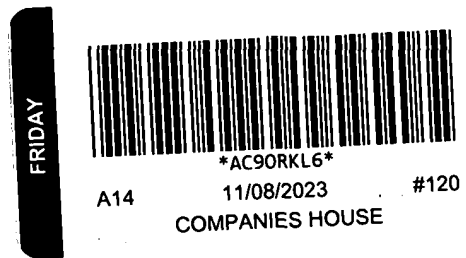


Registered number: 09242359

**OXA Autonomy Ltd (previously known as Oxbotica Limited)**

Directors' Report and Financial Statements

For the 15 month period ended 31 December 2022



 **DAINS**

**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 (appointed 6 December 2021) Graham Stephen Budd (appointed 11 May 2022)
<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 15 Galmore Row Birmingham B32BH
<b>Bankers</b>	Barclays Bank Plc 54 Cornmarket Street Oxford OX13HB  National Westminster Bank Plc 43 Cornmarket Street Oxford OX13HA
<b>Solicitors</b>	Taylor Wessing LLP 5 New Street Square London EC4A3TW

## **OXA Autonomy Ltd**

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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

2022 was a significant year for the Company securing a substantial amount of funding despite the turbulent global economic climate. The successful financing round provides sufficient capital to scale the Company's team globally and accelerate development and commercialisation of its products.

The Company 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 Company had net assets of £115,138,001 (2021 - £36,937,592) at 31 December 2022. The increase in loss in the period is due to the continued investment in its software product development.

With its unique market positioning, the Company's commercial traction continues to increase, which validates the tangible product development progress achieved year on year. The Board are confident that the Company 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 Company'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 Company develops cutting-edge technologies, the technical risk is inherent. The Company allows for contingency in time and cost to mitigate the risk.

#### Commercial risk

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

#### Foreign exchange risk

The Company 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 company 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:

	2022	2021
Operating loss	(35,458,801)	(13,504,925)
Loss for the financial year	(31,757,220)	(13,505,376)
Cash and cash equivalents	114,609,798	35,246,224
Total equity	115,138,001	36,937,592
Current assets: Liabilities ('current ratio')	17:1	21:1
Average number of employees	240	172
Intangible assets (IP)	237,016	56,804

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

**OXA Autonomy Ltd**

**Strategic Report (continued)**  
**For the 15 months ended 31 December 2022**

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**Other key performance indicators**

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

This report was approved by the board on 24 July 2023 and signed on its behalf.



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**Gavin Jackson**  
Director

## **OXA Autonomy Ltd**

### **Directors' Report For the 15 months ended 31 December 2022**

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The Directors present their report and the financial statements for the 15 month period ended 31 December 2022.

#### **Results and dividends**

The loss for the 15 month period, after taxation, amounted to £31,757,220 (2021 - loss £13,505,376).

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

#### **Directors**

The Directors who served during the 15 month period were:

Philip David Avery  
Dr Paul Michael Newman  
Clive Gerald Scrivener  
James Galton  
IP2IPO Services Limited  
Erin Colleen Brown  
Parkwalk Advisors Ltd  
Gavin Jackson (appointed 6 December 2021)  
Graham Stephen Budd (appointed 11 May 2022)

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 of the profit or loss of the Company for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 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 £11,815k (2021: £9,106k) in the year which mostly relates to testing and development of its universal autonomy software.

**Directors' Report (continued)**  
**For the 15 months ended 31 December 2022**

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**Going concern**

The company has, as planned, recorded a significant loss in the period as it continues to invest in its software product development. Although generating revenues, the company relies on a combination of third-party revenues and equity investment to fund its operations. 2022 was a significant period for the Company, securing a substantial amount of funding, despite the turbulent global economic climate, to allow it to scale the Company's team globally and accelerate development and commercialisation of its products. At the balance sheet date, the Company had cash at bank and in hand of £114,609,798 (2021 - £35,246,224) and net assets of £115,138,001 (2021 - £36,937,592). With its unique market positioning, the Company's commercial traction continues to increase which validates the tangible product development progress achieved year on year. The Board are confident that the Company 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 company 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'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's auditors are aware of that information.

**Post balance sheet events**

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

**Auditors**

The directors, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. 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 24 July 2023 and signed on its behalf.



**Gavin Jackson**  
Director

**Opinion**

We have audited the financial statements of OXA Autonomy Ltd (the 'Company') for the 15 month period ended 31 December 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the 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 Company's affairs as at 31 December 2022 and of its loss for the 15 month period 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 Company 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 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.

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

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**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 Strategic report and the Directors' report for the financial 15 month period 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**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 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 Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 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.

