Optare

ANNUAL REPORT AND ACCOUNTS 2024

ASHOK LEYLAND

COMPANY INFORMATION

Directors	Mr G Mahadevan (NED) Mr V Venkataraman (NED)
Secretary	Mr A Mukhopadhyay
Company number	06481690
Registered office	Unit 3 Hurricane Way South Sherburn In Elmet North Yorkshire LS25 6PT
Auditor	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton SO14 3TL

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The directors present the strategic report for the year ended 31 March 2024.

Fair review of the business

Optare PLC ("Optare") specialises in the production and service of diesel buses and through Switch Mobility the production and service of electric buses within the UK, Europe and India. The company has production facilities in Europe and India, and aftermarket service centres in Rotherham, Thurrock and Manchester within the UK. The company has Engineering centres and Corporate offices in Chennai (India), and Warwick (UK). Financial Year 2024 saw Optare deliver 58 buses in the UK. Total production of buses was 58 in the UK and 233 buses in India, where Switch also operate the buses on a GCC (Gross Cost Contract) basis. In total, revenues were £66,555k, an increase of £43,631k compared with Financial Year 2022/2023. As the business is in a development and growth phase with higher volumes from the market, the pre-tax loss has reduced to £45,238k (compared with losses of £62,043k in FY2022/2023).

Assets held for sale amounting to £6,970k represents buses manufactured and meant for outright sale to Ohm Global Mobility Private Limited. The sale is expected to be completed within 12 months from the date of classification as held for sale.

The business was strategically managed with a focus on profitability and cash flow as the primary KPIs, ensuring priority focused cost reductions and maintaining strong liquidity for agile decision-making and growth pursuits.

Performance highlights

Switch India

- Received an order for 950 buses for Convergence Energy Services (CESL), Delhi. This is the largest order in Switch's history.
- Received an order for outright sale of 100 buses from Uttar Pradesh State Road Transport Corporation (UPSRTC).
- Received Switch India's first international order from Mauritius for 4 buses.
- Received an order for 33 buses from Ashok Leyland.
- Received an order for 61 buses from OHM/Jindal Steel Works, Dolvi.
- We acquired multiple outright sale orders from New Clients like IIT Madras, AMTS(Ahmedabad), KSRTC(Kerala), GSRTC(Gujarat), TMC(Tirupati), etc.

Switch UK

- Received an order of 118 Solo Diesel buses from Stagecoach; received a further order of 2 Solo Diesel buses from Centrebus.
- We received an order of 13 Metrocity EV 9.4m from Stagecoach, 12 of which were delivered within this financial year.

Deliveries within the financial year

Switch India

Outright sale

- 33 buses to Ashok Leyland
- 61 buses to OHM/JSW Dolvi
- 35 buses for Chalo, Indore
- More than 25 buses to various clients in India like IIT Madras, AMTS (Ahmedabad), KSRTC (Kerala), GSRTC (Gujarat), TMC (Tirupati), etc.
- LCV 30 Nos

Capitalised

- 48 buses to Brihanmumbai Electric Supply & Transport (BEST), Mumbai.
- 20 buses to Chalo/JSW

Switch UK

- 46 Metrocity EV to Abellio, Arriva, Tower Transit, HCT and Stagecoach
- 6 Solo EV to Translink
- 5 Solo Diesel to Stagecoach and WH Bence

In addition to these, we delivered 6 additional resale Solo buses.

New product developments

The company has among the strongest product development teams in the industry, generating advanced product designs in accordance with customer needs, legislative requirements and market trends, integrated with marketleading technology suppliers. Through 2023/2024 our R&D teams developed a number of new products including Switch IeV3, Switch IeV4, Switch EiV12 ULE, Switch e1 and relaunched Optare Diesel, a legacy product widely accepted by customers.

These products incorporate highly efficient battery technology and a robust structure, resulting in them being some of the most efficient buses within the industry.

SWITCH IeV3 & SWITCH IeV4

The Switch IeV3 and the Switch IeV4 were launched in September 2023 during Ashok Leyland's 75th-anniversary celebrations. The Switch IeV3 and IeV4 are built on a body-on-frame construction with a 310V high-voltage EV architecture, offering a payload capacity of 1.2 tonnes and 1.7 tonnes in the 2 to 3.5-tonne payload segment. Switch Mobility's IeV (intelligent electric vehicle) series of electric light commercial vehicles (eLCVs) include the Switch iON system, a proprietary telematics solution that helps businesses optimise fleet operations. The Switch iON system can help with: Route optimisation, Predictive maintenance, Real-time data and insights, and Remote diagnostics and monitoring.

The Switch IeV Series is versatile, making it suitable for a wide range of transportation needs, whether it's last-mile deliveries for e-commerce or urban goods distribution. These vehicles provide efficient and sustainable mobility and are poised to redefine mid and last-mile transportation.

We commenced the production of the Switch IeV4 in March 24, which is India's first eLCV in 3.5-ton category and is built on a cutting-edge 310V high-voltage architecture for enhanced performance. The vehicle offers superior payload, extended range and maximized volumetric space, resulting in a significantly better TCO. We are also on track to launch the IeV3 in the first half of the year 2024-25

OPTARE SOLO- DIESEL

We listened to our customers and relaunched our industry leading Solo Diesel, upgraded with Cummins Euro 6 engine, led by our customer, Stagecoach who placed an order of a total of 118 units.

SWITCH E1

We are close to completion of development of Switch e1, our product offering for the European market. The Switch Mobility E1 is a 12-meter electric bus designed for European markets. E1 is a lightweight bus attributed to the monocoque construction, which also gives greater strength. This translates to lower operational costs and improved range. E1 offers exceptional passenger capacity with 30 seats and space for up to 93 passengers. The spacious interior boasts a low floor for easy access, a focus on accessibility features, and real-time information displays.

Backed by the continued progress and product development reaching its conclusive stages in the year 2023-24, Switch Mobility is targeting the E1 to be completed by end of 2024, with a Go-To-Market strategy under development for key markets in Europe. We have continued to explore strategic partnerships that enhance our market presence. In the year FY25, we will continue to build momentum on our comprehensive strategy which works in synchronisation with E1's technical potential and customer success.

SWITCH EIV12 ULE

Switch India is currently developing the Switch EiV12 ULE buses and the Switch EiV12 Model Year 2024 buses to primarily cater to the 950-bus order from CESL (Convergence Energy Services Limited) and the 100 bus order from UPSRTC (Uttar Pradesh State Road Transport Corporation).

s172 Companies Act 2006

As required by Section 172 (1) of the Companies Act 2006, the directors of the group must act in the way they consider, in good faith, would be most likely to promote success of the group for its members as a whole, and in doing so have regard (amongst other matters) to:

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

During the year, the directors meet regularly to review medium- and long-term Strategy as well as scheduled Board presentations and reports including updated on operational matters, financial performance and Health & Safety updates. The directors believe that the following issues are relevant in complying with Section 172 (1) of the Companies Act 2006.

The likely consequences of any decision in the long run
The directors understand the business and the evolving and challenging conditions of the markets in which the business operates, as a Board we have always taken decisions for the long term, our aims are always to uphold the highest standard of conduct and act fairly. This is reflected in our strategy and business principles.

The interests of the group's employees
The company encourages the involvement of its employees through regular communication, consultation, and information. Switch Mobility senior management works closely with Unite the Union which represents its' members in Production, and we have employee representative forum, which is chaired by a director on rotation, for our officebased staff. The CEO has held communication sessions with all staff to ensure they are kept informed of company performance and are engaged in the workings of the business.

The need to foster the group's business relationships with suppliers, customers and others
We understand that our business can only grow and prosper over the long-term if we understand and respect the views and needs of our customers, colleagues and the communities in which we operate, as well as our suppliers, the environment and the shareholders to whom we are accountable. The directors ensure that the group engages at multiple levels with the customer to ensure that their needs are understood and met, and information received from them is incorporated into strategic decision making. the directors ensure that suppliers are able to meet the group's quality, service and environmental standards and are aligned with the group's business ethics and corporate social responsibility requirements.

