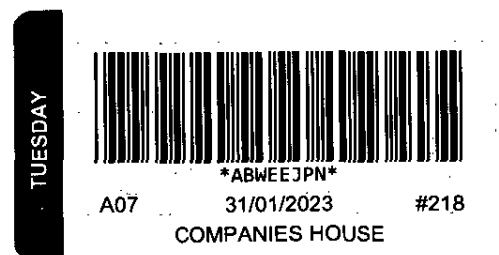


Wheely

Wheely Ltd
Director's Report and Financial Statements
Year Ended 31 December 2021

Registered company number: 11473477



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Company information

Directors	Anton Chirkunov Denis Shafranik Navid Hadzaad
Secretary	Nicholas Charles William Pester
Company number	11473477
Registered office	The Monastery Barn Syon Park London Road Brentford TW8 8JF
Accountants	Soaring Falcon Limited Chartered Certified Accountants 20-22 Wenlock Road London N1 7GU
Independent auditor	Cooper Parry Group Limited Mindspace, 9 Appold Street London EC2A 2AP

Strategic report for the year ended 31 December 2021

The directors present their strategic report of Wheely Ltd ("the Company") and its subsidiaries (together "the Group" or "Wheely") for the year ended 31 December 2021.

Principal activities and business review

Wheely is a Swiss-founded British luxury services company that leans into both cultural identities: Swiss privacy and British prestige hospitality.

Wheely's product is a combination of a highly trained chauffeur, the finest in-car experiences, and instant availability via a mobile app. Users of the app are able to book chauffeur-driven journeys in a luxury vehicle, either on demand or via advance reservations in London, Paris, Moscow, St Petersburg, and Dubai.

Wheely has three core values: discretion, trust, and modern tradition. Where people travel, and whom they travel with, is at their discretion.

Wheely's chauffeur-on-demand app was designed to replace the inconsistency in service being delivered by currently-available dressed-up commodity apps that leave most of the city's affluent relying on their own private cars and drivers. In a world where the status quo for ride-hailing isn't nearly good enough, Wheely provides a safe, discreet, reliable, luxurious, and consistent service every time.

Wheely's world-class Chauffeur Academy has developed the industry's most rigorous testing to ensure that every Wheely chauffeur provides the highest level of service on every journey. Moreover, Wheely's world-class ride-hailing technology is purpose-built to protect passengers' privacy every time they use the service.

Business results and key performance indicators

Following the easing and subsequent removal of the COVID-19 restrictions, the Group was able to manage to recover to pre-pandemic levels in the fourth quarter of 2021. Total Group revenue increased by 62% from \$13,891,116 to \$22,548,357 in 2021. The total comprehensive loss for the financial year amounted to \$8,040,081 as compared to a loss of \$6,027,851 in 2020.

In 2021 the Group has continued to invest in the development of its product and underlying technology with the major focus on protecting customers' privacy. Average headcount increased from 157 in 2020 to 221 in 2021, an increase of 64.

The key financial performance indicators of the Group monitored by the Directors include the following:

	2021 year ended 31 December 2021	2020 year ended 31 December 2020
Revenue, \$	22,548,357	13,891,116
Adjusted EBITDA, \$	(6,083,485)	(5,038,446)
Average headcount, FTEs	221	157

In the next twelve months the Group plans to focus on expanding and strengthening its position in existing markets, i.e. London, Paris and Dubai, as well as on continued investment into the product and technological infrastructure. The Group has already paused all new investments in the Moscow and St Petersburg markets and is supporting relocation of local employees to focus on global efforts.

While the Group's operations have been historically financed by equity, the Group also received several convertible loans – one during the year and another one after the year-end (Note 23 "Events after reporting date" of the consolidated financial statements).

Principal risks and uncertainties

Like other fast-growing technology companies, the Group faces the following principal risks and uncertainties:

- Covid-19 pandemic consequences
- The current geopolitical landscape
- Regulatory changes
- Attracting and retaining talented employees
- Financial risks, i.e., liquidity and foreign currency and exchange rate risks.

Covid-19

During 2021, COVID-19 restrictions were partly lifted at various times by the governments in countries where the group operates, leading to the recovery of the Group's operations.

While the Group's operations returned to pre-lockdowns conditions by the end of 2021, there are still risks of reimplemented government measures to prevent a new outbreak, as well as further health and economic risks associated with COVID-19.

The Group's management continues to monitor the coronavirus situation and will react to mitigate any potential significant impacts on the on its operations and its financial position. While prudent action can reduce impacts on the immediate and short-term, the lack of clarity on the global impact and duration of COVID-19 makes it challenging to implement any mitigation in the long-term.

Geopolitical landscape

Starting from 2014 up to date sanctions have been imposed in several packages by the US, UK, EU and others on certain Russian officials, businessmen and companies. From February 2022 onwards, in response to the Ukraine conflict, the global community has imposed additional sanctions on certain Russian institutions and individuals (unconnected to the Group).

Whilst none of the Group's entities, nor its shareholders are subject to any specific sanctions, there is the potential for further sanctions and Russian countersanctions that could potentially impact the Group's activities, either directly, as indicated, or indirectly, in terms of the wider potential impact of these sanctions and/or the ongoing Ukraine conflict, on the Russian and/or global economies.

The Group's management therefore continues to monitor and assess all sanctions imposed, whether by the UK, US, or the EU, checks sanctioned persons and entities lists in the course onboarding new suppliers and customers as well as in the course of regular review of the existing suppliers and customers. Taking into account the wider potential impact of further sanctions the management is also considering changes to the organizational structure of the Group to reduce its potential exposure to geopolitical risks, including dissolution of certain subsidiaries. In 2022, a 100% subsidiary of the Company has been established in Cyprus to serve as the Group's technology hub.

Regulatory changes

Given the Group's commitment to the protection of the passengers' privacy, it is necessary to continuously monitor potential changes to local regulations and data sharing requirements that may increase risks to the integrity and storage of personal data, and in turn lead to additional material costs and operational challenges.

The Group's management constantly monitors trends and expected developments of the respective regulatory environment and considers possible actions and scenarios to mitigate effects on the operations.

Attracting and retaining talented employees

As with many technological companies, the Group's performance largely depends on its ability to attract and retain talented individuals with the right experience and skills. The Group constantly works to identify potential recruits, and has established an employee share option scheme for all employees along with a range of other benefits to reward and retain talent.

Financial risks

Foreign currency and exchange rate risks as well as liquidity risk are among major financial risks for the Group.

The Group operates across 4 different countries with 4 different currencies between which exchange rates have been volatile over the recent years, driven by the UK's decision to leave the EU (Brexit), COVID-19 and the continued conflict between Russia and Ukraine. The Group holds the majority of its cash reserves in USD and considers instruments that can be used to hedge the balances in currencies other than USD.

While the Group is operationally profitable in certain markets it operates in, it is still loss-making on a consolidated basis as it continues to invest in expansion in relatively new markets and in the development of the product. The Group constantly monitors its funding requirement and projections throughout the year to make sure it has sufficient cash balances to continue its operations for at least the next 12 months or until the expected date of the closing of its next financing round.

Anton Chirkunov

By order of the board

Anton Chirkunov
Director
31 January 2023

Directors' report for the year ended 31 December 2021

The directors of Wheely Ltd ("the Company") present their report and the audited consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31 December 2021 and the audited separate financial statements of the Company for the year ended 31 December 2021.

