846,223)	(12,822,893)
Gross profit		3,693,956	2,602,985
Administrative expenses		(16,490,191)	(6,494,675)
Other operating income	5	7,816,556	
Other operating charges	6	(245,385)	(156,411)
Operating loss	7	(5,225,064)	(4,048,101)
Interest payable and similar expenses	11	(1,019)	(130,924)
Loss before taxation		(5,226,083)	(4,179,025)
Tax on loss	12	494,728	272,633
Loss for the financial year		(4,731,355)	(3,906,392)
Other comprehensive (loss)/income			
Currency translation differences		(149,628)	58,677
Total comprehensive loss for the year		(4,880,983)	(3,847,715)
Loss for the year attributable to:			
Non-controlling interests		(209,027)	-
Owners of the parent Company		(4,522,328)	(3,906,392)
		(4,731,355)	(3,906,392)

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 18 to 40 form part of these financial statements.

ZÉELO LIMITED
REGISTERED NUMBER: 10274913

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	248	336
Tangible fixed assets	14	182,731	122,546
		<u>182,979</u>	<u>122,882</u>
Current assets			
Debtors: amounts falling due within one year	16	8,428,502	6,244,042
Cash and cash equivalents	17	2,783,775	4,286,237
		<u>11,212,277</u>	<u>10,530,279</u>
Creditors: amounts falling due within one year	18	(6,438,082)	(3,308,991)
Net current assets		<u>4,774,195</u>	<u>7,221,288</u>
Total assets less current liabilities		<u>4,957,174</u>	<u>7,344,170</u>
Creditors: amounts falling due after more than one year	19		(3,768,626)
Net assets		<u>4,957,174</u>	<u>3,575,544</u>
Capital and reserves			
Called up share capital	21	1,256	1,020
Share premium account	22	19,817,996	15,207,119
Share option reserves	22	2,743,172	1,840,718
Profit and loss account	22	(17,396,223)	(13,473,313)
Non-controlling interests		(209,027)	-
Total equity		<u>4,957,174</u>	<u>3,575,544</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Slingsby
 Director

Date: Dec 11, 2023

The notes on pages 18 to 40 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	248	336
Tangible fixed assets	14	119,555	83,382
Investments	15	872,673	713,248
		<u>992,476</u>	<u>796,966</u>
Current assets			
Debtors: amounts falling due within one year	16	10,724,223	6,964,194
Cash and cash equivalents	17	2,542,253	4,091,595
		<u>13,266,476</u>	<u>11,055,789</u>
Creditors: amounts falling due within one year	18	(5,556,273)	(3,031,641)
Net current assets		<u>7,710,203</u>	<u>8,024,148</u>
Total assets less current liabilities		<u>8,702,679</u>	<u>8,821,114</u>
Creditors: amounts falling due after more than one year	19	-	(3,768,626)
Net assets		<u><u>8,702,679</u></u>	<u><u>5,052,488</u></u>
Capital and reserves			
Called up share capital	21	1,256	1,020
Share premium account	22	19,817,996	15,207,119
Share option reserves	22	2,743,172	1,840,718
Profit and loss account	22	(13,859,745)	(11,996,369)
Total equity		<u><u>8,702,679</u></u>	<u><u>5,052,488</u></u>

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 was £2,612,422 (2021: loss of £3,271,704).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Slingsby

Director

Date: Dec 11, 2023

The notes on pages 18 to 40 form part of these financial statements.