The impact of the group's operations on the community and the environment
The Directors recognise their responsibility to ensure that the impact of the business operations on local communities is positive and promote employment opportunities locally.

The group's environmental policy is to meet the statutory requirements placed upon it and to apply good environmental practice in its operations. The group will continue to reduce its greenhouse gas emissions through the implementation of the next phase of its environmental action plan.

Environmental considerations are further detailed in the Streamlined energy and carbon reporting (SECR) section of the report which is on page 8.

The desirability of the group maintaining a reputation for high standards of business conduct
It is critical that the group maintains the highest standards of business conduct in order to retain existing contracts and customers whilst being able to compete for new tenders and business opportunities. This also enables long term mutually beneficial relationships with suppliers. The directors regularly review and approve the corporate social responsibility policy, anti-fraud and bribery policies, modern slavery statements amongst other things to ensure that high standards are maintained within the group's businesses and business relationships with third parties.

The need to act fairly as between members of the group
The directors will continue to engage with all stakeholders throughout 2024 to ensure success is delivered for the members of the group.

Development

During Financial Year 2023/2024, our strategic focus has been on developing a strong range of electric buses to cater for UK, Indian and European markets and electric LCVs to cater for the Indian market. We relaunched Diesel variant of the industry preferred Optare Solo as we listened to our customer's needs and addressed them through this product. We also worked on development of Switch EIV12 on the back of the order book of 1050 buses. We are close to completion of development of Switch E1, our first 12m bus in the European market. Looking ahead, Switch Mobility is expected to introduce upgrades on the current bus.

We continued development of the electric LCV from previous year. We commenced the production of the Switch IeV4 in Mar24, which is India's first eLCV in 3.5-ton category and is built on a cutting-edge 310V high-voltage architecture for enhanced performance. The vehicle offers superior payload, extended range and maximized volumetric space, resulting in a significantly better TCO. We are also on track to launch the IeV3 in the first half of FY25.

Financial performance

The financial results for the year show a net loss of £43,599k compared to a loss of £60,122k in the previous period, largely due to a drop in UK volume and investment in EV vehicle development.
The key highlights for the period end are:

· Revenue for the period was £66,555k (2022/2023: £22,924k).
· Gross profit was £15,160k over the twelve-month period as agfinst the loss of £5,915k in the year 2022/23.
· Loss after tax was £43,599k (2022/2023: £60,122k).

Key risks and mitigating activities
We have a robust management system in place to monitor and assess the company risks.

The board of directors and members of the steering committee are responsible for reviewing the group's internal financial controls and risk management systems and processes to limit the exposure to the below key risks.

The key risks that might materially affect the financial performance of the group are:

Changes in legislation

Legislative changes may require investment in new product developments or adaptations which will incur cost. Design changes are regularly made to address legislative changes well ahead of their legal introduction. The latest example is migration to TfL V2.4 specification that has prompted investments into the electric bus platforms.

Change in Policy

There was no change in Government both in India and UK in the year 2023/24. Though change of Government had happened in UK in the year 2024-25, we believe the economic stability would continue to be maintained. However changes in Government Incentives & Subsidies affect EV adoption; an example in India would be the FAME II (Faster Adoption of Manufacturing of Electric vehicle) scheme which was launched in 2019. Subsidies under the second phase of the FAME scheme were only eligible for e-vehicles sold till March 31, 2024.

Pricing, Credit and Fund constraints

The price is determined by the market and competition. We identify the areas of cost reduction and try to make our product more competitive. We sell the products to customers on agreed credit terms. Cash flow is monitored closely within the company and reported on a regular basis internally and to the group. Credit lines are in place to ensure short and midterm liquidity. The company has been adequately supported by the parent company in the past in meeting its liquidity needs.

Market transition to EV does not occur as quickly as expected

The Group operates in a market which is reliant on continued growth. There is also an increasing number of competitors entering the market, whose actions may affect the level of turnover of the group. Market demand, whilst underpinned by strong long-term drivers, may fluctuate over the short to medium term but has shown high growth trajectory in India, UK and Europe.

In India, the increase in adoption is dependent on factors like setting up of charging Infrastructure, and favourable policies and regulations. The increase in the number of charging stations will support EV adoption and alleviate range anxiety. Favourable polices like incentivizing, the private sector to adopts EVs and outright purchases and subsidies will increase adoption.

Supply chain

The Group is currently dependent upon key suppliers to ensure continuity of production. Interruption of such supply may have a detrimental effect on the group's revenue stream and resultant operating results. Common sourcing strategies are devised with Ashok Leyland Limited to reduce the dependency on any one supplier. The War in Ukraine and current inflation in the supply chain also poses risks to supply continuity and costs, impacting on margins. The group's common sourcing with Ashok Leyland helps to minimise this risk.

Reputational and Customer relationships

The Group continues to trade with a number of customers, the future business of which cannot be guaranteed beyond the terms and conditions of existing contracts as referred to by separate disclosure. Challenges in previous quality also provide reputational risks in the UK. Significant effort is put into maintaining and developing Switch's long-term reputation with both existing customers and new customers.

Introduction and production of new technologies

The introduction and start-up of production of new technologies, such as EV technology, carries a technical and execution risk. The group continually works with major global suppliers to evaluate new technological developments and how best to improve designs, introduce them into products and incorporate them into assembly production.

On behalf of the board

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Mr V Venkataraman (NED)
Director

Date: 3rd September 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The group is engaged in bus and light commercial vehicle; design, manufacture, sales, refurbishment, and aftermarket support.

Results and dividends

The results for the year are set out on pages 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G Mahadevan (NED)
Mr V Venkataraman (NED)

Qualifying third party indemnity provisions

Every director and senior officer shall be indemnified by the company out of its own funds. An appropriate insurance policy is in place.

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Cannon Place, 78 Cannon Street, London, EC4N 6HN).

The group's current policy concerning the payment of trade creditors is to:
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 61 day's purchases (2023: 79 days), based on the average daily amount invoiced by suppliers during the year.

Political donations

There were no political contributions during the period (2023: £Nil). Charitable contributions were £Nil in the period (2023: £Nil).

Financial instruments

Existence of Branches outside UK

The Group's activities in overseas jurisdictions are carried out through subsidiary companies. Details of the Group's overseas subsidiaries are set out in 17 to the Group's consolidated financial statement.

Financial instruments

The company's financial instruments comprise cash, borrowings and leases, and various items such as trade debtors and trade creditors arising from its operations. Switch Mobility Limited has not established a formal policy on the use of financial instruments but assesses the risks faced by the company as economic conditions and the company's operations develop. Further disclosures relating to financial instruments are included in the summary of significant accounting policies (note 1).

Rsearch and development

The company has in our view one of the strongest product development teams in the industry, generating advanced product designs in accordance with customer needs, legislative requirements and market trends, integrated with market-leading technology suppliers. Through 2023/2024 our R&D teams developed a number of new products including Switch E1, Switch IeV3, Switch IeV4, Switch EiV12 ULE, Solo Diesel upgraded with Cummins Euro 6 engine. These products incorporate highly efficient battery technology and a robust structure, resulting in them being some of the most efficient buses within the industry.

Disabled persons

It is the policy of the company that disabled people should have the same consideration as others for all job vacancies for which they apply as suitable candidates.

It is company policy to ensure that equal opportunity is given for the employment, training and career development of disabled people, including people who become disabled whilst in the company's employment. The company also holds Disability Confident certification..

