



AURRIGO®

Aurrigo International plc
Annual Report 2023



AURRIGO IS A LEADING INTERNATIONAL PROVIDER OF SMART AIRSIDE SOLUTIONS AND AUTOMOTIVE PRODUCTS.

OUR MISSION:

To be the leading provider of smart solutions for the Aviation and Automotive sectors that deliver a sustainable future.

OUR STRATEGY:

To maintain the Group's market-leading position by capitalising on our smart Aviation solutions and our 31 year track record in Automotive product development.

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HIGHLIGHTS

KEY FINANCIAL HIGHLIGHTS

£6.6m

Total revenue

£1.5m

Gross profit

-£3.2m

Adjusted EBITDA**

**EBITDA before costs of admission to AIM and share based payments

OPERATIONAL HIGHLIGHTS

- The Group signed an agreement with International Airlines Group (IAG) to deploy Auto-Sim® and Auto-DollyTug® for automated baggage handling in the USA at Cincinnati / Northern Kentucky International Airport (CVG).
- The Group signed an additional agreement with IAG to deploy Auto-Sim® and Auto-DollyTug® for automated baggage handling at a large UK Airport.
- The Group announced a multi-year partnership agreement with Changi Airport Group (CAG) for the continued development of Aurrigo's automated smart airport solutions and the joint demonstration of these to other airports and stakeholders.
- The Group announced a collaboration with UPS to develop and deploy a larger capacity cargo vehicle, Auto-Cargo®, at their East Midlands Airport hub, the UK's second largest cargo terminal.
- The Group announced a contract with Stuttgart Airport and the Digital Testbed Cargo Project (DTAC) Consortium to trial Auto-DollyTug® to transport cargo from the terminal to the deck of the aircraft.
- The Automotive division acquired GB Wiring Systems Limited. The acquisition delivered an established network of new customers which further diversified the division's customers base.
- Headcount increased at all levels, expanding the team from 48 at IPO to 95 at year end.
- The Group won 'Best Newcomer' award at the AIM awards 2023, highlighting our commitment to investing in reducing our carbon footprint and engaging in DEI initiatives, including internships and in-house mentoring.
- The Group was awarded an 'A' rating for ESG following an independent assessment from Integrum ESG.

POST YEAR END HIGHLIGHTS

- In January 2024, the Group signed an agreement with Schiphol Nederland B.V. ("SNBV"), for the deployment and demonstration of Aurrigo's automated smart aviation solutions, Auto-Sim® and Auto-DollyTug®, at Amsterdam Airport Schiphol, The Netherlands.
- In March 2024, the Group published its first ESG report outlining our approach to addressing some of the largest global challenges.
- In April 2024, the Group signed a formal partnership agreement with Aviation Solutions B.V. (part of the Royal Schiphol Group) to support the roll-out of Aurrigo's automated smart airport solutions to the global aviation sector.
- In May 2024 the Group signed a SGD \$4.2m (~£2.5m) agreement with Singapore Changi Airport Group (CAG) that will see a 'fleet' of automated baggage handling vehicles piloted for underwing operations during 2024 and 2025.

CURRENT TRADING AND OUTLOOK

- Partnerships with some of the largest organisations in the aviation industry continue to drive the development of the Group's smart aviation solutions.
- The Group is now transitioning from proving out concepts to deploying and demonstrating the solutions.
- The Group is focused on developing scale in the manufacturing facility in Coventry (UK) and also investigating locations for additional capacity in the USA, Europe and Asia.
- 2024 will see our automated smart aviation solutions being used in key airport hubs around the world which the Board anticipates will translate into increasing revenue in 2025.
- The Automotive division continues to grow organically in line with management expectations

OUR STRATEGY

Maintain the Group's market-leading position by capitalising on our advanced technology in automated baggage and cargo handling solutions and our track record of right first time Automotive product delivery

AVIATION:

Smart automated solutions for Aviation operations have become key emerging trends and is evidenced by the increased number of presentations at Aviation conferences on the subject of how to implement the technology within airports and airlines. The Aviation industry understands the importance of gains from improved efficiency, reliability, safety, reducing labour constraints, and the enhanced environmental impact of electric automated vehicles.

The Directors believe that specifically baggage and cargo handling is ideally suited to the deployment of automated vehicles as processes are largely standardised, time sensitive and repetitive, with predefined routes and operating times that are coordinated to flight schedules.

The current focus for the Group is therefore on the deployment of the all-new Auto-DollyTug® vehicle, which the Directors believe is the most advanced product currently available for baggage and cargo movements globally.

The vehicle has showcased its resilience in challenging conditions including wet weather, heat, humidity, alignment to airport equipment, automated transfer of baggage containers and close quarter operations to aircraft on stand.

The Auto-DollyTug® can now perform tasks which current ground handling vehicles are not able to achieve. These advancements unlock operational and financial benefits of a complete end-to-end autonomous baggage handling solution.

Over the short to medium term, the Directors anticipate increasing demand for the Group's automated vehicles and simulation software at airports and airlines around the world and this is evidenced by the continued contract successes achieved in 2023 and 2024.

The Group has focused sales and marketing strategy in 2023 on key events in the Aviation calendar where we have been able to deliver presentations and take stand space:

- ITS World Congress
- World Cargo Symposium
- World Aviation Forum
- Smarty City World Congress
- Passenger Terminal Expo
- IATA Ground Handling Conference
- Future Technology Expo

AUTOMOTIVE:

The Automotive division has supplied premium vehicle OEMs for 31 years with right first time, high quality, and technically advanced solutions. Products included, wiring harness design and manufacture, electronic control module design, embedded software development and advance customer delight features.

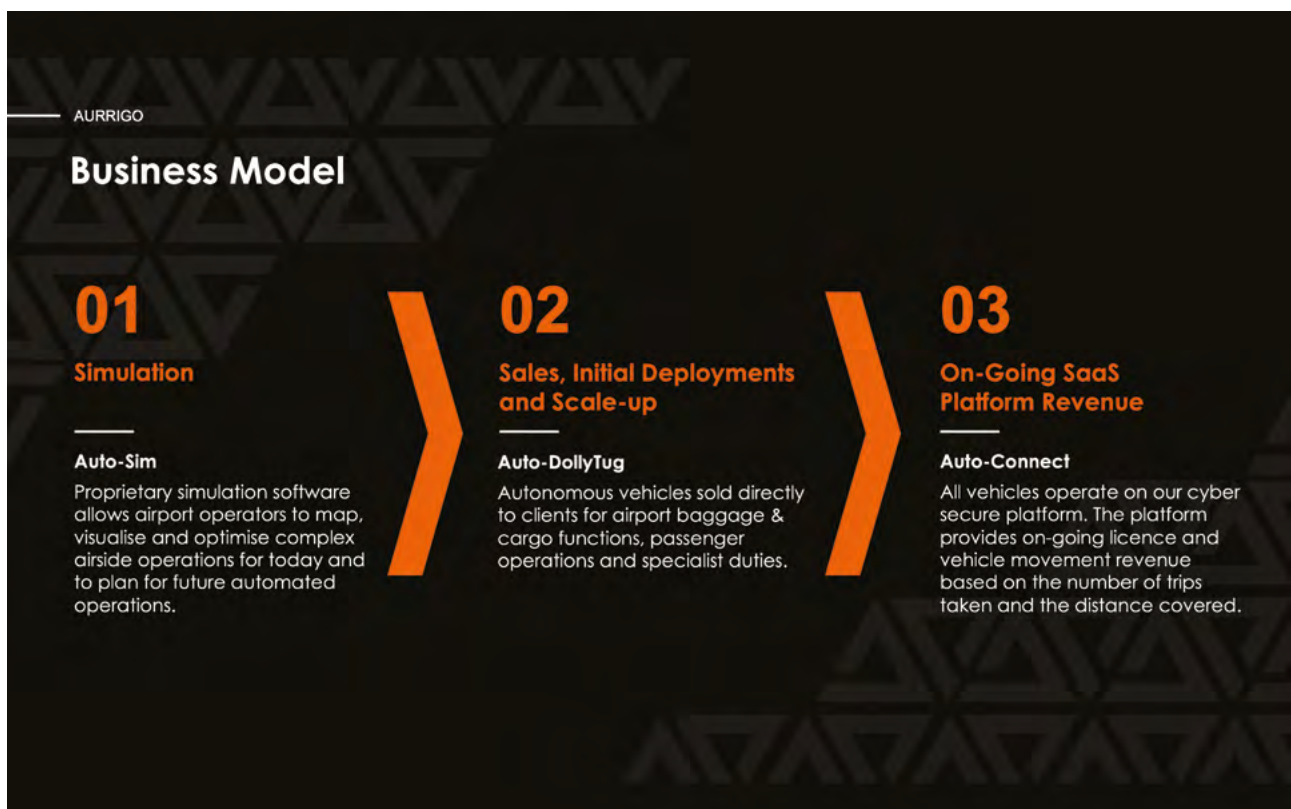
The Automotive division operates to the highest quality standards of IATF 16949, ISO 9001 and ISO 26262. In addition to these standards for Tier 1 supply, the division is fully conversant with PPAP, FMEA, IMDS and REACH requirements.

Through organic existing customer growth, new customer acquisition, and the integration of GB Wiring Systems Limited, the Directors expect the division to maintain its position providing critical solutions to a host of vehicles OEMs and as trusted partners to Tier 1 suppliers and niche vehicle providers.

OUR AVIATION BUSINESS MODEL

The Group's Aviation division has a well-defined, three stage business model as follows:

* For the purposes of financial reporting the Group combines Autonomous Technology and Aviation Technology into one operating segment.

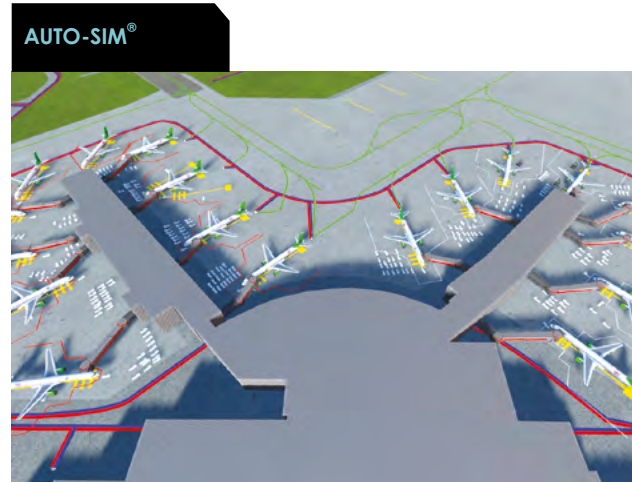


AVIATION TECHNOLOGY

The Aviation Technology division was established in 2019 to develop smart aviation solutions for baggage and cargo operations in airports globally. The business model to deliver this opportunity comprises of three areas, which are consulting, product supply and operations and are defined as follows:

(A) SIMULATION AND CONSULTING AUTO-SIM®

Auto-Sim® is a design, development and modelling software tool that can be used to create a 3D digital twin simulation of an airport, to visualise existing operations and plan for future operations using the Group's automated Auto-DollyTug®. Auto-Sim® is a sophisticated software tool which is driven by the airport's flight schedules, it then optimises all vehicle movements required to perform flight servicing, both prior to and after the arrival of passenger and cargo aircraft.



(B) Sales, Initial Deployments and Scale-up AUTO-DOLLYTUG®

Auto-DollyTug® is an exciting product developed by the Group. The Auto-DollyTug® is the only vehicle designed to carry a standard unit load device (ULD) and to tow an additional four conventional trailers, each with ULDs.

This means that current operations at an airport where a tug is used to pull four trailers with ULDs can be changed to a five ULD operation, increasing efficiencies of movements by 20%.

The vehicle can autonomously navigate to a baggage loader at the cargo doors of the aircraft and has sideways drive motion and full 360° rotation capability.

Additionally, the vehicle now has the capability of autonomously loading or unloading a baggage/cargo container from either the right or the left-hand side adding to its flexibility of operations.

Auto-DollyTug® can also now operate in heavy rain following the development of Aurrigo's software-based 'rain filtering algorithm.' During testing the vehicle surpassed the requirements set with the full autonomous operational level now being achieved at 50mm/hr.

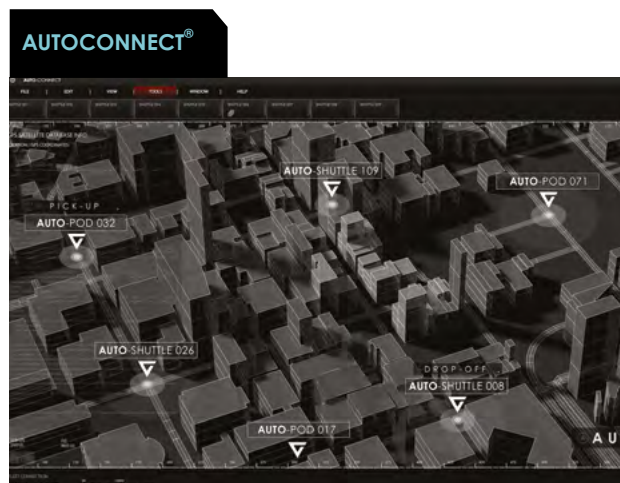


(C) On-Going SaaS Platform Revenue AUTO-CONNECT®

Auto-Connect® is a cyber resilient, vehicle fleet manager and vehicle scheduler platform which has been developed by the Group and is designed to monitor and supervise the movements of the Group's automated vehicles.

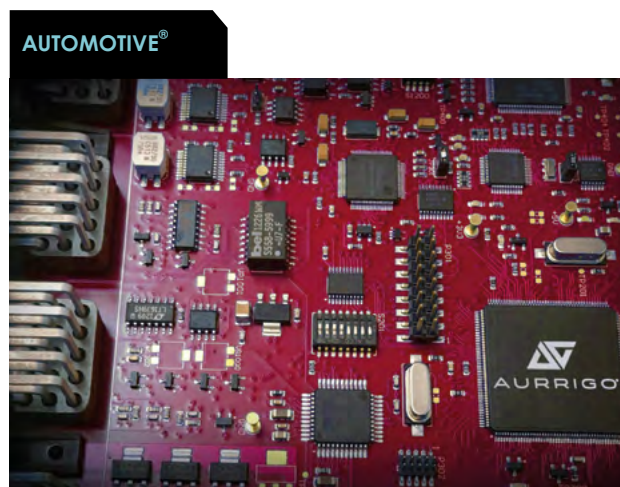
The Auto-Connect® platform will generate recurring revenues for the Group through yearly platform charges and, importantly, revenues from vehicle movements.

The Auto-Connect® platform is mandatory for all customers who want to run the Group's automated vehicles.



AUTOMOTIVE TECHNOLOGY

The Automotive Technology division, which was established in 1993, designs, develops and manufactures products for premium vehicle OEMs and global Tier 1 suppliers. Products include electronic control units, wiring harnesses, interior and exterior parts, high level customer delight features and safety critical systems. The division works to quality standards IATF 16949, ISO 9001 and ISO 14001. The division has long-standing customer relationships with Jaguar Land Rover, Aston Martin, Morgan, Bentley, McLaren, Rolls Royce and emerging electric vehicle OEMs. Similarly, products are embedded into multi-year supply and manufacturing contracts with long lead time schedules, providing strong forward revenue visibility.



CHAIR'S STATEMENT



ANDREW CORNISH
Non-Executive Chair

DEAR SHAREHOLDERS,

I am delighted and privileged to present Aurrigo International plc's 2023 full year results. Let me share some key messages on our progress in what has been an exciting year of development and technological breakthrough.

OVERVIEW

The Group's investment in product development and expanding our team to pursue new market opportunities has resulted in a number of strategic relationships in key passenger and cargo hubs around the world. We continue to demonstrate a position of financial growth - delivering revenues in line with expectations of £6.6m, with a robust balance sheet and a solid cash position. As a quoted company, we operate with a high level of integrity, transparency, and strong governance that we know our investors, customers, partners and colleagues value.

KEY ACHIEVEMENTS

One of several notable achievements of the year was the development and deployment of the Auto-DollyTug® MK3 overcoming operational and technical hurdles with innovative engineering and design solutions. We now have a tested and proven vehicle with advanced functionality, capable of operating in extreme weather, aligning to airport equipment, and transferring baggage containers to aircraft on stand. We also completed a fundraise in what were very challenging market conditions - a real testament to the disruptive technology, sound business and talented team we have at Aurrigo, combined with a passion to succeed from the senior leadership team. We continued to build on a solid platform for growth and the whole team are proud to now be delivering on the expectations of when we joined AIM in 2022.

With the funding in place, Aurrigo is in a strong position to deliver on our planned projects and opportunities, particularly in the aviation space, introducing automated solutions which can improve efficiencies, staffing shortages and sustainability for airport operations globally.

Building on this, in October 2023, we announced a partnership agreement with International Airlines Group (IAG) to deploy and demonstrate Aurrigo's smart aviation solutions within the UK and in the USA at the Cincinnati/Northern Kentucky International Airport (CVG). We followed this by announcing further projects with Schiphol Nederland B.V. ("SNBV"), for the deployment and demonstration at Amsterdam Airport Schiphol, The Netherlands.

FINANCIAL

Following our successful £4.1m fundraise in November 2023, Aurrigo is well capitalised for its current needs, with a cash balance of £3.5m at period end and delivering £6.6m of revenues, with an Adjusted EBITDA loss of £3.2m. We continue to efficiently manage costs whilst also exploring non-dilutive funding for some projects, particularly grant funding.

OUR PEOPLE

2023 was a year for building on the solid foundations established at Aurrigo, focusing on our culture, values, purpose, and people.

Aurrigo has been able to grow its dedicated and experienced team, expanding its personnel from 48 at IPO to 95 as at 31 December 2023.

The journey ahead will be to continue to embed our values into business as usual.

LEADERSHIP

Our established Board and senior leadership team have extensive experience in aviation, robotic and automated industries, and automotive engineering. Alongside their technical capability is a proven ability to grow the Group, successfully developing new products and entering new geographies.

There have been some changes to the Board of Directors to enhance the profile and credibility of the Group's business and services. Lewis Girdwood transitioned to an executive role as Director of the Aviation Technology division and we announced in January 2024 that Peter Whiting had joined the Board as a non-executive director and Chair of the Audit Committee.