**OXA Autonomy Ltd**

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

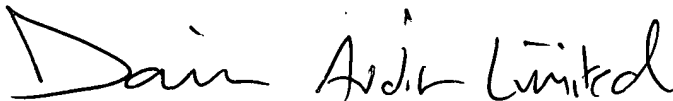
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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more 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

24 July 2023

OXA Autonomy Ltd

Statement of Comprehensive Income  
For the 15 months ended 31 December 2022

		15 month period ended 31 December 2022	Year ended 30 September 2021
	Note	£	£
Turnover	4	332,692	616,452
Cost of sales		(17,109,146)	(9,105,510)
<b>Gross loss</b>		<b>(16,776,454)</b>	<b>(8,489,058)</b>
Administrative expenses		(20,262,095)	(9,028,976)
Other operating income	5	1,579,748	4,017,392
Other operating charges			(4,283)
<b>Operating loss</b>	6	<b>(35,458,801)</b>	<b>(13,504,925)</b>
Interest receivable and similar income	10	81,292	5,575
Interest payable and similar expenses	11	(2,963)	(6,026)
<b>Loss before tax</b>		<b>(35,380,472)</b>	<b>(13,505,376)</b>
Tax on loss	12	3,623,252	
<b>Loss for the financial 15 month period</b>		<b>(31,757,220)</b>	<b>(13,505,376)</b>

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

**OXA Autonomy Ltd**  
**Registered number:09242359**

**Balance Sheet**  
**As at 31 December 2022**

	Note	31 December 2022 £	30 September 2021 £
<b>Fixed assets</b>			
Intangible assets	13	237,016	56,804
Tangible fixed assets	14	2,084,549	1,732,353
		<u>2,321,565</u>	<u>1,789,157</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	5,064,562	1,655,093
Cash at bank and in hand	16	114,609,798	35,246,224
		<u>119,674,360</u>	<u>36,901,317</u>
Creditors: amounts falling due within one year	17	(6,857,924)	(1,742,144)
<b>Net current assets</b>		<u>112,816,436</u>	35,159,173
<b>Total assets less current liabilities</b>		<u>115,138,001</u>	<u>36,948,330</u>
Creditors: amounts falling due after more than one year	18		(10,738)
<b>Net assets</b>		<u>115,138,001</u>	<u>36,937,592</u>
<b>Capital and reserves</b>			
Called up share capital	20	4,041	3,121
Share premium account	21	175,813,975	66,885,751
Share based payment reserves	21	1,640,019	626,010
Profit and loss account	21	(62,320,034)	(30,577,290)
		<u>115,138,001</u>	<u>36,937,592</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2023.



**Gavin Jackson**  
 Director



**Clive Gerald Scrivener**  
 Director

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

OXA Autonomy Ltd

**Statement of Changes in Equity  
For the 15 months ended 31 December 2022**

	Called up share capital	Share premium account	Equity reserve	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>

**Statement of Changes in Equity  
For the year ended 30 September 2021**

	Called up share capital	Share premium account	Equity reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	1,764	19,481,047	590,115	(17,120,039)	2,952,887
Loss for the year				(13,505,376)	(13,505,376)
Credit to equity for equity settled share-based payment			84,020		84,020
Shares issued during the year	1,357	49,276,847			49,278,204
Transfer on exercise of share options			(48,125)	48,125	
Expenses of equity share issues		(1,872,143)			(1,872,143)
<b>At 30 September 2021</b>	<b>3,121</b>	<b>66,885,751</b>	<b>626,010</b>	<b>(30,577,290)</b>	<b>36,937,592</b>

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

**OXA Autonomy Ltd**

**Statement of Cash Flows  
For the 15 months ended 31 December 2022**

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	<b>15 month period ended 31 December 2022</b>	<b>Year ended 30 September 2021</b>
	£	£
<b>Cash flows from operating activities</b>		
Loss for the period	<b>(31,757,220)</b>	<b>(13,505,376)</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>14,438</b>	14,659
Depreciation of tangible assets	<b>905,875</b>	517,507
(Profit)/loss on disposal of tangible assets	<b>3,716</b>	(9,119)
Interest paid	<b>2,963</b>	6,026
Interest received	<b>(81,292)</b>	(5,575)
Taxation charge	<b>(3,623,252)</b>	
(Increase)/decrease in debtors	<b>(694,716)</b>	984,712
Increase/(decrease) in creditors	<b>5,137,701</b>	(861,838)
Corporation tax recovered/(paid)	<b>908,499</b>	(552,356)
Share-based payment expense	<b>1,028,485</b>	84,020
<b>Net cash generated from operating activities</b>	<b>(28,154,803)</b>	<b>(13,327,340)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	<b>(194,650)</b>	(1,842)
Purchase of tangible fixed assets	<b>(1,261,787)</b>	(804,126)
Sale of tangible fixed assets		18,168
Interest received	<b>81,292</b>	5,575
HP interest paid	<b>(2,963)</b>	(6,026)
<b>Net cash from investing activities</b>	<b>(1,378,108)</b>	<b>(788,251)</b>