Employee Involvement

The company encourages the involvement of its employees through regular communication, consultation, and information sharing. An employee survey takes place annually to obtain views from all employees and the leadership team are committed to driving positive actions as a result of the feedback received. Switch Mobility senior management works closely with Unite, the Union which represents its' members in Production, and we have an employee representative forum, which is chaired by HR with Senior Leadership Team involvement for our office and field based staff. The CEO has held several communication sessions with all staff and has also introduced a "meet the CEO" where small groups are able to ask questions directly to the CEO. All of these initiatives seek to ensure that employees are kept informed of the progress of the company and that they remain engaged in the workings of the business..

Remuneration policy

The policy of the committee was to reward directors and senior officers in order to recruit, motivate and retain high quality executives within a competitive marketplace.

There are three main elements of the remuneration packages for directors and senior management:
- basic annual salary (including directors fees) and benefits;
- annual bonus payments which cannot exceed 30% of salary; and
- pension arrangements.

Basic salary

Basic salary is reviewed annually in March with increases taking effect from 1 April. In addition to basic salary, the senior officers also receive certain benefits in kind, principally private medical insurance and a car or car allowance.

Annual bonus

The purpose of the annual bonus is to reward the senior officers and other senior management for achieving above average performance compared to appropriate industry targets, which would also benefit shareholders. Incentive payments for the year ended 31 March 2024 totalled £Nil (2023 - £Nil).

Pension Arrangements

The senior officers are members of a money purchases pension scheme to which the group contribution ranges from 6% to 10% of salary and bonuses. No other payments made to directors are pensionable.

During the year, remuneration was paid to directors totalling £527k (2023 - £1,089k).

Sustainability Strategy

The company places significant emphasis on sustainability, aiming to go beyond the statutory requirements placed upon it. From an environmental perspective, as outlined in the SECR, several steps have been taken to reduce greenhouse gas emissions from operations. The company reviewed its activities to reduce its Corporate Carbon Footprint following the Corporate Carbon footprint assessment of UK operations conducted in 2021. From this report the company is implementing a number of activities to reduce its carbon footprint, including but not limited to:

- Manufacturing side improvements including energy optimisation during idle time followed by several small improvement projects.
- Switch India Operations running on 93% renewable energy.
- Replacement of conventional lamps with energy efficient LED lamps on a continual replacement basis.
- Working towards implementation of setting up ESG Committee and roadmap of Switch journey to Net Zero.
- ESG data tracking tool has been launched to track UN SDG goals & GRI compliance as well.
- Signed up for RE100 initiative by Climate group with Parent Company AL signing up.
- TUV certification training provided for all high voltage handling employees.
- Switch Mobility India has been awarded "Great Place to work".

Alongside our commitment to environmental sustainability, mandatory training modules are in place to help educate all of our employees on Diversity, Equity and Inclusion. Additionally, the Senior Leadership Team undergo more detailed training, taking into account the cultural differences across our operations. Refresher training for all of our colleagues takes place bi-annually and each new starter undergoes ED&I training during induction. From a CSR perspective, Switch employees have continued to raise money for UK-based charities through a series of events and have raised circa £1,096 over the past year. Switch have also sponsored the local children's cricket team in 2024 as part of our commitment to the local community. As a business we are also committed to supporting early careers via apprenticeships and plan to introduce a new apprenticeship programme in 2024.

Post reporting date events

The group is continually reviewing its debt structure to ensure it is optimum and effective, as per policy. The group had tied up a long term loan facility of GBP 85 Mio with MUFG bank. The loan would be used to repay all the existing loans availed from ICICI, Barclays and HDFC. The balance facility would be utilised for development and working capital projects within the business.

Going concern

In considering the going concern aspect of the business, the directors paid due regard to their financial forecasts over the next 12 months including expected revenue streams and future funding opportunities.

The group made a loss before tax for the year to 31 March 2024 of £45.2m (2023 £62.0m) with net assets of £10.0m as against the net liability of £59.4m in the year 2022-23 . Over the 12 months following this report, the group is forecasting a loss before tax.

The group forecasts have been drawn up on the basis that the group will source external funding from investors. To demonstrate prudence the forecasts were stress-tested to measure the cash requirements should funding not come into fruition, and covenants on financing facilities were also considered as part of this. This was considered by the group's ultimate parent company to be within their capacity for any necessary future funding required to support the group.

The group has obtained a legally binding letter of support from its ultimate parent company, Ashok Leyland Limited, who are a public limited company incorporated and domiciled in India. This letter confirms that, if necessary, Ashok Leyland Limited will source or provide additional funding if required to allow the company to meet all contractual and legal obligations and covenant requirements if needed, including any intercompany receivable balances due, for the period up to and including the 31 September 2025. The directors have assessed the ability and intention of the ultimate parent company to provide funding if required and consider this satisfactory.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Matters covered in Strategic report

The disclosures which are required to be presented under Directors' report however not included, have instead been presented in the Strategic report

Auditor

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

During the year, the company consumed 3,509k kilowatt hours (2,960k 2022/23) of energy and the emissions were calculated at 1,138 tonnes (815 2022/23) of carbon dioxide equivalents at an emissions intensity of 17.1 (kg CO2e / £'000) for the period 1st April 2023 to 31st March 2024.

Energy consumption	**2024 kWh**	**2023 kWh**
Aggregate of energy consumption in the year		
- Gas combustion	909	850
- Electricity purchased	1,918	1,408
- Fuel consumed for transport	682	702
	3,509	2,960

Emissions of CO2 equivalent	**2024 metric tonnes**	**2023 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	166.00	155.00
- Fuel consumed for owned transport	162.00	168.00
	328.00	323.00
Scope 2 - indirect emissions		
- Electricity purchased	810.00	492.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	-
Total gross emissions	1,138.00	815.00
Intensity ratio		
Tonnes CO2e / £'000	17.1	35.6

Quantification and reporting methodology
The Group has taken guidance from the UK Government Environmental Reporting Guidance (March 2019), the GHG Reporting Protocol -Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH) data, where applicable for the HH suppliers (there was no estimation profiling required). For supplies where there was not complete 12 months energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage data was obtained from expense claims submitted for our company cars and grey fleet. CO2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information.

Intensity measurement
The emission intensity for CO2 emissions (measured in relation to revenue) and overall CO2 emissions have decreased in comparison to the previous year. This is mainly due to increase in revenue in the current year.

Measures taken to improve energy efficiency
Several energy efficiency improvement and conservation measures were taken up by all of the facilities which include:

· Behavioural changes at the facilities like switching off when not required, operating the essential and required assets during nights and weekends and employee awareness.
· Reducing the number of lights in operation at the production facility in Ennore.
· Manufacturing side improvements including energy optimisation during idle time followed by several small improvement projects.
· Onboarding a new integrated waste management provider to provide greater traceability on waste management and improve % of recycling.
· Replacement of conventional lamps with energy efficient LED lamps on a continual replacement basis.
· Optimising pressure settings of all air compressors.

The company intends to continue to take steps to reduce its carbon emissions intensity as it increases production of vehicles over the coming years.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director 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 / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board.

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Mr V Venkataraman (NED)
Director

Date: 3rd September 2024

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion on the financial statements

In our opinion:

· the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;

· the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;

· the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and

· the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Optare Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise Group income statement, Group statement of comprehensive income, Group statement of financial position, Group statement of changes in equity, Group statement of cash flows, Company statement of financial position, Company statement of changes in equity and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

We considered the significant laws and regulations to be the applicable accounting framework (UK adopted international accounting standards and FRS 101), relevant direct and indirect tax compliance in the jurisdictions in which the group operates (principally in UK and India), and Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Bribery Act 2010 and Companies (Miscellaneous Reporting) Regulation 2018.

Our procedures in respect of the above included:
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:
- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be incorrect recognition of revenue through unusual combination journals, existence of revenue recorded at the year end and management override of control.