CORPORATE GOVERNANCE

The Board is fully committed to its obligation individually and collectively to act in good faith to seek to promote the success of the Group for the benefit of its shareholders as a whole and the interests of other stakeholders. Further details of our approach are set out in pages 24 to 54.

OUTLOOK

Aurrigo began 2024 with excellent foundations and a clear strategy for growth, building on the revenue growth and key partnerships developed in the period.

We are on-track to deliver the key phases of growth outlined at our recent fundraise and the announcement of the phase 2b contract at Changi Airport (CAG). The design upgrades in Phase 2a resulted in the Phase 2b period extending beyond the end of the current financial year and into FY25. The Board is confident that the Aviation Division should deliver at least £3m of revenues in FY24, together with a further minimum of £6m from the Automotive Division. The partnership with CAG has allowed us to showcase our capabilities to other airport groups and airlines and this has resulted in agreements and projects underway with some of the industry's largest companies and airports.

The continued recovery of the aviation sector during 2023 has reinforced industry demand for efficiencies, decarbonisation, and solutions to staff shortages. This continues to underpin Aurrigo's growth drivers in aviation and our pipeline of opportunities. The Board therefore believes that we are well positioned to deliver on future growth ambitions.

Lastly, I would like to thank our staff for their dedication and support as we continue our journey as a listed company. Thank you to the energy of our Founders, David and Graham Keene for constantly driving the vision of the business and thanks to our investors and customers who share in that vision.



Andrew Cornish
Non-Executive Chair

29 May 2024

CEO'S REPORT



DAVID KEENE
Chief Executive Officer

Building on the foundations

2023 was another significant year for Aurrigo. We developed and proved out our smart aviation technology in airports internationally, established our leading market position and grew our network of strategic partners. We delivered a strong operational and financial performance for the year, in line with market expectations and are proud to be achieving what we set out at the time of the IPO increasing our headcount, developing our technology, building our Group profile within the aviation sector and realising the growth potential of our automated aviation baggage and cargo handling vehicles.

OVERVIEW

Aurrigo has a strong heritage of automotive expertise, alongside valuable design capabilities. It has supplied leading vehicle manufacturers and Tier 1 suppliers for 30 years, including Aston Martin, Bentley, Jaguar, Land Rover, McLaren, and Rolls Royce. Our consistent delivery of high-quality products has built long-term customer relationships.

We have created award-winning, industry leading autonomous vehicles by investing in our proprietary products and software. Aurrigo has developed and owns all IP relating to our autonomous vehicle technology and we continue to invest in the research and development of products and software to maintain a market leading position.

Aviation is a key growth area for Aurrigo's automated vehicle technology. The global airline industry is seeking to improve its processes, tackle workforce shortages and reduce the environmental impact of operations, and these trends will increase demand for smart and sustainable solutions, offering significant future growth opportunities. This, coupled with the Group's proprietary airport planning software tool and autonomous vehicle fleet management system, gives Aurrigo a significant competitive advantage.

The Group has created award-winning, industry leading automated vehicles by investing in our smart technology and software. Aurrigo has developed and owns all IP relating to this smart technology and continues to invest in the R&D of products and software to maintain a market leading position.

CUSTOMERS AND PARTNERS

Aurrigo's relationship with Changi Airport Group in Singapore has strengthened with each successful test of the Group's automated vehicles in airside demonstrations. Post year-end in May 2024, there was a milestone agreement signed with CAG. The contract paves the way for the future adoption of our Auto-DollyTug® for the servicing of live flights in the near term. Changi Airport Group has been exploring this technology with us since 2020 and the results of significant testing through extreme weather conditions has given them the confidence to place this contract with us. The multi-year partnership agreement provides greater opportunities to demonstrate automated smart solutions at the airport and showcase the technology to other visiting global airport groups and stakeholders. This has resulted in new relationships with the UPS, IAG, Stuttgart, Munich, Cincinnati, and Schiphol airports.

AUTOMOTIVE OVERVIEW

The Group continues to build on its excellent 31-year reputation for designing, developing, and manufacturing high quality and reliable products to Automotive Vehicle OEM's.

The refresh of the Aurigo brand to the automotive sector and the acquisition of GB Wiring Systems Limited into the Group in 2023 has enabled the Group to position its latest electric vehicle (EV), advanced electronics and software capabilities more prominently and expand its customer base more widely.

The Automotive division will develop organic growth through maximising existing relationships and acquiring new customers. The division will continue to focus predominantly on technology in wiring systems, electronic control modules, embedded software and advanced designs with the ability to manufacture and supply those products to OEM quality requirements and to IATF16949 standards.

INNOVATION

The Group's strong focus on innovation and R&D continues at pace, with the next generation of Auto-Dolly® and Auto-DollyTug® now completed. This automated and class leading baggage and cargo operations vehicle has been completely developed in-house during 2023. The next phase of development and innovation will see a 'fleet' of automated baggage handling vehicles piloted for underwing operations during 2024 and 2025. The Group's Automotive experience was vital in developing a vehicle which could be manufactured cost effectively at scale and could be assembled not just in the UK but also in our key markets of North America and Asia.

SUMMARY

The exciting progress made by the Group during 2022 has continued strongly in 2023 and into 2024, with important aviation industry projects signed and major advancements completed in the Group's technology portfolio and automated vehicle capabilities.

Aurigo's investment in sales and marketing, and the growth of our aviation industry profile, alongside our signed partnerships with international clients, is resulting in increased levels of new enquiries and engagements.

I am pleased to report that the Group is in a strong position to deliver on its objectives set out at IPO.



David Keene
Chief Executive Officer

29 May 2024

FINANCIAL REVIEW



IAN GRUBB
Chief Financial Officer

CURRENT YEAR REVIEW

Revenue for the year was £6.6m, an increase of 25% compared to 2022.

The Group has continued its development, post IPO, delivering strong results for the year ended 31 December 2023.

Excellent engagement with the lead aviation customer in Singapore has led to the development of a new automated vehicle for baggage and cargo operations, called Auto-DollyTug®, which boasts increased functionality and capability over any competitor in the market. The advanced features of this vehicle have attracted attention from airports and airlines around the world and the Group was pleased to announce additional contracts signed in the year. Revenue in the Aviation Technology division increased by 355%.

Included in other operating income is grant funding secured in the year for the demonstration of automated passenger vehicles year to the value of £0.6m. £0.2m of deferred revenue has been released to the P&L Account from grants received in prior years. Automated passenger vehicle sales and commercial demonstrations revenue fell by £0.2m but was offset by a £0.4m increase in grant funded projects.

Revenue from the Automotive division has increased by £1.3m (26.6%) through market recovery post Covid, organic growth and the acquisition of GB Wiring Systems Limited at the end of May 2023. The acquisition contributed £0.4m to revenue at a margin of 19% and has reduced customer concentration on average by approximately 10%.

Gross profit margin for the year was 22.3% compared to 34.3% in 2022. This reduction has arisen through product mix changes across divisions. Aviation Technology

margins have increased to 80.3% in 2023 from 64.5% in 2022 whereas Automotive margins have fallen to 17.1% in 2023 from 31.2% in 2022. The fall in Automotive margins was due to product mix and it is expected that margin will improve through 2024.

Overheads for the year have increased by £1.8m (38.4%) compared to 2022 as a result of the full year impact of the increased staffing levels within the Aviation Technology Division and additional regulatory costs.

Adjusted EBITDA was a loss in the year of £3.2m compared to a loss of £0.9m in 2022. This is favourable to management expectations due to the implementation of improved cost controls for staffing and overheads.

STATEMENT OF FINANCIAL POSITION

The Group has continued to invest in R&D, capitalising £0.8m in the year and carrying net book value of £5.8m as at the year end compared to £5.3m in 2022. Deferred grant income generated through R&D activities resulted in capitalisation of £3.5m as at the year end and will be released to the P&L Account in future years.

In November 2023, the Group secured additional funds raising £4.1m with associated costs of £0.3m. Through the year funds will be utilised on the continued development of the Group's Aviation products and build of additional Auto-DollyTug® vehicles, which have been included within work in progress as at the year end. These vehicles will be used to generate Aviation revenues in 2024.

As at 31 December 2023, the Group's cash balance was £3.4m, a decrease of 35.7% compared to the period end 2022. The decrease in cash was primarily due to increased stocks of Aviation vehicles, WIP and continued R&D activities.

Strong cash management continues to be delivered with a focus on improved payment terms within contracts.

The acquisition in the year of GB Wiring Systems Limited generated goodwill of £0.2m at a cost of £0.3m.

OUTLOOK

Aviation revenue has increased in the first quarter of 2024 from the continued delivery of projects in Singapore and the signing of a number of new customer contracts. As expected, Automotive product mix has also improved in the first quarter with an increase of higher margin products. Improved customer payment terms, continued grant funding successes and tight cost control are having a beneficial effect on the Group's cash position.



Ian Grubb
Chief Financial Officer

29 May 2024

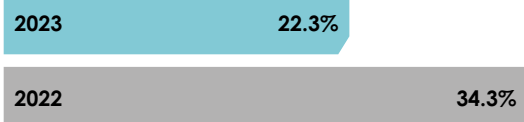
KEY PERFORMANCE INDICATORS (KPIs)

The Group monitors performance against key financial objectives that the Directors judge to be effective in measuring the delivery of strategic aims and managing and controlling the business. These focus at Group level on gross profit margin and Adjusted EBITDA.

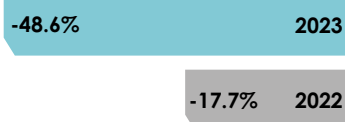
On an operational basis, KPIs also include working capital control, and customer related performance measures, such as quotation win rates and DMN cost and recovery.

These key performance indicators are measured and reviewed against budget projections and prior year on a regular basis and this enables the business to set and communicate its performance targets and monitor its performance against these targets.

Gross Profit margin



Adjusted EBITDA %







GO

OUR PEOPLE



GRAHAM KEENE
Corporate Development Officer

At Aurrigo, our success is not defined just by our technical innovations and business growth, but also by the dedicated individuals who drive our company forward. Our team comprises a diverse group of talented professionals, each contributing their unique skills, expertise, and passion to our collective mission.

OUR TEAM

We take pride in fostering a culture of collaboration, creativity, and continuous learning within our organisation. From our skilled engineers and technicians to our visionary leaders and supportive administrative staff, every member of the Aurrigo Team plays a crucial role in our success.

COMMITMENT TO EXCELLENCE

We are committed to attracting, developing, and retaining top talent in the industry. Through competitive compensation, training programs and opportunities for career advancement, we empower our employees to reach their full potential and achieve their professional goals.

There are also opportunities to work in some of our worldwide locations to gain valuable experience.

DIVERSITY AND INCLUSION

We recognise the value of diversity and inclusion in driving innovation and fostering a dynamic work environment. We celebrate the unique perspectives and experiences of our employees and strive to create a workplace where everyone feels respected, valued, and empowered to contribute their best.

Aurrigo also continues to provide gender stats on an annual basis to Trade bodies of which we are members.



Amongst the above figures those within Board or Management level roles are :-

Executive/Management Board



EMPLOYEE WELL-BEING

The well-being of our employees is paramount. We prioritise health and safety in the workplace and provide resources and support to promote physical, mental, and emotional well-being. Our EAP and Medi-cash initiatives continue to be both well used and appreciated. We also trained several Mental Health First Aiders to assist and signpost those in need of support. By investing in the health and happiness of our team, we ensure a positive and productive work environment for all.

SOME OF OUR STUDENTS AND APPRENTICES

Aston University KTP Program

We have a great track record with the Aston University KTP program. This collaborative initiative, supported by Innovate UK, seamlessly integrates the academic prowess of Aston University with our business objectives to tackle real-world challenges. Building upon our past achievements, particularly in the realm of machine learning, we are excited to announce our participation in another KTP project in 2024. By harnessing the expertise of a KTP student, we aim to address pressing challenges and further enhance our capabilities in this dynamic field.



Daniel Chatters

Dan continues to study for his Professional Engineering (MSc) with Aston University which he commenced in April 2023, and this runs alongside his full-time role as Technical Lead – Business Development.

LOOKING AHEAD

As we look to the future, we remain committed to nurturing a culture of excellence, diversity, and innovation at Aurigo International plc. By investing in our people and empowering them to succeed, we are confident in our ability to continue driving growth and delivering value to our customers, shareholders, and partners.

A handwritten signature in black ink, appearing to read "Graham Keene".

Graham Keene

Corporate Development Officer

29 May 2024

OUR VALUES

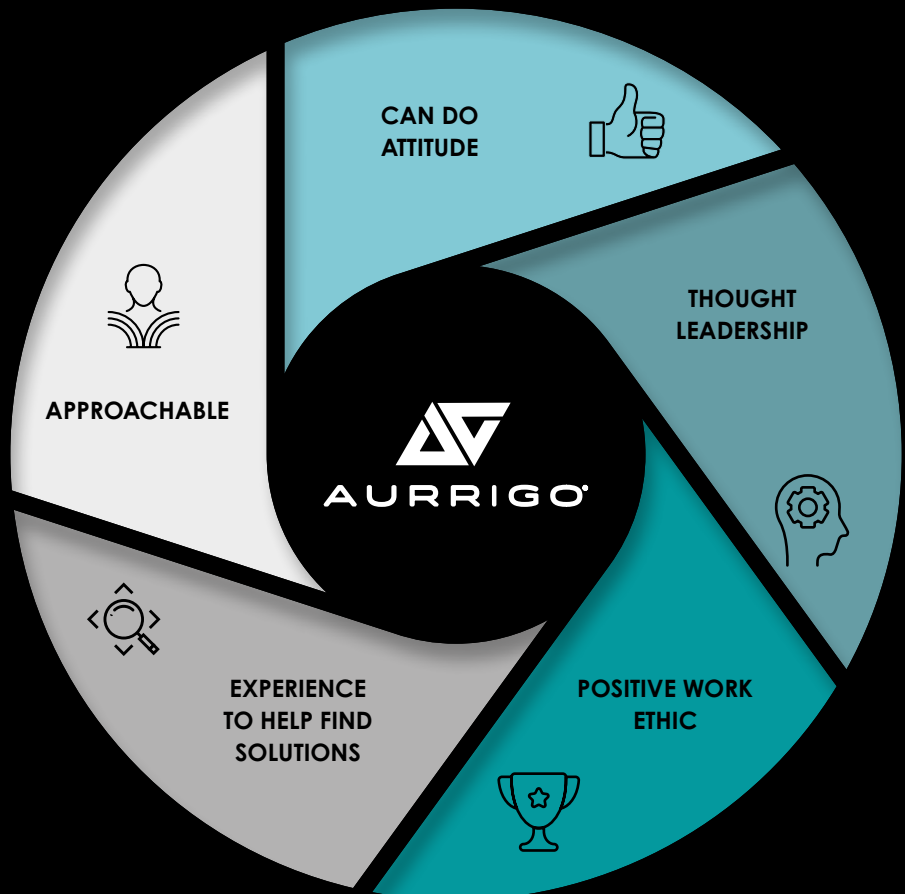
Our core values, that distinguish Aurrigo as a dynamic organisation, are as follows:

- 1 A can-do attitude
- 2 A positive work ethic
- 3 Approachable management and staff
- 4 Experience to help find solutions to problems for our customers
- 5 Being thought leaders in our field

We have developed these values into the graphic below which is used when recruiting and on-boarding new employees, performing appraisals, and engaging with customers. This graphic is used widely around the organisation reinforcing to all staff, the core values we expect and aim to achieve.

OUR CORE VALUES

Every employee can contribute towards our Core Values, living, working and leading as an example in all that we do. Let's make sure we embed our Core Values.



RISKS REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

To gain an understanding of the risk exposure of the Group, we review each area of our business annually and use a methodology that will assist the Group in measuring, evaluating, documenting and monitoring its risks within all areas of its operations.

We use our risk management process as described to identify, monitor, evaluate and escalate risks as they emerge, enabling management to take appropriate action wherever possible to control them and also enabling the Board to keep risk management under review.

The risk factors addressed below are those which we believe to be the most material to our business model, which could adversely affect the operations, revenue, profit, cashflow or assets of the Group, and which may prevent us from achieving the Group’s strategic objectives. Additional risks and uncertainties currently unknown to us, or which we currently believe are immaterial, may also have an adverse effect on the Group.

