

SkyBridge U.K. Ltd (formerly Arrival Jet Ltd)
Annual Report and Financial Statements

Year Ended 31 December 2021

Company Number 10661113

FRIDAY



ACJFAXG1

A07

29/12/2023

#235

COMPANIES HOUSE

SkyBridge U.K. Ltd

**Annual Report and Financial Statements
for the year ended 31 December 2021**

Contents

Page:

1	Director's report
4	Independent auditor's report
8	Statement of comprehensive income
9	Statement of financial position
10	Statement of changes in equity
11	Notes to the financial statements

Directors

M Pavilainen

Registered office

Unit V1
Vector Park
Forest Road
Feltham
TW13 7EJ

Company number

10661113

SkyBridge U.K. Ltd

Director's report for the year ended 31 December 2021

The director of SkyBridge U.K. Ltd (the "Company") presents his director's' report for the year ended 31 December 2021.

Principal activity

The principal activity of the Company throughout the year was the research and design of autonomous passenger and freight drones.

On 18 August 2023, the Company changed its name from Arrival Jet Ltd to SkyBridge U.K. Ltd after passing a special resolution.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows the loss for the year to 31 December 2021.

Brexit

The UK left the European Union on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory legal implications within these statutory financial statements and will continue to do so.

Going concern

The financial statements have been prepared on a going concern basis. Despite the high level of uncertainty as to how the COVID-19 pandemic evolved over 2021, COVID-19 had limited impact on the Company with sites remaining open for critical onsite engineering tasks and the remainder of the Company having continued to work remotely. The Company saw some impact of the pandemic in the efficiency of the supply chain as certain suppliers have had to adjust production timescales through the lockdown, however, the Company mitigated this where possible by bringing activities in-house and adjusting schedules for prototype vehicle development where this has not been possible with no significant impact overall on the business plan.

Until August 2023, the Company was part of the Arrival group of companies, when it underwent a management buy-out ('MBO') and came under the ownership of Maksim Pavilainen. Following the MBO, the Company agreed loan agreements to fund the company, which are not due for repayment within 12 months of the signing of these financial statements, and are sufficient to enable the Company to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

The financial statements are therefore prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future. Please refer to going concern note 2 to the financial statements for further detail.

Post balance sheet events

See note 17 for information on post balance sheet events.

SkyBridge U.K. Ltd
Director's report
for the year ended 31 December 2021 (continued)

Directors

The directors of the Company who served during the year and subsequent to year end were:

M Pavilainen (appointed 18th August 2023)
A Rugoobur (resigned on 18th August 2023)
T Holbrow (resigned 19th September 2022)
C McGrath (appointed 19th September 2022, resigned 16th June 2023)

Statement of director's responsibilities

The director is responsible for preparing the director's 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 the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provisions

The Company has in place insurance to indemnify the directors of the company, whilst serving on the Board, against third party proceedings. The indemnity policy was in place throughout the year and remains in place at the date of this report.

Small companies exemptions

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006 for reduced disclosures. The director has also taken exemptions from preparing a strategic report under section 414(B) of the Companies Act 2006.

SkyBridge U.K. Ltd

**Director's report
for the year ended 31 December 2021**

Prior year restatement

During the audit, it was identified that employee loans had been classified incorrectly in the prior year. This resulted in a prior year restatement, which is further discussed in note 18.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms 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.

Auditors

Pursuant to Section 487 of the Companies House Act 2006, Macintyre Hudson LLP ('MHA') were appointed as auditor subsequent to the year end.

Approval

Approved by the director on 22 December 2023 and signed on their behalf by:



**M Pavilainen
Director**

SkyBridge U.K. Ltd

**Independent auditor's report
to the members of SkyBridge U.K. Ltd**

Independent auditor's report to the members of SkyBridge U.K. Ltd

Opinion

We have audited the financial statements of SkyBridge U.K. Ltd (the 'Company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 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 matter

The prior year figures are unaudited.