Our procedures in respect of the above included:
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- We selected a judgemental sample of journals not meeting the defined risk criteria and agreed these to supporting documentation;
- In relation revenue recognition, we tested revenue through a combination of test of controls and other substantive procedures. Other substantive procedure include testing a sample of sales back to underlying supporting documentation including invoice, contracts/orders, delivery note and bank receipt and performing year end cut off tests and also including unusual combinations to revenue as a part of our journals testing.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed noncompliance 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.

Use of our report

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

Arbinder Chatwal (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK
September 3rd, 2024

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

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Revenue	4	66,555	22,924
Cost of sales		(51,395)	(28,839)
Gross (loss)/Profit		15,160	(5,915)
Other operating income		523	787
Distribution costs		(579)	(728)
Administrative expenses		(47,611)	(44,333)
Exceptional Items	5	1,350	(2,922)
Operating loss	6	(31,157)	(53,111)
Finance income	10	352	40
Finance costs	11	(14,433)	(8,972)
Loss before taxation		(45,238)	(62,043)
Income tax income	13	1,639	1,921
Loss for the year		(43,599)	(60,122)
Other comprehensive expense:			
Items that will not be reclassified to profit or loss			
Actuarial gain/(Loss) on defined benefit pension schemes		15	95
Currency translation differences		(654)	(308)
Total items that will not be reclassified to profit or loss		(639)	(403)
Total other comprehensive expense for the year		(639)	(403)
Total comprehensive expense for the year		(44,238)	(60,525)
Loss for the financial year is attributable to:			
- Owners of the parent company		(43,039)	(59,299)
- Non-controlling interests		(560)	(823)
		(43,599)	(60,122)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(43,669)	(59,694)
- Non-controlling interests		(569)	(831)
		(44,238)	(60,525)

The total comprehensive income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 17 to 36 form part of these group financial statements.

AS AT 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	**15**	28,174	23,435
Property, plant and equipment	**16**	49,295	38,976
Other receivables	**20**	4,045	324
Deferred tax asset	**26**	5,017	3,378
		86,531	66,113
Current assets			
Inventories	**18**	29,408	30,944
Trade and other receivables	**20**	41,862	47,384
Current tax recoverable		57	157
Cash and cash equivalents		12,340	10,661
Assets held for sale	**16**	6,970	-
		90,637	89,146
Current liabilities			
Trade and other payables	**24**	34,853	54,055
Borrowings	**22**	85,372	115,649
Lease liabilities	**25**	1,885	1,311
Provisions	**27**	9,158	1,780
Deferred revenue	**28**	34	40
		131,302	172,835
Net-current liabilities		(40,665)	(83,689)
Non-current liabilities			
Trade and other payables	**24**	-	1,334
Borrowings	**22**	24,130	29,078
Lease liabilities	**25**	8,903	7,518
Long term provisions	**27**	2,875	3,779
Retirement benefit obligations	**29**	2	60
		35,910	41,779
Net assets/(liabilities)		9,956	(59,355)
Equity			
Called up share capital	**30**	141,894	129,434
Share premium account	**31**	133,485	32,396
Own shares	**33**	5,542	5,542
Share-based payment reserve	**34**	42	42
Capital redemption reserve	**32**	(9,527)	(9,527)
Accumulated losses		(259,922)	(216,253)
Equity attributable to owners of the parent company		11,514	(58,366)
Non-controlling interests		(1,558)	(989)
Total deficit		9,956	(59,355)

The notes on pages 17 to 36 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 3rd September 2024 and are signed on its behalf by:

....

Mr V Venkataraman (NED)
Director
Company registration number 06481690 (England and Wales).

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Share-based payment reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling Interest £'000	Total £'000
Balance at 1 April 2022		102,980	32,396	(9,516)	5,542	42	(162,431)	(30,987)	(311)	(31,298)
Year ended 31 March 2023										
Loss for the year		-	-	-	-	-	(59,299)	(59,299)	(823)	(60,122)
Other comprehensive income										
Actuarial gains/(Loss) on pensions scheme		-	-	-	-	-	(95)	(95)	-	(95)
Currency translation differences		-	-	-	-	-	(308)	(308)	-	(308)
Amounts attributable to non-controlling interests		-	-	-	-	-	8	8	(8)	-
Total comprehensive income		-	-	-	-	-	(59,694)	(59,694)	(831)	(60,525)
Transactions with owners										
Issue of share capital	30	26,881	-	-	-	-	-	26,881	-	26,881
Redemption of shares	30	-	-	(11)	-	-	-	(11)	-	(11)
Acquisition of subsidiary		-	-	-	-	-	-	-	(2)	(2)
Disposal of shares in subsidiary to non-controlling interest		-	-	-	-	-	5,872	5,872	(272)	5,600
Other movements		(427)	-	-	-	-		(427)	427	-
Balance at 31 March 2023		129,434	32,396	(9,527)	5,542	42	(216,253)	(58,366)	(989)	(59,355)
Year ended 31 March 2024										
Loss for the year		-	-	-	-	-	(43,039)	(43,039)	(560)	(43,599)
Other comprehensive expense										
Actuarial gains/(loss) on pensions scheme		-	-	-	-	-	15	15	-	15
Currency translation differences		-	-	-	-	-	(654)	(654)	-	(654)
Amounts attributable to non- controlling interests		-	-	-	-	-	9	9	(9)	-
Total comprehensive income		-	-	-	-	-	(43,669)	(43,669)	(569)	(44,238)
Transactions with owners										
Issue of share capital	30	12,459	101,089	-	-	-	-	113,549	-	113,549
Balance at 31 March 2024		141,893	133,485	(9,527)	5,542	42	(259,922)	(11,514)	(1,558)	9,956

The notes on pages 17 to 36 form part of these group financial statements.

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Operating activities					
Loss before tax			(45,238)		(62,043)
Adjusted for non-cash items:					
Depreciation charge	6		6,226		3,800
Amortisation of intangible assets	6		2,663		5,761
Loss/(Gain) on disposal of fixed assets			(243)		(84)
Finance income	10		(352)		(40)
Finance charges	11		14,433		13,766
			(22,511)		(38,840)
Increase/(Decrease) in provisions			5,659		936
(Increase)/Decrease in inventories			1,536		(13,135)
(Increase)/Decrease in trade and other receivables			1,802		(24,609)
Increase/(Decrease) in trade and other payables			(20,525)		35,260
Cash utilised in operations			(34,039)		(40,388)
Interest paid			(12)		(4,972)
Income tax refund / (Paid)			105		(589)
Net cash inflow from operating activities			(33,946)		(45,949)
Investing activities					
Purchase of intangible assets	15	(7,947)		(10,569)	
Purchase of property, plant and equipment		(23,007)		(26,752)	
Proceeds on disposal of property, plant and equipment		2,748		122	
Purchase of subsidiaries		-		36	
Interest received		352		40	
Net cash used in investing activities			(27,854)		(37,123)
Financing activities					
Proceeds from issue of shares		113,549		-	
Issue of preference shares		-		30,072	
Repayment of borrowings		(28,286)		-	
Proceeds of new bank loans	22	-		75,468	
Repayment of intercompany loans		(20,846)		(31,918)	
Payment of lease liabilities		(2,493)		(1,437)	
Disposal of shares in subsidiary to non-controlling interest		-		5,600	
Net cash generated from financing activities			61,924		77,785
Net increase in cash and cash equivalents			124		(5,287)
Cash and cash equivalents at beginning of year			10,661		14,712
Effect of foreign exchange rates			1,555		1,236
Cash and cash equivalents at end of year			12,340		10,661

Changes in liabilities arising from financing activities

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

	At 1 April 2023	Financing cash flows	New loans	New leases	Acquired through group reorganisation	Accrued interest	At 31 March 2024
		Cash movements			Non-cash movements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	134,282	(50,548)	-	-	-	12,441	96,175
Leases	8,829	(2,493)	-	4,207	-	245	10,788
Loans from parent undertakings	28,666	(20,846)	-	-	-	1,200	9,020
	171,777	(73,887)	-	4,207	-	13,886	115,983

