

## **Arrival Jet Limited**

Annual Report and Financial Statements  
For the period ended 31 December 2017  
Registered number 10661113



## **Arrival Jet Limited**

### **Registered number**

10661113

### **Director**

Andrew Reid

### **Registered office**

Unit 9, Oxford Industrial Park,  
Cassington Road, Yarnton  
Kidlington, England,  
OX5 1QU

### **Registered auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

### **Primary banker**

Lloyds Bank plc  
1-5 High Street, Carfax  
Oxford  
OX1 4AA

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## Director Report

The director of Arrival Jet Limited (the "Company", formerly Arrival Robotics Limited) presents the annual report and audited financial statements for the period from incorporation 9 March 2017 until 31 December 2017 (referred to as 2017 and "period" throughout the financial statements).

On 28 April 2017, the Company changed its name from Arrival Robotics Limited to Arrival Jet Limited.

The Company's ultimate parent company is Kinetik SARL (together with its subsidiaries known as the "Group entities" and "Group undertakings").

### Principal activity and review of the business

The Company was incorporated on 9 March 2017 and is a wholly-owned subsidiary of K Automotive SARL, a company incorporated in Luxembourg. The principal activity of the Company, throughout the reporting period, was research, development and design of autonomous passenger and freight drones.

### Future development

Arrival Jet Limited's goal is to design and develop an autonomous passenger and freight drone based on fully electric components. The research and development effort has been centred around custom design and build of hardware components including the passenger and freight pod and power electronics and motors to increase efficiency of the drone.

The Company will commercialise the product by establishing distribution channels by engaging with potential customers and demonstrating the technological capabilities. The Company will obtain letters of intent to gauge interest and convert the interest into future purchase orders and contracts. The Company will also focus on expanding its production capabilities to meet the required demand at an economical manufacturing cost.

### Proposed dividends

The loss for the period is set out in the profit and loss account on page 6. The director does not recommend a payment of a dividend.

### Political contributions

The Company made no political donations and did not incur any political expenditure during the period.

### Strategic Report

The director has not prepared a Strategic Report as the Company is entitled to the special provision applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### Going concern

Notwithstanding a cash balance of £0.4m as at the balance sheet date, and an operating cash outflow in the period ended 31 December 2017 of £0.6m, the director has prepared the financial statements on a going concern basis for the reasons set out below. The director has assessed the Company's need for further funding in order to support the Company's ongoing operations and has prepared cash flow forecasts to assess both the immediate and long-term capital requirements. Additional financing will be required in the next 12 months. Kinetik SARL (the parent company) has indicated to continue providing financial support in order that the Company meets its financial obligations for a minimum of twelve months from the date of these accounts being signed. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so. The director believes these circumstances constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

### Director

The director who held office during the period was:

A Reid (appointed 9 March 2017)

## **Director Report** *(continued)*

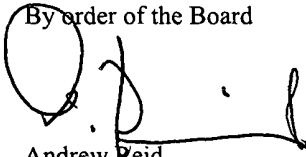
### **Disclosure of information to auditor**

The director who held office at the date of approval of this Director Report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Independent auditors**

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

By order of the Board

A handwritten signature in black ink, appearing to read 'Andrew Reid', is written over a horizontal line.

Andrew Reid

Company Director  
23 November 2018

## **STATEMENT OF DIRECTOR RESPONSIBILITIES IN RESPECT OF THE DIRECTOR REPORT AND THE FINANCIAL STATEMENTS**

The director is responsible for preparing the Director Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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 director is 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. He is responsible for such internal control 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARRIVAL JET LIMITED**

### **Opinion**

We have audited the financial statements of Arrival Jet Limited ("the company") for the period ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 2 in the Annual report and financial statements, which indicates that, given its current cash position and rate of cash utilisation, the Company is reliant on financial support from its parent company to continue as a going concern. The director has an agreement in place with the parent company to provide financial support, but this is not a legally enforceable. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty 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.

### **Director report**

The director is responsible for the director report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the director report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 director remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARRIVAL JET LIMITED** *(continued)*

### **Director responsibilities**

As explained more fully in his statement set out on page 3, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Craig Douglas (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
26 November 2018



**Profit and Loss Account**  
*for the period ended 31 December 2017*

	<i>Note</i>	<b>Period from 9 March 2017 to 31 December 2017 £</b>
<b>Turnover</b>		-
Cost of sales		-
		<hr/>
<b>Gross profit</b>		-
Administrative expenses		(481,335)
		<hr/>
<b>Operating loss</b>	4	(481,335)
		<hr/>
<b>Loss before taxation</b>		(481,335)
Tax on loss	7	-
		<hr/>
<b>Loss for the period</b>		<u>(481,335)</u>

The Profit and Loss account has been prepared on the basis that all operations are continuing operations.