SkyBridge U.K. Ltd

Independent auditor's report (continued) to the members of SkyBridge U.K. Ltd

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

SkyBridge U.K. Ltd

Independent auditor's report (continued) to the members of SkyBridge U.K. Ltd

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.

Explanation as to what extent the audit was considered 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:

- Testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be of greater susceptibility to fraud;
- Performing targeted journal entry testing based on identified characteristics that the audit team considered to be indicative of fraud;
- Critically assessing areas of the financial statements which include judgement and estimates, as set out in Note 3 of the financial statements;
- We obtained an understanding of the legal and regulatory frameworks applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act 2006 and relevant tax compliance regulations; and
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other corroborating evidence.

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. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

SkyBridge U.K. Ltd

**Independent auditor's report (continued)
to the members of SkyBridge U.K. Ltd**

Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

Andrew Gandell

Andrew Gandell, FCA, Senior statutory auditor
For and on behalf of MHA, Statutory Auditor
London, United Kingdom
Date: 22 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

SkyBridge U.K. Ltd

**Statement of Comprehensive Income
for the year ended 31 December 2021**

	Note	2021	Unaudited 2020
		£	£
Administrative expenses		(2,027,845)	(1,364,783)
Research and development expenses		(4,792,226)	(2,297,987)
Operating loss	4	(6,820,071)	(3,662,770)
Finance expenses		(583)	(344)
Finance income		-	-
Loss on ordinary activities before taxation		(6,820,654)	(3,663,114)
Taxation	6	(121,098)	347,120
Loss after taxation and total comprehensive loss for the year		(6,941,752)	(3,315,994)

All amounts relate to continuing activities.

There was no other comprehensive income in the current or prior year. There were no recognised gains or losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 form part of these financial statements.

SkyBridge U.K. Ltd

**Statement of Financial Position
as at 31 December 2021**

<i>Company number 10661113</i>	Note	2021	2021	Unaudited and as restated 2020	Unaudited and as restated 2020
		£	£	£	£
Non-current assets					
Intangible assets	7	814		4,921	
Tangible assets	8	786,313		285,068	
			787,127		289,989
Current assets					
Debtors – due in less than one year	9	2,262,845		606,650	
Debtors – due in greater than one year	9	1,414,865		1,604,173	
Cash at bank and in hand	10	53,419		868,643	
		3,731,129		3,079,466	
Creditors: amounts falling due within one year	11	(1,322,537)		(285,270)	
Net current assets			2,408,592		2,794,196
Net assets			3,195,719		3,084,185
Capital and reserves					
Called up share capital			4,459,146		2,832,518
Share premium			14,649,500		9,326,015
Share based payments reserve			358,318		255,219
Accumulated deficit			(16,271,245)		(9,329,567)
Total shareholders' funds			3,195,719		3,084,185

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the director on 22 December 2023 and signed on its behalf by:


M Pavilainen
Director

The notes on pages 11 to 23 form part of the financial statements.

SkyBridge U.K. Ltd

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital	Share premium	Share based payments reserve	Accumulated deficit	Total shareholders' funds
	£	£	£	£	£
Balance at 1 January 2020 (unaudited)	1,661,100	5,233,736	-	(6,013,573)	881,263
Total comprehensive loss for the year (unaudited)	-	-		(3,315,994)	(3,315,994)
Transactions with owners, recorded directly in equity					
Issue of shares (unaudited)	1,171,418	4,092,278	-	-	5,263,697
Share based payments expense			255,219		225,219
Balance at 31 December 2020 (unaudited)	2,832,518	9,326,015	255,219	(9,329,567)	3,084,185
Total comprehensive loss for the year	-	-		(6,941,678)	(6,941,678)
Transactions with owners, recorded directly in equity					
Issue of shares	1,626,628	5,323,486	-	-	6,950,114
Share based payments expense	-	-	103,099	-	103,099
Balance at 31 December 2021	4,459,146	14,649,500	358,318	(16,271,245)	3,195,719

The notes on pages 11 to 23 form part of these financial statements.