	At 1 April 2022	Financing cash flows	New loans	New leases	Acquired through group reorganisation	Accrued interest	At 31 March 2023
		Cash movements			Non-cash movements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	54,637	(1,333)	75,468	-	-	5,510	134,282
Leases	5,811	(1,437)	-	4,199	-	256	8,829
Loans from parent undertakings*	27,821	(30,586)	-	-	-	2,765	-
	88,269	(33,356)	75,468	4,199	-	8,531	143,111

1 Material Accounting policies

Company information
Optare PLC is a public company limited by shares, whose shares are traded privately, incorporated in England and Wales. The registered office is Unit 3 Hurricane Way South, Sherburn-in-Elmet, Leeds, North Yorkshire, LS25 6PT. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Optare PLC and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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

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

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

A business combination falls outside of the scope of IFRS 3 if there exists common control between the acquiring party and the vendor. Such acquisitions are accounted for using the predecessor value method. Assets and liabilities are recognised at book value, consideration is recognised at the value transferred, and the difference is allocated to a common control reserve.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Optare PLC together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

1.4 Going concern

In considering the going concern aspect of the business, the directors paid due regard to their financial forecasts over the next 12 months including expected revenue streams and future funding opportunities.

The group made a loss before tax for the year to 31 March 2024 of £45.2m (2023 £62.0m) with net assets of £10.0m (2023 net liability of £59.4m). Over the 12 months following this report, the group is forecasting a loss before tax.

The group forecasts have been drawn up on the basis that the group will source external funding from investors. To demonstrate prudence the forecasts were stress-tested to measure the cash requirements should funding not come into fruition, and covenants on financing facilities were also considered as part of this. This was considered by the group's ultimate parent company to be within their capacity for any necessary future funding required to support the group.

The group has obtained a legally binding letter of support from its ultimate parent company, Ashok Leyland Limited, who are a public limited company incorporated and domiciled in India. This letter confirms that, if necessary, Ashok Leyland Limited will source or provide additional funding if required to allow the company to meet all contractual and legal obligations and covenant requirements if needed, including any intercompany receivable balances due, for the period up to and including the 31 August 2025. The directors have assessed the ability and intention of the ultimate parent company to provide funding if required and consider this satisfactory.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

The Group's revenue arises from the sale of vehicles and parts and the provision of servicing, maintenance and repairs. No separate revenues are generated from development and design. Revenue from the sale of vehicles and parts and for repairs is recognised when contractual performance obligations between the Group and customer are satisfied. For the sale of vehicles, revenue is recognised on delivery of the goods; for parts, it is recognised on dispatch of the goods, and for repairs it is recognised on completion of the relevant repair. The Group also engages in longer term fleet servicing and maintenance contracts. The revenue from these maintenance contracts is recognised on the basis of; the number of miles commuted by the vehicles during the period multiplied by a fixed pence per mile. This is considered to reflect the transfer of services to the customer.

Some goods sold by the Group include warranties which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the cost of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Determining the transaction price

Most of the Group's revenue is derived from fixed price contracts for bus sales, and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

Allocating amounts to performance obligations

For most bus sale contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Practical Exemptions

The Group has taken advantage of the practical exemptions:

· not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
· to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less

1.6 Goodwill

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

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

1.7 Intangible assets other than goodwill

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

· Software	-	5 years straight line
· Acquired vehicle designs	-	10 years straight line
· Customer relationships	-	10 years straight line
· Technical knowhow	-	10 years straight line
· Internal vehicle design	-	no more than 10 years straight line
· Research and development	-	no more than 10 years straight line

Acquired vehicle designs, internal vehicle designs, technical knowhow and research and development are all recognised in vehicle related intangible assets in note 14.

1.8 Property, plant and equipment

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

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

Land and buildings	Over the life of the lease
Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	10% to 33% straight line
Plant and equipment	10% to 25% straight line
Computers	10% to 33% straight line
Motor vehicles	10% to 25% straight line or over the life of the lease
Production tooling	15% to 20% straight line

Freehold land and assets in the course of construction are not depreciated.

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

1.9 Non-current investments

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

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Borrowing costs related to non-current assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Impairment of tangible and intangible assets

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

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

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

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

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

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing the inventories to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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

1.13 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.14 Cash and cash equivalents

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

1 Material Accounting policies (continued)

1.15 Financial assets

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

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

Financial assets held at amortised cost

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

Impairment of financial assets

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instruments) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Trade receivables and contract assets with a significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

The group assumes that the credit risk on financial asset has increased significantly if it is more than 30 days past due with significant contracts reviewed on an individual basis.

Derecognition of financial assets

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

1.16 Financial liabilities

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.17 Equity instruments

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

1.18 Taxation

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

Current tax

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

Deferred tax

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

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

1 Material Accounting policies (continued)

1.19 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event and it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.20 Employee benefits

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

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

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

1.21 Retirement benefits

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

The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The group makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Eligible employees of the group are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the group make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up by the Central Government

Group's liability towards gratuity (funded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.22 Leases

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

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

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

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

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

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

1 Material Accounting policies (continued)

1.23 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.24 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

The group accounts consolidate overseas subsidiaries whose local accounts are maintained in currencies other than Sterling. Any differences arising on reserves as a result of movements between local currencies and Sterling are recognised as currency differences upon consolidation, and are taken directly to retained earnings.

1.25 Research and development

Expenditure on the research phase of new projects is recognised as an expense in the income statement.

Costs that are directly attributable to a project's development phase are recognised as intangible assets.

2 Adoption of new and revised standards and changes in accounting policies

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning or after 1 April 2023. These new standards and amendments do not have a material impact on the Group and the Company.

Standards which are in issue but not yet effective

The Group has not adopted interpretations and amendments to standards that are issued but not mandatory for the year ended 31 March 2024. They are not expected to have a material impact on the Group.

3 Material accounting estimates and judgements

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

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

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

Critical judgements
Impairment reviews

Management performs impairment reviews annually on goodwill, other intangible assets and tangible assets. These involve comparing the estimated future cash flows of the business, using a discount rate, to the carrying value of the group's non-current assets. Where the net present value of the forecast cash flows exceeds the carrying value, no impairment is required. As required by IFRSs, no assumption is made that profit growth can exceed national, market or product averages without justification.

Clearly, there is an element of estimation uncertainty associated with forecasting accuracy. When completing the impairment review, the directors considered the same factors as outlined for the going concern review; critical assumptions are the discount rate used and the growth in turnover in the next three years' business plan through the introduction of new products.

In the year, intangible assets with a NBV of £28,174k (2023 - £23,435k) and PPE with a NBV of £49,295k (2023 - £38,976k) have been reviewed and assets related to the diesel business (vehicles and production tooling) have been impaired by £Nil (2023 - £365k). Further based on the impairment assessment performed, Intangible assets amounting to £649k (2023 - £nil) were impaired in Switch Mobility Europe EL.

Provision for warranty claims

Management has estimated the cost of potential warranty claims arising on the acquisition of the various businesses and on the new bus sales. There is estimation uncertainty associated with the likely level of claims and their financial impact upon the business. The factors affecting the level of warranty costs are: the number of buses sold; the length in periods and the breadth in cover of the terms of the warranty given with the bus; the ability of the group to obtain suitable back to back warranties from its suppliers; the efficiency of the quality processes applied in the designing and the building of buses; the strictness with which warranty claims from customers are vetted; and the extent to which goodwill claims are allowed.

The level of warranty provision required is based on the number of buses in service and their remaining warranty life, with the key estimation being the likely warranty cost per bus. This is based on historical data, with estimates where necessary for new vehicle designs. If the assumption for likely warranty cost per vehicle was adjusted by 10%, this would equate to an under or over provision of £1,203k (2023 - £556k). The accounts include a total warranty provision of £12,033k (2022 - £5,559k).