ZEELO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Share option reserves £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 January 2021	591	6,009,887	1,675,568	(9,625,598)	-	(1,939,552)
Comprehensive loss for the year						
Loss for the year	-	-	-	(3,906,392)	-	(3,906,392)
Currency translation differences	-	-	-	58,677	-	58,677
Other comprehensive income for the year				58,677	-	58,677
Total comprehensive loss for the year				(3,847,715)	-	(3,847,715)
Shares issued during the year	429	9,197,232	-	-	-	9,197,661
Share option costs	-	-	165,150	-	-	165,150
Total transactions with owners	429	9,197,232	165,150	-	-	9,362,811
At 1 January 2022	1,020	15,207,119	1,840,718	(13,473,313)	-	3,575,544
Comprehensive loss for the year						
Loss for the year	-	-	-	(4,522,328)	(209,027)	(4,731,355)
Currency translation differences	-	-	-	(149,628)	-	(149,628)
Other comprehensive loss for the year				(149,628)	-	(149,628)
Total comprehensive loss for the year				(4,671,956)	(209,027)	(4,880,983)
Shares issued during the year	236	4,610,877	-	-	-	4,611,113
Transfer (from)/to profit and loss account	-	-	(749,046)	749,046	-	-
Share option costs	-	-	1,651,500	-	-	1,651,500
Total transactions with owners	236	4,610,877	902,454	749,046	-	6,262,613
At 31 December 2022	1,256	19,817,996	2,743,172	(17,396,223)	(209,027)	4,957,174

The notes on pages 18 to 40 form part of these financial statements.

ZEELO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Share option reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	591	6,009,887	1,675,568	(8,724,665)	(1,038,619)
Comprehensive loss for the year					
Loss for the year	-	-	-	(3,271,704)	(3,271,704)
Total comprehensive loss for the year				(3,271,704)	(3,271,704)
Shares issued during the year	429	9,197,232	-	-	9,197,661
Share option costs	-	-	165,150	-	165,150
Total transactions with owners	429	9,197,232	165,150	-	9,362,811
At 1 January 2022	1,020	15,207,119	1,840,718	(11,996,369)	5,052,488
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,612,422)	(2,612,422)
Total comprehensive loss for the year				(2,612,422)	(2,612,422)
Shares issued during the year	236	4,610,877	-	-	4,611,113
Transfer (from)/to profit and loss account	-	-	(749,046)	749,046	-
Share option costs	-	-	1,651,500	-	1,651,500
Total transactions with owners	236	4,610,877	902,454	749,046	6,262,613
At 31 December 2022	1,256	19,817,996	2,743,172	(13,859,745)	8,702,679

The notes on pages 18 to 40 form part of these financial statements.

ZÉELO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(4,731,355)	(3,906,392)
Adjustments for:		
Amortisation of intangible assets	88	88
Depreciation of tangible fixed assets	82,100	27,534
Loss on disposal of tangible fixed assets	4,066	-
Waiver of promissory loan notes	(7,816,556)	-
Interest paid	1,019	130,924
R&D taxation credit	(494,728)	(272,633)
Increase in debtors	(1,835,370)	(4,630,785)
Increase in creditors	3,141,776	2,023,336
Corporation tax received	145,638	202,008
Currency translation differences	(149,628)	58,677
Share option costs	1,651,500	165,150
Net cash used in operating activities	<u>(10,001,450)</u>	<u>(6,202,093)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(146,351)	(118,211)
Sale of tangible fixed assets	-	127
Net cash used in investing activities	<u>(146,351)</u>	<u>(118,084)</u>
Cash flows from financing activities		
Issue of ordinary shares	4,611,113	9,197,661
Repayment of other loans	(46,317)	(29,553)
Repayment of loan notes	-	(41,048)
Issue of new promissory loan notes	4,081,562	-
Interest paid	(1,019)	(130,924)
Net cash from financing activities	<u>8,645,339</u>	<u>8,996,136</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,502,462)</u>	<u>2,675,959</u>
Cash and cash equivalents at beginning of year	4,286,237	1,610,278
Cash and cash equivalents at the end of year	<u>2,783,775</u>	<u>4,286,237</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>2,783,775</u>	<u>4,286,237</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Zeelo Limited is a private company limited by shares incorporated in England and Wales. The Company's registration number is 10274913. The registered office is Building 423 - Sky View (Ro), Argosy Road, East Midlands Airport, Derby, DE74 2SA.