SkyBridge U.K. Ltd

Notes to the financial statements for the year ended 31 December 2021

1 General information

SkyBridge U.K. Ltd (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England in the UK under the Companies Act. The address of the registered office is given on the contents page.

The principal activity of the Company throughout the year was the research and design of autonomous passenger and freight drones.

2 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The functional and presentation currency of these financial statements is sterling. All the amounts in the financial statements have been rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires Company management to apply judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis.

The principal activity of the company was the research and design of autonomous passenger and freight drones. The company performs this function and is expected to incur expenses and continuing losses for the foreseeable future. The company has not yet manufactured or sold any production vehicles to customers and so has generated no revenue to date. The company is therefore reliant on loans and grants for support and as such it is necessary to consider the going concern assessment of the company.

The company's cash flow forecasts demonstrate that the company has adequate funds through funding from its loan agreements to commence the prototypes and builds, as well as to invest in research and product development throughout the going concern period and to procure materials sufficient to produce the planned prototypes. The director has applied sensitivities to its cost base and are satisfied that the business can sustain reasonable increases in cost and continue to meet its liabilities as they fall due for the 12 months from the date of approval of these financial statements. These forecasts are prepared on the basis that no revenue will be generated in the 12 months from the date of approval of these financial statement.

Based on the above, the director is confident that the company has sufficient funds to continue to be able to realise its assets and discharge its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements and therefore the financial statements have been prepared on a going concern basis.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

2	Accounting policies (continued)
----------	--

Tangible fixed assets, intangible assets and depreciation

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the statement of comprehensive income 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:

Fixtures and fittings	5 years
Plant and machinery	5 years
Computer equipment	3 years

Assets under the course of construction are depreciated when ready for use.

Intangible fixed assets are stated at cost, net of accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the statement of comprehensive income to write off the cost less the estimated residual value of intangible assets by equal instalments over their estimated useful economic lives as follows:

Software	3 years or over the period which any licences cover
----------	---

Impairment

The Company assesses its tangible fixed assets and intangible assets for impairment at each reporting date to determine whether there is any indication that the assets are impaired. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If the recoverable amount is less than the value of the assets, the asset is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Research and development

Expenditure on research activities is recognised in the statement of comprehensive income 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.

Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

2	Accounting policies (continued)
----------	--

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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 statement of comprehensive income.

Share-based payments

Where share-based payments are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

2	Accounting policies (continued)
----------	--

Current and deferred taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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 statement of financial position date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases

The Company has no assets which are financed by leasing agreements that give rights approximating to ownership ('finance leases').

As such, all leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

The benefits of lease incentives on entering into new leases are spread over the lease term.

Pension costs

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 statement of comprehensive income in the years during which services are rendered by employees.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The share-based payment reserve represents the cost of the shares of the Company held by the share-based payment schemes for employees.
- The accumulated deficit reserve earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

2	Accounting policies (continued)
----------	--

Finance income and finance expenses

Finance expenses include interest payable, recognised in the statement of comprehensive income using the effective interest method, unwinding of the discount on provisions and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy).

Finance expenses are recognised in the statement of comprehensive income as they accrue using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine the appropriate apportionment of research and development costs to identifiable assets and determine which assets are expected to give rise to future economic benefits.
- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

3	Judgements in applying accounting policies and key sources of estimation uncertainty (continued)
----------	---

Other key sources of estimation uncertainty (continued)

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annual and may vary depending on a number of factors.

In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4	Operating loss	2021	Unaudited 2020
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible fixed assets	166,456	94,331
	Amortisation of intangible assets	4,107	5,062
	Loss on foreign exchange transactions	134,007	12,501
	Research	4,742,447	2,297,987
	Operating lease rentals (premises):	490,403	209,746
		<hr/>	<hr/>

5	Employees	2021	Unaudited 2020
	Staff costs consist of the following:	£	£
	Wages and salaries	3,508,660	1,897,003
	Social security costs	400,614	219,577
	Employers pension	136,404	73,626
	Share based payments	103,099	255,219
		<hr/>	<hr/>
		4,148,778	2,445,425
		<hr/>	<hr/>

The average number of employees during the year was 44 (2020: 26 (unaudited)).

