

Registration number: 11435887

Transopco UK Ltd

Directors' Report and Financial Statements

for the year ended 31 December 2020



Transopco UK Ltd

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Transopco UK Ltd

Company information

Directors	M W E Bluthmann R Normanton M Zabrocki
Registered number	11435887
Registered office	Harling House Great Suffolk Street London United Kingdom SE1 0BS
Banker	BNP Paribas 10 Harewood Avenue London United Kingdom NW1 6AA
Auditor	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

Transopco UK Ltd

Directors' Report

for the Year Ended 31 December 2020

The directors present their directors' report and the financial statements for the year ended 31 December 2020.

Principal activity

The Company commenced trading in May 2019 and the principal activity is to provide passenger transportation services through a PHV (Private Hire Vehicle) booking platform. The Company connects the customer with a PHV driver through a mobile application. The drivers are licensed and independent. Since July 2020 the Company also offers black cab services via its booking platform and therefore combined licensed PHV and licensed taxi under one brand.

Results and dividends

The loss for the year, after taxation, amounted to £14,897,271 (2019: £37,209,685).

The directors do not recommend the payment of dividend (2019: £nil).

In July 2020, Transopco UK Ltd joined forces with MyTaxi Network Ltd in the form of a business transfer agreement. Transopco acquired shares in Mytaxi from its common parent IA GmbH and the assets in Mytaxi giving rise to investments of £43,067,586 during the year. The Company issued shares to the common parent at premium. Transopco UK Ltd will carry on the operational business and stay part of the FREE NOW Group which will be operating in Europe with a single brand and application, FREE NOW.

Directors of the Company

The directors, who held office during the year and up to the date of signing these financial statements except where otherwise noted, were as follows:

T P Arnold (resigned 20 January 2022)

M Zabrocki

M W E Bluthmann (appointed on 7 August 2020)

R Normanton (appointed 20 January 2022)

Going concern

The Company has incurred a loss during the year. The budgets and cashflow prepared by the Directors indicate that further funding it's immediate parent company in order to continue as a going concern. A letter of support has been provided by immediate parent company for a period of at least 12 months from the signing of these financial statements, however this cannot be guaranteed.

On 11 March 2020, the World Health Organization officially declared Covid-19, the disease caused by novel coronavirus, a pandemic. The Directors note that the pandemic has had a negative impact on both the financial position and financial results of the Company in FY20 and quarter 1 of FY21. The negative impact is largely due to Government restrictions imposed on the movement of people to try and combat the spread of the virus. These restrictions have resulted in a reduction in taxi trips and in turn commissions earned. The Directors have not yet determined the impact on the remaining 3 quarters of FY21 or the overall financial impact from Covid-19 in its entirety but note that there is uncertainty regarding future incomes of the Company due to the Covid-19 pandemic. The directors are actively considering the impact around future cash flows. Whilst this situation is under constant review, the directors are conscious that Covid-19 has led to significant volatility and it is uncertain how long this volatility will continue at this time and the potential impacts of Covid-19 are uncertain and difficult to assess.

Transopco UK Ltd

Directors' Report (Continued)

for the Year Ended 31 December 2020

Going concern (continued)

These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements are prepared on the going concern basis and do not include any adjustments that would be necessary if the going concern basis of preparation were inappropriate.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, BDO LLP, Chartered Accountants, will be deemed to be reappointed and will therefore continue in office.


Small companies provision statement


This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The director has also decided not to prepare a strategic report as this is not required under the special provisions of part 15 of the Companies Act 2006 relating to small companies.


Post balance sheet events

There have been no material adjusting or disclosable events since the financial year end.

Approved by the Board on 03/14/2022 and signed on its behalf by:


.....
M Zabrocki
Director


.....
M W E Bluthmann
Director


.....
R Normanton
Director

Transopco UK Ltd

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework.'