The business operates in two main sectors: corporate passenger transport and education passenger transport.

Corporate:

Provision of safe and reliable bus or coach commuter passenger transportation for home to work commuting for large corporates such as Amazon, Fidelity, Wincanton. Zeelo provide an enhanced solution for riders/passengers using the services.

Education:

Provision of safe and reliable bus or coach commuter passenger transportation for home to school commuting for large colleges or independent schools.

On 4 April 2023, the Company's registered office address changed from 2 Underwood Row, London, N1 7LQ to Building 423 - Sky View (Ro), Argosy Road, East Midlands Airport, Derby, DE74 2SA.

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 financial statements have been presented in Pounds Sterling and are rounded to the nearest pound as this is the currency of the primary economic environment in which the Group operates.

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.

Where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis. The Group and the Company incurred losses during the year however the directors have a reasonable expectation that the performance of Group and the Company will be reversed when the research and development stage has been completed and has sufficient resources available to meet its future liabilities, as and when they fall due. The directors have considered the impact of the Covid 19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the business to trade in the future. On this basis, the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation 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 'administrative expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'other comprehensive 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 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.

2.8 Government loans

During the prior year the Group took advantage of the government's Coronavirus Bounce Back Loan Scheme (BBLs). This was accounted for as a basic financial instrument under the amortised cost method using an effective interest rate as permitted by FRS 102. The loan secured by the Group is debited to cash and credited to other loans within the Consolidated Statement of Financial Position. Any finance charge occurred was presented in the Consolidated Statement of Comprehensive Income within 'interest payable and similar expenses' and 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2: Accounting policies (continued)

2.9 Interest payable and similar expenses

Interest payable and similar expenses are charged to the Consolidated Statement of Comprehensive Income 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.

2.10 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 the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 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 Statement of Financial Position 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 the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Intellectual property	5 years
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Amortisation is included in 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

2.15 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Fixtures and fittings	- 20%
Office equipment	- 20%
Computer equipment	- 33.33%

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 the Consolidated Statement of Comprehensive Income.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.17 Debtors: amounts falling due within one year

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.

2.18 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.

2.19 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 the revision and future periods, if the revision affects both current and future periods.

3.1 Critical judgements in applying the Group's accounting policies

The critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Share options

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a valuation model based on applying a revenue multiple to the ARR run rate revenue.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Rendering of services	24,540,179	15,425,878

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	21,999,997	14,121,815
Rest of the world	2,540,182	1,304,063
	<u>24,540,179</u>	<u>15,425,878</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022 £	2021 £
Other operating income	7,816,556	-

Other operating income relates to the convertible promissory loan note transaction (note 19).

6. Exceptional items

	2022 £	2021 £
Exceptional item	245,385	156,411

The exceptional items relate legal work associated with the aborted transaction, legal work connected to fundraising, legal Expenses connected to employment advice, and legal/tax advice relating to the secondment to the US of a few UK employees.

7. Operating loss

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

	2022 £	2021 £
Depreciation of tangible fixed assets	82,100	27,534
Amortisation of intangible assets	88	88
Research & development charged as an expense	1,483,442	773,014
Pension costs	164,554	58,608
Exchange differences	(276,774)	38,940
Other operating lease rentals	1,176,879	259,147
Share option costs	1,651,500	165,150
Impairment of trade debtors	76,794	291,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
8. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	40,000	30,000
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	6,000	3,500
All other services	103,970	28,520
	<u>109,970</u>	<u>32,020</u>

9. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £
Wages and salaries	8,287,643	3,272,178
Social security costs	1,066,853	381,174
Pension costs	164,554	58,608
	<u>9,519,050</u>	<u>3,711,960</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	<u>159</u>	<u>74</u>	<u>110</u>	<u>51</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	454,581	379,417
Directors' pension costs	9,271	14,729
	<u>463,852</u>	<u>394,146</u>

During the year retirement benefits were accruing to 1 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £228,905 (2021: £188,284).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,271 (2021: £10,963).