Directors' remuneration was borne by a fellow group company in the period.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

6	Taxation on loss on ordinary activities		
		2021	Unaudited 2020
		£	£
	<i>Current tax</i>		
	UK corporation tax at 19% (2019: 19%)	121,098	52,901
	Adjustments in respect of prior periods	-	(400,021)
	Total current tax (credit)/charge	121,098	(347,193)
	<i>Deferred tax</i>		
	Total deferred tax charge	-	-
	Taxation (credit)/charge on loss on ordinary activities	121,098	(347,120)

The current tax charge for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK. The differences are explained below:

		2021	Unaudited 2020
		£	£
	Loss on ordinary activities before taxation	(6,820,654)	(3,663,114)
	Tax on loss on ordinary activities at standard UK corporation tax rate of 19% (2020: 19%)	(1,295,924)	(695,992)
	<i>Effects of:</i>		
	Expenses not deductible for tax purposes	134,787	50,744
	Income not taxable	(42,832)	-
	Amounts not recognised	1,230,880	-
	Other differences	94,187	-
	Total taxation (credit)/charge on loss on ordinary activities	121,098	(347,120)

The company has tax losses carried forward of 6,683,159 (2020: 3,663,114). A deferred tax asset has not been recognised based on the uncertainty over the timing of when these will unwind.

SkyBridge U.K. Ltd

Notes to the financial statements
For the year ended 31 December 2021 (*continued*)

7 Intangible assets			
			Software
			£
Cost			
At 31 December 2020 (unaudited) and at 31 December 2021			15,187
Amortisation			
At 31 December 2020 (unaudited)			10,266
Charge for the year			4,107
At 31 December 2021			14,373
Net book value			
At 31 December 2020 (unaudited)			4,921
At 31 December 2021			814

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

8 Tangible assets					
	Furniture and Fittings	Plant and Machinery	Computer Equipment	Assets under construction	Total
	£	£	£	£	£
Cost					
At 31 December 2020 (unaudited)	46,221	136,791	232,398	36,110	451,520
Additions	51,282	359,416	193,752	63,251	667,701
At 31 December 2021	97,503	496,207	426,150	99,361	1,119,221
Amortisation					
At 31 December 2020 (unaudited)	7,918	65,244	93,290	-	166,452
Charge for the year	17,112	49,780	99,564	-	166,456
At 31 December 2021	25,030	115,024	192,854	-	332,908
Net book value					
At 31 December 2020 (unaudited)	38,303	71,547	139,108	36,110	285,068
At 31 December 2021	72,473	381,183	233,296	99,361	786,313

The directors are satisfied that provision for impairment is required to tangible fixed assets.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

9	Debtors	2021	Unaudited and restated 2020
		£	£
	Amounts owed by employees	1,416,123	1,604,173
	Prepayments	470,755	158,332
	Deposits	337,552	167,553
	VAT receivable	356,866	55,241
	Corporation tax receivable	1,096,414	225,524
		2,261,587	2,210,823

Amounts owed by employees relate to employee loans to the company. The loans mature in 2027.

All amounts shown under debtors fall due for payment within one year except for amounts owed by employees of £1,416,123 (2020: £1,604,173 (restated)).

Corporation tax receivable principally relates to an R&D tax credit receivable of £516,260 and a s455 debtor of £580,155. The s455 receivable relates to amounts recoverable from HMRC following settlement of the s455 liability that has arisen in relation to employee loans that have not been repaid within 9 months of the year end.