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Transopco UK Ltd

Independent Auditor's Report to the Members of Transopco UK Ltd

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Transopco UK Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which indicates that the Company will require further funding in the next twelve months, the Parent Company has provided a letter of support however the letter of support is not legally binding. As stated in note 2, these events or conditions, along with other matters as set out in note 26, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Transopco UK Ltd

Independent Auditor's Report to the Members of Transopco UK Ltd (*continued*)

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

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

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

Transopco UK Ltd

Independent Auditor's Report to the Members of Transopco UK Ltd (*continued*)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Making enquiries of Management including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and assessing whether they were aware of any instances of non-compliance with such;
 - detecting and responding to the risks of fraud on management override of controls by testing on a sample basis the appropriateness of journal entries and other adjustments including those to revenue; and assessing whether the judgements made in making accounting estimates are indicative of potential bias; and
 - reviewing the internal controls by audit of design and implementation established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Critically assessing areas of the financial statements which include judgement and estimates, as set out in note 3 to the financial statements.

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

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

Transopco UK Ltd

Independent Auditor's Report to the Members of Transopco UK Ltd (*continued*)

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.

DocuSigned by:

Shabbir Somani

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Shabbir Somani (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

17 March 2022

Date:.....

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

Transopco UK Ltd

Statement of Comprehensive Income for the Year Ended 31 December 2020

	<i>Note</i>	<i>2020</i> £	<i>2019</i> £
Turnover	5	8,570,703	8,643,629
Cost of sales		<u>(10,640,704)</u>	<u>(35,372,041)</u>
Gross loss		(2,070,001)	(26,728,412)
Distribution costs		(6,015,431)	(6,589,080)
Administrative expenses		<u>(5,968,489)</u>	<u>(3,894,559)</u>
Operating loss	6	(14,053,921)	(37,212,051)
Other income	7	207,556	2,366
Interest payable and similar charges	8	<u>(1,050,906)</u>	<u>-</u>
Loss before tax		(14,897,271)	(37,209,685)
Tax on loss	10	<u>-</u>	<u>-</u>
Loss for the year		(14,897,271)	(37,209,685)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(14,897,271)</u>	<u>(37,209,685)</u>

The above results were derived from continuing operations.

The notes on pages 12 to 30 form an integral part of these financial statements.

Transopco UK Ltd

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	175,130	-
Right-of-use assets	12	316,911	-
Investments in subsidiaries	13	43,067,587	-
		<u>43,559,628</u>	<u>-</u>
Current assets			
Trade and other receivables	14	2,053,496	478,647
Cash and cash equivalents	15	2,622,231	7,797,648
		<u>4,675,727</u>	<u>8,276,295</u>
Creditors: amounts falling due within one year			
Trade and other payables	16	<u>(48,342,219)</u>	<u>(6,529,287)</u>
Net current (liabilities)/assets		<u>(43,666,492)</u>	<u>1,747,008</u>
Total assets less current liabilities		(106,864)	1,747,008
Creditors: amounts falling due after more than one year	17	<u>(59,128)</u>	<u>-</u>
Net (liabilities)/assets		<u>(165,992)</u>	<u>1,747,008</u>
Capital and reserves			
Called up share capital	19	3,002	3,000
Other reserve	21	(43,833,316)	-
Share premium account	22	43,067,585	-
Contribution to capital	20	52,706,503	38,956,503
Retained earnings		<u>(52,109,766)</u>	<u>(37,212,495)</u>
Shareholders' (deficit)/funds		<u>(165,992)</u>	<u>1,747,008</u>

Approved by the Board on 03/14/2022 and signed on its behalf by:

Mariusz Zabrocki
.....
M Zabrocki
Director

Michael Blithmann
.....
M W E Bluthmann
Director

Rory Normanton
.....
R Normanton
Director

Registration number: 11435887

The notes on pages 12 to 30 form an integral part of these financial statements.

Transopco UK Ltd

Statement of Changes in Equity

for the Year Ended 31 December 2020

	Note	Called up share capital £	Share premium account £	Contribution to capital £	Other reserve £	Retained earnings £	Shareholder's fund £
At 1 January 2019		3,000	-	-	-	(2,810)	190
Total Comprehensive loss for the year							
Loss for the year		-	-	-	-	(37,209,685)	(37,209,685)
Transactions with owners, recorded directly in equity							
Capital contribution	20	-	-	38,956,503	-	-	38,956,503
At 31 December 2019		<u>3,000</u>	<u>-</u>	<u>38,956,503</u>	<u>-</u>	<u>(37,212,495)</u>	<u>1,747,008</u>
	Note	Called up share capital £	Share premium account £	Contribution to capital £	Other reserve £	Retained earnings £	Shareholder's fund £
At 1 January 2020		3,000	-	38,956,503	-	(37,212,495)	1,747,008
Total Comprehensive loss for the year							
Loss for the year		-	-	-	-	(14,897,271)	(14,897,271)
Transactions with owners, recorded directly in equity							
Issue of shares	19, 22	2	43,067,585	-	-	-	43,067,587
Capital contribution	20	-	-	13,750,000	-	-	13,750,000
Arising on acquisition of assets		-	-	-	(43,833,316)	-	(43,833,316)
At 31 December 2020		<u>3,002</u>	<u>43,067,585</u>	<u>52,706,503</u>	<u>(43,833,316)</u>	<u>(52,109,766)</u>	<u>(165,992)</u>