Directors and director's interest

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

Anton Chirkunov
Navid Hadzaad (appointed 30 June 2022)
Denis Shafranik
Arkadii Kats (resigned 12 July 2022)
Mikhail Sokolov (resigned 30 June 2022)

Future developments

As outlined in the Strategic report, the future developments of the Group will include further expansion and strengthening of Wheely's operations in London, Paris, and Dubai, as well as continued development of Wheely's product and technological infrastructure.

To support future developments the Group has raised additional funding in the form of convertible loans, and has considered raising additional equity financing. Please refer to Note 10 for additional information regarding the unsecured convertible loan notes issued in March 2021 and to the Note 23 in relation to the unsecured convertible loan notes issued in January 2022.

Dividends

The directors do not propose the payment of a dividend for the year (2020: nil).

Research and development

The Group performs research and development activities related to the development of Wheely's mobile apps for passengers and chauffeurs, which are available on both Android and iOS operating systems. The Group's research and development costs in 2021 were \$5,115,075 (2020: \$2,908,964).

Post balance sheet events

Post balance sheet events have been disclosed in Note 23 "Events after report date" to the Consolidated financial statements.

Financial instruments

The exposure of the group to credit risk, liquidity risk and market risk are presented in Note 20 "Financial risks management" to the Consolidated financial statements.

Going Concern

Going Concern assessment has been disclosed in Note 2 "Summary of significant policies" to the Consolidated financial statements.

Statement of directors' responsibilities

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

The Companies Act 2006 requires directors to prepare financial statements for each financial year. The directors have prepared group and company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the directors to prepare group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under The Companies Act 2006, the directors must not approve these 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 and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
state whether, for the group and company, international accounting standards in conformity with the requirements of the Companies Act 2006 and, for the group, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient (a) to show and explain the company's transactions; (b) to disclose with reasonable accuracy, at any time, the financial position of the company at that time; and (c) to enable the directors to ensure that the company's annual accounts comply with relevant accounting requirements and the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor and disclosure of information to auditor

The directors confirm that, as far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and the directors have taken all of the steps that they ought to have taken as directors in order to make them aware of any relevant audit information.

Cooper Parry Group Limited has been appointed as a new auditor of the Company and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Anton Chirkunov

By order of the board

Anton Chirkunov
Director
31 January 2023

Independent auditor's report

Opinion

We have audited the financial statements of Wheely Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2021, for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Statement of Net Debt and the related notes, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 Group financial statements.

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, such as the bad debt provision.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

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



Steven Leith (senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Cooper Parry
Mindspace 9
Appold Street
London
EC2A 2AP

Date: 31 January 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2021	2020
Revenue	12	22,548,357	13,891,116
Cost of providing services		(8,919,683)	(5,282,642)
Gross profit		13,628,674	8,608,474
Sales and marketing expenses		(3,346,147)	(3,834,860)
General and administrative expenses		(7,248,778)	(5,665,835)
Research and development expenses		(5,115,075)	(2,908,964)
Operations and support expenses		(4,805,486)	(2,096,105)
Other operating income	15	3,582	162,016
Foreign exchange (losses)/gains- net		(552,555)	567,523
Operating loss		(7,435,785)	(5,167,751)
Finance income		677	17,212
Finance costs	16	(797,134)	(190,443)
Loss before income tax		(8,232,242)	(5,340,982)
Income tax (charge)/recoverable	17	61,516	83,572
Loss for the period		(8,170,726)	(5,257,410)
Loss is attributable to:			
Owners of Wheely Ltd		(8,170,726)	(5,257,410)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		130,645	(770,441)
Other comprehensive income/(loss) for the period, net of tax		130,645	(770,441)
Total comprehensive loss for the period		(8,040,081)	(6,027,851)
Total comprehensive loss for the period is attributable to:			
Owners of Wheely Ltd		(8,040,081)	(6,027,851)

The accompanying notes on pages 17 to 39 are an integral part of these financial statements.

Wheely Ltd

Consolidated statement of financial position for the year ended 31 December 2021

(In USD, unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	351,223	251,262
Right-of-use assets	6	1,465,389	1,860,665
Intangible assets	5	177,365	124,873
Deferred tax assets	17	589,437	635,391
Other assets		159,283	134,596
Total non-current assets		2,742,697	3,006,787
Current assets			
Trade and other receivables	7	3,208,094	3,061,316
Current income tax assets		15,611	15,221
Cash and cash equivalents	8	1,498,577	2,958,542
Total current assets		4,722,282	6,035,079
TOTAL ASSETS		7,469,093	9,041,866
EQUITY AND LIABILITIES			
Equity			
Share capital	9	304,034	302,864
Share premium	9	48,277,264	48,204,748
Merger reserve		(1,367,097)	(1,367,097)
Other reserves	9	724,796	356,596
Foreign currency translation reserve		407,807	277,162
Retained earnings		(51,249,265)	(43,078,539)
Capital and reserves attributable to owners of Wheely Ltd		(2,902,461)	4,695,734
TOTAL EQUITY		(2,902,461)	4,695,734
Non-current liabilities			
Lease liabilities		1,154,767	1,605,655
Long-term borrowings	10	4,875,001	-
Other liabilities		-	32,501
Total non-current liabilities		6,029,768	1,638,156
Current liabilities			
Lease liabilities		576,666	485,881
Trade and other payables	11	3,765,120	2,222,095
Total current liabilities		4,341,786	2,707,976
TOTAL LIABILITIES		10,371,554	4,346,132
TOTAL EQUITY AND LIABILITIES		7,469,093	9,041,866

The accompanying notes on pages 17 to 39 are an integral part of these financial statements.

The financial statements were approved and recognised for issue by the Board and were signed on its behalf on 31 January 2023.

Anton Chirkunov
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Merger reserve	Other reserves	Foreign currency trans action reserve	Retained earnings	Total equity
Balance at 31 December 2019		302,755	48,199,176	(1,367,097)	257,538	1,047,603	(37,821,129)	10,618,846
Loss for the period		-	-	-	-	-	(5,257,410)	(5,257,410)
Other comprehensive income (loss) for the period		-	-	-	-	(770,441)	-	(770,441)
Total comprehensive income(loss) for the period		-	-	-	-	(770,441)	(5,257,410)	(6,027,851)
Transactions with owners in their capacity as owners:								
Issue of shares	9	109	5,572	-	-	-	-	5,681
Employee share schemes – value of employee services	9	109	5,572	-	99,058	-	-	99,058
					99,058	-	-	104,739
Balance at 31 December 2020		302,864	48,204,748	(1,367,097)	356,596	277,162	(43,078,539)	4,695,734
Loss for the period		-	-	-	-	-	(8,170,726)	(8,170,726)
Other comprehensive income (loss) for the period		-	-	-	-	130,645	-	130,645
Total comprehensive income(loss) for the period		-	-	-	-	130,645	(8,170,726)	(8,040,081)
Transactions with owners in their capacity as owners:								
Issue of shares	9	1,170	72,516	-	-	-	-	73,686
Employee share schemes – value of employee services		1,170	72,516	-	368,200	-	-	368,200
					368,200	-	-	441,886
Balance at 31 December 2021		304,034	48,277,264	(1,367,097)	724,796	407,807	(51,249,265)	(2,902,461)