10	Cash and cash equivalents	2021	Unaudited 2020
		£	£
	Cash at bank and in hand	53,419	868,643
		53,419	868,643

There is a fixed charge held over book and other debts, chattels, goodwill and uncalled capital, both present and future. There is a floating charge held over all assets and undertakings, both present and future. These charges are in relation to a loan taken out by a fellow subsidiary, secured against the assets and undertakings of the group of which the company was a part at the time.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

11	Creditors: amounts falling due within one year		Unaudited
		2021	2020
		£	£
	Trade creditors	336,707	64,454
	Accruals	446,954	220,816
	Other taxation and social security	184,245	-
	Corporation tax	354,631	-
		1,322,537	285,270

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The corporation tax payable relates to a s455 liability (as explained in note 9) offset by the receipt of a tax credit during the year.

12	Commitments under operating leases
-----------	---

The Company had minimum lease payments under non-cancellable operating leases as set out below:

		2021	Unaudited 2020
		£	£
	No later than one year	672,882	199,053
	Later than one year but not later than five years	3,364,410	676,212
	Later than five years	2,143,877	529,922
		6,181,169	1,405,187

In June 2021, the Company signed leases for three more units in Feltham, Vector Park, Units V1, V6 and V7. These leases are for 10 years and explains the increase in commitments under operating leases.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

13	Share capital		
		2021	Unaudited 2020
		£	£
	Allotted, called up and fully paid		
	4,459,146 (2020 - 2,832,518 (unaudited)) ordinary shares of £1 each	4,459,146	2,832,518

During the year the company issued 1,626,628 ordinary shares for a nominal value of £1. The total value of the shares issued was £6,950,114.

Ordinary shares carry voting and dividend rights.

14	Share based payments
-----------	-----------------------------

During the year the Company entered into the group Share Option Plan ('SOP') operated by the parent company.

As per the share option plan, participants in the scheme were granted options with the following vesting conditions: a) 50% of share options granted vest on the first anniversary of the participant's start date, b) 25% of the options vest subject to a production rate milestone, and c) 25% of the share options vest subject to a contribution milestone. All the above conditions are subject to an exit event. Any employee participating in the share option scheme must be an employee of the Company or of another group undertaking at the time a vesting condition has been met.

During the year, there was no other movement in the SOP. The awards granted under the SOP carry no dividend or voting rights.

The Company measures its share-based payment expense on the basis of a reasonable allocation of the expense for the group. The share-based remuneration expense for the year was £103,099 (2020: £255,219) in respect of the equity-settled scheme.

The Company has not disclosed all assumptions used in the Black Scholes model, on the basis that it is exempt from this disclosure under the small companies regime.

15	Related party disclosures
-----------	----------------------------------

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There are no other material related party transactions requiring disclosure.

Key management personnel are considered to be the directors and their remuneration is disclosed in note 5.

SkyBridge U.K. Ltd

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

16 | Controlling party

As at 31 December 2021, the immediate parent company was Arrival Luxembourg SARL, the ultimate parent company was Kinetik SARL.

The Company has recently undergone a MBO (management buyout) in which the new immediate and controlling party is our CEO, Maksim Pavilainen.

17 | Post balance sheet events

The following share issues were made subsequent to the year end:

	Number of shares issued	Consideration	Amount credited to share premium
Year	Number	£	£
2022	2,008,531	8,537,103	6,528,572
2023	697,355	3,062,533	2,365,178

All shares issued were ordinary shares. On 18 August 2023, the company underwent a management buy-out ('MBO') and Maksim Pavilainen became the new owner.

Following the MBO, the company changed its name to SkyBridge U.K. Limited.

The Company also entered into two loan agreements in August 2023 and in November 2023, which are not due for repayment until 2025 and form the basis of the funding for the Company's expenditure.

18 | Prior year restatement

During the audit it was identified that the employee loans, previously classified as debtors due in less than one year, were not due under signed agreements, until 2027. As a result, these required reclassification to debtors due in more than one year.

The prior year adjustment was to debit debtors due in greater than one year and credit debtors due within one year.

The impact on profit before tax, net assets and shareholder's funds was £nil.