The notes on pages 12 to 30 form an integral part of these financial statements.

Transopco UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 General information

The Company is a private company limited by share capital, incorporated, domiciled and registered in the United Kingdom. Its registered number is 11435887 and the address of its registered office is Harling House, Great Suffolk Street, London, United Kingdom, SE1 0BS.

The principal activity of the Company can be found in the Directors' report on page 2.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with the requirements of Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The financial statements have been prepared under the historical cost convention, except as otherwise described in these accounting policies.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exceptions has been taken.

The financial statements are prepared in sterling and rounded to £1.

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows and related notes;
- the disclosure of financial instruments;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;
- certain disclosures regarding revenue;
- certain disclosures regarding leases; and
- disclosure of related party transactions with other wholly owned subsidiaries.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

2 Accounting policies (continued)

Basis of preparation (continued)

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The financial statements contain information about Transopco UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of YOUR NOW Holding GmbH, a company incorporated in the Germany.

Going concern

The Company has incurred a loss during the year. The budgets and cashflow prepared by the Directors indicate that further funding it's immediate parent company in order to continue as a going concern. A letter of support has been provided by immediate parent company for a period of at least 12 months from the signing of these financial statements, however this cannot be guaranteed.

On 11 March 2020, the World Health Organization officially declared Covid-19, the disease caused by novel coronavirus, a pandemic. The Directors note that the pandemic has had a negative impact on both the financial position and financial results of the Company in FY20 and quarter 1 of FY21. The negative impact is largely due to Government restrictions imposed on the movement of people to try and combat the spread of the virus. These restrictions have resulted in a reduction in taxi trips and in turn commissions earned. The Directors have not yet determined the impact on the remaining 3 quarters of FY21 or the overall financial impact from Covid-19 in its entirety but note that there is uncertainty regarding future incomes of the Company due to the Covid-19 pandemic. The directors are actively considering the impact around future cash flows. Whilst this situation is under constant review, the directors are conscious that Covid-19 has led to significant volatility and it is uncertain how long this volatility will continue at this time and the potential impacts of Covid-19 are uncertain and difficult to assess.

These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements are prepared on the going concern basis and do not include any adjustments that would be necessary if the going concern basis of preparation were inappropriate.

Revenue recognition

Revenue recognition IFRS 15 - Revenue from Contracts with Customers, has been applied in preparing these financial statements. Transopco UK Ltd. is generating its Revenue from the relationship as an agent between PHV as well as licensed taxi business by connecting them via mobile application with potential passengers resp. customers. A commission is charged towards the PHV and taxi business partners as soon as a booking via the FREE NOW APP is successfully completed from driver and passenger.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for services provided, excluding VAT, rebates, and trade discounts.

Transopco UK Ltd

Notes to the Financial Statements (continued) for the Year Ended 31 December 2020

2 Accounting policies (continued)

Government grants

Grants for the Coronavirus Job Retention Scheme (CJRS) are credited to income in profit and loss account and presented in gross in the same period as the relevant expense.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the Company at the rates prevailing on the reporting period date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the Statement of Financial Position date.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit, and is accounted for using the balance sheet liability method. If it is probable that taxable profits will be available against which deductible temporary differences can be utilised, a deferred tax asset will be recognised.

The deferred tax carrying value is reviewed at each financial year end and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited to the profit and loss account, unless it related to items charged or credited directly to equity, in which case the deferred tax is also charged or credited to equity.