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OXA Autonomy Ltd

Statement of Cash Flows (continued)  
For the 15 months ended 31 December 2022

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	31 December 2022 £	30 September 2021 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	112,835,680	49,278,204
Expenses of equity share issues	(3,906,536)	(1,872,143)
Repayment of/new finance leases	(32,659)	(28,859)
<b>Net cash used in financing activities</b>	<u>108,896,485</u>	<u>47,377,202</u>
<b>Net increase in cash and cash equivalents</b>	<u>79,363,574</u>	<u>33,261,611</u>
Cash and cash equivalents at beginning of 15 month period	35,246,224	1,984,613
<b>Cash and cash equivalents at the end of 15 month period</b>	<u><u>114,609,798</u></u>	<u><u>35,246,224</u></u>
<b>Cash and cash equivalents at the end of 15 month period comprise:</b>		
Cash at bank and in hand	<u><u>114,609,798</u></u>	<u><u>35,246,224</u></u>

**OXA Autonomy Ltd**

**Analysis of Net Debt  
For the 15 months ended 31 December 2022**

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	At 1 October 2021 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	35,246,224	79,363,574	114,609,798
Finance leases	(40,488)	32,659	(7,829)
	<u>35,205,736</u>	<u>79,396,233</u>	<u>114,601,969</u>

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

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

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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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The company has, as planned, recorded a significant loss in the period as it continues to invest in its software product development. Although generating revenues, the company relies on a combination of third-party revenues and equity investment to fund its operations. 2022 was a significant period for the Company, securing a substantial amount of funding, despite the turbulent global economic climate, to allow it to scale the Company's team globally and accelerate development and commercialisation of its products. At the balance sheet date, the Company had cash at bank and in hand of £114,609,798 (2021 - £35,246,224) and net assets of £111,270,559 (2021 - £36,937,592). With its unique market positioning, the Company's commercial traction continues to increase which validates the tangible product development progress achieved year on year. The Board are confident that the Company 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 company 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.

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP. The financial statements are prepared to the nearest £.

**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 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'.

**2.5 Operating leases: the Company as lessee**

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

**2. Accounting policies (continued)**

**2.6 Leased assets: the Company 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.

**2.7 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.

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 grants**

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

**2.9 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to the 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.

**2.11 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

**2. Accounting policies (continued)**

**2.12 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 Company 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.

**2.13 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

**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.

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.

**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.

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%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to office equipment.

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.

**2.16 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.

**2.17 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.

**2. Accounting policies (continued)**

**2.18 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.

**2.19 Financial instruments**

The Company 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.

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

In the application of the Company'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.

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

**4. Turnover**

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

Analysis of turnover by country of destination:

	<b>15 month period ended 31 December 2022 £</b>	<b>Year ended 30 September 2021 £</b>
United Kingdom	278,911	281,288
Rest of Europe	53,781	72,000
Rest of the world		263,164
	<b>332,692</b>	<b>616,452</b>

**5. Other operating income**

	<b>15 month period ended 31 December 2022 £</b>	<b>Year ended 30 September 2021 £</b>
Research and development tax credit receivable	239,011	552,377
Lease assignment premium receivable		245,578
Government grants - CJRS		10,213
Other government grants	470,898	3,209,224
Foreign exchange difference gain	869,839	
	<b>1,579,748</b>	<b>4,017,392</b>

The Company was eligible to claim from the government support schemes in response to the Covid-19 outbreak in the prior year. The Company furloughed certain staff under the governments Coronavirus Job Retention Scheme (CJRS). The funding received of £Nil (2021 - £10,213) relates to claims made in respect of the period.