There are no forms of other comprehensive income recognised during the period, and therefore no statement of comprehensive income has been presented.

The notes on pages 10 to 18 form an integral part of these financial statements.

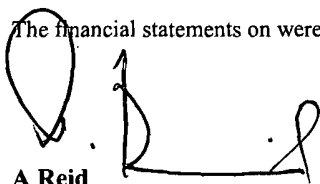
## Balance Sheet

as at 31 December 2017

	<i>Note</i>	2017 £	2017 £
<b>Fixed assets</b>			
Tangible assets	8	24,618	
<b>Intangible assets</b>			
Prototype	9	1,460,065	
			1,484,683
<b>Current assets</b>			
Debtors	10	257,460	
Cash at bank and in hand		409,756	
			667,216
<b>Creditors: amounts falling due within one year</b>	11	(140,421)	
<b>Net current assets</b>			526,795
<b>Total assets less current liabilities</b>			2,011,478
<b>Creditors: amounts falling due after more than one year</b>	12		(20,000)
<b>Net assets</b>			1,991,478
<b>Capital and reserves</b>			
Called up share capital	13		655,100
Share premium			1,817,713
Profit and loss account			(481,335)
<b>Total shareholders' funds</b>			1,991,478

The notes on pages 10 to 18 form an integral part of the financial statements.

The financial statements on were approved by the Board of Directors on 23 November 2018 and signed on its behalf by:



**A Reid**  
**Director**

Registered number 10661113

**Statement of Changes in Equity**  
*for the period ended 31 December 2017*

	<b>Called up share capital</b>	<b>Share premium</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 9 March 2017</b>	-	-	-	-
Loss for the financial period	-	-	(481,335)	(481,335)
Issue of share	655,100	1,817,713	-	2,472,813
<b>Balance at 31 December 2017</b>	<u>655,100</u>	<u>1,817,713</u>	<u>(481,335)</u>	<u>1,991,478</u>

The notes on pages 10 to 18 form an integral part of the financial statements

**Statement of Cash Flows**  
*for the period ended 31 December 2017*

	<i>Note</i>	<b>Period from 9 March 2017 to 31 December 2017 £</b>
<b>Cash flows from Operating Activity</b>		
Cash absorbed used in operations	15	(594,679)
<b>Net Cash Flows used in Operating Activities</b>		<b>(594,679)</b>
 <b>Investing Activities</b>		
Capital expenditure on tangible assets		(28,314)
Capital expenditure on prototype		(1,460,065)
<b>Net Cash Flows used in Investing Activities</b>		<b>(1,488,379)</b>
 <b>Financing Activities</b>		
Proceeds on the issue of shares (net)		2,472,813
Loan from Group undertakings		20,000
<b>Net Cash Flows generated from Financing Activities</b>		<b>2,492,813</b>
 <b>Net Increase in cash &amp; cash equivalents</b>		<b>409,756</b>
Cash and cash equivalents at beginning of period		-
<b>Cash and cash equivalents at end of period</b>		<b>409,756</b>

The notes on pages 10 to 18 form an integral part of the financial statements

## Notes to the financial statements

### 1. General information

Arrival Jet Limited ("the Company") is a research and development company which designs and develops autonomous passenger and freight drones. The Company is a private company limited by shares and is incorporated, domiciled and registered in England in the UK. The registered number is 10661113 and the registered address is Unit 9, Oxford Industrial Park Cassington Road, Yarnton, Kidlington, England, United Kingdom, OX5 1QU.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All the amounts in the financial statements have been rounded to the nearest £1.

### 2. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the profit or loss, and tangible fixed assets and intangible assets measured in accordance with the revaluation model.