Business combination under common control

Merger accounting is done whereby the identifiable assets and liabilities of the acquiree are acquired and accounted for in the books of the acquirer and the excess of fair value over the carrying value of these assets are booked to equity as other reserves.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

2 Accounting policies (continued)

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

Furniture, fittings and equipment	10 years
Other property, plant and equipment	3 years

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

2 Accounting policies (continued)

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. In accordance with IFRS 9, a provision for impairment of trade receivables is made in line with the expected credit loss (ECL) model.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases - as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability for all leasing arrangements, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less than £5,000). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability - Initial measurement

The lease liability is initially measured at the present value of the lease payments, excluding payments made at or before the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments);
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments are not included in the determination of the lease liability and are charged to the Statement of Comprehensive Income in the period that they arise.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

2 Accounting policies (continued)

Lease liability - Subsequent measurement

The lease liability is subsequently measured at amortised cost.

The lease liability is remeasured, with corresponding adjustment to the related right-of-use asset, whenever:

- the lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for:

- lease payments made at or before the commencement day, less any lease incentives received;
- any initial direct costs;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured in accordance with the accounting policy attributable to the underlying asset.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into the category discussed below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on all financial assets not measured at fair value.

The Company estimates the expected credit loss in relation to its financial assets considering the nature of business, past history and other mitigating factors. The Company reviews this policy annually, if required.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

2 Accounting policies (continued)

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial liabilities

The Company classifies its financial liabilities into the category discussed below:

At amortised cost

Financial liabilities at amortised cost including bank borrowing are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

(i) Impairment of Investments

The investment in subsidiary undertakings is carried at cost less impairment. The assessment of impairment involves estimation in relation to the value of the unquoted investment based on the net assets of the underlying investment and projected cash flows, wherever applicable. At the period end the value of the investment was £43,067,586 (2019: £40,332,865). There was an impairment charge of £nil during the year (2019: £nil).

(ii) Acquisition under common control

The assets and liabilities in subsidiary undertakings were carried at cost less impairment and depreciation. The assessment of equity impact involves estimation in relation to the fair value of the unquoted assets and liabilities based on projected cash flows. At the period end, the value of the assets and liabilities acquired were £43,067,586.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

4 New and amended standards and interpretations

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these financial statements. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

5 Turnover

Turnover, net of VAT, relates wholly to the Company's principal activity and is in respect of continuing operations:

	2020	2019
	£	£
Rendering of services	<u>8,570,703</u>	<u>8,643,629</u>

The analysis of the Company's turnover for the year by market is as follows:

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

5 Turnover (continued)

	2020 £	2019 £
UK	8,570,703	8,551,985
Europe	-	91,644
	<u>8,570,703</u>	<u>8,643,629</u>

6 Operating loss

Operating loss is stated after charging:

	2020 £	2019 £
Short-term lease expense - property	47,601	538,951
Other depreciation charge for year	408,489	-
Audit fees payable to the auditors	47,601	5,000
Net foreign exchange loss	138,159	-
Depreciation of tangible assets	<u>116,983</u>	<u>-</u>

7 Other income

The analysis of the Company's other income for the year is as follows:

	2020 £	2019 £
CJRS Grant	207,556	-
Net foreign exchange gain	-	2,366
	<u>207,556</u>	<u>2,366</u>

The Coronavirus Job Retention Scheme (CJRS) is the UK government's flagship support measure for organisations during the COVID-19 pandemic. It offers grants to cover a proportion of the salaries of furloughed staff. Following the Budget 2021, the scheme has been extended until 30 September 2021. The Company received grant for 88 employees amounting to £207,556 disclosed under other operating income for current year.

8 Interest payable and similar charges

	2020 £	2019 £
Interest expense	<u>1,050,906</u>	<u>-</u>

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

8 Interest payable and similar charges (continued)

Interest expense amounting to £1,050,906 relates to purchase price payable on account of the share deal between Mytaxi and Transopco, calculated at the rate of 5%. Mytaxi was (and still is) a direct subsidiary of Transopco and later during the year, the trade and assets of Mytaxi were hived up into Transopco in return for a purchase price, that is still yet to paid off.

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	2,581,362	1,280,321
Social security costs	307,470	48,327
Pension costs, defined contribution scheme	60,508	66,746
	<u>2,949,340</u>	<u>1,395,394</u>

The average number of persons employed by the Company (excluding directors) during the year was 76 (2019: 39). The directors did not receive any remuneration for qualifying services to the Company and are remunerated by Daimler AG for all their services to the group.