The directors of the Group are considered to be key management personnel.

11. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	1,019	130,924
	<u>1,019</u>	<u>130,924</u>

Included in other interest payable is the interest incurred and repaid on a Covid Bounceback loan that was repaid in full in March 2022.

12. Taxation

	2022 £	2021 £
Corporation tax		
R&D tax credit	(494,728)	(272,633)
Total current tax	<u>(494,728)</u>	<u>(272,633)</u>
Deferred tax		
Total deferred tax	<u> </u>	<u> </u>
Taxation on loss on ordinary activities	<u>(494,728)</u>	<u>(272,633)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022.**
12. Taxation (continued)**Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(5,226,083)	(4,179,025)
Loss before tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(992,956)	(794,015)
Effects of:		
Fixed asset differences	(5,397)	
Expenses not deductible for tax purposes	400,246	136,544
Income not taxable for tax purposes	(142,467)	
Additional deduction for R&D expenditure	(366,410)	(190,934)
Adjustments to brought forward values	(22,524)	
Other permanent differences	(93,485)	
Surrender of tax losses for R&D tax credit refund	648,264	337,807
R&D tax credit	(494,728)	(272,633)
Remeasurement of deferred tax for changes in tax rates	(54,357)	(569,936)
Deferred tax not recognised	226,489	1,080,534
Effects of overseas tax rates	402,597	
Total tax credit for the year	(494,728)	(272,633)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

At year end the unrecognised deferred tax asset for the Group and the Company was £2,529,754 (2021: £2,323,270).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DÉCEMBER 2022**

13. Intangible assets

Group and Company

	Intellectual property £
Cost	
At 1 January 2022	440
At 31 December 2022	<u>440</u>
Amortisation	
At 1 January 2022	104
Charge for the year	88
At 31 December 2022	<u>192</u>
Net book value	
At 31 December 2022	<u>248</u>
At 31 December 2021	<u>336</u>

The intangible assets relate to intellectual property/trademarks for Zeelo.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
14. Tangible fixed assets
Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2022	1,601	10,992	179,076	191,669
Additions	75	19,320	126,956	146,351
Disposals			(5,649)	(5,649)
At 31 December 2022	<u>1,676</u>	<u>30,312</u>	<u>300,383</u>	<u>332,371</u>
Depreciation				
At 1 January 2022	617	4,151	64,355	69,123
Charge for the year	309	5,321	76,470	82,100
Disposals			(1,583)	(1,583)
At 31 December 2022	<u>926</u>	<u>9,472</u>	<u>139,242</u>	<u>149,640</u>
Net book value				
At 31 December 2022	<u>750</u>	<u>20,840</u>	<u>161,141</u>	<u>182,731</u>
At 31 December 2021	<u>984</u>	<u>6,841</u>	<u>114,721</u>	<u>122,546</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	10,778	121,238	132,016
Additions	18,187	76,497	94,684
Disposals		(5,649)	(5,649)
At 31 December 2022	<u>28,965</u>	<u>192,086</u>	<u>221,051</u>
Depreciation			
At 1 January 2022	4,127	44,507	48,634
Charge for the year	4,945	49,500	54,445
Disposals		(1,583)	(1,583)
At 31 December 2022	<u>9,072</u>	<u>92,424</u>	<u>101,496</u>
Net book value			
At 31 December 2022	<u>19,893</u>	<u>99,662</u>	<u>119,555</u>
At 31 December 2020	<u>6,651</u>	<u>76,731</u>	<u>83,382</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
15. Investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 January 2022	713,248
Additions	159,425
At 31 December 2022	<u>872,673</u>
Net book value	
At 31 December 2022	<u>872,673</u>
At 31 December 2021	<u>713,248</u>