Provision for expected credit loss

Allowances against doubtful debts are recognised against trade receivables between 30 days and 365 days based on estimated recoverable amounts based on past experience under the expected credit loss model. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). The group's credit risk relates primarily to its trade receivables. There is significant estimation uncertainty associated with the determination of the recoverable amount. The total trade debt not impaired was £18,440k (2023 - £4,903k) and a bad debt provision of £335k (2023 - £1,956k).

Provisions for inventories

Inventories are valued at the lower of cost vs net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends. An inventory impairment provision has been recognised against stock of £3,184k (2023 - £3.244k). This has been allocated against raw materials. Management reviews the requirement for impairment against work in progress and finished goods on a case by case basis.
At the year end, an impairment of nil (2023 - nil) was required.

4 Revenue

	2024 £'000	2023 £'000
Revenue analysed by class of business		
Sale of goods	50,306	16,264
Render of services	16,249	6,660
	66,555	22,924

	2024 £'000	2023 £'000
Revenue analysed by geographical market		
UK	24,871	13,920
Europe	117	172
Rest of the world	1,017	1,057
India	40,550	7,775
	66,555	22,924

	2024 £'000	2023 £'000
Other income		
Grants received	100	134
Research and development tax credit	-	645
Other	423	18

5 Exceptional items

	2024 £'000	2023 £'000
Income		
Provision for fire damage works	1,350	-
Expenditure		
Provision for fire damage works	-	2,922
Net exceptional income/(expenditure)	1,350	(2,922)

6 Operating loss

Operating loss for the year is stated after (crediting)/charging:	2024 £'000	2023 £'000
Exchange gains	(23)	(42)
Research and development costs	2,442	1,469
Government grants	(100)	(134)
Fees payable to the company's auditor for the audit of the company's financial statements	295	269
Depreciation of property, plant and equipment	6,226	3,800
Profit on disposal of property, plant and equipment	(243)	(84)
Amortisation of intangible assets (included within administrative expenses)	2,663	5,761
Cost of inventories recognised as an expense	41,517	20,625
Other income	(423)	(663)

7 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2024 £'000	2023 £'000
For audit services		
Audit of the financial statements of the group and company	122	104
Audit of the financial statements of the company's subsidiaries	183	165
	295	269

8 Employees

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

	2024 Number	2023 Number
Head Office and administration	196	286
Production	372	305
Total	568	591

Their aggregate remuneration comprised:

	2024 £'000	2023 £'000
Wages and salaries	19,848	20,569
Social security costs	911	1,727
Pension costs	589	674
	21,348	22,970

Wage costs capitalised as part of development costs total £2,814k (2023 - £2,717k).

9 Directors' remuneration

	2024 £'000	2023 £'000
Remuneration for qualifying services	527	1,089

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

	2024 £'000	2023 £'000
Remuneration for qualifying services	527	1,077

There are no directors for whom retirement benefits are accruing under defined contribution schemes (2023 - nil).
During the year, no directors were entitled to receive shares under long term incentive schemes (2023 - nil).

10 Investment income

	2024 £'000	2023 £'000
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	351	40
Other interest income on financial assets	1	-
Total interest revenue	352	40

11 Finance costs

	2024 £'000	2023 £'000
Interest on bank overdrafts and loans	12,441	5,509
Interest on lease liabilities	245	256
Other interest payable	1,212	2,942
Total interest expense	13,898	8,707
Unwinding of discount on provisions	535	265
	14,433	8,972

12 Administrative expenses

Included in administrative expenses are the following:

	2024 £'000	2023 £'000
Employees	13,244	16,636
Subcontractor labour	1,044	3,002
Computer running costs	1,380	2,163
Depreciation	6,226	3,800
Amortisation	2,663	5,761
Other	23,054	12,971
	47,611	44,333

"Other" includes travelling, conveyance, legal, consultancy, insurance premiums, communication and other establishment costs

13 Income tax expense

	2024 £'000	2023 £'000
Deferred tax		
Origination and reversal of temporary differences	(1,755)	(2,061)
Foreign exchange differences	116	140
	(1,639)	(1,921)

The charge for the year can be reconciled to the (loss) per the income statement as follows:

	2024 £'000	2023 £'000
Loss before taxation	(45,158)	(62,043)
Expected tax credit based on a corporation tax rate of 25.00% (2023-19.00%)	(11,310)	(11,788)
Effect of expenses not deductible in determining taxable profit	162	535
Income not taxable	8,255	-
Unutilised tax losses carried forward	1,360	8,626
Effect of overseas tax rates	-	706
Taxation credit for the year	(1,639)	(1,921)

14 Impairments

Impairment tests have been carried out where appropriate. As a result of these tests, intangible assets were impaired by £649k (2023 - Intangible assets were impaired by £365k), being recognised in administrative expenses.

15 Intangible assets

	Goodwill	Software	Development costs	Vehicle related intangible assets	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	8,703	896	23,013	608	963	34,183
Additions	-	263	6,334	-	3,976	10,573
Disposals	-	-	(79)	-	-	(79)
Transfers	-	-	2,395	-	(2,395)	-
Foreign currency adjustments	-	(27)	(281)	-	(91)	(399)
Other movements	-	846	-	-	-	846
At 31 March 2023	8,703	1,978	31,382	608	2,453	45,124
Additions - internally generated	-	516	3,641	-	3,789	7,946
Transfers	-	390	2,620	-	(3,010)	-
Foreign currency adjustments	-	(49)	(509)	-	(97)	(655)
At 31 March 2024	8,703	2,835	37,134	608	3,135	52,415
Amortisation and impairment						
At 1 April 2022	8,703	139	6,129	608	-	15,579
Charge for the year	-	394	5,367	-	-	5,761
Eliminated on disposals	-	-	(79)	-	-	(79)
Foreign currency adjustments	-	(17)	(79)	-	-	(96)
Other movements	-	524	-	-	-	524
At 31 March 2023	8,703	1,040	11,338	608	-	21,689
Charge for the year	-	417	2,246	-	-	2,663
Foreign currency adjustments	-	(19)	(90)	-	-	(109)
At 31 March 2024	8,703	1,438	13,494	608	-	24,243
Carrying amount						
At 31 March 2024	-	1,399	23,640	-	3,135	28,174
At 31 March 2023	-	938	20,044	-	2,453	23,435
At 31 March 2022	-	757	16,884	-	963	18,604

16 Property, plant and equipment

	Land and buildings	Leasehold land and buildings	Assets under construction	Plant and equipment	Fixtures & fittings	Computers	Motor vehicles	Production tooling	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
At 1 April 2022	8,090	1,863	187	3,342	558	2,069	7,026	2,711	25,846
Additions	8,737	126	21,138	178	67	331	116	257	30,950
Disposals	-	-	-	-	-	-	(118)	-	(118)
Transfers	-	169	(18,493)	872	318	534	16,614	-	14
Foreign currency adjustments	77	(10)	(128)	(53)	(16)	(26)	(834)	-	(990)
Other	-	-	(12)	-	-	(846)	-	-	(858)
At 31 March 2023	16,904	2,148	2,692	4,339	927	2,062	22,804	2,968	54,844
Additions	668	256	21,643	75	21	-	4,281	270	27,214
Disposals	(39)	(48)	-	-	-	(14)	(3,141)	-	(3,242)
Transfers	-	148	(24,031)	860	130	161	22,732	-	-
Transfer to held for sale	-	-	-	-	-	-	(7,790)	-	(7,790)
Foreign currency adjustments	(137)	(11)	(67)	(76)	(15)	(26)	(859)	-	(1,191)
At 31 March 2023	17,396	2,493	237	5,198	1,063	2,183	38,027	3,238	69,835
Accumulated depreciation and impairment									
At 1 April 2022	2,499	1,688	-	2,382	183	1,053	2,472	2,452	12,729
Charge for the year	1,529	59	-	213	86	377	1,439	97	3,800
Eliminated on disposal	-	-	-	-	-	-	(80)	-	(80)
Foreign currency adjustments	(4)	(1)	-	(8)	(2)	(4)	(38)	-	(57)
Other	-	-	-	-	-	(524)	-	-	(524)
At 31 March 2023	4,024	1,746	-	2,587	267	902	3,793	2,549	15,868
Charge for the year	1,446	53	-	433	111	443	3,740	117	6,226
Eliminated on disposal	(39)	(6)	-	-	-	-	(692)	-	(737)
On assets reclassified as held for sale	-	-	-	-	-	-	(735)	-	(735)
Foreign currency adjustments	(6)	(1)	-	(11)	(2)	(5)	(57)	-	(82)
At 31 March 2024	5,425	1,792	-	3,009	376	1,340	6,049	2,666	20,540
Carrying amount									
At 31 March 2024	11,971	701	237	2,189	687	843	31,978	572	49,295
At 31 March 2023	12,880	402	2,692	1,752	660	1,160	19,011	419	38,976