10 Tax on loss

Tax credited in the Statement of Comprehensive Income:

	2020 £	2019 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>
Total current income tax	<u>-</u>	<u>-</u>
Tax on loss for the year	<u>-</u>	<u>-</u>

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

10 Tax on loss (continued)

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(14,897,271)</u>	<u>(37,209,685)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(2,830,481)	(7,069,840)
Expenses not deductible	242,362	2,389
Deferred tax not provided	2,388,447	7,067,451
Group relief surrendered	<u>199,672</u>	<u>-</u>
Total tax credit for the year	<u>-</u>	<u>-</u>

The company has tax losses to carry forward at 31 December 2020 of £87,211,834 (2019: £37,199,919). This figure includes losses of £38,116,350 transferred in with the trade of MyTaxi Network Limited on 1 July 2020. The company has a potential deferred tax asset at 31 December 2020 of £16,700,857 (2019: £6,323,987). This asset has not been recognised as there is currently insufficient visibility over future profitability to support recognition of the balance.

Factors that may affect future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. While the 2016 Finance Act introduced a UK corporation tax rate of 17% to take effect from 1 April 2020, the Budget which took place on 11 March 2020 cancelled the enacted rate reduction and confirmed that the rate of corporation tax will remain at 19%. The rate reduction reversal was substantively enacted on 11 March 2020 by way of a special resolution.

In the Finance Bill 2021, which received Royal Assent on 10 June 2021, the main corporation tax rate was increased to 25% with effect from 1 April 2023. This does not have an effect on the current period's tax provision.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

11 Tangible assets

	<i>Furniture, fittings and equipment £</i>	<i>Other property, plant and equipment £</i>	<i>Total £</i>
Cost			
At 1 January 2020	-	-	-
Additions	<u>102,093</u>	<u>190,020</u>	<u>292,113</u>
At 31 December 2020	<u>102,093</u>	<u>190,020</u>	<u>292,113</u>
Depreciation			
At 1 January 2020	-	-	-
Charge for the year	<u>7,509</u>	<u>109,474</u>	<u>116,983</u>
At 31 December 2020	<u>7,509</u>	<u>109,474</u>	<u>116,983</u>
Carrying amount			
At 31 December 2020	<u>94,584</u>	<u>80,546</u>	<u>175,130</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

12 Right-of-use assets

	<i>Total</i> £
Cost	
At 1 January 2020	-
Additions	<u>725,400</u>
At 31 December 2020	<u>725,400</u>
Depreciation	
At 1 January 2020	-
Charge for the year	<u>408,489</u>
At 31 December 2020	<u>408,489</u>
Carrying amount	
At 31 December 2020	<u>316,911</u>
At 31 December 2019	<u>-</u>

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

13 Investments

Subsidiaries £

Cost

At 1 January 2020	-
Additions	<u>43,067,587</u>
At 31 December 2020	<u>43,067,587</u>

Carrying amount

At 31 December 2020	<u>43,067,587</u>
At 31 December 2019	<u>-</u>

Details of undertakings

The Company's investments at the Balance Sheet date include the following:

Subsidiary undertakings

<i>Subsidiary undertaking</i>	<i>Registered office</i>	<i>Nature of business</i>	<i>Class and proportion of nominal value of issued shares held</i>	
MyTaxi Network Ltd	Harling House, Great Suffolk Street, London, United Kingdom, SE1 0BS	Dormant	Ordinary	100%

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

14 Trade and other receivables

	2020 £	2019 £
Amounts owed by group undertakings	14,062	17,754
Accrued income	-	94,567
Prepayments	155,952	82,203
Other debtors	1,883,482	284,123
	<u>2,053,496</u>	<u>478,647</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Other debtors consists of the balance related to the collection of fare amounts of taxi and PHV transactions in relation to payment service that the FREE NOW App is offering to the passengers of the offered mobility services (payment via smartphone). Additionally it reflects the balances of the current tax receivables in relation to VAT as well as receivables in connection to security deposits.