Additions in investments in the year relate to share option costs incurred by Zed Doublee LO, S.L. (Sociedad Unipersonal) during the year.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Zed Doublee LO, S.L. (Sociedad Unipersonal)	Calle Josep Irla i Bosch, 1-3, Bajos, 08034 Barcelona, Spain	R&D and technology	Ordinary	100%
ZeeloSA Midco Proprietary Limited*	Beacon Rock, 21 Lighthouse Road, Umhlanga, Kwa-Zulu Natal, 4320, South Africa	Transport solutions	Ordinary	70%
Zeelo, Inc.	859 Willard Street, Suite 400, Quincy, Massachusetts, 02169	Transport solutions	Ordinary	100%

*The SA business was restructured in February 2022 to meet BBBEE requirements. As a result, ZeeloSA Midco Proprietary Limited was registered, with Zeelo Limited's shareholding transferred to this entity, retaining 70% shareholding, with the remaining 30% of the shareholding held by a BBBEE partner.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	3,784,774	5,638,703	3,316,366	5,471,519
Amounts owed by group undertakings	-	-	3,360,399	971,148
Other debtors	895,804	214,255	798,926	187,679
Prepayments and accrued income	3,126,201	118,451	2,626,809	61,215
Corporation tax receivable	621,723	272,633	621,723	272,633
	<u>8,428,502</u>	<u>6,244,042</u>	<u>10,724,223</u>	<u>6,964,194</u>

Trade debtors are stated net of provisions of £76,794 (2021: £290,400).

Amounts owed by group undertakings includes loans which are unsecured, bear interest from 3.6% to 8% (2021: 3.6% to 8%) per annum and are payable on demand.

On 30 December 2022, a £287,556 loan to a director was granted, at an interest rate of 4.29% (based on the current long-term AFR at that date). At year end, the entire loan amount remained outstanding and has been included within other debtors.

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	<u>2,783,775</u>	<u>4,286,237</u>	<u>2,542,253</u>	<u>4,091,595</u>

ZEELO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****18. Creditors: Amounts falling due within one year**

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Other loans (note 19)		12,685		9,844
Trade creditors	622,844	1,869,659	539,795	1,737,491
Working capital facility	2,199,789	-	2,199,789	-
Amounts owed to group undertakings				21,843
Other taxation and social security	293,068	161,322	184,501	104,087
Other creditors	11,398	19,374	599	13,194
Accruals and deferred income	3,310,983	1,245,951	2,631,589	1,145,182
	<u>6,438,082</u>	<u>3,308,991</u>	<u>5,556,273</u>	<u>3,031,641</u>

On 30 March 2022, Zeelo Limited entered into a working capital facility with Close Invoice Finance Limited providing an initial maximum facility of £1,500,000 with an uplift to £3,500,000 in May 2022 to assist with short-term working capital requirements of day to day trading. An all asset debenture was entered into on the same date as security for this facility.

The working capital facility is secured by a fixed and floating charge over the assets of the Company within the group in favour of Close Brothers Limited. This facility has no agreed renewal date and will continue until either party terminates the agreement in writing with a notice period then taking effect.

19. Creditors: Amounts falling due after more than one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Promissory loan notes	-	3,734,994	-	3,734,994
Other loans	-	33,632	-	33,632
	<u>-</u>	<u>3,768,626</u>	<u>-</u>	<u>3,768,626</u>

Promissory loan notes held at the end of 2021 were discharged and credited as 'other income' in the Consolidated Statement of Comprehensive Income.

In March 2022, the Company repaid its bounce back included within amounts falling due within one year and amounts falling due after more than one year within other loans of £nil. (2021: £43,476) to Lloyds Bank in full.