The accompanying notes on pages 17 to 39 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2021	2020
Cash flows from operating activities		
Profit before tax	(8,232,242)	(5,340,982)
Adjustments to reconcile loss for the year to net cash provided by operating activities:		
Depreciation of property, plant and equipment, intangible assets and rights-of-use assets	800,465	696,828
Profit or loss due to disposal of property, plant and equipment, intangible assets and rights-of-use assets	(236)	(585)
Interest income	(677)	(17,212)
Interest expense	797,134	190,443
Share options granted to employees	396,402	95,368
Working capital adjustments:		
(Increase) in trade and other receivables	(146,842)	(61,207)
Increase/(decrease) in trade and other creditors	1,598,149	(101,706)
Cash flows from operations	(4,787,847)	(4,539,053)
Income tax reimbursed/(paid)	(13,926)	18,565
Net cash flows from operating activities	(4,801,773)	(4,520,488)
Cash flows from investing activities		
Acquisition of property, plant and equipment, intangible assets and right of use assets	(524,555)	(213,001)
Payment for acquisition of subsidiary	-	(949)
Net cash flows from investing activities	(524,555)	(213,950)
Cash flows from financing activities		
Proceeds from issues of shares	73,686	5,681
Proceeds from borrowings	4,342,590	-
Repayment of borrowings	-	-
Interest paid	(174,023)	(184,323)
Additions to financial lease	(2,373)	(14,754)
Net cash flows from financing activities	4,239,880	(193,396)
Net increase/decrease in cash and cash equivalents	(1,086,448)	(4,927,834)
Cash and cash equivalents at the beginning of the year	2,958,542	8,097,107
Effect of exchange rate fluctuations on cash and cash equivalents	(373,517)	(210,731)
Cash and cash equivalents at the end of the year	1,498,577	2,958,542

The accompanying notes on pages 17 to 39 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1. General information**

The consolidated financial statements of Wheely Ltd (hereinafter referred to as the "Company") and its subsidiaries (collectively, the "Group" or "Wheely") for the year ended 31 December 2021 were recognised for issue in accordance with a resolution of the directors on 31 January 2023.

Wheely Ltd is a private company limited by shares domiciled and incorporated in the United Kingdom on 19 July 2018. The company's registered number is 11473477. The Company's registered office and principal place of business is the Monastery Barn, Syon Park, London Road, Brentford, TW8 8JF, United Kingdom.

Wheely is a luxury services provider currently focused on enabling chauffeured experiences both on demand and via prescheduled bookings. Its services are accessed through its mobile app, available on both Android and iOS. The Group is headquartered in London and operates in London, Paris, Dubai, Moscow, and St. Petersburg.

There is no ultimate controlling party.

The principal subsidiaries of the Group at 31 December 2021 are set out below.

Company	Nature of the business	Registered address	Shareholding, %	
			31.12.2021	31.12.2020
Wheely Technologies Ltd	The global operator of the Wheely platform, software owner and developer	The Monastery Barn, Syon Park, London Road, Brentford, GB, TW8 8JF	100%	100%
Wheely London Ltd	Business support services, Private hire operator	The Monastery Barn, Syon Park, London Road, Brentford, GB, TW8 8JF	100%	100%
Wheely France SAS	Business support services	10, rue du Colisée, Paris, FR, 75008	100%	100%
Wheely Middle East FZ-LLC	Business support services	Dubai Internet City 14, Office G09, Dubai, UAE	100%	-
OOO VR	Business support services	13 Revolutsii st., Perm, RU, 614007	100%	100%
OOO Wheely Razrabotka	Software development	23 Posledny lane, bldg. 3, Moscow, RU, 107045	99.9%	99.9%
OOO Wheely	Dormant at the reporting date	25A Rechnaya st., Office 56B, Krasnogorsk, RU, 143403	99.9%	99.9%

All the above subsidiaries are included in the consolidation.

All the UK subsidiaries as set out in the above table are exempt from the requirements of the Companies Act relating to the audit of individual statutory accounts under section 479a of the Companies Act 2006. The outstanding liabilities at the reporting date of the UK subsidiaries have been guaranteed pursuant to s479A to s479C of the Act. The directors believe the possibility of the guarantee being called upon is remote.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of Wheely Ltd have been prepared in accordance with UK-adopted international accounting standards (IFRS) in conformity with the requirements of the Companies Act 2006.

Going Concern

The financial statements are prepared on a going concern basis.

For the year ended 31 December 2021 the Group reported a loss of \$8,040,081 (2020: \$6,027,851), which caused its net assets to become negative of \$(2,902,461) (2020: in positive position \$4,695,734). Losses are expected to continue since the Group will continue to invest in expansion in London, Paris, and Dubai as well as in product development. Such investments are subject to the ability of the Group to raise additional funding.

Given the current trading of the Group and the ability of the Group to adjust its expected investments to future developments, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due, even without further equity and debt funding, for at least 12 months from the date of approval of these financial statements.

The directors have considered the going concern assumption given the current trading of the Group and the Company and the funding considerations of the Group and the Company. In their judgment, the directors have considered the following matters:

- The group's forecasts and projections of their performance, financial position and cash flows, for the assessed period of at least twelve months from the date of the approval of these financial statements. In light of the additional sanctions imposed on certain Russian institutions and individuals (unconnected to the Group) by the global community from February 2022 onwards, and in addition to the potential for further sanctions and Russian countersanctions that could impact the Group, management has produced downside scenarios to these forecasts and projections. The current economic conditions continue to, most notably, create uncertainty (but not at this stage a material uncertainty), particularly over (a) the level of demand for the Group's services, and (b) the availability of external financing for the foreseeable future.
- The Group's activities continue to grow and diversify across different geographies and are not therefore dependent upon its activities within Russia.
- The Group's forecasts and projections, taking account of reasonably possible changes in performance and cash flow, show that the Group should be able to operate within the level of its current facilities and through financing in the form of convertible loans received after reporting date (Note 26 "Events after reporting date").
- The Group internal legal function has considered the possible implications of the sanctions to date as part of this assessment. None of the Group's entities, nor its shareholders are currently subject to any specific sanctions, nor is the Group (or any part thereof) currently subject to legal restrictions in terms of its financing and operations.
- Consideration of potential equity investment from current and future investors to expand the activities of the Group.
- The ability of one of the existing shareholders to provide additional financial support to the group.
- The Group and Company have not anticipated, in their forecasts and projections, a significant downturn in the situation regarding the COVID-19 pandemic given current economic indicators continue to support assumptions regarding a recovery from the pandemic.

Having assessed the above as well as 'Principal risks and uncertainties' discussed within the Strategic Report, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements. The financial statements do not include any adjustments that may be required if the Group and Company cannot continue as a going concern.

2. Summary of significant accounting policies (continued)

Functional and presentation currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The Company's functional currency is the national currency of Great Britain, British Pound ("GBP"). The Group's presentation currency is the US Dollar ("USD") as it is considered by directors to be a more relevant presentation currency for users of the consolidated financial statements of the Group.

The translation into presentation currency is made as follows:

- all assets and liabilities, both monetary and non-monetary, are translated at closing exchange rates on the dates of each statement of financial position presented;
- all income and expenses in each statement of profit or loss and other comprehensive income are translated at exchange rates in effect when the transactions occur. For those transactions that occur evenly over the year an average exchange rate is applied;
- all items included in equity, other than total comprehensive income, are translated at historical exchange rates; and
- in the statement of cash flows, cash balances at the beginning and end of each year are translated at exchange rates at the respective dates. All cash flows are translated at exchange rates in effect when the cash flows occur. For those cash flows that occur evenly over the year an average exchange rate for the year is applied.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of each Group entity at exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies on the reporting date are translated to the functional currency at the exchange rate on that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate on the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate on the date of the transaction.