The following table summarises the principal risks and uncertainties of the Group:

- 1** Systems Risk

- 2** Competition Risk

- 3** Manufacturing at Scale Risk

- 4** Concentration Risk

- 5** Cyber Attack Risk

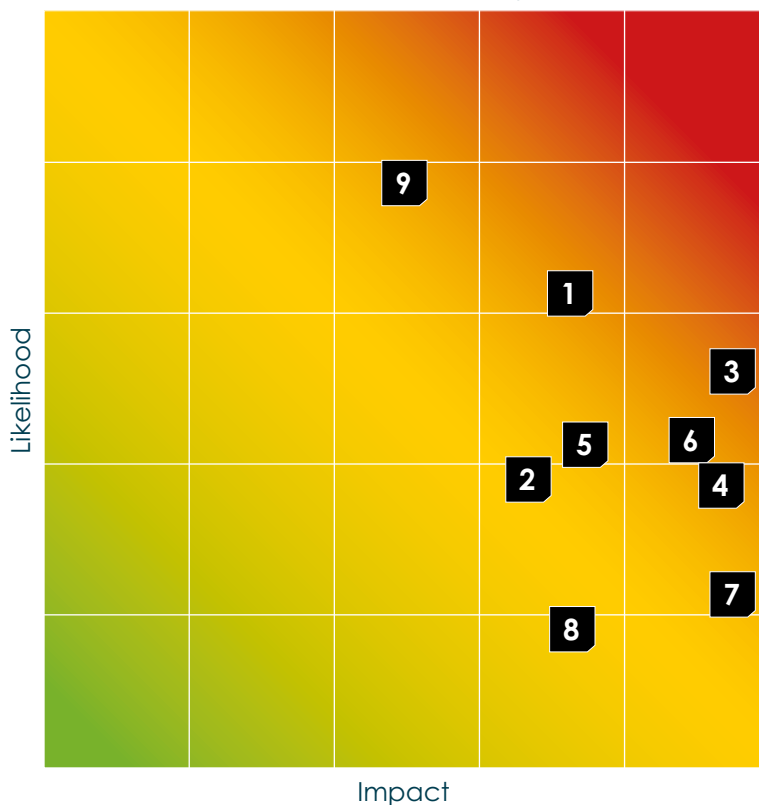
- 6** Supply Chain Restrictions Risk

- 7** Market Acceptance Risk

- 8** Loss of Key Personnel Risk

- 9** Environment Risk

Risk Heat Map



	Details	Mitigation
1	<p>Systems Risk</p> <p>The Group and main trading company accounts are maintained on legacy systems which it is rapidly outgrowing. This could result in a lack of pertinent Financial and Non-Financial information as the Group expands its operations domestically and globally.</p>	<p>Exposure: Medium</p> <p>In line with its Financial Position and Prospects Procedures (FPPP) created as part of the initial listing, the Board have resolved to review current systems with a view to implementing a new robust ERP system across all companies within the Group. This is expected to be in place prior to significant growth planned in the Aviation sector over coming years.</p>
2	<p>Competition Risk</p> <p>The Group operates across multiple operational segments. Competition already exists in the Automotive sector and has done throughout the Group's existence.</p> <p>As the Autonomous sector grows, particularly in the sphere of Aviation, there is the risk that new competitors enter the market reducing or removing the Group's first mover advantage.</p>	<p>Exposure: Medium</p> <p>The Board and senior management team regularly monitor competition through industry publications and research notes issued in the relevant sectors.</p> <p>There are significant barriers to entry into the Aviation industry, particularly in the realms of automation despite the growing need and demand for reduced carbon emissions and current workforce issues.</p> <p>The Board believes that the Group is well placed to maximize the potential from its first mover position.</p>
3	<p>Manufacturing at Scale Risk</p> <p>As its Autonomous products become commercially viable the Group will be required to manufacture at scale. There is the risk that a lack of resource and know-how for manufacturing Autonomous Vehicles at scale will adversely affect its ability to achieve its long term goals.</p>	<p>Exposure: Medium</p> <p>Product is not yet commercially available and is still in trial and demonstration with its lead customer. Current facilities, resource and management skill is expected to facilitate the near term levels of production required to achieve the Group's near term forecasts.</p> <p>The Board regularly reviews and questions timescales and options for large scale production that are expected to be required in coming years.</p>
4	<p>Concentration Risk</p> <p>The Group is currently exposed to a high concentration of sales across its top few customers currently in the Automotive industry. The loss of one of these major customers would significantly impair the Group's ability to achieve its short term revenue and profit forecasts.</p> <p>High concentration also carries the risk that customers can place undue influence on pricing and resources.</p>	<p>Exposure: Medium</p> <p>The Board is mindful of the Automotive concentration exposure. Senior management regularly reviews its strategy to reduce concentration through the addition of new customers and increasing revenue streams from lower concentration customers. The acquisition of GB Wiring Systems Limited adds a complementary but different customer base which has helped to reduce concentration.</p> <p>Since Automotive sales are for Special Vehicle variants of OEM manufacture and not mass-produced models the Board believes that there is a reduced risk of losing a contract to a competitor. The financial standing of key customers is monitored regularly.</p> <p>As the Autonomous sector matures, concentration will naturally reduce with these key customers.</p> <p>Additional contracts won through 2023 and due to be transacted through 2024 has reduced the potential risk of concentration in this segment.</p>

Details

Mitigation

5 Cyber Attack Risk Exposure: Medium

Cyber-attacks such as ransomware are an increasing threat to all businesses, particularly with the advent of the Ukrainian invasion by Russia and the Group's recent listing, which brings with it public visibility. This can cause the temporary or permanent loss of data and IP and/or expose the business to extortion.

The Board believes that the Group has a robust infrastructure and Cyber resilience policy in place with secure connection to multiple firewalled local servers.

Cyber security is recognized as a continually developing risk and the Board is cognisant of implementing best practices.

6 Supply Chain restrictions Risk Exposure: Medium

Issues with supply chain particularly in relation to silicon chip supply starting through the Covid period still exist, albeit that the issue is easing. Supply restrictions expose the business to reduced output and the risk of loss of contract if performance KPIs become an issue.

The Group operates a multiple source strategy for high risk components including silicon chips. Potential supply shortages are discussed with customers and long term supply schedules have been agreed in order to secure supply.

7 Market Acceptance Risk Exposure: Medium

The Group's Autonomous solutions have developed over the year and have been proven with the lead customer. There exists the risk of low uptake levels without market knowledge of product offerings and what is required to introduce, run, and maintain the commercially available products.

The Board regularly monitors progress of product development and customer contact. New customer contracts signed in the year along with continued progressive work with the lead customer gives the Board confidence that products will be accepted and adopted in the medium term.

8 Loss of Key Personnel Exposure: Medium

Due to the Group's size and number of employees it relies on the knowledge and skills of a few senior and technical employees. Loss of these employees exposes the business to loss of information, know-how or strategic direction.

All new employees have been entered into the Group's share option scheme. This policy is intended to extend the current loyalty of its current and new employees, evidenced by the Group's retention rate which averaged 94% across 2023. Remuneration packages are reviewed and set to attract and retain employees.

9 Environment Risk Exposure: Medium

Global climate change is leading to more extreme weather conditions. There is a risk to employees of high and low temperatures both in the offices and warehouse environment. This also applies to equipment as products will be expected to operate in these more extreme conditions.

Employee working conditions, health and safety are reviewed and appropriate action taken as required.

Products have already been tested in hot, humid, and cold conditions. Further testing and development as required will be undertaken as environments change.

ESG REPORT



GRAHAM KEENE
Corporate Development Officer

Our ESG Strategy document is published on the Group's website and provides a framework for the Environmental, Social and Governance goals.

In line with our ESG Strategy we aim to monitor key KPIs and initiatives to drive success.

Our Autonomous and Aviation products will be a key driving force in helping our customers meet their own ESG targets. There are five key pillars which our products will benefit our customers and ultimately contribute to UN sustainable development goals.

COST

Customers will benefit from more efficient staffing costs, lower running costs, less delays, faster turnaround times, less accidents and therefore lower insurance premiums

EFFICIENCY

Provides efficient vehicle scheduling reducing emissions and improving aircraft turnaround times

CUSTOMER EXPERIENCE

Passengers have a better, faster, more efficient transfer through an airport and always get their bags on time

H&S

Improves H&S issues for workers and passengers, minimizes aircraft damage and potential costs and safety issues

ENVIRONMENTAL

Automated vehicles use EV power to move in efficient deployments, reducing charging times and impact on the airport operations

“We aspire to fulfil to the best of our abilities the United Nations sustainable development goals”

GRAHAM KEENE
CORPORATE DEVELOPMENT OFFICER

ENVIRONMENT:

There will be major benefits in environmental improvement as a result of both electrification of vehicles and greater operational efficiency, thus reducing harmful emissions.

The social and safety benefits are also enormous in terms of reducing highly manual jobs in tough conditions and replacing them with cleaner technical jobs. The reduction in both industrial accidents and unreported and reported damage to aircraft will enhance the lives of many people.

The Group has held the ISO14001 Environmental accreditation for many years and we will continue to maintain that standard and improve upon it.

We also monitor and aim to reduce the use of packaging and recycle as much as possible. Our two main customers already have the majority of their products shipped in reusable packaging.

ENERGY USAGE:

We currently monitor energy usage and look for energy efficient ways to reduce consumption, such as LED lighting installation.

DEVELOPING OUR PEOPLE ACTIONS:

The physical and mental wellbeing and safety of all our staff is a top priority. In January 2023 we created the post of HR Director to concentrate on our people actions as we grow rapidly.

We will develop people plans and monitor training both internally and externally to fully support and develop our staff where needed.

Every employee joined the Group's share option scheme when we listed in September 2022.

A new 'Employee Forum' was created in early 2023, chaired by Andrew Cornish, with an aim to further improve our employee engagement.

We also look beyond the confines of the Group and look to Corporate Social Responsibility to engage with communities, universities, schools, industrial groups, and charities.

Due to the Technical nature of our products this lends itself to partnering with universities and local government for Projects. We had a number of successful projects with Solihull MBC, Milton Keynes MBC, Aston University, Cambridge University, Britain Thinks, and CEO David Keene is an Honorary Visiting Professor at Coventry University.

We have also donated vehicles for education to The Coventry Transport Museum and The National Museum of Scotland. We also donated an Auto-Pod® to Western Michigan University's Energy Efficient and Autonomous Vehicle (EEAV) Lab, enabling students to conduct research and benefit from hands-on education with the Group's proven platform.

GOVERNANCE:

We follow the QCA code on Corporate Governance. As such we have put in place a number of measures to set and monitor or performance in this area.

We have established a strong board structure and sub committees reporting on Remuneration, Audit and ESG.

On the website you can find our anti-bribery, whistleblowing, and modern slavery policies.

We are also pleased to report that our Integrum ESG rating of B at the time of the IPO has now been upgraded to A.



Graham Keene
Corporate Development Officer

29 May 2024

SECTION 172 STATEMENT

The Board understands the views of the Group's key stakeholders and their interests, and the matters set out in Section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.

The Directors must consider the following in meeting the requirements of Section 172 (1) of the Companies Act 2006:

- The likely consequences of any decision in the long term.
- The interests of the Group's employees.
- The need to foster the Group's business relationships with suppliers, customers, and others.
- The impact of the Group's operations on the community and the environment.
- The desirability of the Group maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Group.

During 2023 the Board has considered the following key matters:

- The options for funding the growth in the Aviation technology division and the subsequent share placement.
- The appointment of an additional Non-executive Director with substantial capital markets experience.
- The development and publication of the ESG policy.
- The acquisition of GB wiring by the Automotive technology division.

We have identified our key stakeholders as follows:

OUR STAKEHOLDERS, AND WHY WE ENGAGE

Investors

We have a strong and supportive investor base whose ongoing support is key to realising the growth ambitions of the Group.

Engagement, including topics of engagement

The Executive Board met with all of the main investors during the roadshow for the November share placement.

Business developments are clearly communicated, and the Executive Board are available to respond to any enquiries following Group announcements.

Impact of the engagement and any actions taken

The Executive Board values shareholder input and believes that meetings with shareholders offer a valuable opportunity to not only share financial data and results, but also share the vision and progress of the business.

Employees

Employees are at the heart of our business and the key to ensuring delivery of our plans.

Engagement, including topics of engagement

Following the IPO, every employee was granted shares under the Share Plan, integrating them as stakeholders in the Group's prosperity and acknowledging their contributions to our achievements.

The establishment of an employee forum, with representation from all business sectors and chaired by the Chair, reinforces our commitment to inclusive dialogue. Additionally, the launch of the "Aurrigo Times" newsletter in 2023 serves as a key platform for communication across the diverse locations and divisions of Aurrigo.

Impact of the engagement and any actions taken

The share option scheme has successfully reached its initial phase of maturity, allowing employees to begin realising the financial rewards of their efforts; a development that has been positively received.

The feedback received from the employee forum has been consistently positive, encouraging the Group to anticipate further constructive feedback that will enhance our employee engagement initiatives.

Suppliers

The relationship with our suppliers is crucial to ensuring the timeliness and security of our raw material supply.

Engagement, including topics of engagement

Through our Supplier Performance Management Programme, we have continued to strengthen relationships and expand mutual benefits under long-term agreements.

Impact of the engagement and any actions taken

We remain dedicated to supporting our supplier base. Our transparent and collaborative methods have led to securing essential product lines that are often in short supply, ensuring consistent supply chains and enhancing reliability for our operations and our partners.

Customers

Effective communication with our customers is fundamental to our success.

Engagement, including topics of engagement

The Group maintains ongoing communication and regular reviews with customers to understand their evolving needs, align our strategies, and foster collaborative partnerships.

Senior leadership directly engages with customers, underscoring the value we place on these relationships and exploring opportunities to strengthen them further.

Impact of the engagement and any actions taken

Throughout the year, the Group has been actively involved in numerous industry thought leadership events, advancing the global discussion on autonomous, zero-emission vehicles in aviation ground transport.

These engagements, primarily through regular face-to-face interactions, have been crucial in developing our relationships with leading global partners.

Communities

We believe that it's important to support the communities that support our businesses.

Engagement, including topics of engagement

The Group is committed to sourcing locally whenever possible and commercially viable, enhancing our connections within the communities we serve. Our CEO actively champions this approach, which recently included significant initiatives in new geographies such as Cincinnati and Kentucky, where we have collaborated with state authorities on job creation programs.

Impact of the engagement and any actions taken

In Coventry, where we have a substantial employee base, our community ties are particularly strong, reflecting our 30-year history in the region. The community's well-being is integral to our corporate ethos, reinforcing our employees' pride in their work and their connection to Aurrigo. Feedback from recent employee forums highlights a robust engagement and a strong sense of pride in our contributions to local and regional development.



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AURRIGO
DRIVERLESS TECHNOLOGY

AURRIGO
DRIVERLESS TECHNOLOGY



GOVERNANCE REPORT

AURRIGO
DRIVERLESS TECHNOLOGY

INTRODUCTION TO GOVERNANCE

DEAR SHAREHOLDERS,

I am pleased to present the Group's Corporate Governance Report for the year ended 31 December 2023. As a publicly listed company, we continue to uphold the high standards of governance that our shareholders, employees, customers, and broader society expect from us.

COMPANY DEVELOPMENT

Following the end of the financial year, the Board saw a significant development with the appointment of Peter Whiting as the Non-Executive Director and Chair of the Audit Committee. Peter's extensive experience is a valuable addition to the Aurrigo Board. Additionally, the strategic transition of Lewis Girdwood from Non-Executive Director to Executive Director of Aviation Technology, further strengthened our leadership in this key sector.

BOARD EFFECTIVENESS

This report reflects our philosophy and approach to corporate governance, rooted in transparency, accountability, and ethical behaviour. These principles are upheld by the leadership of our experienced Board of Directors, ensuring our governance framework supports our long-term objectives and ethical standards. In adherence to the QCA code, we will establish a practice of annually reviewing the effectiveness of the Board, led by the Chair, to ensure our leadership aligns with both our corporate goals and the highest standards of governance.

CULTURE AND VALUES

Our values form the foundation of our operations and how we engage with all our stakeholders, with a strong culture of integrity, transparency, and accountability being central to this.

As a company, we are committed to upholding ethical behaviour and adhering to regulatory requirements. By aligning our culture and values with our corporate governance practices, we have created a framework that promotes responsible business practices and ensures our long-term sustainability and success.

We believe that transparency about our culture and values is essential for our stakeholders, including our employees, investors, and the wider community.

STAKEHOLDERS

Whilst greater detail on the Group's engagement with specific Stakeholder groups can be found in our s.172 statement on page 22 of this report, we wish to emphasise the Group's commitment to the long-term growth and development of all stakeholder groups.



Andrew Cornish
Non-Executive Chair

29 May 2024

BOARD OF DIRECTORS



ANDREW CORNISH
Non-Executive Chair

Andrew has spent the majority of his career in the aviation and automotive industries, as CEO of Liverpool Airport Holdings Ltd, Executive Board member at Aer Lingus, Managing Director and Group Board Director at Manchester Airport Group. Prior to aviation he was the Managing Director of Unipart's Automotive Division. His early career was spent at Eastman Kodak. Andrew is currently CEO of Middlesex County Cricket Club and previously CEO of Somerset County Cricket Club. Andrew is a Fellow of the Royal Aeronautical Society, Fellow of Liverpool Hope University Business School, and guest lecturer to Liverpool University MBA program.

Committee membership:



DAVID KEENE
Chief Executive Officer

David has 40 years' experience in the Automotive industry, including 30 years' building Aurrigo. David founded RDM Group, in 1993 after 11 years at Rover Group having started on the graduate recruitment and development program and leaving at senior management level. David is a founding member and sits on the board of the UK Automotive Council which has set the strategy for Automotive in the UK for the last 12 years and the board of Warwick Manufacturing Group (WMG) High Value Manufacturing Catapult. David graduated from Coventry University with a BSc. In Electronics and Electrical Engineering and is a Fellow of the Institute of Engineering and Technology (FIET) and the Royal Society for the Encouragement of Arts, Manufactures and Commerce (FRSA).



GRAHAM KEENE
Corporate Development Officer

Graham has 37 years' experience across management services, production, and finance in automotive and manufacturing, holding both the manufacturing director role and CFO position at RDM Group for the last 29 years. Previous roles included in Management Services at Royal Doulton, and Business Process Development at Sandwell MBC having previously worked in organisational development at West Midlands Fire Service. Graham was a co-founder of RDM Group in 1993 with his brother, David Keene.



IAN GRUBB
Chief Financial Officer

Ian joined Aurrigo as CFO in February 2022 bringing extensive accountancy experience from a broad spectrum of industries. His previous roles include Leacy Classic Motor Group, Jupiter Marketing Limited, THE Distribution Ltd and Holiday Hypermarket - a travel agency with 37 hypermarkets with a turnover of c£350m sales. He also worked at Red Mill Snack Food Ltd and TSB plc. Ian trained at Touche Ross and graduated from the University of Warwick with degree in Classics.



LEWIS GIRDWOOD
Executive Director of Aviation Technology

Lewis brings strong aviation sector expertise and is currently Executive Director of Aviation Technology. Most recently Lewis was Group CFO of Esken Ltd up until July 2023. Lewis previously served as Chief Financial Officer at IAG Cargo Limited, which provides global cargo services to British Airways, Iberia, Aer Lingus and other IAG airlines. Prior to that, he was Head of Financial Planning and Analysis at easyJet, responsible for financial business partnering across the airline. Lewis has also held senior finance roles at Premier Foods PLC, British Bakeries Limited and Racal Electronics Group International. He is also a member of the Audit Committee of the charity Tommy's.