ZEELO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Other loans	-	12,685	-	9,844
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts falling due 2-5 years				
Loan notes	-	3,734,994	-	3,734,994
Other loans	-	33,632	-	33,632
	<hr/>	<hr/>	<hr/>	<hr/>
		3,768,626		3,768,626
	<hr/>	<hr/>	<hr/>	<hr/>
		3,781,311		3,778,470
	<hr/>	<hr/>	<hr/>	<hr/>

21. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50,448,582 (2021:3,690) Ordinary shares of £0.00001 (2021: £0.10) each	505	369
56,230,000 (2021:5,623) A Preferred shares of £0.00001 (2021: £0.10) each	562	562
8,890,000 (2021:889) Preferred shares of £0.00001 (2021: £0.10) each	89	89
10,049,353 (2021:nil) A3 Preferred shares shares of £0.00001 each	100	-
	<hr/>	<hr/>
	1,256	1,020
	<hr/>	<hr/>

All classes of shares are equal in respect of voting and dividend rights, except that the A Preferred shares, Preferred shares and A3 Preferred shares take priority over all other classes of shares on capital distribution.

In April 2022, the shares were subdivided 1:10,000.

On 27 June 2022 the Company issued 410,000 Ordinary shares of £0.00001 each for consideration of £0.017295 each.

On 15 December 2022 the Company issued 1,538,582 Ordinary shares of £0.00001 each for consideration of £0.360073 each and 10,049,353 Preferred shares of £0.00001 each for consideration of £0.360073 each.

On 30 December 2022, the Company issued 11,600,000 Ordinary shares of £0.00001 each for consideration of £0.0372 each.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Share option reserves

Share option reserves represents shares to be issued under the share-based payments scheme which the Group and Company operates for its employees.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

23. Consolidated analysis of net debt

	At 1 January 2022 £	Cash flows £	Loans discharged £	At 31 December 2022 £
Cash at bank and in hand	4,286,237	(1,502,462)	-	2,783,775
Debt due after 1 year	(3,768,626)	-	3,768,626	-
Debt due within 1 year	(12,685)	(2,199,789)	12,685	(2,199,789)
	<u>504,926</u>	<u>(3,702,251)</u>	<u>3,781,311</u>	<u>583,986</u>

ZEELO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Share based payments.

The Group operates an equity-settled employee share option plan. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a valuation model based on applying a revenue multiple to the ARR run rate revenue (refer to note 2.11).

During the year, new options were granted, forfeited and exercised as detailed below:

	Weighted average exercise price (pence) 2022	Number '000 2022	Weighted average exercise price (pence) 2021	Number '000 2021
Outstanding at the beginning of the year	236.83	3,010	163.75	2,436
Granted during the year	368.05	1,313	375.69	1,059
Forfeited during the year	172.95	(1,269)	172.95	(471)
Exercised during the year	365.20	(1,201)	172.95	(14)
Outstanding at the end of the year	363.87	1,853	236.83	3,010

In April 2022 the shares were subdivided 1:10,000.

	2022 £	2021 £
Equity-settled schemes	1,651,500	165,150

25. 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 Group to the fund and amounted to £164,554 (2021: £58,608). Contributions totalling £34,222 (2021: £6,857) were payable to the fund at the reporting date.

26. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	616,193	71,046	468,707	41,055
	616,193	71,046	468,707	41,055

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Related party transactions

The Group has taken advantage of the exemption permitted by section 33.1A Related party disclosure of the Financial Reporting Standard 102, not to provide disclosures of transactions entered into with other wholly owned members of the Group.

On 30 December 2022, a £287,556 loan to a director was granted, at an interest rate of 4.29% (based on the current long-term AFR at that date). At year end, the entire loan amount remained outstanding and has been included within other debtors.

28. Post balance sheet events

Fundraise

On 31 January 2023 Zeelo Limited completed an equity funding round with existing and new investors. The business raised £1.19m of equity funds.

In June 2023 and July 2023 Zeelo Limited completed an equity round with existing and new investors. The business raised £5.6m of equity funds.

US Accounts Receivable Purchase Facility

In June 2023, Zeelo Inc. entered into an agreement with First Business Speciality Finance LLC for the provision of an Accounts Receivable Purchase Facility providing a maximum of \$2.5m to assist with short term working capital requirements of day to day trading. A first priority security lien was entered into on the same date as security for this facility.

29. Controlling party

There is no ultimate controlling party.