2. Summary of significant accounting policies (continued)

The following exchange rates were applied in the preparation of these financial statements:

	USD/EUR	USD/RUB	USD/AED	USD/GBP
On 31 December 2020	0.8147	73.8757	-	0.7384
On 31 December 2021	0.8792	74.6269	3.6724	0.7390
Average for 2020	0.8750	72.1464	-	0.7794
Average for 2021	0.8451	73.8462	3.6737	0.7270

Financial instruments – recognition and derecognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group currently has a legally enforceable right to set off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and all counterparties.

Financial assets – classification and measurement

The Group classifies financial assets using the following measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets, or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of the "other" business model and measured at fair value through profit or loss ("FVTPL").

The business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective(s) set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, experience on how the cash flows for the respective assets are collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

2. Summary of significant accounting policies (continued)

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on the initial recognition of an asset, and it is not subsequently reassessed.

The Group holds receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at banks.

Financial assets at amortised cost.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group did not change its business model during the current and comparative period and did not make any reclassifications.

Impairment of financial assets

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group determines that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss.

Financial liabilities – measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at FVTPL: this classification is applied to convertible loan notes. Other financial liabilities comprise trade and other payables and borrowings.

2. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are accounted for and recognised at cost less accumulated depreciation and impairment losses. In case an item of property, plant and equipment comprises several parts with different useful lives, such parts shall be recognised as separate items.

Unfinished construction items are recognised as construction-in-progress and carried at cost. This cost includes acquisition cost, construction costs and other direct expenses. Construction-in-progress is not depreciated until construction is complete and the respective object is ready for operation.

Gains and losses on property, plant and equipment disposal are recognised in the statement of profit or loss and other comprehensive income as those gains or losses arise. Profit or loss from disposing of property, plant and equipment is determined as the difference between proceeds from disposal and the carrying amount thereof.

Subsequent expenditure. The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and if its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised as profits or losses as incurred.

Depreciation is charged on all property, plant and equipment items, except for land and construction in progress. Depreciation is calculated using the straight-line method based on the cost of each asset over its estimated useful life. Depreciation commences from the date when the asset is ready for use and ends when the asset is disposed of. The assets' useful lives, which are set out in Note 3, and the depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Advances paid for capital construction and acquisition of property, plant and equipment are included in assets under construction.

Leases

From 1 January 2019, leases have been recognised as a right-of-use asset and a corresponding liability as of the date on which the leased asset was made available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Each right-of-use asset is depreciated over the shorter of the right-of-use asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are presented within the right-of-use assets line of the statement of financial position, and lease liabilities are presented within the lease liabilities line of the statement of financial position. Finance costs are disclosed within the finance costs line of the statement of profit or loss and other comprehensive income, depreciation of right-of-use assets is disclosed within either the general and administrative, sales and marketing, research and development, or operations and support expenses lines of the statement of profit or loss and other comprehensive income. Cash outflow for lease liabilities is disclosed within cash flows from financing activities of the statement of cash flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable under cancellable and non-cancellable operating leases,
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. Summary of significant accounting policies (continued)

The lease payments are discounted using the lessee's borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 or fewer months.

Intangible assets

The Group's intangible assets primarily include a license to operate private hire vehicles in London issued by Transport for London and licenses to use the agreed images shot during commissioned photo shoots. The licenses are capitalised on the basis of the costs incurred to acquire and bring to use these licenses. These costs are amortised on a straight-line basis over their estimated useful lives. *Subsequent costs* are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

The Group does not capitalise expenditures on research and development as it is not able to distinguish the costs related to development from the costs of maintaining or enhancing the existing software and/or of running day-to-day support functions. It's also not possible to distinguish between the research and development phases. These expenditures are recognised in profit or loss as incurred. Gains or losses on disposals are determined as the difference between proceeds from disposal and carrying amounts. These are included in profit or loss for the year on a net basis as gains or losses within other operating income or expenses.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. On the reporting date the group did not identify any indication of impairment of non-current assets.

2. Summary of significant accounting policies (continued)

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Accrued liabilities and provisions

Accrued liabilities are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The accrued liabilities and provisions are included in the Trade and other payables line.

Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current income tax payable also includes any tax liability arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, unused tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Summary of significant accounting policies (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties, and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

Share capital

Participation interests of Group owners are classified as equity. The value of additional shares released for the purposes of attracting additional funding is recognised as share premium in equity.

Share based option plans

Employee benefits based on the market value of shares or payable in the form of shares are measured at the fair value of the equity instruments at the date of the grant of the option.

The fair value of options granted under the Group Employee Option Plan is recognised as an employee benefits expense, with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (such as the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (such as the requirement for employees to hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Short-term employee benefits

The Group pays contributions to social security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. These contributions are recognised as employee benefit expenses when they are due and are included within salaries and other employee expenses.

2. Summary of significant accounting policies (continued)

Revenue, recognition and measurement

The Group revenues consist primarily of fees for ride-hailing services provided to chauffeurs and fees for marketing partnership services provided to financial institutions.

Revenue from ride-hailing services

The Group generates ride-hailing revenue from fees paid by fleet management companies and individual chauffeurs (collectively referred to as "chauffeurs") for the use of Wheely Platform including its web-site and mobile applications and other activities related to provision of transport or errand services by chauffeurs to passengers and users (hereinafter referred to as "journeys").

Wheely acts as an intermediary between chauffeurs and passengers and is authorised to process and collect payments from passengers, invoice on the chauffeurs' behalf, refund passengers (where appropriate), and remit payments to chauffeurs. Wheely acts as an agent to the chauffeurs and does not control the transport or errand services they provide.

Revenue from ride-hailing services is recognised monthly and reported on a net basis in the amount of the agreed percentage of the fares paid by passengers to chauffeurs less the incentives provided by Wheely to chauffeurs in relation to journeys completed within a month. The fares paid by passengers to chauffeurs primarily depend on the time and distance of each journey. The incentives paid to chauffeurs are performance-based and aimed at ensuring that a sufficient number of chauffeurs are connected to the Wheely platform to provide transport and errand services during peak demand hours. The incentives to chauffeurs in excess of the relevant fees earned from chauffeurs are included in the line "Cost of providing services" of the Consolidated statement of profit and loss and other comprehensive income.

Revenue from marketing partnerships

The Group generates marketing partnership revenue from fees paid by financial institutions mainly for managing loyalty programs that allow certain groups of customers to receive perks in the form of complimentary journeys booked via the Wheely Platform. This revenue is based on the number of complimentary journeys and the fares that are deemed to be paid by passengers for such journeys and is recognised in the accounting period in which the services are rendered.

Interest income

Interest income is recognised over a period of time using the effective interest method.

Other comprehensive income

Components of other comprehensive income comprise foreign currency translation reserve.

3. Significant accounting judgments and estimates

Implementation of the Group's accounting policies and preparation of financial statements in accordance with IFRS requires certain subjective accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The 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 estimates are revised and in any future periods affected.