OXA Autonomy Ltd

Notes to the Financial Statements  
For the 15 months ended 31 December 2022

6. Operating loss

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

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Depreciation of tangible fixed assets	905,875	517,507
Amortisation of intangible fixed assets	14,438	14,659
Exchange differences	(869,839)	4,283
(Profit)/loss on disposal of fixed assets	3,715	(9,119)
Share based payment expense	1,028,485	84,020
Other operating lease rentals	190,160	495,002

7. Auditors' remuneration

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	18,000	16,000
<b>Fees payable to the Company's auditor in respect of:</b>		
Taxation compliance services	11,700	13,500
Other services relating to taxation	8,000	9,420
All other services	21,989	14,082

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

**8. Employees**

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

	<b>15 month period ended 31 December 2022 £</b>	<b>Year ended 30 September 2021 £</b>
Wages and salaries	<b>21,328,400</b>	10,736,782
Social security costs	<b>2,573,921</b>	1,213,898
Pension costs	<b>2,015,047</b>	819,416
Share based payment	<b>1,028,485</b>	84,020
	<b>26,945,853</b>	<b>12,854,116</b>

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

	<b>15 month period ended 31 December 2022 No.</b>	<b>Year ended 30 September 2021 No.</b>
Technical staff	<b>162</b>	106
Administrative staff	<b>78</b>	66
	<b>240</b>	<b>172</b>

Notes to the Financial Statements  
For the 15 months ended 31 December 2022

9. Directors' remuneration

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Directors' emoluments	723,556	523,257
Company contributions to defined contribution pension schemes	17,055	19,714
	<u>740,611</u>	<u>542,971</u>

During the 15 month period retirement benefits were accruing to 1 Director (2021 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £419,024 (2021 - £293,138).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2021 - £11,842).

10. Interest receivable

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Bank interest receivable	81,292	5,575
	<u>81,292</u>	<u>5,575</u>

11. Interest payable and similar expenses

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Finance leases and hire purchase contracts	2,963	6,026
	<u>2,963</u>	<u>6,026</u>

Notes to the Financial Statements  
For the 15 months ended 31 December 2022

12. Taxation

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(3,833,828)	
Adjustments in respect of previous periods	210,576	
<b>Taxation on profit</b>	<b>(3,623,252)</b>	

**Factors affecting tax charge for the 15 month period/year**

The tax assessed for the 15 month period/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:

	15 month period ended 31 December 2022 £	Year ended 30 September 2021 £
Loss before tax	<b>(35,380,472)</b>	(13,505,376)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(6,722,290)</b>	(2,566,021)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>(24,602)</b>	(31,010)
Adjustments to tax charge in respect of prior periods	<b>210,576</b>	
Non-taxable income		(46,660)
Adjustment in research and development tax credit	<b>(37,527)</b>	24,613
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>(1,649,638)</b>	
Other differences leading to an increase (decrease) in the tax charge	<b>(8,815)</b>	
Movement in deferred tax not recognised	<b>4,609,044</b>	2,619,078
<b>Total tax charge for the 15 month period/year</b>	<b>(3,623,252)</b>	

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

**12. Taxation (continued)**

**Factors that may affect future tax charges**

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% had been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

The company has carried forward trading losses of approximately £55,000,000 (2021 - £31,000,000) which are available to offset against total future profits.

**13. Intangible assets**

	Patents £	Trademarks £	Total £
<b>Cost</b>			
At 1 October 2021		99,161	99,161
Additions	174,568	20,082	194,650
At 31 December 2022	<u>174,568</u>	<u>119,243</u>	<u>293,811</u>
<b>Amortisation</b>			
At 1 October 2021		42,357	42,357
Charge for the period	4,204	10,234	14,438
At 31 December 2022	<u>4,204</u>	<u>52,591</u>	<u>56,795</u>
<b>Net book value</b>			
At 31 December 2022	<u>170,364</u>	<u>66,652</u>	<u>237,016</u>
At 30 September 2021		<u>56,804</u>	<u>56,804</u>

Notes to the Financial Statements  
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14. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>						
At 1 October 2021	506,492	390,625	201,534	1,925,791	86,891	3,111,333
Additions	245,385	87,373	57,082	871,947		1,261,787
Disposals			(85)	(42,174)		(42,259)
Transfers between classes				86,891	(86,891)	
At 31 December 2022	<u>751,877</u>	<u>477,998</u>	<u>258,531</u>	<u>2,842,455</u>		<u>4,330,861</u>
<b>Depreciation</b>						
At 1 October 2021	214,542	282,541	98,464	783,433		1,378,980
Charge for the period on owned assets	150,520	112,164	57,541	578,734		898,959
Charge for the period on financed assets				6,916		6,916
Disposals			(55)	(38,488)		(38,543)
At 31 December 2022	<u>365,062</u>	<u>394,705</u>	<u>155,950</u>	<u>1,330,595</u>		<u>2,246,312</u>
<b>Net book value</b>						
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>
At 30 September 2021	<u>291,950</u>	<u>108,084</u>	<u>103,070</u>	<u>1,142,358</u>	<u>86,891</u>	<u>1,732,353</u>