PENNY COATES
Non-Executive Director

Penny's executive career began in Manufacturing with Mars and then Walkers Snackfoods (PepsiCo), followed by Retail, first in Strategy Development at Boots then becoming a Director of various Business Units and then of Own Brand for Asda (Walmart). She moved into Airport management with the Manchester Airport Group as MD of Airports, Group COO and Main Board Director. As a Non-Executive Director, she was interim Chair for the East Midlands Freeport and is now Deputy Chair of Chester Zoo, Advisor to the Councils of Birmingham (in relation to Birmingham Airport), a Trustee of Leicester Cathedral, a Trustee of the National Forest, and a Trustee of the National Space Centre. Penny is also a Deputy Lord Lieutenant for Leicestershire. Penny brings prior Non-Executive and Advisory experience with the Airport Operators Association, AMP Capital (member of Luton Airport Board), The Cooperative Society, Loughborough University and Melton Building Society.

Committee membership:



JOSEPH ELLIOTT MBE
Non-Executive Director

Joseph has considerable experience in the automotive industry and has previously been Chair of both SPA DIY Motor Stores and A1 Motor Stores. He is a director and trustee of Jaguar Daimler Heritage Trust. Previously he served on the Society of Motor Manufacturers Aftermarket Committee from 1990 to 2000 and was Coventry City Football Club Chair in 2007. He ran his family firm, Elliott's car parts and accessories from 1959 to 2004 and has held numerous other roles including, Chair and Director of A1 Motor Stores, Director of Baby Lifeline Charity, Chair of Coventry Transport Museum, Director Culture of Coventry, Coventry City of Culture Development Board Director, and member of NSPCC Coventry Business Board.

Committee membership:



*Joseph Elliott MBE was appointed as a member of the Remuneration Committee post IPO.



PETER WHITING
Non-Executive Director

Peter had a twenty-five year career as an investment analyst in equity capital markets, and has spent the past twelve years as a Non-Executive Director on the board of several public and private companies (currently including Kooth plc, Celebrus Technologies plc and Team17 Group plc). He has experience in a broad range of sectors, but focused particularly on technology, including software and engineering.

Committee membership:



Committee Key:

- Audit
- Remuneration
- Nominations
- Sustainability and ESG
- Chair

CORPORATE GOVERNANCE REPORT

AIM-quoted companies are required to adopt a recognised corporate governance code with effect from their admission to trading on AIM, however, there is no prescribed corporate governance regime for AIM companies. The QCA has published the QCA Governance Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors acknowledge the importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply with the QCA Code.

The Board has established an Audit Committee, a Remuneration Committee, a Nominations Committee and an ESG Committee, with formally delegated duties and responsibilities as described below.

BOARD COMPOSITION AND INDEPENDENCE

The Board meets at least eight times a year to review, formulate and approve the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. A lower number of meetings were held in the current period due to the completion date of listing. The Board has established an Audit Committee, a Remuneration Committee, a Nominations and an ESG Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Board consists of the Non-Executive Chair, three Executive Directors, and three Non-Executive Directors. The Group regards all of the Non-Executive Directors as "independent Non-Executive Director". The Board has determined that Penny Coates, Andrew Cornish, Peter Whiting* and Joseph Elliott are independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement. The Board believes this combination of Executive and Non-Executive Directors allows it to exercise objectivity in decision making and proper control of the Group's business and that this composition is appropriate in view of the size and requirements of the Group's business. However, the Board will continue to monitor the composition and balance of the Board.

MATTERS RESERVED TO THE BOARD

The Group has adopted a policy regarding matters reserved for the Board. Those matters include (amongst other things):

- Board appointments or removals, following recommendations from the Nominations Committee.
- The appointment of directors to specified offices of the Board (including the Chair and Senior Independent Director).
- Contracts not in the ordinary course of business.

CHAIR'S ROLES AND RESPONSIBILITIES

The Chair is responsible for the overall effectiveness of the Board through the provision of agendas, support for directors and directorship of the tone and style of the meetings.

The Chair strives to achieve an effective Board through the encouragement of debate, correct flow of information and engagement with the Board's Committees.

AUDIT COMMITTEE

The Audit Committee comprises Peter Whiting* as chair with Penny Coates, Andrew Cornish, and Joseph Elliott as the other members, and meets at least three times a year. The principal duties of the Audit Committee are to review the half-yearly and annual financial statements before their submission to the Board and to consider any matters raised by the auditors. The Audit Committee also reviews the independence and objectivity of the auditors.

The terms of reference of the Audit Committee reflect current best practice, including authority to:

- recommend the appointment, re-appointment, and removal of the external auditors; and
- ensure the objectivity and independence of the auditors including occasions when non-audit services are provided.

REMUNERATION COMMITTEE

The Group has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director is involved in deciding their own remuneration.

The Remuneration Committee comprises Penny Coates as Chair with Andrew Cornish, Peter Whiting, and Joseph Elliott as the other members. The Remuneration Committee considers the employment and performance of individual Executive Directors and determines their terms of service and remuneration. It also has authority to grant share options and any other equity incentives as part of overall remuneration packages. The Committee intends to meet at least twice a year.

NOMINATIONS COMMITTEE

The Group has established a formal and transparent procedure to review the composition and efficacy of the Board and where appropriate recommend nominees as new directors to the Board.

The Nominations Committee comprises Andrew Cornish as Chair with Peter Whiting, Penny Coates, and Joseph Elliott as the other members. The Committee intends to meet at least once a year.

ESG COMMITTEE

The ESG Committee has oversight over the Group's approach to ESG matters and comprises Penny Coates and Peter Whiting, with Joseph Elliott as Chair of the Committee.

MEETINGS AND ATTENDANCE

The directors' attendance at Board and Committee meetings during the period is shown below:

Director	Full Board	Audit Committee	Remuneration Committee
Penny Coates	9/9	2/2	3/3
Andrew Cornish	9/9	2/2	3/3
Ian Grubb	9/9	n/a	n/a
Lewis Girdwood*	9/9	2/2	3/3
Joseph Elliott	9/9	2/2	3/3
David Keene	9/9	n/a	n/a
Graham Keene	9/9	n/a	n/a
Peter Whiting*	n/a	n/a	n/a

* Peter Whiting was appointed as a Non-Executive Director on 1 Feb 2024. Lewis Girdwood took on the role of executive Director 1 December 2023 at which point Penny Coates was voted in as Chair of the Audit Committee until Peter Whiting's appointment.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has ultimate responsibility for risk management and the internal control procedures maintained. The procedures in place are designed to manage rather than eliminate risk of failure to achieve Group objectives and can only provide reasonable assurance against material misstatement or loss. Principal risks and uncertainties are discussed in the Strategic Report and financial risk management objectives and policies are outlined in note 23 of the financial statements.

COMMUNICATIONS WITH SHAREHOLDERS

The Board views the Group's annual report and accounts as well as its half year report as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to Shareholders. In addition, the Board uses the AGM as a primary mechanism to engage with Shareholders, both to give information and receive feedback about the Group and its progress. The 2024 AGM will be held at 10:00am on 25 June 2024 at Unit 33, Bilton Industrial Estate, Humber Ave, Coventry CV3 1JL. The Notice of Annual General Meeting can be found enclosed with this report.

The Chair, the Chief Executive Officer and the Chief Financial Officer undertake meetings with key Shareholders and analysts following publication of full and half year results in order to answer questions and ensure that the key messages are properly understood and effectively communicated onward.

ELECTION AND RETIREMENT OF DIRECTORS

The Directors will retire and offer themselves for re-election at the 2024 AGM.

COMPLIANCE WITH THE QCA CODE

As a company that is admitted to trading on AIM, the Group is not required to adopt a specific corporate governance code. However, the Group is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Group adopted the QCA Code on admission to AIM and continue to adhere to its principles following the publication of the updated Code in March 2024.

The Directors believe that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders.

THE GROUP COMPLIES WITH THE TEN PRINCIPLES OF THE QCA CODE, AS DETAILED BELOW.

Principle 1

Establish a purpose, strategy and business model which promote long-term value for shareholders

The Group's purpose, business model and strategy are set out in pages 2 to 5 of this report. The Directors believe that the Group's model and growth strategy will help to promote long-term value for Shareholders. An update on strategy will be given from time to time in the strategic report that is included in the annual report and accounts of the Group.

The principal risks facing the Group are set out in page 17 of the annual report. The Directors have implemented a risk management framework and will continue to take appropriate steps to identify risks and undertake any necessary mitigation strategies to manage these risks.

Principle 2

Promote a corporate culture that is based on ethical values and behaviour.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings and the Board is aware that the tone and culture it sets impacts all aspects of the Group and the way that employees behave.

The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery, and corruption, communication, and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviour throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group. The Group also has an established code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM Rules and MAR.

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Group, its employees, shareholders, and other stakeholders of the business. In considering the Group's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in addition to considering the broader environmental and social impact as well as the positive impact it can have within the local community in which the Group operates.

The Group fully endorses the aims of the Modern Slavery Act 2015, and takes a zero-tolerance approach to slavery and human trafficking within the Group and supply chain.

Principle 3

Seek to understand and meet shareholder needs and expectations

The Board is committed to and actively encourages effective relationships and communication with the Group's Shareholders.

Prior to Share placement in November 2023 the Directors undertook an investor roadshow, which has provided the Group with further insight as to what shareholder expectations are as the Group grows.

All shareholders are actively encouraged to participate in the Group's annual general meetings ("AGM"). The notice of AGM will be sent to all Shareholders and will be available for download from the Group's website.

The Group seeks to maintain an active dialogue with Shareholders, who will be kept up to date with the Group's developments by way of announcements made through a Regulatory Information Service on matters of a significant substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected deviations to market expectations will be announced through a Regulatory Information Service.

The Group's AGM will be an opportunity for Shareholders to meet with the Chair and other members of the Board. The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored, and the Group intends to engage, as appropriate with Shareholders who do not vote in favour of resolutions at AGMs.

All contact details for investor relations are included on the Group's website.

Principle 4

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including Shareholders, staff, and customers, as part of its business strategy. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day to day running of the business.

Details of the Group's ESG policy and s172 statement can be found on pages 20 and 22 of this report.

Principle 5

Embed effective risk management, internal controls, and assurance activities, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out on page 17 of this report. The Directors take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks.

A review of these risks is carried out at least on an annual basis, the results of which will be included in future annual reports and accounts going forward.

The Board has overall responsibility for the determination of the Group's risk management objective and policies and has also established the Audit Committee.

Principle 6

Establish and maintain the board as a well-functioning, balanced team led by the Chair

The Board comprises four Executive Directors and four Non-Executive Directors, including the Non-Executive Chair.

The biographies of the Directors are set out on pages 26 and 27 of this report. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by independent Non-Executive Directors.

The Group is satisfied that the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its shareholders and other stakeholders in the Group.

The Board meets regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit Committee, the Remuneration Committee, and the Nominations Committee. The Nominations Committee have responsibility for reviewing the structure, size, and composition of the Board, giving consideration to succession planning and reviewing the leadership needs of the organisation.

The QCA Code recommends that the Board should comprise of a balance of Executive and Non-Executive Director with at least two Non-Executive Director being independent. The QCA Code suggests that independence is a Board judgement, but where there are grounds to question the independence of a Director, through length of service or otherwise, this must be explained. Each of the Non-Executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. None of these Non-Executive Directors are employees, have significant business relationships with the Group, or are significant shareholders in the Group.

As recommended by the QCA Code guidance, the independent Non-Executive Directors will not participate in performance-related remuneration schemes.

Principle 7

Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills, and capabilities

The Chair leads the Board and is responsible for its governance structures, performance, and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

David Keene is Chief Executive who, supported by the other Executive Directors, is responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Non-Executive Directors (including the Non-Executive Chair) are responsible for bringing independent and objective judgement to Board decisions and are all considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The Board is supported by the Audit Committee, Remuneration Committee and Nominations Committee, further details of which are set out in pages 28 and 29 of this report. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties.

The Board reviews the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

The skills and experience of the Directors are summarised in their biographies set out on pages 26 and 27 of this report.

The Directors believe that the Board has a balance of sector, financial and public market skills and experience appropriate for the size and stage of current development of the Group and that the Board has the skills and requisite experience necessary to execute the Group's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to develop the Group. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically.

While the Board has not yet adopted any formal policy on gender balance, ethnicity, or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles.

The Group retains the services of independent advisors including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Group's internal expertise. The Directors have also received a briefing from the Group's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules and the Group's solicitors in respect of continued compliance with, inter alia, MAR.

Principle 8

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Chair will lead a review of the effectiveness of the Board, Audit Committee, Remuneration Committee, Nominations Committee, and individual performance of each Director. The outcomes of performance will be described in the 2024 annual report and accounts of the Group.

The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Group.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the Group's purpose, strategy, and culture

The Chair leads the Board and is responsible for its governance structures, performance, and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

David Keene is Chief Executive who, supported by the other Executive Directors, is responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Non-Executive Directors (including the Non-Executive Chair) are responsible for bringing independent and objective judgement to Board decisions and are all considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The Board is supported by the Audit Committee, Remuneration Committee and Nominations Committee, further details of which are set out in pages 28 and 29 of this report. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties.

The Board reviews the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10

Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Group's annual report and accounts and the Group's website provide details to all stakeholders on how the Group is governed. The Board is of the view that the annual report and accounts as well as its half year report are key communication channels through which progress in meetings the Group's objectives and updating its strategic targets can be given the Shareholders.

Additionally, the Board will use the Group's annual general meetings as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

The Group's website in compliance with the AIM Rules, www.aurigo.com, will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

All contact details for investor relations are included on the Group's website.

AUDIT REPORT



PETER WHITING
Chair of the Audit Committee

DEAR SHAREHOLDERS,

As the recently appointed Chair of the Audit Committee, I am pleased to present my first Committee report for the year ended 31 December 2023, which has been prepared by the committee and approved by the Board. During the reporting period the Committee was chaired initially by Lewis Girdwood and then by Penny Coates, who took over the Chair when Lewis took an Executive Director role in December 2023.

OUR OBJECTIVES

The key objective of the Committee is the provision of effective governance of the Group's financial reporting. It has the primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported and reviewing reports from the Group's external auditors, in all cases having due regard to the interests of shareholders.

COMMITTEE MEMBERSHIP

The members of the Audit Committee are four Non-Executive Directors, namely Penny Coates, Joseph Elliott, Andrew Cornish, and me. Detailed information on the experience, qualifications and skills sets of all committee members can be found on pages 26 and 27 of this report.

MEETINGS HELD

The Audit Committee met twice during the year. The meeting was attended by all members of the committee. The Chief Financial Officer and Group Secretary were also present. Representatives of the auditor BDO LLP were present at one of the committee meetings.

ROLE AND RESPONSIBILITIES

The primary function of the Audit Committee is to support the Board in discharging its responsibilities regarding financial reporting, internal and external controls, including:

- Monitoring the integrity of the Group's financial statements;
- Reviewing the content of the annual report and accounts and advising the Board on whether, taken as a whole, they are fair, balanced and understandable;
- Reviewing the adequacy and effectiveness of the Group's internal financial reporting and internal control policies and systems;
- Ensuring appropriate whistleblowing mechanisms are in place through which employees and other stakeholders may raise any concerns; and
- Reviewing the effectiveness of the external auditor's independence and objectivity, including the provision of non-audit services.

The Audit Committee reports to the Board on all these matters.

KEY ACTIVITIES

A summary of the key activities which the Audit Committee undertook during the reporting period is as follows:

- Assessed the external audit plan;
- Assessed the accounting and audit issues identified during the audit process; and
- Reviewed the regulatory reporting including the interim and final results announcements and trading update.

In addition to the formal meetings, the Committee Chair also met privately with the external auditor to discuss the scope of the annual audit plan, resources required for the audit and key dates to meet the signing deadlines.

EXTERNAL AUDIT

The Audit Committee is responsible for ensuring that the external auditor provides an effective source of assurance for the Group's financial reporting and controls, including overseeing the relationship with the external auditor, evaluating the effectiveness of the services provided and its ongoing independence. The Committee is also responsible for recommending to the Board the appointment, re-appointment, and removal of the external auditor.

BDO LLP was appointed by the shareholders as the Group's statutory auditor in 2022. The Committee recommends that BDO be re-appointed as the Group's statutory auditor.

REVIEW OF EXTERNAL AUDITORS' EFFECTIVENESS

The Committee reviewed the external auditors' performance and independence, by considering the qualifications, expertise, and resources of BDO and its objectivity on an ongoing basis throughout the year. This was done by taking into account the following:

- The views of the Executive Directors
- Consideration of responses from BDO to questions from the Committee
- The audit findings reported to the Committee, including BDO's report on internal quality procedures
- The relationship with BDO as a whole, including the provision of any non-audit services, to confirm there are no relationships between the auditors and the Group that could adversely affect independence and objectivity

Based on this information the Committee is satisfied that the external audit process has operated effectively, and BDO continued to bring independence and prove effective in its role as external auditors.

FINANCIAL REPORTING

At the request of the Board, the Committee reviewed the Annual Report and Financial Statements and concluded that, taken as whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's business model, strategy and performance

The Committee considered the budget for 2024 and concluded that the going concern basis is appropriate. The Committee also reviewed the Strategic Report and concluded that it presented a useful and fair, balanced, and understandable review of the business.



Peter Whiting
Chair of the Audit Committee
29 May 2024

REMUNERATION REPORT



PENNY COATES
Chair of the Remuneration Committee

DEAR SHAREHOLDERS,

As the Chair of the Remuneration Committee, I am pleased to present the Committee report for the year ended 31 December 2023, which has been prepared by the committee and approved by the Board.

As a public company, we recognise the importance of transparent and effective remuneration practices to support the long-term success of our business and create value for our shareholders. The Remuneration Committee is responsible for ensuring that our practices are aligned with our business strategy, promote good corporate governance, and attract and retain top talent. As such, we are committed to maintaining fair and competitive remuneration packages that motivate and reward our executives for delivering sustainable performance.

In this report, we will provide an overview of our remuneration policy, detailing the key principles that guide our decision-making process, the structure, and components of our executive pay, and how our remuneration practices are implemented.

We have designed a transparent remuneration policy to attract, retain, and motivate the talented executives at Aurrigo to deliver long-term value to our shareholders. We are committed to ensuring that our remuneration practices continue to be fair, transparent, and aligned with our business strategy.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee reviews the performance of the Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

COMPOSITION AND MEETINGS

As outlined in the Group's Admission Document, the members of the Remuneration Committee shall include only independent Non-Executive Directors. The Remuneration Committee currently comprises Peter Whiting, Joseph Elliott and Andrew Cornish, with myself acting as Chair.