3. Significant accounting judgments and estimates (continued)

Information about significant judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Useful lives of property, plant and equipment

Group	Useful life, years
Office equipment	From 1 to 5 years
Computer equipment	3 years

Useful lives of intangible assets

Group of intangible assets	Useful life, years
Licenses	From 1 to 5 years

Capitalisation of internally developed software

The Group develops and maintains mobile apps, available on Android and iOS operating systems. The Group cannot recognise development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group as intangible assets as it is not able to distinguish between the research and development phases. Research expenditures and development expenditures are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Useful lives of right-of-use assets

Right-of-use assets are amortised during the period of the lease agreement. The useful life of right-of-use assets is over the lease term. The Group does not recognise leases that are 1 year long or less as right-of-use assets and recognises expenses on such leases in the period they are incurred.

Initial recognition of deferred taxes

Deferred taxes are recognised using a balance method regarding the time differences at the reporting date that occur between the tax base for assets and liabilities and their book value for the purposes of financial reporting.

Assets and liabilities for deferred taxes are calculated using tax rates expected in the period when the asset will be realised or its liability fulfilled. Tax rates are determined using regulations applicable at the reporting date.

Assets and liabilities are presented on the set-off basis when there is a legal right to offset assets and liabilities with current income tax and they are related to the same tax authority.

Going concern

Going Concern assessment has been disclosed in Note 2 "Summary of significant policies".

Impairment of receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 20 (credit risk).

Convertible loan notes

Estimation of fair value of Convertible loan notes has been disclosed in Note 10 "Long-term Borrowings".

Share-based payments

Estimation of share-based payments - Note 18 'Employee option plan'

4. Property, plant and equipment

	Office equipment	Construction in progress	Total
Cost at 31 December 2019	380,602	-	380,602
Additions	134,509	4,619	139,128
Disposals	(1,334)	-	(1,334)
Effect of translation to presentation currency	(128,835)	256	(128,579)
Cost at 31 December 2020	384,942	4,875	389,817
Additions	284,149	17,555	301,704
Disposals	(53,096)	(22,506)	(75,602)
Effect of translation to presentation currency	32,983	76	33,059
Cost at 31 December 2021	648,978	-	648,978
Accumulated depreciation at 31 December 2019	(143,781)	-	(143,781)
Depreciation charged for the year	(130,670)	-	(130,670)
Effect of translation to presentation currency	135,896	-	135,896
Accumulated depreciation at 31 December 2020	(138,555)	-	(138,555)
Depreciation charged for the year	(174,228)	-	(174,228)
Depreciation on disposals	51,502	-	51,502
Effect of translation to presentation currency	(36,474)	-	(36,474)
Accumulated depreciation at 31 December 2021	(297,755)	-	(297,755)
Carrying value at 31 December 2020	246,387	4,875	251,262
Carrying value at 31 December 2021	351,223	-	351,223

At the reporting date the Group had no pledged property, plant and equipment.

5. Intangible assets

	Licenses
Cost at 31 December 2019	358,876
Additions	75,792
Effect of translation to presentation currency	16,082
Cost at 31 December 2020	450,750
Additions	222,851
Effect of translation to presentation currency	(82,755)
Cost at 31 December 2021	590,846
Accumulated amortisation at 31 December 2019	(172,930)
Amortisation charged for the year	(100,998)
Effect of translation to presentation currency	(51,949)
Accumulated amortisation at 31 December 2020	(325,877)
Amortisation charged for the year	(89,294)
Effect of translation to presentation currency	1,690
Accumulated amortisation at 31 December 2021	(413,481)
Carrying value at 31 December 2020	124,873
Carrying value at 31 December 2021	177,365

At the reporting date the Group had no pledged intangible assets.

6. Right-of-use assets

	Office premises
Cost at 31 December 2019	2,571,392
Additions	338,397
Effect of translation to presentation currency	(399,699)
Cost at 31 December 2020	2,510,090
Additions	153,741
Effect of translation to presentation currency	(24,629)
Cost at 31 December 2021	2,639,202
Accumulated depreciation at 31 December 2019	(231,895)
Depreciation charged for the year	(465,160)
Effect of translation to presentation currency	47,630
Accumulated depreciation at 31 December 2020	(649,425)
Depreciation charged for the year	(536,943)
Effect of translation to presentation currency	12,555
Accumulated depreciation at 31 December 2021	(1,173,813)
Carrying value at 31 December 2020	1,860,665
Carrying value at 31 December 2021	1,465,389

7. Trade and other receivables

	31 December 2021	31 December 2020
Trade receivables	1,992,260	1,709,837
Less: loss allowance	(716,070)	(621,462)
Trade receivables, net	1,276,190	1,088,375
Other receivables	1,437,771	1,612,100
Other receivables, net	1,437,771	1,612,100
Total financial assets within trade and other receivables	2,713,961	2,700,475
Prepayments	448,008	269,516
VAT recoverable	37,515	71,701
Other taxes receivable	2,254	16,778
Other employees' receivable	6,355	2,846
Total non-financial assets within trade and other receivables	494,133	360,841
Total trade and other receivables	3,208,094	3,061,316

All trade and other receivables are tested for impairment on an individual basis as well as tested for impairment using the ECL model. All non-past-due and non-impaired receivables have a turnover period of less than 90 days.

8. Cash and cash equivalents

Cash and cash equivalents are as follows:

	31 December 2021	31 December 2020
Cash at bank	1,498,577	2,958,542
Total cash and cash equivalents	1,498,577	2,958,542

9. Share capital**(a) Share capital and share premium**

The share capital of the Group is registered and fully paid. Movements in share capital and share premium are presented below:

	Number of shares	Par value, USD	Share premium, USD	Total
Balance 31 December 2019	23,150,031	302,755	48,199,176	48,501,931
Employee share scheme issues	8,457	109	5,572	5,681
Balance 31 December 2020	23,158,488	302,864	48,204,748	48,507,612
Employee share scheme issues	87,505	1,170	72,516	73,686
Balance 31 December 2021	23,245,993	304,034	48,277,264	48,581,298

(b) Other reserves

Information relating to the Group's Employee Option Plan, including details of options issued and exercised during the financial year and options outstanding at the end of the reporting period, is set out in Note 18 "Employee option plan".

10. Long-term borrowings

On 31 March 2021 the Company issued unsecured convertible loan notes for GBP 3,150,000 with an 8% interest rate. The loan principal and accrued interest are convertible into the highest class of shares in the capital of the Company or are to be repaid in cash on the earliest of maturity (36 months) or events stipulated by the convertible loan agreement at a 20% discount to the latest investor issue share price and capped with the valuation of the Company of GBP 125 million.

For IFRS purposes, these convertible loan notes are financial liabilities, and given the conversion feature is not into a fixed number of shares there is no equity component to split out. The loans meet the definition of a non-basic financial instrument and are recognised at fair value in their entirety.

10. Long-term borrowings (continued)

The convertible loan notes are presented in the financial statements as follows:

	31 December 2021	31 December 2020
Convertible loan initial draw down*	4,262,580	-
Interest accrued at the interest rate of 8%	257,857	-
Fair value movement on the loan notes	354,564	-
Total fair value through profit or loss increase	612,421	-
 Convertible loan notes closing balance	 4,875,001	 -

* Loan principal less associated transaction costs included into the administrative expenses.