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	**2024**	**2023**
	£'000	**£'000**
Net values at the year end		
Property	7,410	8,050
Motor vehicles	3,396	99
	10,806	8,149
Total additions in the year	4,207	4,199
Depreciation charge for the year		
Property	1,447	1,450
Motor vehicles	202	138
	1,649	1,558

Reclassification between computer equipment and software has been performed during the year ended 31 March 2023 to better reflect the underlying nature of these assets. This has no impact on the net book value.

During the year Switch Mobility Automotive Limited reclassified motor vehicles with a carrying amount of £6,097k to held for sale. £85k of foreign exchange has arisen from translation at year end.

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	Indirect
Switch Mobility Limited	Unit 3 Hurricane Way South, Sherburn In Elmet, Leeds, North Yorkshire, LS25 6PT, UK	Ordinary	98.56	-
Switch Mobility Automotive Limited*	No1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, 600032, India	Ordinary	-	100.00
Switch Mobility Europe SL	Calle Miguel Iscar, N° 15-1° centro, C.P. 47001, Valladolid, Spain	Ordinary	-	100.00
Ohm International Mobility Limited	Unit 3 Hurricane Way South, Sherburn In Elmet, Leeds, North Yorkshire, LS25 6PT, UK	Ordinary	-	80.00
Optare UK Limited	Unit 3 Hurricane Way South, Sherburn In Elmet, Leeds, North Yorkshire, LS25 6PT, UK	Ordinary	100.00	-

*Switch Mobility Automotive Limited has 53.4 million shares in issue at the balance sheet date. All shares except for 6 are owned by the company.

18 Inventories

	2024 £'000	2023 £'000
Raw materials	19,529	22,411
Work in progress	6,871	1,818
Finished goods	3,008	6,715
	29,408	30,944

19 Contracts with customers

	2024 Period end £'000	2023 Period end £'000	2023 Period start £'000
Contracts in progress			
Contract assets	1,151	801	262

Analysis of contract assets	2024 £'000	2023 £'000
Sale of goods	1,151	801

All contract assets are expected to unwind within 12 months.

20 Trade and other receivables

	Current 2024 £'000	2023 £'000	Non-current 2024 £'000	2023 £'000
Trade receivables	18,775	6,859	-	-
Provision for bad and doubtful debts	(335)	(1,956)	-	-
	18,440	4,903	-	-
Contract assets (note 19)	1,151	801	-	-
VAT recoverable	7,732	7,805	-	-
Amount owed by parent undertaking	841	1,891	-	-
Amount owed by fellow group undertaking	3,798	78	-	-
Other receivables	7,201	28,395	4,045	324
Prepayments	2,699	3,511	-	-
	41,862	47,384	4,045	324

Non-current receivables relate to security deposits and capital advances that are expected to be released after one year.

21 Trade receivables - credit risk

Expected credit loss assessment **Trade receivables**	**Balance £'000**	**2024 rate %**	**Loss allowance £'000**	**Balance £'000**	**2023 rate %**	**Loss allowance £'000**
0 - 30 days past due	11,813	0	-	4,619	1	46
31 - 180 days past due	6,642	0.2	15	1,929	83	1,601
181 - 365 days past due	227	100	227	91	100	91
More than 365 days past due	93	100	93	218	100	218
	18,775		335	6,857		1,956

Expected credit loss provisions are based on estimated recoverable amounts based on past experiences under the expected credit loss model. The provision includes £nil (2023 - £1.74m) which has been allocated to customer specific balances.

No significant receivable balances are impaired at the reporting end date.

22 Borrowings

	Current 2024 £'000	2023 £'000	Non-current 2024 £'000	2023 £'000
Borrowings held at amortised cost:				
Bank loans	76,352	86,983	19,823	25,037
Redeemable preference shares	-	-	4,307	4,041
Loans from parent undertaking	9,020	28,666	-	-
	85,372	115,649	24,130	29,078

During the current year, the company agreed a short term lending facility from Ashok Leyland Limited's parent company, Hinduja Automotive Limited. The loan bears an interest rate of 6M SONIA + 4%.

Inter Company loans availed to Switch Mobility Automotive Limited by the ultimate parent company, Ashok Leyland Limited, are made available for operational, working capital and capital expenditure purposes. These loans carry an interest rate charged at the one year MLCR +200 interest rate.

All bank loans are secured by way of distinct corporate guarantees provided by Ashok Leyland Limited covering the entirety of the lending periods.

Switch Mobility Automotive Limited issued 8.5% 30,100,000 Non-Convertible Redeemable preference shares to Ashok Leyland Limited redeemable on or before 20 years. These preference shares are fair valued at a discount rate of 10.5% and the equity component amounting to £26,882k was recognised in Other Equity and the liability component of £4,307k is disclosed under financial liabilities and measured at amortised cost, until it is redeemed.

23 Financial instruments

Foreign exchange risk

One of management's primary foreign currency risks arise from suppliers who invoice in Euros, US Dollars and New Zealand Dollars. The group monitors exchange rate movements and considers the utilisation of purchasing currency in advance to manage this risk. The group's bulk purchases of stock enable management of the overall pricing of materials, and monitoring of exchange rates ensures that the group makes payments against trade payables at an appropriate time to reduce the effect of exchange rate fluctuations. As of 31 March 2024 foreign currency risk was negligible in regard to trade receivables as 99.9% of all invoices were issued in their respective local currencies.

While the group takes steps to minimise its exposure to cash flow interest rate risk and foreign exchange risk as described above, changes in foreign exchange rates may have an impact on profit and cash flow, albeit this is likely to be minor given that the majority of transactions are conducted in their respective local currencies. The group's foreign exchange risk is dependent on the movement in the Euro, US Dollar, New Zealand Dollar, Japanese Yen and Indian Rupee to Sterling exchange rates. Any significant foreign currency denominated assets or liabilities at the period end are translated using exchange rates applicable to the time with any exchange rate differences recognised in the income statement.

The group has subsidiaries in the UK, Spain and India with each company transacting in their local currency, being Euro and Indian Rupee. As a result many of the companies revenues and costs originate and denominate changes in foreign exchange rates and therefore the company carries an inherent risk in reporting profits given that it's functional and presentational currency is Sterling.

The group actively seeks to manage a natural hedge to its foreign exchange exposure with each region it operates in having both the cost base and sales revenue is the same currency. Currently the main foreign exchange risk arises on consolidation when operations results are translated from local currency to Sterling.

Interest rate risk

Management has a policy to obtain long-term debt at fixed rates and short-term debt at flexible rates. In FY 2024 fixed interest debt totalled £nil whereas flexible rate debt totalled £109.5m.