15 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>2,622,231</u>	<u>7,797,648</u>

16 Trade and other payables

	2020 £	2019 £
Trade creditors	535,697	2,231,832
Amounts owed to group undertakings	45,424,514	725,656
Accrued expenses	779,566	1,062,288
Social security and other taxes	90,779	65,710
Outstanding defined contribution pension costs	3,915	34,225
Other creditors	1,295,748	2,409,576
Current portion of long term lease liabilities	212,000	-
	<u>48,342,219</u>	<u>6,529,287</u>

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

16 Trade and other payables (continued)

All amounts owed by group undertakings are payable on demand, unsecured and non-interest bearing except £42,972,279 which bears interest of 5% per annum with accrued interest amounting to £1,050,906.

Other creditors includes £657,400 of VAT payables.

17 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Long term lease liabilities (refer note 18)	59,128	-

18 Lease liabilities

	2020 £
Current	212,000
Non-current	59,128
	<u>271,128</u>

The Company leases office space. Leases of property generally have a lease term ranging from three to five years. Lease payments are fixed.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or can only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office space, the Company must keep those properties in a good state of repair, insure the property, and incur maintenance fees as specified.

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	Buildings £
3 years	<u>59,128</u>

Some leases of buildings contain extension options exercisable by the Company before the end of the non-cancellable contract period. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

19 Called up share capital

Allotted, called up and unpaid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	3,000	3,000	3,000	3,000
Ordinary shares of £1 (2019 - £0) each	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
	<u>3,002</u>	<u>3,002</u>	<u>3,000</u>	<u>3,000</u>

20 Capital contribution account

Capital contributions - comprises amounts introduced by the owners.

	2020	2019
	£	£
Capital contribution account	<u>52,706,503</u>	<u>38,956,503</u>

During the year £13,750,000 (2019: £38,956,503) was contributed as capital by its parent, Intelligent Apps GmbH.

21 Other reserves

	2020	2019
	£	£
Equity adjustment on acquisition of Mytaxi	<u>43,833,316</u>	<u>-</u>

Mytaxi and Transopco were both directly held by IA GmbH (common parent). Initially, IA GmbH sold its shares in Mytaxi into Transopco (share premium) in consideration for new shares issued by Transopco. During the year, the trade and assets of Mytaxi were hived up into Transopco in return for a purchase price receivable, that is still in place (amounts owed to group undertakings).

The other reserve represents, the excess of fair value over the carrying value of Mytaxi's assets and liabilities acquired by the Company.

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

22 Share premium account

	2020 £	2019 £
Balance at 1 January	-	-
Premium arising on issue of equity shares	<u>43,067,585</u>	<u>-</u>
Balance at 31 December	<u><u>43,067,585</u></u>	<u><u>-</u></u>

The share premium represents the excess of fair value of investment in shares of MyTaxi over the par value of shares issued as consideration to IA GmbH.

23 Commitments and contingencies

There are no commitments or contingencies to be disclosed in the financial statements at 31 December 2020.

24 Financial instruments

Financial assets

	2020 £	2019 £
Loans and receivable	<u>1,898,084</u>	<u>301,877</u>

Financial liabilities

	2020 £	2019 £
Creditors	<u>47,255,959</u>	<u>5,367,064</u>

The amount of £1,898,084 (2019: £301,877) in financial assets is made up of amounts owed by group undertakings £14,602 (2019: £17,754) and other debtors £1,883,482 (2019: £284,123).

The amount of £47,255,959 (2019: £5,367,064) in financial liabilities is made up of trade creditors £535,697 (2019: £2,231,832), amounts owed to group undertakings £45,424,514 (2019: £725,656) and other creditors £1,295,748 (2019: £2,409,576).

Transopco UK Ltd

Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

25 Parent and ultimate parent undertaking

The Company's immediate parent company is Intelligent Apps GmbH. Intelligent Apps GmbH is owned by YOUR NOW Holding GmbH (93.9%) and HNH Group Ltd. (6.1%). YOUR NOW Holding GmbH is owned by BMW AG (50%) and Daimler Mobility AG (50%). The largest group in which the results of the Company are consolidated is that headed by YOUR NOW Holding GmbH, Petuelring 130, c/o BMW INTEC Beteiligungs GmbH, 80809 Munich, Germany. The only other group financial statements that include the results of the Company are that of Intelligent Apps GmbH, Gr. Elbstr. 273, 22767, Hamburg, Germany.

The consolidated financial statements of the group are available to the public and may be obtained from its principal place of business provided above.

There is no ultimate controlling party.

26 Post balance sheet events

There have been no material adjusting or disclosable events since the financial year end.