The fair value of the loan notes at the end of the reporting period was valued using the discounted cashflow approach. The convertible loan notes are classified as level 3 fair value in the fair value hierarchy, due to the use of unobservable inputs, including own credit risk.

11. Trade and other payables

	31 December 2021	31 December 2020
Trade payables	1,761,240	1,312,977
Taxes payable other than corporate income tax	1,343,810	557,013
Other payables and accrued expenses	658,412	343,471
Advances from customers	1,658	8,634
Total	3,765,120	2,222,095

The Group's liquidity risk management procedures are described in Note 20 "Financial risk management".

12. Revenue

	2021	2020
Revenue from ride-hailing services	17,108,452	9,607,910
Revenue from marketing partnerships	5,035,776	4,163,334
Other revenue	404,128	119,872
Total	22,548,357	13,891,116

The Group generates 100% of its revenue via its fully owned subsidiary, Wheely Technologies Ltd, the UK based company, being the global operator and owner of the Wheely platform and mobile applications.

13. Employee benefits expenses

	2021	2020
Wages and salaries	9,561,234	5,849,418
Social security costs	601,020	488,272
Cost of defined contribution scheme	337,200	291,942
Provision for unused vacations	420,215	283,727
Share-based payment expenses	396,402	95,368
Total	11,316,071	7,008,727

The average headcount in 2021 was 221 (2020: 157).

13. Employee benefits (continued)

Key management personnel compensation consists of short-term benefits and share options granted for directors and a number of senior managers across the group who together have authority and responsibility for planning, directing, and controlling the activities of the group, directly or indirectly.

Total remuneration of key management personnel, including social security costs, and share-based payment expenses, amounted to \$1,633,631 in 2021 (2020: \$1,084,179).

Directors' remuneration consisting of short-term benefits amounted to \$228,460 in 2021 (2020: \$113,391), including cost of defined contribution scheme \$2,664 (2020: \$4,272). No directors exercised share options during the year.

14. Auditors' remuneration

Fees payable to the Group's auditors for the audit of the parent company and the Group's financial statements for 2021 is £55,000 (2020: £24,750).

15. Other operating income/expenses – net

	2021	2020
Fines and penalties received	-	85,215
Government grants	8,678	84,695
Income on disposal of property, plant and equipment	-	643
Loss from disposal of property, plant and equipment	(236)	(58)
Other income	11,389	5,456
Other expenses	(16,249)	(13,935)
Total operating income and expenses	3,582	162,016

16. Finance costs

	2021	2020
Interest expense	623,111	6,120
Finance lease interest expense	174,023	184,323
Total	797,134	190,443

17. Income tax

	2021	2020
Current income tax charge	100,186	(4,366)
Change in deferred income tax	(38,670)	87,938
Total income tax	61,516	83,572

Reconciliation of effective tax rate:

	2021	2020
(Loss)/profit before income tax	(8,232,242)	(5,340,982)
Tax at the UK tax rate of 19% (2020: 19%)	1,543,270	1,014,787
Difference in overseas tax rates	10,683	25,687
Employee option plan	(71,168)	(18,309)
Non-deductible expenses	(191,278)	(172,300)
Effect of changes in tax rate	(1,751)	(214,355)
Effect of authorised tax losses	8,129	-
Tax decrease from effect of adjustment in research and development tax credit	109,768	-
Current year losses for which no tax asset was recognised	(1,444,294)	(551,938)
	61,516	83,572

17. Income tax (continued)

The table below contains key deferred tax assets and liabilities recognised by the Group as well as changes therein within the period.

	31 December 2021	Charged/ (credited) to profit or loss	Effect of changes in tax rate	Translation differences	01 January 2021
Deferred tax assets					
Property, plant, and equipment and right-of-use assets	2,017	1,628	-	(21)	410
Intangible assets	-	(2,024)	-	1	2,023
Inventories	6,059	2,046	-	(19)	4,032
Trade and other payables	5,247	(1,814)	-	(53)	7,113
Tax loss carry-forwards	531,865	(49,552)	(1,751)	(2,525)	585,693
Finance lease	55,313	6,868	-	(929)	49,375
Deferred tax assets before tax set-off	600,501	(42,848)	(1,751)	3,546	648,646
Deferred tax set-off	(6,950)				(13,255)
Deferred tax assets after tax set-off	593,551				635,391
Deferred tax liabilities					
Property, plant, and equipment and right-of-use assets	6,950	2,213	-	(73)	4,809
Trade and other receivables	-	(8,141)	-	(305)	8,446
Deferred tax liabilities before tax set-off	6,950	5,928	-	(378)	13,255
Deferred tax set-off	(6,950)				(13,255)
Deferred tax liabilities after tax set-off	-				-
Total net deferred tax assets/(liabilities)	593,551				635,391
Deferred tax for the year		(38,671)			

Factors affecting tax charges in future years' Deferred taxes reflected in these financial statements have been measured using the enacted tax rates at the Balance Sheet date.

17. Income tax (continued)

	31 December 2020	Charged/ (credited) to profit or loss	Effect of changes in tax rate	Translation differences	1 January 2020
Deferred tax assets					
Property, plant, and equipment and right-of-use assets	410	(6,264)	(1,976)	(1,443)	10,093
Intangible assets	2,023	(9,119)	(11,739)	(3,841)	26,722
Inventories	4,032	4,128	-	(96)	-
Trade and other payables	7,113	4,567	(5,631)	(1,550)	9,727
Tax loss carry-forwards	585,693	277,164	(216,948)	32,862	492,615
Finance lease	49,375	40,437	-	(2,748)	11,686
Deferred tax assets before tax set-off	648,646	310,913	(236,294)	23,182	550,843
Deferred tax set-off	(13,255)				(24,482)
Deferred tax assets after tax set-off	635,391				526,361
Deferred tax liabilities					
Property, plant, and equipment and right-of-use assets	4,809	758	(21,939)	(4,434)	30,424
Trade and other receivables	8,446	7,862	-	584	-
Deferred tax liabilities before tax set-off	13,255	8,620	(21,939)	(3,850)	30,424
Deferred tax set-off	(13,255)				(24,482)
Deferred tax liabilities after tax set-off	-				5,942
Total net deferred tax assets/(liabilities)	635,391				520,419
Deferred tax for the year		87,938			

Wheely Ltd and its subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. Therefore, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

18. Employee option plan

In 2020 and 2021 the Group had an active long-term employee remuneration program. As a part of this program, employees of the Group had an opportunity to purchase shares of the Group for a set price after a certain period of employment. Depending on the position in the Group, the purchase price of the options varied from 0.5 to 1 USD. According to the employment agreement, employees have the right to exercise ¼ of their total available options on the first anniversary of their employment date and then ¼ each subsequent anniversary.

During 2021 the Group recognised 534,392 options and employees exercised 87,505 of previously vested options. In 2020 the Group recognised 175,220 more options and employees exercised 8,457 of previously vested options at a strike price of 0.65 USD per option.