During the period the Remuneration Committee met three times, in accordance with its terms of reference.

DIRECTORS' REMUNERATION POLICY

The Remuneration Committee determines the Group's policy on the structure of Executive Directors' and if required, senior management's remuneration. The following table summarises the key elements of the Directors' Remuneration Policy and how it supports the Group's short and long-term strategic objectives;

EXECUTIVE DIRECTORS:

Element	Overview	Purpose	Maximum Opportunity	Performance Metrics
Base salary	To attract and retain Executive Directors with the required skills and experience to deliver Aurrigo's continued growth strategy	Base salaries are normally reviewed on an annual basis with any changes normally effective 1 January each year	There is no maximum salary although salary levels are set to progressively move towards upper quartile levels for companies of similar size and operational and geographic complexity	Base salary levels and corresponding increases are based on individual experience, skills and Group performance along with competitiveness against similar companies
Benefits	To provide market competitive benefits	Benefits may include company car, medical cover, critical life, and death in service insurance. Other benefits may be awarded as appropriate	Benefits may vary by role and individual circumstances and are periodically reviewed	Not performance related
Pensions	Competitive to market to reward sustained contribution by Executive Directors	Contributions to a Director's pension as appropriate. This takes the form of contributions to a money purchase scheme	Aligned to the pension available to Aurrigo's UK workforce	No performance metrics applicable
Annual performance related bonus	To reward and incentivise based on the exceeding budget and achieving other business related objectives	Financial and non-financial performance targets are set and reviewed by the Remuneration Committee	There is no maximum bonus	Scaled financial performance
Non-Executive Directors:				
Chair and Non-Executive Directors' fees	To attract and retain a Chair and independent Non-Executive Directors with the required skills and experience	Paid monthly in arrears and reviewed each year. Any reasonable business related expenses can be reimbursed	The Chair's and Non-Executive Directors' fees are determined by relevant benchmark data	Annual review by the Board

DIRECTORS' REMUNERATION

Salaries of Executive Directors are determined by the Remuneration Committee. The Board as a whole decides the remuneration of the Chair and Non-Executive Directors. Directors' salaries and fees for the current year (2024) are as follows:

Other benefits are in line with the remuneration policy above.

Executive Member	Base salary	Pension	Performance-related bonus
David Keene	£250,000	£43,082	-
Graham Keene	£225,000	£43,082	-
Ian Grubb	£165,000	£11,593	-
Lewis Girdwood*	£220,000	£10,267	-
Andrew Cornish	£120,000		
Penny Coates	£50,000	-	-
Peter Whiting**	£50,000	-	-
Joseph Elliott	£50,000	-	-

* Lewis Girdwood changed role from Non-Executive Director to Executive Director for Aviation Technology on 1 December 2023.

** Peter Whiting was appointed as Non-Executive Director on 2 February 2024.

NON-EXECUTIVE REMUNERATION

As recommended by the QCA Code guidance, independent Non-Executive Directors do not participate in performance-related remuneration schemes.

RECRUITMENT

Upon recruitment of an Executive Director, the remuneration package will be in line with the remuneration policy, the Committee has the discretion to adjust the Directors' remuneration in line with this policy.

DIRECTORS' CONTRACTS

Name	Notice Period
Andrew Cornish	3 months
David Keene	6 months
Graham Keene	6 months
Ian Grubb	6 months
Joseph Elliott	3 months
Lewis Girdwood	6 months
Penny Coates	3 months
Peter Whiting	3 months

LOSS OF OFFICE

There were no loss of office payments made during the year.

ANNUAL REPORT BONUS PAYMENTS

There were no annual bonus payments made during the year.

DIRECTORS' PARTICIPATION IN THE SIP

Director	Title	No. of Options	Exercise Price
Ian Grubb*	Chief Financial Officer	118,416	£0.24

*30% vested on grant, 23.33% on anniversary and 1.944% per month thereafter for the following 23 months.

DIRECTORS' INTERESTS AND EXECUTIVE DIRECTORS' SHAREHOLDING REQUIREMENTS

At the date of this report, the following directors have the below interests in the Company:

Director	No. of Shares	% of Holdings
David Keene	12,500,000	27.26%
Graham Keene	12,500,000	27.26%
Penny Coates	370,000	0.81%
Andrew Cornish	230,000	0.50%
Lewis Girdwood	230,000	0.50%
Joseph Elliott	52,084	0.11%
Ian Grubb	18,395	0.04%

CHANGES TO BOARD MEMBERS

Lewis Girdwood's role changed from Non-Executive to Executive Director on 1 December 2023. Peter Whiting was appointed to the Board as independent Non-Executive Director and Chair of the Audit Committee on 1 February 2024.

SHAREHOLDER APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

Whilst it is not mandated, following the publication of the updated QCA Code and the application of Principle 9 - Establish a remuneration policy which is supportive of long-term value creation and the Group's purpose, strategy and culture; this Committee recommended to the Board that the remuneration policy should be subject to an advisory vote at the subsequent AGM in 2025.

VOTING RESULTS OF ANNUAL GENERAL MEETING 2023

Issued share capital at meeting date: 41,666,667

All resolutions were passed on show of hands.

Resolution ¹	For ²		Against		Withheld ³
	No. of votes	% ⁴	No. of votes	% ⁵	No. of votes
1. To receive the Annual Report and Accounts	36,170,935	100	0	0	0
2. To re-appoint BDO as Auditor	36,170,935	100	0	0	0
3. To authorise the Directors to determine the remuneration of the Group's auditors	36,170,935	100	0	0	0
4. To re-elect Andrew Cornish as a Director	36,170,935	100	0	0	0
5. To re-elect David Keene as a Director	36,170,935	100	0	0	0
6. To re-elect Ian Grubb as a Director	36,170,935	100	0	0	0
7. To re-elect Graham Keene as a Director	36,170,935	100	0	0	0
8. To re-elect Joseph Elliott as a Director	36,170,935	100	0	0	0
9. To re-elect Lewis Girdwood as a Director	36,170,935	100	0	0	0
10. To re-elect Penny Coates as a Director of the Company	36,170,935	100	0	0	0
11. To authorise the Directors to allot relevant securities	36,170,935	100	0	0	0
12. To authorise the Directors to disapply pre-emption rights*	36,170,935	100	0	0	0
13. To authorise the Directors to disapply additional pre-emption rights*	36,170,935	100	0	0	0

1 Ordinary Resolution requires at least 50% of votes in favour; Special Resolution requires at least 75% of votes in favour

2 Includes Discretionary votes

3 A vote withheld is not a vote under English Law and is not counted in the calculation of votes 'for' or 'against' a resolution

4 Votes as a percentage of the total For

5 Votes as a percentage of the total Against

* Special resolution



Penny Coates

Chair of the Remuneration Committee
29 May 2024

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Aurigo International plc for the year ended 31 December 2023.

The principal activity of the Group is that of the supply of electrical components to the automotive industry and the development of electric autonomous vehicles. A description and review of the Group's performance during the financial year and indications of future development are set out within the strategic report, and this also incorporates the requirements of the Companies Act 2006.

RESULTS AND DIVIDENDS

The Group's financial results are discussed in the Finance Review on pages 10 and 11 of this report.

The Directors have not recommended the payment of a dividend for the year.

DIRECTORS

The directors who held office during the year were as follows;

- David Keene, CEO
- Ian Grubb, CFO
- Graham Keene, Head of Corporate Development
- Andrew Cornish, Non-Executive Chair
- Penny Coates, Non-Executive Director
- Joseph Elliott, Non-Executive Director
- Lewis Girdwood, Non-Executive Director (Became Executive Director on 1 December 2023)

Biographical details of the Directors can be found on pages 26 and 27.

Directors' interests in the ordinary shares of the Group can be found in the Remuneration Committee Report on page 41.

A company reorganisation took place prior to the IPO resulting in the Company being re-registered as a public limited company and becoming the ultimate holding company of the Group changing its name from RDM Group Limited in the process. The Directors of RDM Group Limited were David Keene and Graham Keene.

FINANCIAL RISK MANAGEMENT

The Group's principal risks and uncertainties are discussed on pages 17 to 19.

DIRECTORS INDEMNITIES AND INSURANCE

The Group maintains appropriate insurance cover in respect of any legal action against its directors including in respect of the prospectus issued for the initial public offering.

SIGNIFICANT SHAREHOLDINGS

As at 17th May 2024, the Group had been notified in accordance with the Disclosure and Transparency rules of the Financial Conduct Authority of the following interests holding 3% or more of the issued share capital in Aurigo International plc.

	No. Ordinary Shares held	% of issued
David Keene	12,500,000	27.26
Graham Keene	12,500,000	27.26
Unicorn AIM VCT	6,247,500	16.71
Amati VCT II	4,343,750	9.74
RATHBONE NOMINEES LIMITED	2,304,502	6.71

* Inclusive of concert parties

EMPLOYEES

The Group had 95 employees at 31 December 2023, having expanding its personnel from 48 at IPO. The focus is particularly on growing the Group's marketing and engineering capabilities.

RESEARCH AND DEVELOPMENT

During the year, the Group invested over £1m in Research and Development. More information on this is provided in the Strategic Report and the notes to the financial statements.

POLITICAL CONTRIBUTIONS

The Group made no political donations or incurred any political expenditure during the year.

SIGNIFICANT EVENTS AFTER YEAR END

On 8 April 2024, Aurrigo International plc signed a formal partnership agreement with Aviation Solutions B.V. ("AS"), a department within Royal Schiphol Group, to support the roll-out of Aurrigo's autonomous solutions to the global aviation sector.

The multi-year partnership with AS provides an opportunity to demonstrate the Auto-DollyTug® baggage vehicle and Auto-Sim® aviation operations simulation software at Amsterdam Airport Schiphol in a bid to engage with other airports and stakeholders.

In May 2024 the Group signed a SGD \$4.2m (~£2.5m) agreement with Singapore Changi Airport Group (CAG) that will see a 'fleet' of automated baggage handling vehicles piloted for underwing operations during 2024 and 2025.

NOTICE OF ANNUAL GENERAL MEETING

Details of business to be conducted at this year's AGM are contained in the Notice of the Annual General Meeting which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions is in the best interest of the shareholders.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this report confirm that:

So far as they are each aware, there is no relevant audit information of which the Group's and Group's auditors are unaware; and each 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 Group and Group's auditor is aware of that information. The auditor, BDO LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

GOING CONCERN

Management has produced forecasts and projections through to 2024 which have been reviewed by the Directors. These demonstrate that the Group is forecast to generate profits and cash in the year ending 31 December 2024 and through 2025. After reviewing the forecasts of the Group and the Parent Company, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Group and the Parent Company have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements and so will continue to adopt the going concern basis of accounting when preparing the financial statements.

INDEPENDENT AUDITORS

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the AGM.

The Directors' Report was approved on behalf of the Board on 29 May 2024.

By order of the Board



David Keene
Chief Executive Officer

29 May 2024

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual 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 are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards 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 and the Company will continue in business.

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

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURRIGO INTERNATIONAL PLC

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

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

We have audited the financial statements of Aurrigo International Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Group statement of comprehensive income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group 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 the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting is included in the key audit matters section.

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.

OVERVIEW

Coverage	86% (2022: 93%) of Group profit before tax 89% (2022: 100%) of Group revenue 93% (2021: 99%) of Group total assets		
Key audit matters		2023	2022
	Going concern*	x	
	Intangible assets	x	x
	– Existence and Valuation		
	Share based payment	x	x
	– Valuation		
Materiality	Group financial statements as a whole £96,000 (2022:£53,000) based on 1.5% (2022: 1%) of Revenue.		

* This key audit matter has been included in the current year due to the Group's funding requirements.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group manages its operations mainly from Coventry, UK. At the Statement of Financial Position date, the Group consisted of the Parent Company and one significant trading subsidiary, four non-significant trading subsidiaries based in the UK and overseas and a number of dormant subsidiaries.

The Group engagement team have carried out full scope audit procedures on the Parent Company and the significant trading subsidiary. We have focused on these entities as they were significant components relevant to the Group's financial position and performance. For the remaining trading subsidiaries, a desktop analytical review on the financial information was performed by the Group engagement team.

This work, together with the procedures at the Group level over the consolidation journals, provided the evidence required to form our opinion on the Group financial statements as a whole.

CLIMATE CHANGE

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and Audit Committee meeting and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of managements disclosures included as Statutory Other Information on page 24 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Going Concern	
<p>Going Concern - Note 1.3</p> <p>There is a risk that management might not assess whether circumstances exist that would make the adoption of the going concern basis of accounting in the Group's financial statements inappropriate.</p> <p>The Parent Company has raised £3.8 million through an issue of new ordinary shares in November 2023 to fund development activities.</p> <p>Accordingly, we have assessed the going concern assessment and disclosure to be a significant risk and Key Audit Matter.</p>	<p>We have obtained an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the financial performance of the Group and Parent Company including forecasting and budgeting processes and the Group's risk assessment process.</p> <p>We assessed whether Directors going concern assessment is consistent with the audit work and the findings considering the following:</p> <ul style="list-style-type: none"> • the arithmetic accuracy of the forecast • key assumptions considered in the forecast • discretionary spend/cost cutting • historic forecasting reliability • new/potential customer contracts for autonomous revenue • Group's ability to refinance the funding stream when required <p>We evaluated the Directors method including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other.</p> <p>We evaluated the Directors plan for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances including increase in autonomous revenue estimated for the going concern period.</p> <p>We also evaluated the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment.</p> <p>Key observations:</p> <p>Our conclusions are set in the Conclusions related to going concern section of our report.</p>

Existence and Valuation of Intangible Assets

The accounting policies and critical judgements and estimates applied are disclosed within the Group's accounting policies

The intangible assets are disclosed in note 16 of the Group financial statements

There is significant judgement involved in relation to the capitalisation of the research and developments costs as an intangible asset. The judgements involves around determining whether development costs are eligible for capitalisation, the useful life based on which the amortisation is charged to the income statement and the judgement around the consideration of impairment of carrying amount of capitalised intangible assets at the year-end.

The outcome of the judgements which have high estimation uncertainty could materially impact the reported results and therefore this area is considered to be a significant risk to the audit process and a key audit matter, specifically in relation to the risk of invalid costs being capitalised and the risk around recoverability of carrying value of intangibles asset balance at the year-end.

We obtained management's assessment of capitalisation of development costs during the year including management's recognition criteria for intangible assets.

Our audit work included inquiry and discussion with management to assess the criteria in accordance with IAS 38 Intangible Assets. Through our discussion, we also determined the appropriateness of amortisation charge on these intangible assets. We reperformed the amortisation calculation for the assets which were amortised during the year to confirm the accuracy.

We considered impairment of the assets by taking into consideration the forecast of revenue projected from the autonomous revenue contracts.

We assessed the reasonableness of the Group's budgets and forecasts by considering the available information.

We challenged management to understand the significant assumptions in the cashflow forecasts and corroborating those to the source documentation and information available externally.

We performed the sensitivity analyses to assess the impact of possible adverse effects that could arise as a result of a decrease in revenue from autonomous revenue.

We agreed the additions during the year to the relevant supporting documentation on a sample basis. We also reviewed the nature of these costs incurred to determine the appropriateness of these being capitalised in accordance with the accounting standard.

We assessed whether the Group's disclosure provided sufficient details on the key judgements within the cashflow forecast.

Key observations:

Based on the work undertaken we consider the judgements and estimates made by management in the capitalisation of development costs to be appropriate and in accordance with IAS 38 Intangible Assets.

Valuation of share granted under Share based payment scheme

The accounting policies and critical judgements and estimates applied are disclosed within the Group's accounting policies

The share based payment is disclosed in note 29 of the Group financial statements

During the previous year, a share option scheme was introduced for senior management staff. Certain new employees joining the organisation in the current year were also eligible for share options under the said scheme. The application of IFRS 2 requires the fair value of equity settled share-based payments to be calculated with reference to an appropriate valuation model such as Black Scholes on the grant date.

There is a risk that the share options have been incorrectly valued given the significant estimate around valuation of shares on the grant date.

We assessed management's technical paper on accounting treatment of share based payment and reviewed it against the criteria of IFRS 2 Share Based Payment.

We engaged with our internal valuation experts to assist us to verify the key assumptions in determining the fair value of shares granted under the scheme such as risk free rate, and volatility. In addition, our internal experts reviewed the Black Scholes Model to check this is an appropriate model.

We verified the inputs in the management's calculation of share based payment charge for the year by vouching details to the employee contracts on a sample basis.

We checked the overall arithmetical accuracy of the model and agreed the inputs to the shared based payment disclosure (note 29) in the Group financial statements.