#### *Going concern*

Notwithstanding a cash balance of £0.4m as at the balance sheet date, and an operating cash outflow in the period ended 31 December 2017 of £0.6m, the director has prepared the financial statements on a going concern basis for the reasons set out below. The director has assessed the Company's need for further funding in order to support the Company's ongoing operations and has prepared cash flow forecasts to assess both the immediate and long-term capital requirements. Additional financing will be required in the next 12 months. Kinetik SARL (the parent company) has indicated to continue providing financial support in order that the Company meets its financial obligations for a minimum of twelve months from the date of these accounts being signed. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so. The director believes these circumstances constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

#### **Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss account.

#### **Basic financial instruments**

##### *Trade and other debtors/creditors*

Trade and other debtors/creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

## Notes to the financial statements *(continued)*

### 2. Accounting policies *(continued)*

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer Equipment	3 years
Plant and Machinery	5 years

#### **Intangible assets**

##### *Research and development*

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

##### *Capitalised development expenditure*

Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. During the period, the company has incurred expenditure on the development of a fully autonomous passenger and freight drone ("Prototype"). The expenditure capitalised in the development of the Prototype includes the cost of materials and direct labour. The Prototype is still an Asset Under Construction as at 31 December 2017 and accordingly, no amortisation charge will be reflected until the Prototype is completed and commercial activities commence, at which point the development costs will be transferred to the appropriate asset account.

A project is capitalised when the project is: technically feasible, the required resources are available to complete the project, the expenditures are separately identifiable, and it is probable that the project is commercially viable with future economic benefits flowing back to the Company.

Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other development expenditure is recognised in the profit and loss account as an expense as incurred.

#### **Impairment**

The company assesses intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible may not be recoverable. If any such indication of impairment exists, the company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the intangible, the intangible is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

#### **Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand short-term deposits.

#### **Employee benefits**

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## Notes to the financial statements *(continued)*

### 2. Accounting policies *(continued)*

#### *Taxation*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

#### *R&D Tax Credit*

The company may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credit). R&D tax credits reduce current tax expense and, to the extent the amounts due in respect to them are not settled by the statement of financial position date, reduce current tax payable.

### 3. Significant accounting judgements and estimates

In the application of the Company's accounting policies, the director is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

A key judgment made in the preparation of these financial statements is the capitalisation of development costs and the estimation of future cash flows. Capitalised development cost accounting policy is set out in Note 2.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 4. Operating loss

	<b>Period from 9 March 2017 to 31 December 2017</b>
	<b>£</b>
<i>Operating loss is stated after charging/(crediting):</i>	
Depreciation of tangible fixed assets	3,696
Loss on foreign exchange transactions	32,641
<i>Auditors' remuneration:</i>	
Audit fees	20,000
Tax compliance services	3,500
Other taxation advisory services	10,000
	<hr/> 33,500 <hr/>

## Notes to the financial statements *(continued)*

### 5. Director Remuneration

The director is not remunerated for his services to the Company. He is remunerated by another Group undertaking but does not include any remuneration for Arrival Jet Limited.

### 6. Staff numbers and costs

The average number of employees (including director) during the period was:

	Period from 9 March 2017 to 31 December 2017 Number
Director	-
Engineering	8
Administration	1
	<hr/>
	9
	<hr/>

The aggregate payroll cost of these persons was as follows:

	Period from 9 March 2017 to 31 December 2017 £
Wages and salaries	283,405
Social security costs	6,730
Other pension costs	1,066
	<hr/>
	291,201
	<hr/>

During the period £274,762 of aggregate payroll costs were capitalized and the remaining £16,439 were charged to the Profit and Loss Account.



## Notes to the financial statements *(continued)*

### 7. Taxation

#### Total tax expense recognised in the profit and loss account

	Period from 9 March 2017 to 31 December 2017 £
Current tax	
UK Corporation tax	-
	<hr/>
<i>Deferred tax</i>	
Origination and reversal of timing differences	-
	<hr/>
Total tax	-
	<hr/> <hr/>

#### Reconciliation of effective tax rate

The current tax charge for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Period from 9 March 2017 to 31 December 2017 £
Loss for the period	(481,335)
Tax on loss on ordinary activities at standard corporate tax rate of 19%	(91,453)
<i>Effects of:</i>	
Expenses not deductible for tax purposes	-
Losses available for offset against future periods	91,453
	<hr/>
Total tax expense included in profit or loss	-
	<hr/> <hr/>

The company has estimated losses of £481,335 available for carry forward against future profits.

A net deferred tax asset of £91,453 has not been recognised at the balance sheet date as there is uncertainty regarding the period when future profits will be generated to utilise them.