18. Employee option plan (continued)

Below is the information regarding the program:

Strike price (USD)	Number of options vested in 2020	Options authorised in 2020	Options at 31 December 2020	Number of options vested in 2021	Options exercised in 2021	Options at 31 December 2021	FV of options granted in 2020	FV of options granted in 2021
0.5	81,485	-	408,411	453,148	21,992	861,559	0.65	0.75
0.65	72,199	8 457	136,928	40,818	8,066	177,746	0.53	0.67
1	21,536	-	22,382	40,426	57,447	62,808	0.30	0.53
Total	175,220	8 457	567,721	534,392	87,505	1,102,113		

Fair value of options was calculated using the Black-Scholes model. The model uses the inputs of compounded risk-free interest rates, the number of periods to exercise the options, and annualised possible volatility of shares. The applied inputs are presented below:

Stock Price	1.14
Strike Price	0.5 / 0.65 / 1 USD
Annualised volatility	17.23% - 47.59%
Number of periods to exercise	5 years
Projected dividend yield	Nil
Risk-free interest rate	0.36% - 1.69%

19. Contingencies and commitments

The tax system in Russia is rather new and sees frequent changes in legislation, tax regulations, and court decisions, which are often ambiguous and contradictory and allow different interpretations of legal regulations by tax authorities. Tax calculation is subject to checks and investigations by regulatory authorities that are authorised to impose significant fines and penalties and to accrue interest. The limitation period for any tax violations committed is three years; however, under certain circumstances the above period may be extended. Recent events in the Russian Federation suggest that the tax authorities may be taking a more assertive position in their interpretation of their tax legislation and its legal enforcement. The above facts may result in tax risks, which are more significant in the Russian Federation than in other countries. Management, based on its assumptions and interpretations of the effective Russian tax legislation, regulations, and court decisions, believes that tax liabilities are adequately recognised. However, tax authorities may apply other interpretations, and their effect on the financial statements may be significant.

20. Financial risks management

Due to its operations, the Group is exposed to the following risks: market risk, credit risk, and liquidity risk. The Group has general policies in place to ensure that potential negative consequences for the Group's financial transactions as may result from unpredictability of the financial markets are minimal.

The Group's general concept of risk management is based on identification of the key risks that hinder the Group from achieving its business objectives. Management is fully responsible for the development of and control over the Group's risk management system. There are no formalised risk management policies set forth by the Group's internal regulations.

This Note provides information about the Group's exposure to each of the above risks, the Group's objectives, and its policies and procedures for risk assessment and management. Additional disclosures of quantitative information are presented in other sections of these financial statements.

20. Financial risks management (continued)**Market risk**

Market risk is the risk of changes in market prices such as fluctuations in foreign currency exchange rates or interest rates that may have an adverse effect on Group's profits or value of its financial instruments. The objective of market risk management is to manage and control the Group's exposure to market risk to keep it within acceptable limits, and to optimise returns on risky assets.

The Group's transactions are exposed to currency risk through purchases denominated in the currency other than the Group's functional currency. The Group does not use derivative financial instruments, and there are no formalised policies with respect to hedging such financial risks. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The table below shows analysis of the sensitivity of profits to possible changes of foreign exchange rates used by the Group at the dates of the financial statements as related to the Group's functional currency, assuming that all other variables remain unchanged:

	31 December 2021	31 December 2020
Increase of profit if the Euro rate goes up by 10%	348	9,752
Increase of profit if the British Pound rate goes up by 10%	(474,601)	205,920
Increase of profit if the Rouble rate goes up by 10%	(110,786)	(244,477)
Increase of profit if the Dirham rate goes up by 10%	858	-
Total	(584,181)	(28,805)
Decrease of profit if the Euro rate goes down by 10%	(348)	(9,752)
Decrease of profit if the British Pound rate goes down by 10%	474,601	(205,920)
Decrease of profit if the Rouble rate goes down by 10%	110,786	244,477
Decrease of profit if the Dirham rate goes down by 10%	(858)	-
Total	584,181	28,805

20. Financial risks management (continued)**Credit risk**

Credit risk is the risk that the Group's counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group's maximum exposure to credit risk by class of assets is equal to the carrying amounts of financial assets.

Financial assets exposed to credit risk include:

	31 December 2021	31 December 2020
Accounts receivable	2,713,961	2,700,475
Cash and cash equivalents	1,498,577	2,958,542
Total	4,212,538	5,659,017

The risk control assesses the credit quality of the entities using the corporate accounts to book journeys via the Wheely platform, taking into account the financial position, past experience and other factors of such entities.

Individual credit limits are set based on internal risk ratings. The compliance with credit limits is regularly monitored.

Individual passengers can only pay for the journeys with credit or debit cards. Pre-authorization of a certain amounts is performed while onboarding of individual passengers to the platform to mitigate the credit risk related to their performance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Group creates provisions for impairment which reflects its assessment of expected credit losses on trade and other receivables as well as on advances issued.

Provisions for impairment of accounts receivable are recognised where objective evidence justifies the impossibility for the Group to receive reimbursement in full in accordance with the original provisions of the respective contract.

When assessing the collectability of receivables, the Group considers any changes in debtor's credit quality from the starting date of payment delay to the reporting date.

Liquidity risk

Liquidity risk is the risk of the Group being unable to settle its financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, to the extent possible, that the Group maintains at all times sufficient liquidity for settling its liabilities in due time (both in normal and extraordinary circumstances) and avoiding unacceptable losses or risk of damaging the Group's reputation.

The Group had a net positive working capital of USD \$380,496 on 31 December 2021, and net positive working capital of \$3,327,103 as of 31 December 2020.

20. Financial risks management (continued)

The table below summarises the analysis of the financial liabilities of the Group by maturity.

	31 December 2021		
	Total	Less than 1 year	From 1 to 7 years
Accounts payable	1,844,441	1,844,441	-
Finance lease liabilities	1,731,433	576,666	1,154,767
Borrowings	4,875,001	-	4,875,001
Total	8,450,875	2,421,107	6,029,768

	31 December 2020		
	Total	Less than 1 year	From 1 to 7 years
Accounts payable	1,401,172	1,368,671	32,501
Finance lease liabilities	2,091,536	485,881	1,605,655
Total	3,492,708	1,854,552	1,638,156

21. Capital risk management

The Group's main objective when managing capital is to maintain its ability to continue as a going concern in order to ensure the required profitability of the Group, maintain optimum equity structure, and reduce its cost of capital. No external requirements are imposed on the capital of the Group.

22. Related parties

Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions with related parties

Significant balances and transactions with related parties are shown below:

	31 December 2021	31 December 2020
Long-term loans received	2,029,800	-
Interest on long-term loans received	291,629	-

Expenses and income for transactions with other related parties are represented below:

	2021	2020
Interest expense	296,446	-
Exchange differences on loans	(4,817)	-

23. Events after reporting date

On 7 January 2022 the Company received an unsecured convertible loan in the amount of GBP 3,750,000 with an interest rate of 6% p.a. The loan principal and accrued interest are convertible into shares in the capital of the Company on the earliest of maturity date March 31, 2024, or by events stipulated by the convertible loan agreement.

From 2014 to today, sanctions have been imposed in several packages by the US, UK, EU, and others on certain Russian officials, businessmen and companies. From February 2022 onwards, in response to the Ukraine conflict, the global community has imposed additional sanctions on certain Russian institutions and individuals. Whilst none of the Group's entities, nor its shareholders, are subject to any specific sanctions, there is the potential for further sanctions and Russian countersanctions that could potentially impact the Group's activities, either directly, as indicated, or indirectly, in terms of the wider potential impact of these sanctions and/or the ongoing Ukraine conflict, on the Russian and/or global economies.