Key observations:

Based on the work undertaken we consider the judgements and estimates made by management in valuing the share options, including the valuation model, to be materially appropriate.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2023 £	2022 £	2023 £	2022 £
Materiality	96,000	53,000	58,000	50,000
Basis for determining materiality	Determined based on 1.5% of revenue.	Determined based on 1% of revenue.	Determined based on 1% of net assets. (capped at 60% of Group materiality)	Determined based on 1% of net assets. (capped at 95% of Group materiality)
Rationale for the benchmark applied	Revenue is considered as an appropriate benchmark as the Group is currently loss making as a result of still being in the development stage.	Revenue is considered as an appropriate benchmark as the Group is currently loss making as a result of being in the development stage.	We consider asset based measure to best reflect the nature of Parent Company which acts as a holding company for the Group. Materiality for Parent Company has been capped at 60% of Group materiality given the Group scoping analysis and assessment of components aggregation risk.	We consider asset based measure to best reflect the nature of Parent Company which acts as a holding company for the Group. Materiality for Parent Company has been capped at 95% of Group materiality given the Group scoping analysis and assessment of components aggregation risk.
Performance materiality	67,000	37,000	41,000	35,000
Basis for determining performance materiality	Performance materiality for the Group and Parent Company has been based upon 70% of materiality. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on prior year experience and management intention of considering these adjustments.			
Rationale for the percentage applied for performance materiality				

COMPONENT MATERIALITY

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of 88% (2022: 94%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was £84,000 (2022: £50,000). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £3,000 (2022:£2,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> 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. <p>In the light of the knowledge and understanding of the Group and Parent 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.</p>
Matters on which we are required to report by exception	<p>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:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or the Parent Company financial statements are not in agreement with the accounting records and returns; or certain disclosures of Directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

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

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

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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation, AIM Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment law and data protection regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud were management override of controls, capitalisation of intangible assets and revenue recognition, specifically the manipulation of revenue using fraudulent journals.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to relevant supporting documentation;
- Challenging significant accounting estimates and judgements made by management including:
 - The capitalisation of intangible assets against the requirements of the applicable accounting standards; and

- Estimates and judgements made by the Directors in their going concern assumption as set out in the Conclusions relating to going concern section of the report above;

- Reviewing the Group's accounting policies for compliance with the relevant accounting framework and testing disclosures to supporting documentation;
- Assessing the appropriateness of the revenue recognition policies against the requirements of the applicable accounting standards and testing the application of the policies to the samples tested; and
- With regards to the risk of fraud in revenue recognition through manipulation of revenue journals, we selected the samples of unusual journals crediting revenue and verified those to the relevant supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jon Gilpin

Jonathan Gilpin (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK
29 May 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Revenue	4	6,628	5,302
Cost of sales		(5,152)	(3,483)
Gross profit		1,476	1,819
Other operating income	5	812	278
Administrative expenses including non-recurring expenses, share based payment charges, depreciation, and amortisation		(6,325)	(4,569)
Operating loss	7	(4,037)	(2,472)
Costs of admission to AIM	6	-	(1,010)
Share based payments	28	(246)	(143)
Depreciation	17	(274)	(208)
Amortisation	16	(294)	(172)
Adjusted EBITDA*		(3,223)	(939)
Finance income	12	76	2
Finance costs	13	(46)	(26)
Loss before taxation		(4,007)	(2,496)
Income tax credit	14	90	301
Loss for the year attributable to equity shareholders of the parent		(3,917)	(2,195)
Other comprehensive income:			
Items that will not be reclassified to comprehensive income			
Currency translation differences		7	(2)
Total items that will not be reclassified to comprehensive income		7	(2)
Total other comprehensive income for the year		7	(2)
Total comprehensive income for the year		(3,910)	(2,197)

Loss and total comprehensive income for the year is all attributable to owners of the Parent Company. All losses after taxation arise from continuing operations.

* Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, impairment, share-based payment charges, and exceptional items.

	Notes	2023 £'000	2022 £'000
Earnings per share	15		
Basic (£ per share)		(0.09)	(0.12)
Diluted (£ per share)		(0.09)	(0.12)

The notes on pages 63 to 98 form part of these group financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Goodwill	16	202	-
Intangible assets	16	5,974	5,403
Property, plant, and equipment	17	742	306
Total non-current assets		6,918	5,709
Current assets			
Inventories	18	1,709	931
Trade and other receivables	19	2,306	1,532
Current tax recoverable		330	174
Cash and cash equivalents		3,462	5,386
Total current assets		7,807	8,023
Total assets		14,725	13,732
Current liabilities			
Trade and other payables	23	1,818	1,143
Borrowings	21	30	30
Lease liabilities	24	216	79
Deferred grant income	26	217	217
Total current liabilities		2,281	1,469
Net current assets		5,526	6,554
Total assets less current liabilities		12,444	12,263
Non-current liabilities			
Borrowings	21	25	55
Lease liabilities	24	284	132
Deferred grant income	26	3,271	3,442
Total non-current liabilities		3,580	3,629
Total liabilities		5,861	5,098
Net assets		8,864	8,634
Equity			
Called up share capital	29	91	83
Share premium account	30	10,927	7,103
Share option reserve	31	383	143
Foreign exchange reserve		5	(2)
Retained (losses) / earnings		(2,542)	1,307
Total equity		8,864	8,634

The notes on pages 63 to 98 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 May 2024 and are signed on its behalf by:



Mr. D Keene
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Non-current assets					
Investments	38		399		153
Current assets					
Trade and other receivables	39	8,217		2,301	
Cash and cash equivalents		2,904		4,949	
		11,121		7,250	
Current liabilities	40	(352)		(397)	
Net current assets			10,769		6,853
Total assets less current liabilities			11,168		7,006
Equity					
Called up share capital	43		91		83
Share premium account			10,927		7,103
Share option reserve	42		383		143
Retained losses			(233)		(323)
Total equity			11,168		7,006

The notes on pages 63 to 98 form part of these group financial statements.

As permitted by s408 Companies Act 2006, the Group has not presented its own income statement and related notes. The Group's profit for the year was £83,994 (2022 - £282,829 loss).

The financial statements were approved by the board of directors and authorised for issue on 29 May 2024 and are signed on its behalf by:



Mr. D Keene
Director

Company Registration No. 05546181

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £'000	Share premium account £'000	Share option reserve £'000	Foreign exchange reserve £'000	Retained (losses)/ earnings £'000	Total £'000
Balance at 1 January 2022		-	-	-	-	3,524	3,524
Year ended 31 December 2022:							
Loss for the year		-	-	-	-	(2,195)	(2,195)
Other comprehensive income:							
Currency translation differences		-	-	-	(2)	-	(2)
Total comprehensive income for the year		-	-	-	(2)	(2,195)	(2,197)
Transactions with owners in their capacity as owners:							
Issue of share capital	29	33	8,133	-	-	-	8,166
Costs of issue set against premium	29	-	(1,030)	-	-	-	(1,030)
Share option expense		-	-	143	-	-	143
Deferred tax on share based payment transactions		-	-	-	-	28	28
Issue of share capital from reserves		50	-	-	-	(50)	-
Balance at 31 December 2022		83	7,103	143	(2)	1,307	8,634
Year ended 31 December 2023:							
Loss for the year		-	-	-	-	(3,917)	(3,917)
Other comprehensive income:							
Currency translation differences		-	-	-	7	-	7
Total comprehensive income for the year		-	-	-	7	(3,917)	(3,910)
Transactions with owners in their capacity as owners:							
Issue of share capital	29	8	4,109	-	-	-	4,117
Costs of issue set against premium	29	-	(293)	-	-	-	(293)
Share option expense		-	-	246	-	-	246
Deferred tax on share based payment transactions		-	-	-	-	62	62
Share options exercised		-	8	(6)	-	6	8
Balance at 31 December 2023		91	10,927	383	5	(2,542)	8,864

The notes on pages 63 to 98 form part of these group financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Share premium account £	Share option reserve £	Retained losses £	Total £
Balance at 1 January 2022		-	-	-	10	10
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(283)	(283)
Transactions with owners in their capacity as owners:						
Issue of share capital	43	33	8,133	-	-	8,166
Costs of issue set against premium	43	-	(1,030)	-	-	(1,030)
Share option expense		-	-	143	-	143
Issue of share capital from reserves		50	-	-	(50)	-
Balance at 31 December 2022		83	7,103	143	(323)	7,006
Year ended 31 December 2023:						
Profit and total comprehensive income for the year		-	-	-	84	84
Transactions with owners in their capacity as owners:						
Issue of share capital	43	8	4,109	-	-	4,117
Costs of issue set against premium	43	-	(293)	-	-	(293)
Share option expense		-	-	246	-	246
Share options exercised		-	8	(6)	6	8
Balance at 31 December 2023		91	10,927	383	(233)	11,168

The notes on pages 63 to 98 form part of these group financial statements.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Operating activities					
Profit for the year			(3,917)		(2,195)
<i>Adjustments for:</i>					
Tax charge			(90)		(301)
Finance costs	13		46		26
Finance income			(76)		(2)
RDEC grant income			(16)		(107)
Amortisation and impairment of intangible assets	7		294		172
Depreciation and impairment of property, plant, and equipment	7		274		208
Non cash grant income			(796)		-
Equity settled share based payment expense			246		143
			(4,035)		(2,056)
<i>Movements in working capital:</i>					
Increase in inventories			(767)		(153)
Increase in trade and other receivables			(619)		(367)
Increase in trade and other payables			523		58
Cash absorbed by operations			(4,898)		(2,518)
Interest paid			-		(2)
Income taxes refunded			-		238
Net cash outflow from operating activities			(4,898)		(2,282)
Investing activities					
Acquisition of subsidiary (net of cash acquired (refer to note 32))		(199)		-	
Capitalised development costs		(813)		(1,155)	
Grant income		625		715	
Purchase of intangible assets		(52)		(24)	
Purchase of property, plant and equipment		(223)		(62)	
Interest received		76		2	
Net cash used in investing activities			(586)		(524)

Group Statement of Cash Flows continued

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Financing activities					
Interest paid		(46)		(21)	
Proceeds from issue of shares		3,832		7,136	
Repayment of bank loans and borrowings		(30)		(30)	
Payment of lease liabilities		(198)		(182)	
Net cash generated from financing activities			3,558		6,903
Net (decrease)/increase in cash and cash equivalents			(1,926)		4,097
Cash and cash equivalents at beginning of year			5,386		1,290
Effect of foreign exchange rates			2		(1)
Cash and cash equivalents at end of year			3,462		5,386

The notes on pages 63 to 98 form part of these group financial statements.

Included within note 36 are details relating to financing activities.

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

COMPANY INFORMATION

Aurrigo International Plc is a public company limited by shares incorporated in England and Wales. The registered office is Unit 33 Bilton Industrial Estate, Humber Avenue, Coventry, CV3 1JL. The Group's principal activities and nature of its operations are disclosed in the directors' report.

The Group consists of Aurrigo International Plc and all of its subsidiaries.

1.1 BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below and consistently applied.

Parent Company

The Group meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. As permitted by FRS 101, the Group has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- (a) the requirements of IFRS 7 'Financial Instruments: Disclosure';
- (b) the requirements within IAS 1 relating to the presentation of certain comparative information;
- (c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;
- (d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and
- (e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

As permitted by S408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The Group's profit for the year was £83,994 (2022 - loss £282,829).

1.2 BASIS OF CONSOLIDATION

The consolidated group financial statements consist of the financial statements of the Parent Company, Aurrigo International Plc, together with all entities controlled by the Parent Company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 GOING CONCERN

The Parent Company is an investment holding company and it secured an additional fund raise of £4.1m during the year with associated costs of £0.3m. As such the Directors have assessed going concern based on the cash balance at the year end and the forecasts for the going concern period to determine whether the Parent Company can continue in operational existence for the foreseeable future. The Group has consolidated its trading position in the year, with sales of £6.6m and gross profit of £1.5m. Cash and cash equivalents amount to £3.5m at the year end.

The Directors have prepared detailed financial cashflow forecasts for the period to December 2025. These projections are based on the Group's detailed annual business plan. Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections in order to estimate the impact of severe but plausible downside risks.

The key sensitivity assumptions applied include:

- Delay in revenues derived from R&D testing of Autonomous vehicles and related simulation.
- Increased wage rate inflation.
- Increased general inflation on input costs, including goods sold.

Mitigating actions available to the Group and the Parent Company were applied and the Board challenged the assumptions used. After reviewing the forecasts of the Group and the Parent Company, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Group and the Parent Company have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements and so will continue to adopt the going concern basis of accounting when preparing the financial statements.

1.4 REVENUE

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenue as and when those obligations are satisfied.

Within the automotive component sector there is a single type of revenue recognised:

Supply of automotive components

Goods are supplied under contracts where the key performance obligations for the Group are the manufacturing and delivery of the products. The fair value of the revenue, being the price per unit net of volume discounts and sales taxes, are recognised as revenue at a point in time at the point of transfer of control to the customer, which is typically on dispatch from the Group's premises. The transaction price includes an element of variable consideration in respect of volume discounts. The revenue recognised is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty associated with the volume discounts is subsequently resolved.

Within the autonomous sector there are two types of revenue recognised:

Supply of autonomous vehicles

Vehicles are supplied under contracts where the key performance obligations for the Group are the manufacturing and delivery of the vehicles. The fair value of the revenue, being the price per vehicle net of volume discounts and sales taxes, are recognised as revenue at a point in time at the point of transfer of control to the customer, which is typically on dispatch from the Group's premises. The transaction price includes an element of variable consideration in respect of volume discounts. The revenue recognised is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty associated with the volume discounts is subsequently resolved.

Simulation contracts

Contracts for autonomous proof of concept, simulation and demonstration are supplied under contracts which specify deliverable over a specified time period. Revenue is recognised on completion of deliverable within the contracted period and matched to costs incurred in order to deliver the project.

1.5 GOODWILL

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

1.6 INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research expenditure is written off against profits in the year in which it is incurred.

Development costs that are directly attributable to the design and testing of vehicles, systems and software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product such that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

As a result of the above, costs have only been capitalised from the point at which certain projects became commercially feasible.

Directly attributable costs that are capitalised as part of the vehicle, system or software include employee and contractor costs. Other development expenditures that do not meet these criteria, as well as ongoing maintenance and costs associated with routine upgrades and enhancements, are recognised as an expense, as incurred. Where grant income has been received as part of the development process the whole cost of the asset is capitalised and the associated grant income is deferred and shown within payables.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents - 20 years straight line

Development costs - 10 years straight line

Notes to the Group Financial Statements continued

Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

Capitalised development costs are in relation to the manufacture of autonomous vehicles. Amortisation commences only once the project has completed and the asset is ready for use.

1.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant, and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

After recognition, all property, plant, and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Autonomous vehicles	20% straight line
Fixtures and fittings	25% - 33% straight line
Plant and machinery	20% - 33% straight line
Tooling	25% - 33% straight line
Motor vehicles	20% straight line
Right of use assets - Property	Over the life of the lease
Right of use assets - Motor vehicles	Over the life of the lease

The residual value and the useful life of an asset are reviewed at least at each financial period-end and if expectations differ from previous estimates, the changes are accounted for prospectively.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 NON-CURRENT INVESTMENTS (COMPANY ONLY)

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Parent Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

1.9 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell, measured on an average cost basis. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventory over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 FINANCIAL ASSETS

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g., trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date using an expected credit loss model.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 FINANCIAL LIABILITIES

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.14 EQUITY INSTRUMENTS

Equity instruments issued by the Parent Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the Group.

1.15 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 RETIREMENT BENEFITS

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

If an employee terminates employment, the employee is no longer able to provide direct services to the entity and therefore, the share-based payment award is forfeited and the cumulative share based payment charge to date, in respect of the forfeiture, is released to retained earnings.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.19 LEASES

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant, and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant, and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the Group Financial Statements continued

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is initially measured at an amount representing the expected cashflows discounted at the Group's incremental borrowing rate. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

The interest expense is recognised as a financing cashflow, whilst the amortisation of the right of use asset is included within administrative expenses and operating cashflows.

1.20 GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. A grant received before the recognition criteria are satisfied is recognised as deferred income.

Research and development expenditure credits

Where the Group receives research and development expenditure credits ("**RDEC**") it accounts for these as government grant income within operating income as it more closely aligns with grant income as opposed to a taxation credit. The income is recognised on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, under IAS 20 'Accounting for Government Grants and Disclosures'.

As well as receiving RDEC, the Group also receives R&D tax credits on the development expenditure it makes on the commercial projects it undertakes. These taxation credits are considered to reflect enhanced tax relief and as such are shown as a reduction in income tax or an increase in receivables due from HM Revenue & Customs.

1.21 FOREIGN EXCHANGE

Functional and presentation currency

The Group'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 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Translation of overseas operations

The assets and liabilities of foreign operations are translated to the Group's presentation currency, Sterling, at foreign exchange rates prevailing at the date of the statement of financial position. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates prevailing at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the currency reserve.

1.22 EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the profit for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted Earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Details of the calculations presented under this are given in note 15.

2. ADOPTION OF NEW AND REVISED STANDARDS AND CHANGES IN ACCOUNTING POLICIES

In the current year, the following new and revised standards and interpretations have been adopted by the group, but have no impact on its reported results or financial position;

- IFRS 17 'Insurance contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts' and amendments to IFRS 17
- Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)
- International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of an Accounting Estimate (Amendments to IAS 8)

STANDARDS WHICH ARE IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards, and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) and Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Lack of Exchangeability (Amendments to IAS 1)	1 January 2025*

* This amendment has not yet been endorsed by the UK and the date shown is the expected date.

The adoption of all above standards is not expected to have any impact on the Group's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

CRITICAL JUDGEMENTS

Autonomous vehicles

The directors make a judgement as to the appropriate classification of each autonomous vehicle constructed during a period. Where vehicles are constructed for sale, autonomous vehicles are classified as inventory and are measured at the lower of cost and estimated selling price less costs to complete and sell. Where vehicles are intended for use on a continuing basis in the Group's activities they are classified as tangible fixed assets and are measured at depreciated cost.

In addition there are estimation uncertainties around determining labour and overheads absorbed during the construction of vehicles as well as estimating likely selling price less costs to complete and sell.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful lives and impairment of development costs

Development costs included within intangible fixed assets are amortised over their estimated useful life of 10 years once they are brought into use. The selection of the estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten or increase then amortisation charges in the financial statements would increase or decrease and carrying amounts of the assets would change accordingly.

The Group is required to consider, on an annual basis, whether indications of impairment relating to such assets exist and if so, perform an impairment test. The recoverable amount is determined based on the higher of value in use calculations or fair value less costs to sell. The use of value in use method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The Directors are satisfied that all recorded assets will be fully recovered from expected future cash flows.

Capitalisation of development costs

As outlined in note 1.6, the Group recognises development costs as intangible fixed assets, which are considered to meet the relevant capitalisation criteria. The measurement of such costs and assessment of their eligibility in line with the appropriate capitalisation criteria requires judgement and estimation around the time spent by eligible staff on development, expectations around the ability to generate future economic benefit in excess of cost and the point at which technical feasibility is established. The costs incurred on the intangible fixed assets were the key growth area for the Group's admission to AIM which helps to justify the capitalisation and demonstrates the Group's ability to capitalise these assets.

INCREMENTAL BORROWING RATES APPLIED TO CALCULATE LEASE LIABILITIES

The Group has used the incremental borrowing rate to calculate the value of the lease liabilities relating to its property lease liabilities recognised under IFRS 16. The discount rate used reflects the estimated risks associated with borrowing against similar assets by the Group, incorporating assumptions for similar terms, security, and funds at that time.

The carrying amounts of such liabilities is disclosed within note 24.