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

	31 December 2022 £	30 September 2021 £
Office equipment	<u>11,079</u>	<u>44,672</u>

OXA Autonomy Ltd

Notes to the Financial Statements  
For the 15 months ended 31 December 2022

15. Debtors

	31 December 2022 £	30 September 2021 £
Trade debtors		20,621
Other debtors	174,852	84,495
Prepayments and accrued income	1,022,268	397,288
Tax recoverable	3,867,442	1,152,689
	<u>5,064,562</u>	<u>1,655,093</u>

16. Cash and cash equivalents

	31 December 2022 £	30 September 2021 £
Cash at bank and in hand	114,609,798	35,246,224

17. Creditors: Amounts falling due within one year

	31 December 2022 £	30 September 2021 £
Trade creditors	796,233	221,571
Other taxation and social security	703,731	379,957
Obligations under finance lease and hire purchase contracts	7,829	29,750
Other creditors	204,910	103,350
Accruals and deferred income	5,145,221	1,007,516
	<u>6,857,924</u>	<u>1,742,144</u>

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

OXA Autonomy Ltd

Notes to the Financial Statements  
For the 15 months ended 31 December 2022

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

	31 December 2022 £	30 September 2021 £
Net obligations under finance leases and hire purchase contracts	<u>                    </u>	<u>10,738</u>

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

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 December 2022 £	30 September 2021 £
Within one year	7,829	29,750
Between 1-5 years		10,738
	<u>7,829</u>	<u>40,488</u>

20. Share capital

	31 December 2022 £	30 September 2021 £
<b>Allotted, called up and fully paid</b>		
177,177 (2021 - 176,989) Ordinary shares of £0.01 each	1,772	1,770
674 (2021 - 674) Series B EIS shares of £0.01 each	7	7
156,365 (2021 - 134,431) Series B Preferred shares of £0.01 each	1,563	1,344
69,873 (2021 - 0) Series C Preferred shares of £0.01 each	699	
	<u>4,041</u>	<u>3,121</u>

**Notes to the Financial Statements  
For the 15 months ended 31 December 2022**

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**20. Share capital (continued)**

On 10 June 2022 the company issued 188 Ordinary shares of £0.01 each for a premium of £159.99 per share.

On 2 December 2022 the company issued 21,934 Series B Preferred shares of £0.01 each for a premium of £455.91 per share.

Between 2 December 2022 and 15 December 2022 the company issued 69,873 Series C Preferred shares of £0.01 each for premiums in the range of £1,444.36 - £1,492.74 per share.

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.

**21. 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 15 months ended 31 December 2022**

**22. 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>31 December Weighted average exercise price (pence) 2022</b>	<b>Number 2022</b>	<b>30 September Weighted average exercise price (pence) 2021</b>	<b>Number 2021</b>
Outstanding at the beginning of the period	251.36	13,059	235.33	17,512
Granted during the year	250.00	21,374		
Exercised during the year	160.00	(188)	0.01	(625)
Forfeited during the year	321.19	(2,271)	334.36	(3,828)
<b>Outstanding at the end of the period</b>	<b>246.03</b>	<b>31,974</b>	<b>251.36</b>	<b>13,059</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>31 December 2022</b>	<b>30 September 2021</b>
Weighted average contractual life	3 years	3 years
Expected volatility	50%	50%
Expected dividend growth rate	None	None
Risk-free interest rate	0-1.97%	0-0.28%

During the period the company recognised total expenses of £1,028,485 (2021 - £84,020) in relation to equity-settled share-based payment transactions.

**Notes to the Financial Statements  
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**23. Capital commitments**

At 31 December 2022 the Company had capital commitments as follows:

	31 December 2022 £	30 September 2021 £
Contracted for but not provided in these financial statements	<u>64,624</u>	<u>283,945</u>

**24. 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 £2,015,047 (2021 - £819,416). Contributions totaling £173,585 (2021 -£96,436) were payable to the fund at the balance sheet date and are included within creditors.

**25. Commitments under operating leases**

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

	31 December 2022 £	30 September 2021 £
Not later than 1 year	670,497	190,160
Later than 1 year and not later than 5 years	414,134	235,050
	<u>1,084,631</u>	<u>425,210</u>

**26. 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 £2,667,390 (2021 - £1,338,457).

**27. Controlling Party**

At 31 December 2022, there is no one controlling party.