Though it is not possible for management to predict with any degree of certainty the impact of this ongoing uncertainty on either the future operations of the Group or the potential impact it could have on the carrying value of its assets, either directly or indirectly, the Group continues to run the business as usual, and to service its obligations as they fall due. As outlined in note 2 'Going Concern', the circumstances outlined above have been considered by the directors in their assessment of the preparation of the financial statements on a going concern basis.

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Investments	3	550,154	275,791
Property, plant and equipment		1,780	928
Loans to subsidiary		-	-
Total non-current assets		551,934	276,719
Current assets			
Loans to subsidiary		3,086,643	5,149,457
Trade and other receivables	5	159,259	38,597
Cash and cash equivalents	6	229,615	1,894,158
Total current assets		3,475,517	7,082,212
TOTAL ASSETS		4,027,451	7,358,931
Current liabilities			
Trade and other payables	7	135,809	178,793
Total current liabilities		135,809	178,793
Non-current liabilities			
Borrowings	8	3,602,572	-
Total non-current liabilities		3,602,572	-
TOTAL LIABILITIES		3,738,381	178,793
NET ASSETS		289,070	7,180,138
Equity			
Share capital	9	232,460	231,585
Share premium	9	37,183,378	37,129,005
Other reserves		543,107	270,802
Retained earnings		(37,669,875)	(30,451,254)
TOTAL EQUITY		289,070	7,180,138

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss for the year ended 31 December 2021 amounted to £7,218,621 (2020: loss - £1,159,474).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 31 January 2023.

Anton Chirkunov

Anton Chirkunov
Director

Registered company number: 11473477

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 31 December 2019		231,500	37,124,662	196,474	(29,291,780)	8,260,856
Loss for the period		-	-	-	(1,159,474)	(1,159,474)
Other comprehensive income (loss) for the period		-	-	-	-	-
Total comprehensive income(loss) for the period		-	-	-	(1,159,474)	(1,159,474)
Transactions with owners in their capacity as owners:						
Issue of shares	9	85	4,343	-	-	4,428
Employee share schemes – value of employee services		-	-	74,328	-	74,328
Total transactions with owners in their capacity as owners		85	4,343	74,328	-	78,756
Balance at 31 December 2020		231,585	37,129,005	270,802	(30,451,253)	7,180,138
Loss for the period		-	-	-	(7,218,621)	(7,218,621)
Other comprehensive income (loss) for the period		-	-	-	-	-
Total comprehensive income(loss) for the period		-	-	-	(7,218,621)	(7,218,621)
Transactions with owners in their capacity as owners:						
Issue of shares	9	875	54,373	-	-	55,248
Employee share schemes – value of employee services		-	-	272,305	-	272,305
Total transactions with owners in their capacity as owners		875	54,373	272,305	-	327,553
Balance at 31 December 2021		232,460	37,183,378	543,107	(37,669,875)	289,070

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. General information

The financial statements of Wheely Ltd (hereinafter referred to as the "Company") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 January 2023.

Wheely Ltd is a private company limited by shares domiciled and incorporated in the United Kingdom on 19 July 2018. The company's registered number is 11473477. The Company's registered office and principal place of business is the Monastery Barn, Syon Park, London Road, Brentford, TW8 8JF, United Kingdom.

There is no ultimate controlling party.

2. Summary of significant accounting policies

Basis of preparation

The financial statements of Wheely Ltd have been prepared in accordance with international accounting standards (IFRS) in conformity with the requirements of the Companies Act 2006.

Functional and presentation currency

The financial statements are presented in GBP, which is the company's functional and presentation currency. All transactions undertaken by the company are denominated in GBP.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses

Other significant accounting policies are set out in Note 2 to the consolidated financial statements.

3. Investment in subsidiaries

	2021	2020
Balance 1 January	275,791	200,723
Additions in year – Investments in subsidiaries	2,058	740
Additions in year – Share options to employees of subsidiaries	272,305	74,328
Balance 31 December	550,154	275,791
	31 December 2021	31 December 2020
Investments in subsidiaries	25,419,744	25,417,686
Less Provision for impairment of Investments in subsidiaries	(25,412,697)	(25,412,697)
Share options to employees of subsidiaries	543,107	270,802
Total Investments	550,154	275,791

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

4. Loans to subsidiaries

	31 December 2021	31 December 2020
Loan in USD, including:		
Loan principal	5,149,832	4,929,815
Cumulative interest	440,022	219,642
Less provision of impairment	(5,589,855)	-
Total	-	5,149,457
Loan in EUR, including:		
Loan principal	1,138,763	1,209,465
Cumulative interest	24,572	14,003
Less provision of impairment	(1,163,335)	(1,223,468)
Total	-	-
Loan in GBP, including:		
Loan principal	3,018,000	-
Cumulative interest	68,643	-
Total	3,086,643	-
Total Loans to subsidiaries	3,086,643	5,149,457

The loans are unsecured. The loan in USD is repayable no later than 7 years after the first installment received, the interest rate is 4%, and the interest is due on the final loan repayment date. The loan in EUR is repayable no later than 5 years after the first installment received, the interest rate is 1%, and the interest is due on the final loan repayment date. The loan in GBP is repayable no later than 2.5 years after the first installment received, the interest rate is 8%, and the interest is due on the final loan repayment date. The borrower is entitled to repay the loans in installments prior to its maturity.

Loans granted in USD and EUR are fully impaired as it is probable that not all the related principal and interest payments will be collected on its maturity. Fair value of loan in GBP is approximately equal to its carrying value.

5. Trade and other receivables

	31 December 2021	31 December 2020
VAT receivable	13,200	30,375
Prepayments	56,721	8,038
Other receivables	89,338	184
Total non-financial assets	159,259	38,597
Total and other receivables	159,259	38,597

6. Cash and cash equivalents

	31 December 2021	31 December 2020
Cash at bank	229,615	1,894,158
Total Cash and Cash equivalents	229,615	1,894,158

6. Cash and cash equivalents (continued)

Currency	31 December 2021	31 December 2020
GBP	151,003	81,861
USD	58,213	1,750,761
EUR	9,488	58,995
RUB	5,514	2,541
AED	5,397	-
Total Cash and Cash equivalents	229,615	1,894,158

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets (cash and cash equivalents) mentioned above.

7. Trade and other payables

	31 December 2021	31 December 2020
Trade payables	110,146	159,041
Total financial liabilities	110,146	159,041
Payroll tax and other statutory liabilities	25,663	19,752
Total non-financial liabilities	25,663	19,752
Total Trade and other payables	135,809	178,793

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

8. Long-term Borrowings

	31 December 2021	31 December 2020
Convertible loan initial draw down*	3,150,000	-
Interest accrued at the interest rate of 8%	190,553	-
Fair value movement on the loan notes	262,019	-
Total fair value through profit or loss increase	452,572	-
Convertible loan notes closing balance	3,602,572	-

Convertible loan notes disclosures are set out in Note 10 to the consolidated financial statements.

9. Share capital

	Number of shares	Par value, GBP	Share premium, GBP	Total
Balance 31 December 2019	23,150,031	231,500	37,124,662	37,356,162
Employee share scheme issues	8,457	85	4,343	4,428
Balance 31 December 2020	23,158,488	231,585	37,129,005	37,360,590
Employee share scheme issues	87,505	875	54,373	55,248
Balance 31 December 2021	23,245,993	232,460	37,183,378	37,415,838

10. Capital management

The capital of the company is managed as part of the capital of the Group as a whole. Full details are contained in Note 21 to the consolidated financial statements.