SHARE BASED PAYMENTS

Share options have been fair valued excluding implied exit probabilities. At each reporting period end the Group makes an assessment of the likelihood of a range of exit routes, including implied probabilities, dates and values for each, and apply this to the outstanding share options yet to be exercised. The share-based payment expense included in the Group Statement of Comprehensive Income is then adjusted to reflect the straight-line expensing of the underlying fair value through to expected exit.

4. REVENUE AND SEGMENTAL ANALYSIS

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors. The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management, and operating structure. The conclusion is that the Group has two operating segments as follows:

- Automotive components - the supply of electrical components for use in the automotive sector and across other industrial applications, as well as trim and design components.
- Autonomous - the design, including simulation contracts, development and manufacture of autonomous vehicles and associated autonomous design and consultancy services.

Where costs cannot be meaningfully allocated to either primary operating segment, these are allocated as central costs and overheads.

The Group does not track its assets and liabilities by operating segment, and as such no information is provided to the chief operating decision maker in this respect. As such, no disclosure is provided of the segmental analysis of assets and liabilities.

The revenues are allocated to the following operating segments:

	2023 £'000	2022 £'000
Revenue analysed by class of business		
Automotive components	6,081	4,803
Autonomous	547	499
	6,628	5,302

All revenue is recognised at a point in time when the single performance obligation is satisfied and the product is sold to the customer. This is usually at the point that the customer has signed for the delivery of the goods and the significant risks and rewards of ownership of the goods has transferred to the customer. There were no volume discounts in the current or prior year.

Notes to the Group Financial Statements continued

The Group presents the majority of its direct costs split on a reasonable basis for the operating segments identified, with any non-allocated income and costs presented within the central segment. The results are allocated to the following operating segments:

Year ended 31 December 2023:	Automotive components £'000	Autonomous £'000	Central £'000	Total £'000
Revenue	6,081	547	-	6,628
Cost of sales	(5,044)	(108)	-	(5,152)
Gross profit	1,037	439	-	1,476
Other operating income	-	812	-	812
Expenditure	-	-	(5,755)	(5,755)
EBITDA	1,037	1,251	(5,755)	(3,468)
Depreciation and amortisation	-	(294)	(275)	(569)
Operating profit/(loss)	1,037	957	(6,030)	(4,037)
Interest receivable	-	-	76	76
Finance costs	-	-	(46)	(46)
Profit/(loss) before tax	1,037	957	(6,000)	(4,007)

Year ended 31 December 2022:	Automotive components £'000	Autonomous £'000	Central £'000	Total £'000
Revenue	4,803	499	-	5,302
Cost of sales	(3,306)	(177)	-	(3,483)
Gross profit	1,497	322	-	1,819
Other operating income	-	278	-	278
Costs of admission to AIM	-	-	(1,010)	(1,010)
Expenditure	-	-	(3,178)	(3,178)
EBITDA	1,497	600	(4,188)	(2,091)
Depreciation and amortisation	-	(172)	(208)	(380)
Operating profit/(loss)	1,497	428	(4,396)	(2,471)
Interest receivable	-	-	2	2
Finance costs	-	-	(26)	(26)
Profit/(loss) before tax	1,497	428	(4,420)	(2,495)

Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £5,022,459 (2022 - £4,051,430) from two customers, as follows:

	2023 £'000	2022 £'000
Customer 1	1,494	1,454
Customer 2	3,528	2,597
	5,022	4,051

Revenue from each of the above customers is recognised in the supply of automotive components segment.

	2023 £'000	2022 £'000
Revenue analysed by geographical market		
United Kingdom	6,280	5,081
Europe	7	162
Rest of the World	341	59
	6,628	5,302

ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

5. OTHER OPERATING INCOME

	2023 £'000	2022 £'000
Government grants	796	171
Research and development expenditure credit	12	107
Proceeds from sale of scrap metal	4	-
	812	278

Government grants comprise grant income of £796,089 (2022 - £171,173) in relation to Innovate UK, Australian and Canadian equivalents, and UK local government bodies.

The Group has recognised the following liabilities in relation to other grant income:

	2023 £'000	2022 £'000
At 1 January	3,659	2,944
Value of grant income to which entitlement was established in the year	625	886
Amounts recognised in other operating income during the year	(796)	(171)
At 31 December	3,488	3,659

Included in the above is deferred grant income due within one year of £217,248 (2022 - £217,248), as detailed in note 26.

The release of deferred grant income is dependent on when amortisation of development costs begins but there are no other external contingencies in relation to recognising the grant income, except for the requirement to match the associated amortisation expense.

6. NON-RECURRING EXPENSES

The Directors of the Group believe the following charges to the statement of comprehensive income to be non-recurring expenses:

	2023 £'000	2022 £'000
Costs of admission to AIM	-	1,010
	-	1,010

IPO costs, in the prior year, comprise of expenditure relating to the Group's listing and include; PR and marketing, IFRS conversion and preparation of Historical Financial Information, investor relation website, tax structuring, audit and consultancy expenditure. As these costs relate to the Group's admission to trading on AIM, which occurred on 15 September 2022, the costs have been recognised at this point in time and are classified as exceptional in these financial statements.

7. OPERATING LOSS

Operating loss for the year is stated after charging/(crediting):

	2023 £'000	2022 £'000
Exchange losses	18	2
Government grants	(796)	(171)
Depreciation of property, plant, and equipment	60	32
Depreciation of right of use assets	214	176
Amortisation of intangible assets	294	172
Share-based payments	246	143
Provision against inventories	75	144

8. ALTERNATIVE PERFORMANCE MEASURES

The Directors have used an Alternative Performance Measure ("APM") in the preparation of these financial statements. The Consolidated Income Statement has presented Adjusted EBITDA, which represents Earnings Before Interest, Tax, Depreciation, Amortisation, share based payment charges, and non-recurring expenses.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

9. AUDITOR'S REMUNERATION

Fees payable to the Group's auditor and associates:

	2023 £'000	2022 £'000
For audit services		
Audit of the group financial statements and subsidiary undertakings	110	100
For other services		
Tax services	-	21
Other services	-	285
Total non-audit fees	-	306

Audit services includes a 5% charge for support fees.

10. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2023 Number	2022 Number
Executive Directors	3	3
Production	30	23
Research and development	27	17
Sales	11	3
Administration	17	12
Total	88	58

The geographical analysis of these employees is:

	2023 Number	2022 Number
United Kingdom	76	56
Canada	4	1
Singapore	8	1
	88	58

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	4,001	2,250
Social security costs	373	256
Pension costs	169	112
Share Based Payments	246	143
	4,789	2,761

Notes to the Group Financial Statements continued

In addition to the above, further employee costs (including directors) have been incurred as part of the development costs in each period, and are shown within additions in note 16. The total employment costs which have been capitalised as development are:

	2023 £'000	2022 £'000
Wages and salaries	510	497
Social security costs	57	66
Pension costs	15	11
	582	574

No share based payment costs were capitalised as development costs during the year (2022: £nil).

11. DIRECTORS' REMUNERATION

	2023 £'000	2022 £'000
Remuneration for qualifying services	1,037	613
Amounts receivable under long term incentive schemes	14	13
Company pension contributions to defined contribution schemes	94	56
	1,145	682

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £'000	2022 £'000
Remuneration for qualifying services	266	216
Company pension contributions to defined contribution schemes	41	26

In the prior year both directors received the same remuneration.

During the year to 31 December 2023 the directors received remuneration as follows:

	Salary £'000	Benefits in kind £'000	Pension £'000	Share option expense £'000	Total £'000
Mr. D Keene	250	16	41	-	307
Mr. G Keene	225	17	41	-	286
Ms. P Coates	50	-	-	-	50
Mr. A Cornish	120	-	-	-	120
Mr. J Elliott	50	-	-	-	50
Mr. L Girdwood*	139	-	-	1	140
Mr. I Grubb	165	2	12	13	192
	1,002	35	94	14	1,145

*Lewis Girdwood took on the role of Executive Director of Aviation Technology on 1 December 2023, having been a Non-Executive Director the rest of the period.

During the year to 31 December 2022 the directors received remuneration as follows:

	Salary £'000	Benefits in kind £'000	Pension £'000	Share option expense £'000	Total £'000
Mr. D Keene	199	16	26	-	241
Mr. G Keene	182	17	26	-	225
Ms. P Coates	17	-	-	-	17
Mr. A Cornish	40	-	-	-	40
Mr. J Elliott	17	-	-	-	17
Mr. L Girdwood	17	-	-	-	17
Mr. I Grubb	106	2	4	13	125
	578	35	56	13	682

12. FINANCE INCOME

	2023 £'000	2022 £'000
Interest income		
Bank interest received	73	2
Other interest income on financial assets	3	-
Total interest revenue	76	2

13. FINANCE COSTS

	2023 £'000	2022 £'000
Interest on bank overdrafts and loans	8	15
Interest on lease liabilities	38	9
Interest on invoice finance arrangements	-	2
Total interest expense	46	26

All interest costs are on financial liabilities measured at amortised cost.

14. INCOME TAX EXPENSE

	2023	2022
	£'000	£'000
Current tax		
UK corporation tax on loss for the current period	(169)	(48)
Adjustments in respect of prior periods	18	67
Total UK current tax	(151)	19
Deferred tax		
Origination and reversal of temporary differences	70	(307)
Adjustment in respect of prior periods	(9)	(13)
	61	(320)
Total tax credit	(90)	(301)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2023	2022
	£'000	£'000
Loss before taxation	(4,007)	(2,496)
Expected tax credit based on a corporation tax rate of 23.52% (2022: 19.00%)	(942)	(474)
Effect of expenses not deductible in determining taxable profit	4	130
Unrecognised tax losses	-	34
Change in unrecognised deferred tax assets	734	-
Adjustment in respect of prior years	18	67
Effect of change in UK corporation tax rate	-	(74)
Depreciation on assets not qualifying for tax allowances	1	-
Research and development tax credit	185	(16)
Deferred tax adjustments in respect of prior years	9	(13)
Tax on losses not recognised on results of overseas subsidiaries	96	35
Other tax differences	1	10
Remeasurement of deferred tax for changes in tax rate	(42)	-
Additional deduction for R&D expenditure	(167)	-
Acquisition of a subsidiary	13	-
Taxation credit for the year	(90)	(301)

The UK corporation tax rate was 19.00% until April 2023 when it increased to 25% for groups with taxable profits of over £250,000.

15. EARNINGS PER SHARE

	2023 Number	2022 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	42,177,356	18,721,737
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	42,177,356	18,721,737
	2023 £'000	2022 £'000
Earnings		
Continuing operations		
Loss for the period from continued operations	(3,917)	(2,195)
	2023 £ per share	2022 £ per share
Earnings per share for continuing operations		
Basic earnings per share	(0.09)	(0.12)
Diluted earnings per share	(0.09)	(0.12)

In the current year, the Group incurred losses and as such has not presented any dilutive shares in accordance with IAS 33 'Earnings per share'. The diluted earnings per share is therefore the same as the basic earnings per share.

The Group does have a number of share options, which have been issued during the current year, that would dilute the earnings per share should the Group become profitable. Details of the share options are given in note 28.

ADJUSTED EARNINGS PER SHARE

The Directors use adjusted earnings before exceptional costs share based payment expenses, depreciation, and amortisation. This creates an alternative performance measure which the Directors believe reflects a fair estimate of ongoing profitability and performance. The calculated Adjusted Earnings for the current period of accounts is as follows:

	2023 Number	2022 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	42,177,356	18,721,737
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	-	-
- Convertible debt	-	-
Weighted average number of ordinary shares for diluted earnings per share	42,177,356	18,721,737

Notes to the Group Financial Statements continued

	2023 £'000	2022 £'000
Adjusted earnings		
Loss for the period from continued operations	(3,917)	(2,195)
<i>Adjusted for:</i>		
Exceptional costs	-	1,010
Share based payment expense	246	143
Depreciation	274	208
Amortisation	294	172
Net finance costs	(30)	24
Taxation	(90)	(301)
Adjusted earnings for basic and diluted earnings per share	(3,223)	(939)

	2023 £ per share	2022 £ per share
Earnings per share for continuing operations		
Basic earnings per share	(0.08)	(0.05)
Diluted earnings per share	(0.08)	(0.05)

As the adjusted earnings per share still shows the Group incurring losses during the current year, the dilutive shares have not been presented for the adjusted earnings per share calculation also. The diluted earnings per share is therefore the same as the basic earnings per share.

16. INTANGIBLE ASSETS

	Goodwill £'000	Patents & licenses £'000	Development costs £'000	Total £'000
Cost				
At 1 January 2022	-	70	4,331	4,401
Additions	-	26	1,155	1,181
At 31 December 2022	-	96	5,486	5,582
Additions	202	52	813	1,067
At 31 December 2023	202	148	6,299	6,649
Amortisation and impairment				
At 1 January 2022	-	7	-	7
Charge for the year	-	4	168	172
At 31 December 2022	-	11	168	179
Charge for the year	-	6	288	294
At 31 December 2023	-	17	456	473
Carrying amount				
At 31 December 2023	202	131	5,843	6,176
At 31 December 2022	-	85	5,318	5,403
At 31 December 2021	-	63	4,331	4,394

Development costs capitalised are in relation to the manufacture of autonomous vehicles, some of which are not in commercial production yet and therefore not currently being amortised. The autonomous vehicles which have been brought into are being amortised over their estimated useful life of 10 years. All capitalised costs are associated with the cash generating units of 'automotive components' and 'autonomous'.

The Directors prepare forecasts which show the projected growth of the business and use of these assets, which forms a key part of the Group's future strategy. The forecasts include an assessment of the likely commercialisation of the technology based on current demand and anticipated market growth strategies, profiled on a discounted cash flow basis. The Directors do not consider that the impairment review shows sensitivity to any discounted cashflow inputs.

During the year GB Wiring Systems Limited was acquired creating goodwill. Please refer to note 33 for further details.

17. PROPERTY, PLANT AND EQUIPMENT

	Autonomous vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Tooling £'000	Motor vehicles £'000	Right of use assets - property £'000	Right of use assets - Motor vehicles £'000	Total £'000
Cost								
At 1 January 2022	78	326	8	145	25	684	53	1,319
Additions	-	59	3	-	-	200	15	277
Disposals	-	(10)	-	-	-	-	-	(10)
At 31 December 2022	78	375	11	145	25	884	68	1,586
Additions	102	35	4	79	3	455	-	678
Business combinations (Note 32)	-	-	-	-	-	32	-	32
Disposals	-	-	-	-	-	(684)	-	(684)
At 31 December 2023	180	410	15	224	28	687	68	1,612
Accumulated depreciation and impairment								
At 1 January 2022	33	312	7	140	19	524	47	1,082
Charge for the year	15	9	1	5	2	156	20	208
Eliminated on disposal	-	(10)	-	-	-	-	-	(10)
At 31 December 2022	48	311	8	145	21	680	67	1,280
Charge for the year	13	31	1	10	4	214	1	274
Eliminated on disposal	-	-	-	-	-	(684)	-	(684)
At 31 December 2023	61	342	9	155	25	210	68	870
Carrying amount								
At 31 December 2023	119	68	6	69	3	477	-	742
At 31 December 2022	30	64	3	-	4	204	1	306
At 31 December 2021	45	14	1	5	6	160	6	237

IFRS 16 has been adopted and leased assets are presented above as right of use assets. The right of use assets are depreciated over the shorter of the asset's useful life and the lease term, on a straight line basis. The property leases are discounted at the Group's estimated incremental cost of borrowing at a rate of 5- 9.24%. This has been derived by using the average borrowing rate for the transportation industry, which the Group is part of, and the average market rates for property leases.

The motor vehicle leases are discounted at the Group's incremental cost of borrowing at a rate of 6%, using the average borrowing rate for the transportation industry, which the Group is part of, and the average market rates for vehicle leases.

18. INVENTORIES

	2023 £'000	2022 £'000
Raw materials	1,072	599
Work in progress	274	21
Finished goods	363	311
	1,709	931

The Group has recognised a total provision of £219,000 (2022 - £144,026) against its inventories.

19. TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Trade receivables	1,857	1,205
Provision for bad and doubtful debts	(37)	(12)
	1,820	1,193
VAT recoverable	15	63
Other receivables	1	89
Prepayments	470	187
	2,306	1,532

20. TRADE RECEIVABLES - CREDIT RISK

FAIR VALUE OF TRADE RECEIVABLES

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Expected credit loss assessment

TRADE RECEIVABLES	Balance £'000	Loss allowance £'000
2023		
Current	1,660	-
Past due 0-30 days	120	-
Past due 31-60 days	7	-
Past due more than 60 days	70	37
	1,857	37

TRADE RECEIVABLES	Balance £'000	Loss allowance £'000
2022		
Current	623	-
Past due 0-30 days	391	-
Past due 31-60 days	103	-
Past due more than 60 days	88	12
	1,205	12

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

Around 90% of sales made are self-billed by the customers. The average credit period given on self-billed sales is 60 days from the self-billed date. For other sales, the average credit period given is 30 days. For autonomous sales specific terms are agreed in advance. The Group has assessed that it has little credit risk and anticipates that all balances will be fully recoverable.

The expected credit loss provision for impairment is considered based upon the historic rate of bad debt write off for the historic trading of the Group. There is limited established trading results for the autonomous sales operating segment and hence no credit loss provision for impairment is considered. However, sales are typically of high individual value with customers who have very secure credit ratings, and therefore credit risk is assessed to be minimal.

Overall, the total provision for impairment for all trade receivables, except for any specific provisions required, has been assessed as immaterial and therefore not recognised in the financial statements.

Movement in the allowances for doubtful debts

	2023 £'000	2022 £'000
Balance at 1 January	12	12
Additional allowance recognised	25	-
Balance at 31 December	37	12

21. BORROWINGS

	Current		Non-current	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Borrowings held at amortised cost:				
Bank loans	30	30	25	55

The Group's borrowings are received under the Coronavirus Business Interruption Loan Scheme ("CBILS") on which undiscounted amounts of £55,000 (2022 - £85,000) are due, and which has an interest rate of 12.1%. The Group was entitled to a Business Interruption Payment for the first 12 months up to a capped amount to cover payments of the interest.

Of these loans, £nil (2022 - £nil) falls due for repayment in more than 5 years.

22. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- foreign currency risk;
- interest risk;
- market risk;
- credit risk; and
- liquidity risk

The Group is not exposed to any material interest rate risk due to its borrowings being on fixed terms.

The Group's Chief Financial Officer, working alongside the rest of the Board maintain liquidity and credit risk and manages relations with the Group's bankers.

FOREIGN CURRENCY RISK

The UK company holds a Euro and US Dollar bank account therefore providing a natural hedge against a certain element of overseas transactions. The Australian, Canadian, and Singaporean subsidiaries hold local currency bank accounts. There are no other hedging arrangements in place.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Year ended 31 December 2023:	Euros £'000	US Dollars £'000	Canadian Dollars £'000	Australian Dollars £'000	Singapore Dollars £'000	Sterling £'000	Total £'000
Trade and other receivables	460	4	1	-	73	1,283	1,821
Cash and cash equivalents	190	18	49	-	31	3,174	3,462
Trade and other payables	(110)	(5)	(15)	-	(7)	(1,389)	(1,526)
Borrowings	-	-	-	-	-	(55)	(55)
Leases	-	-	-	-	-	(500)	(500)
	540	17	35	-	97	2,513	3,202

Year ended 31 December 2022:	Euros £'000	US Dollars £'000	Canadian Dollars £'000	Australian Dollars £'000	Singapore Dollars £'000	Sterling £'000	Total £'000
Trade and other receivables	473	30	-	1	28	750	1,282
Cash and cash equivalents	47	1	56	5	94	5,183	5,386
Trade and other payables	(282)	(7)	(10)	-	(12)	(655)	(966)
Borrowings	-	-	-	-	-	(113)	(113)
Leases	-	-	-	-	-	(229)	(229)
	238	24	46	6	110	4,936	5,360

Whilst the Group takes steps to minimise its exposure to foreign exchange risk, changes in foreign exchange rates will have an impact on profit.

The Group's foreign exchange risk is dependent predominantly on the movement in the Euro to sterling exchange rate. The effect of a 5% strengthening in the Euro against sterling at the reporting date on the Euro denominated financial assets and liabilities at the year end would, all other variables being held constant, have resulted in a decrease in the post-tax profit for the year of £27k. A 5% weakening in the exchange rate would, on the same basis, would have increased post-tax profit by £27k.

The Group is exposed to foreign exchange risk from the other currencies detailed in the table above, but all such risks are trivial due to the low value of underlying financial assets and liabilities involved.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group is exposed to market risk through its use of financial instruments.

Capital management

Capital is typically cash or liquid assets held or obtained by the Group for expenditures. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders. The Group manages the capital structure, being cash and cash equivalents and reinvestment of a proportion of profits generated, and makes changes in light of movements in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust its borrowings and investment decisions.

The carrying amount of financial instruments is shown below:

	2023 £'000	2022 £'000
<i>Carrying amount of financial assets</i>		
Debt instruments measured at amortised cost	1,821	1,282
Cash and cash equivalents	3,462	5,386
	5,283	6,668
<i>Carrying amount of financial liabilities</i>		
Measured at amortised cost	2,080	1,308
	2,080	1,308

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets held at amortised cost represent the maximum credit exposure. The Group has a small number of high value blue chip customers and therefore does not consider credit risk to be significant. For new smaller customers, the usual process involves the requirement of the customer to pay in advance for first order(s) (note 20).

The Group is not exposed to any significant credit risk in relation to any single counterparty or group of counterparties having similar characteristics.

Notes to the Group Financial Statements continued

As at the year end, approximately 70% of trade receivables are held with 2 individual parties, whose credit ratings are BA3 and B2. Although there is concentration of risk, the external credit rating of the customers suggests the credit risk the Group is exposed to is low.

	2023 £'000	2022 £'000
<i>Not credit-impaired</i>		
External credit ratings AA3	-	5,237
External credit ratings A2	-	56
External credit ratings AA1	-	94
External credit ratings A1	3,412	-
External credit ratings A3	50	-
	3,462	5,387

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity by forecasting cash inflows and outflows on a daily basis. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The contractual maturity of financial liabilities is outlined below.

The undiscounted contractual maturity analysis for the Group financial instruments is shown below. The maturity analysis reflects the contractual undiscounted cashflows, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date.

Year ended 31 December 2023:	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
<i>Financial assets</i>						
Trade and other receivables	1,761	60	-	-	-	1,821
Cash and cash equivalents	3,462	-	-	-	-	3,462
	5,223	60	-	-	-	5,283
<i>Financial liabilities</i>						
Trade and other payables	1,476	50	-	-	-	1,526
Borrowings	10	30	33	-	-	73
Leases	63	189	251	41	-	544
	1,549	269	284	41	-	2,143

Year ended 31 December 2022:	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
<i>Financial assets</i>						
Trade and other receivables	1,193	89	-	-	-	1,282
Cash and cash equivalents	5,386	-	-	-	-	5,386
	6,579	89	-	-	-	6,668
<i>Financial liabilities</i>						
Trade and other payables	966	-	-	-	-	966
Borrowings	10	30	40	33	-	113
Leases	42	46	64	77	-	229
	1,018	76	104	110	-	1,308

The maturity gap analysis on the Group's financial assets and liabilities is as follows:

	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
<i>Liquidity gap</i>						
As at 31 December 2023	3,168	(209)	(284)	(41)	-	2,634
As at 31 December 2022	5,561	13	(104)	(110)	-	5,360

23. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Trade payables	1,022	716
Accruals	445	254
Deferred consideration	50	-
Social security and other taxation	292	173
Other payables	9	-
	1,818	1,143

The Directors consider that the carrying amount of trade payables approximates to their fair value.

24. LEASE LIABILITIES

	2023 £'000	2022 £'000
Maturity analysis		
Within one year	252	88
In two to five years	292	141
Total undiscounted liabilities	544	229
Future finance charges and other adjustments	(44)	(18)
Lease liabilities in the financial statements	500	211

Notes to the Group Financial Statements continued

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £'000	2022 £'000
Current liabilities	216	79
Non-current liabilities	284	132
	500	211

Amounts recognised in profit or loss include the following:

	2023 £'000	2022 £'000
Interest on lease liabilities	38	9

The Group's right of use asset additions and depreciation charge recognised on leases in the year is shown in note 17, and interest expense in note 13. The total cash outflows in the year are explained in the Statement of Cash Flows and associated note.

25. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	Capitalised development costs £'000	Transition to IFRS £'000	Retirement benefit obligations £'000	Share based payments £'000	Tax losses £'000	Total £'000
Liability at 1 January 2022	4	347	-	-	-	-	351
Asset at 1 January 2022	-	-	(3)	-	-	-	(3)
Deferred tax movements in prior year							
Charge/(credit) to profit or loss	17	278	3	(5)	(36)	(577)	(320)
Credit direct to equity	-	-	-	-	(28)	-	(28)
Liability at 1 January 2023	21	625	-	-	-	-	646
Asset at 1 January 2023	-	-	-	(5)	(64)	(577)	(646)
Deferred tax movements in current year							
Charge/(credit) to profit or loss	223	-	-	-	-	(161)	62
Credit direct to equity	-	-	-	-	(62)	-	(62)
Liability at 31 December 2023 (offset)	244	625	-	-	-	-	869
Asset at 31 December 2023 (offset)	-	-	-	(5)	(126)	(738)	(869)

There is an unrecognised deferred tax asset in relation to the Parent Company losses of approximately £104,000 (2022: £129,000). On a consolidated basis, there is an unrecognised deferred tax asset in relation to the Group losses of approximately £734,000 (2022: £34,115), in relation to unrecognised losses of approximately £2,396,000 (2022: £136,000). The asset has not been recognised as there is not sufficient certainty around the timing and use of these losses.

26. DEFERRED GRANT INCOME

	2023 £'000	2022 £'000
Arising from government grants (note 5)	3,488	3,659

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £'000	2022 £'000
Current liabilities	217	217
Non-current liabilities	3,271	3,442
	3,488	3,659

Details of the terms associated with deferred grant income are provided in note 5.

27. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	2023 £'000	2022 £'000
Charge to comprehensive income in respect of defined contribution schemes	169	114

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the pension scheme liability was £17,500 (2022 - £20,159).

28. SHARE-BASED PAYMENTS

	Number of share options		Average exercise price	
	2023	2022	2023 £'000	2022 £'000
Outstanding at 1 January 2023	1,666,664	-	0.24	-
Granted in the period	209,587	1,666,664	0.94	0.24
Forfeited in the period	(39,799)	-	0.98	-
Exercised in the period	(34,218)	-	0.24	-
Outstanding at 31 December 2023	1,802,234	1,666,664	0.30	0.24
Exercisable at 31 December 2023	791,507	293,280	0.24	0.24

Options granted during the year

During the year, options were granted on 20 February 2023, 1 August 2023, and 1 December 2023. The total fair values of the options on the measurement date were £54,396, £23,640, and £18,593, respectively. Fair value was measured using Black-Scholes model.

	2023	2022
Grant date	As above	15 September 2022
Weighted average fair value	As above	£447,183
Inputs for model:		
– Weighted average share price	1.05 - 1.33	0.48
– Weighted average exercise price	0.24 - 1.33	0.24
– Expected volatility	42.96% - 52.55%	52.67%
– Expected life	0-3 years	3 years
– Risk free rate	3.66% - 5.02%	3.01%
– Expected dividends yields	0%	0%

	2023 £'000	2022 £'000
Expenses		
Related to equity settled share based payments	246	143

29. SHARE CAPITAL

	2023 Number	2022 Number	2023 £'000	2022 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £0.002 each	45,817,140	41,666,667	91	83

On 30 November 2023, the Group raised £3,823,613 (net of transaction costs) by way of placing 4,116,255 Ordinary shares of £0.002 each.

On 21 December 2023 share options were exercised over 34,218 Ordinary shares of £0.002 each for consideration of £8,212.

Reconciliation of movements during the year:	Number
At 1 January 2023	41,666,667
Issue of fully paid shares	4,116,255
Share options exercised	34,218
At 31 December 2023	45,817,140

Reserves of the Company represent the following:

Share capital – Shares in the Company held by Shareholders.

Retained earnings – Retained earnings represent cumulative net gains and losses recognised in the Statement of Comprehensive Income.

Share option reserve - the cumulative charge for share based payments, less amounts subsequently exercised or cancelled.

30. SHARE PREMIUM ACCOUNT

	2023 £'000	2022 £'000
At the beginning of the year	7,103	-
Issue of new shares (including share options exercised)	4,117	8,133
Costs of issue set against premium	(293)	(1,030)
At the end of the year	10,927	7,103

31. SHARE OPTION RESERVE

	2023 £'000	2022 £'000
At the beginning of the year	143	-
Additions	246	143
Share options exercised	56	-
At the end of the year	445	143

32. ACQUISITIONS OF A BUSINESS

On 31 May 2023, the group acquired 100 percent of the issued capital of GB Wiring Systems Limited. In accordance with IFRS 3 Business Combinations, goodwill of £202k arising from the acquisition has been recognised.

The following amounts of assets, liabilities and contingent liabilities have been recognised at the date of acquisition, based on book value.

Note that the book value of assets acquired are now 'final,' having been amended from those values provisionally presented in the June 2023 interim financial statements.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Net assets of business acquired			
Right of use assets	-	32	32
Inventories	11	-	11
Trade and other receivables	149	-	149
Cash and cash equivalents	81	-	81
Lease liabilities	-	(32)	(32)
Trade and other payables	(113)	-	(113)
Total identifiable net assets	128	-	128
Non-controlling interests			-
Goodwill			202
Total consideration			330

Notes to the Group Financial Statements continued

The consideration was satisfied by:	£'000
Cash	280
Deferred consideration	50
	330

Net cash outflow arising on acquisition	£'000
Cash consideration	280
Less: Cash and cash equivalents acquired	(81)
	199

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£'000
Revenue	427
Loss after tax	77

The deferred consideration is payable on 31 May 2024 and included within current liabilities. There is no contingent element pertaining to the deferred consideration.

The December 2023 results for GB Wiring Systems Limited have been consolidated with those of the pre-existing Group members in these financial statements from the date of acquisition.

GB Wiring Systems Limited forms part of the automotive components cash generating unit.

33. COMMITMENTS AND CONTINGENT LIABILITIES

The Group has no commitments or contingent liabilities at either the current or prior year end.

34. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023	2022
	£'000	£'000
Short-term employee benefits	1,871	1,459
Post-employment benefits	127	83
	1,998	1,542

Included within the above are share-based payment costs of £92,904 (2022 - £109,291), in respect of 881,686 (2022 - 899,733) vested and vesting share options which were granted in favour of key management personnel.

Other transactions with related parties

During the year, the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Other related parties	-	1	-	-

Sales to and purchases from other related parties above were made to Leacy MG Limited, a company which Mr. David Keene (a director of the Group) is a shareholder of. Leacy MG Limited ceased to be a related party in February 2022 when Mr. David Keene disposed of his shares in the company.

In addition to the above consultancy fees of £nil (2022 - £188,424) were paid to the non-executive directors prior to the Group's listing on AIM for IPO support.

35. SUBSIDIARIES

Details of the Group's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Richmond Design & Marketing Limited	England and Wales ⁽¹⁾	Manufacture and sale of electronic components and autonomous vehicles	Ordinary	-	100.00
D G Automotive Limited	England and Wales ⁽¹⁾	Dormant	Ordinary	100.00	-
RDM Meditec Limited	England and Wales ⁽²⁾	Dormant	Ordinary	100.00	-
RDM Trustee Limited	England and Wales ⁽²⁾	Dormant	Ordinary	100.00	-
RDM Automotive Limited	England and Wales ⁽²⁾	Dormant	Ordinary	100.00	-
Aurrigo Limited	England and Wales ⁽¹⁾	Dormant	Ordinary	100.00	-
Aurrigo Pty Ltd	Australia ⁽³⁾	Promotion of the sale of autonomous vehicles	Ordinary	-	100.00
Aurrigo Canada Limited	Canada ⁽⁴⁾	Promotion of the sale of autonomous vehicles	Ordinary	-	100.00
Aurrigo PTE. Ltd	Singapore ⁽⁵⁾	Provision of autonomous simulation, demonstration, and vehicles	Ordinary	-	100.00
Aurrigo LLC	USA ⁽⁶⁾	Dormant	Ordinary	-	100.00
GB Wiring Systems Limited	England and Wales ⁽⁷⁾	Manufacturer of electrical equipment	Ordinary	-	100.00

The registered office addresses of the subsidiaries is as follows:

⁽¹⁾ 33 Bilton Industrial Estate, Humber Avenue, Coventry, CV3 1JL.

⁽²⁾ Azets, Ventura Park Road, Tamworth, B78 3HL.

⁽³⁾ NVI, Flinders at Tonsley, 1284 South Road, Clovelly Park 5042, Australia.

Notes to the Group Financial Statements continued

⁽⁴⁾ 7 Bayview Road, Ottawa ON K1Y 2C5, Canada.

⁽⁵⁾ 60 Airport Boulevard, B16-30, Changi Airport Terminal 2, Singapore, 819643.

⁽⁶⁾ 10370 Richmond Avenue, Suite 475, Houston, TX, 77042, USA.

⁽⁷⁾ Unit 28 Hinckley Business Park, Brindley Road, Leicestershire, LE10 3BY.

36. NOTE TO THE STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 January 2023 £'000	Cash flows £'000	New leases £'000	Interest charged £'000	Other* £'000	At 31 December 2023 £'000
Bank loans	85	(38)	-	8	-	55
Lease liabilities	211	(236)	455	38	32	500
	296	(274)	455	46	32	555

	At 1 January 2022 £'000	Cash flows £'000	New leases £'000	Interest charged £'000	Other** £'000	At 31 December 2022 £'000
Bank loans	115	(45)	-	15	-	85
Lease liabilities	181	(191)	200	9	12	211
	296	(236)	200	24	12	296

* Relates to lease liabilities acquired as part of a business combination. Please refer to note 33.

** The amount of £12,043 relates to a lease modification under IFRS 16.

37. EMPLOYEES

Company

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Executive Directors	3	3
Non-executive Directors	4	-
Total	7	3

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	1,002	305
Social security costs	137	38
Pension costs	94	31
	1,233	374

38. INVESTMENTS

Company

	2023 £	Non-current 2022 £
Investments in subsidiaries	399	153
	399	153
Classified as part of a disposal group held for sale	-	-

Investment in subsidiary undertakings

Details of the Group's principal operating subsidiaries are included in note 35.

Movements in non-current investments

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
Cost or valuation			
At 1 January 2023	10	143	153
Share based payment charges	-	246	246
At 31 December 2023	10	389	399
Carrying amount			
At 31 December 2023	10	389	399
At 31 December 2022	10	143	153

39. TRADE AND OTHER RECEIVABLES

Company	2023 £	2022 £
Trade receivables	93	-
VAT recoverable	-	60
Amounts owed by subsidiary undertakings	8,083	2,185
Prepayments	41	56
	8,217	2,301

Amounts owed by subsidiary undertakings are not subject to a formal loan agreement, are interest free and hence treated as repayable upon demand.

40. CURRENT LIABILITIES

Company	Notes	2023 £	2022 £
Trade and other payables	41	197	358
Taxation and social security		155	39
		352	397

41. TRADE AND OTHER PAYABLES

Company	2023 £	2022 £
Trade payables	66	236
Accruals	131	122
Social security and other taxation	155	39
	352	397

42. SHARE-BASED PAYMENTS COMPANY

The company information for share-based payments is the same as the group information and is shown in note 28.

43. SHARE CAPITAL COMPANY

Refer to note 29 of the group financial statements.

COMPANY INFORMATION

Directors	Mr. G Keene Mr. D Keene Ms. P Coates (Appointed 9 September 2022) Mr. A Cornish (Appointed 9 September 2022) Mr. J Elliott (Appointed 9 September 2022) Mr. L Girdwood (Appointed 9 September 2022) Mr. I Grubb (Appointed 1 May 2022) Mr. P Whiting (appointed 1 February 2024)
Secretary	SWA Governance LTD
Company number	05546181
Registered office	33 Bilton Industrial Estate Humber Avenue Coventry United Kingdom CV3 1JL
Auditor	BDO LLP Two Snowhill Birmingham B4 6GA

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