A reduction in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

## Notes to the financial statements *(continued)*

### 8. Tangible assets

	Plant and Machinery £	Computer Equipment £	Total £
<i>Cost</i>			
At 9 March 2017	-	-	-
Additions	24,740	3,574	28,314
	<u>24,740</u>	<u>3,574</u>	<u>28,314</u>
At 31 December 2017	<u>24,740</u>	<u>3,574</u>	<u>28,314</u>
<i>Depreciation</i>			
At 9 March 2017	-	-	-
Charge for period	3,299	397	3,696
	<u>3,299</u>	<u>397</u>	<u>3,696</u>
At 31 December 2017	<u>3,299</u>	<u>397</u>	<u>3,696</u>
<i>Net book value</i>			
At 9 March 2017	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>21,441</u>	<u>3,177</u>	<u>24,618</u>

### 9. Prototype

	Assets Under Construction £
<i>Cost</i>	
At 9 March 2017	-
Additions	1,460,065
	<u>1,460,065</u>
At 31 December 2017	<u>1,460,065</u>
<i>Accumulated amortisation</i>	
At 9 March 2017	-
Charge for period	-
Impairment	-
	<u>-</u>
At 31 December 2017	<u>-</u>
<i>Net book value</i>	
At 9 March 2017	-
	<u>-</u>
At 31 December 2017	<u>1,460,065</u>

## Notes to the financial statements *(continued)*

### 10. Debtors

	2017 £
Prepayments	29,959
VAT receivable	227,501
	<u>257,460</u>

### 11. Creditors: amounts falling due within one year

	2017 £
Trade creditors	36,469
Accruals	33,579
Amounts owed to Group undertakings	70,373
	<u>140,421</u>

### 12. Creditors: amounts falling due after more than one year

	2017 £
Amounts owed to Group undertakings	<u>20,000</u>

### 13. Share capital

	2017 £
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	<u>655,100</u>

The company issued the following ordinary shares of £1 each during the period generating Share Premium of £1,817,713.

Date of issue	Number
On 11 July 2017	70,000
On 17 July 2017	50,000
On 31 August 2017	20,000
On 13 September 2017	40,000
On 28 September 2017	20,000
On 16 October 2017	40,000
On 27 October 2017	40,000
On 21 November 2017	40,000
On 30 November 2017	20,000
On 19 December 2017	80,000
On 28 December 2017	235,000

## Notes to the financial statements *(continued)*

### 14. Related party transactions

During the period, the Company had borrowed a total of £20,000 from Roborace Ltd. Roborace Ltd also provides director services to the Company for which no fees are due.

The Company also has accrued salaries of £70,373 paid by Arrival Ltd, which will be recharged in 2018.

Roborace Limited and Arrival Limited are subsidiaries of the Group undertakings.

### 15. Cash generated from operations

Reconciliation of profit for the period to net cash outflow from operating activities:

	Period from 9 March 2017 to 31 December 2017 £
<b>Loss before taxation for the period</b>	<b>(481,335)</b>
Adjustment for:	
Depreciation	3,696
Increase/decrease in debtors	(257,461)
Increase/decrease in creditors	140,421
	<u><u>(594,679)</u></u>

### 16. Ultimate parent company, controlling party and parent undertaking of larger group of which company is a member

The Company is a subsidiary undertaking of Arrival SARL, a company incorporated in Luxembourg. The ultimate parent company of the Company as at 31 December 2017 was Kinetik SARL, a company incorporated in Luxembourg.

### 17. Post balance sheet events

On 06 February 2018, the Company issued 40,000 ordinary shares for consideration of £176,741, settled in cash.  
On 21 February 2018, the Company issued 26,000 ordinary shares for consideration of £114,750, settled in cash.  
On 14 March 2018, the Company issued 66,000 ordinary shares for consideration of £292,501, settled in cash.  
On 3 April 2018, the Company issued 40,000 ordinary shares for consideration of £174,856, settled in cash.  
On 8 May 2018, the Company issued 40,000 ordinary shares for consideration of £175,608, settled in cash.  
On 26 June 2018, the Company issued 40,000 ordinary shares for consideration of £176,258, settled in cash.  
On 17 July 2018, the Company issued 20,000 ordinary shares for consideration of £88,684, settled in cash.  
On 02 August 2018, the Company issued 20,000 ordinary shares for consideration of £89,008, settled in cash.  
On 14 August 2018, the Company issued 30,000 ordinary shares for consideration of £133,881, settled in cash.  
On 21 August 2018, the Company issued 10,000 ordinary shares for consideration of £44,879, settled in cash.

## **Notes to the financial statements *(continued)***

### **17. Post balance sheet events *(continued)***

On 05 September 2018, the Company issued 60,000 ordinary shares for consideration of £270,392, settled in cash.

On 10 October 2018, the Company issued 40,000 ordinary shares for consideration of £174,779, settled in cash.

On 16 November 2018, the Company issued 65,000 ordinary shares for consideration of £282,290, settled in cash.