Although the board accepts that this policy neither protects the group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments, it considers that it achieves an appropriate balance of exposure to these risks. A one percentage point change in interest rates would result in a change in retained profit of approximately £1.1m (2023 - £1.4m).

The carrying amounts of financial liabilities which expose the group to cash flow interest rate risk are as follows:

	2024 £'000	2023 £'000
Bank loans	96,174	112,020
Loans from parent	9,020	28,666
Other loans	4,307	4,041
	109,501	144,727

Credit risk

Credit risk is managed on a group basis. The group's credit risk is primarily derived from its trade receivables. This risk is managed daily by the group's credit control functions, which monitor payment trends and ensure that outstanding debts are identified when these become overdue and appropriate action is taken to recover the amounts outstanding.

The group's customers are also the main major bus operators, which have significant resources and facilities in place to fund their vehicle acquisitions, thus limiting the group's exposure to credit risk. Credit checks are also made for new customers and appropriate credit limits are set from this information. Orders for new bus sales are rarely accepted without proof of funding in place. Credit limits may only be exceeded with the express authorisation of the directors.

Further disclosure credit risk are included in note 20.

Liquidity risk

Financial assets	**Demand and less than 3 months £'000**	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**More than 5 years £'000**	**Total £'000**
Trade and other receivables	47,384	-	324	-	-	47,708
Cash and cash equivalents	10,661	-	-	-	-	10,661
As at 31 March 2023	58,045	-	324	-	-	58,369
Trade and other receivables	33,030	8,793	4,084	-	-	45,907
Cash and cash equivalents	12,340	-	-	-	-	12,340
As at 31 March 2024	45,370	8,793	4,084	-	-	58,247

Financial liabilities	**Demand and less than 3 months £'000**	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**More than 5 years £'000**	**Total £'000**
Trade and other payables	54,055	-	1,344	-	-	55,399
Borrowings	16,520	50,950	20,739	21,278	2,533	112,020
Loans from parent undertakings	-	28,666	-	-	-	28,666
Leases	232	649	822	2,263	4,863	8,829
As at 31 March 2023	70,807	80,265	22,905	23,541	7,369	204,914
Trade and other payables	8,543	26,310	-	-	-	34,853
Borrowings	3,531	72,823	2,133	15,492	2,196	96,175
Loans from parent undertakings	9,020	-	-	-	-	9,020
Leases	561	1,671	2,147	5,266	2,892	12,537
As at 31 March 2024	21,655	100,804	4,280	20,758	5,088	152,585

The maturity analysis of trade and other receivables includes management's assessment of the most likely repayment amounts and dates for receivables, calculated on a line-by-line basis and by reference historical experience of similar settlement patterns. As actual settlement profiles are contingent on graduate employment and salary levels, the actual receipt of cash is likely to be different to these projections.

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

Liquidity gap	**Demand and less than 3 months £'000**	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**More than 5 years £'000**	**Total £'000**
As at 31 March 2023	(12,762)	(80,265)	(22,581)	(23,541)	(7,396)	(146,545)
As at 31 March 2024	23,715	(92,011)	(196)	(20,758)	(5,088)	(94,338)

All assets and liabilities are held in Sterling.

24 Trade and other payables

	Current 2024 £'000	**2023 £'000**	**Non-current 2024 £'000**	**2023 £'000**
Trade payables	8,543	12,749	-	-
Amount owed to parent undertaking	4,347	22,300	-	-
Accruals	11,139	10,079	-	-
Social security and other taxation	651	854	-	-
Other payables	10,173	8,073	-	1,344
	34,853	54,055	-	1,344

25 Lease liabilities

Maturity analysis	2024 £'000	2023 £'000
Within one year	2,232	1,496
In two to five years	7,412	5,503
In over five years	2,893	2,779
Total undiscounted liabilities	12,537	9,778
Future finance charges and other adjustments	(1,749)	(949)
Lease liabilities in the financial statements	10,788	8,829

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

	2024 £'000	2023 £'000
Current liabilities	1,885	1,311
Non-current liabilities	8,903	7,518
	10,788	8,829

Amounts recognised in profit or loss include the following:

	2024 £'000	2023 £'000
Interest on lease liabilities	245	256

26 Deferred taxation

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

	ACAs £'000	Tax losses £'000	Total £'000
Asset at 1 April 2022	(1,440)	(17)	(1,457)
Deferred tax movements in prior year			
(Credit) to profit or loss	(1,938)	17	(1,921)
Asset at 1 April 2023	(3,378)	-	(3,378)
Deferred tax movements in current year			
(Credit) to profit or loss	(1,639)	-	(1,639)
Asset at 31 March 2024	(5,017)	-	(5,017)

No deferred tax asset has been recognised in respect of tax losses amounting to £205.6m (2023 - £160.4m).
If a deferred tax asset was recognised on these losses, it would increase net assets by £51.4m (2023- £40.09m).

27 Provisions for liabilities

	2024 £'000	2023 £'000
	12,033	5,559

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

	2024 £'000	2023 £'000
Current liabilities	9,158	1,780
Non-current liabilities	2,875	3,779
	12,033	5,559

Movements on provisions:

	£'000
At 1 April 2023	5,559
Additional provisions in the year	10,762
Reversal of provision	221
Utilisation of provision	(3,974)
Unwinding of discount	(535)
At 31 March 2024	12,033

Warranty provisions represent managements best estimate of the Group's liability under warranties granted on passenger vehicles manufactured, based on past experience for defective products. Warranty offered to customers is currently between two and five years.

28 Deferred revenue

	2024 £'000	2023 £'000
Arising from render of services and deposits for bus sales	34	40

All deferred revenues are expected to be settled within 12 months from the reporting date.

29 Retirement benefit schemes

Defined contribution schemes	2024 £'000	2023 £'000
Charge to profit or loss in respect of defined contribution schemes	589	674

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

Unpaid pension in relation to defined contribution schemes amounts to £73k (2023 - £97k) at the reporting date.

Defined benefit scheme
The subsidiary Switch Mobility Automotive Limited offers a defined benefit plan to all employees as detailed in note 1 accounting policies.

Key assumptions	2024 %	2023 %
Discount rate	6.98	7.14
Salary growth rate	8	10
Attrition	23.5	22
Average longevity at retirement age - past service	2.6	2.4
Average longevity at retirement age - future service	4.1	2.4

The amounts included in the statement of financial position arising from the group's obligations in respect of defined benefit plans are as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	215	269
Fair value of plan assets	(213)	(209)
(Surplus)/deficit in scheme	2	60

29 Retirement benefit schemes (Continued)

Movements in the present value of defined benefit obligations	2024 £'000	2023 £'000
Opening defined benefit obligation	259	161
Current service cost	47	28
Benefits paid	(93)	(25)
Actuarial gains and losses	(13)	94
Interest cost	15	11
Closing defined benefit obligation	215	269

Movements in the fair value of plan assets:	2024 £'000	2023 £'000
Opening fair value of plan assets	202	194
Return on plan assets (excluding amounts included in net interest)	2	3
Benefits paid	(93)	(25)
Contributions by the employer	88	7
Other	14	30
Closing fair value of plan assets	213	209

Amounts recognised in the income statement	2024 £'000	2023 £'000
Current service cost	47	28
Net interest on defined benefit liability/(asset)	1	(3)
Total costs	48	25

Amounts recognised in other comprehensive income	2024 £'000	2023 £'000
Actuarial changes arising from changes in financial assumptions	(13)	98
Actuarial changes related to plan assets	(2)	(3)
Other gains and losses	-	-
Total costs/(income)	(15)	95

30 Share capital

Ordinary share capital	2024 Number '000	2023 Number '000	2024 £'000	2023 £'000
Issued and fully paid				
Ordinary shares of 0.1p each of 0p each	108,670,441	96,210,292	108,670	96,210
Deferred shares of 0.9p each of 0p each	752,145	752,145	6,770	6,770
	109,422,586	96,962,437	115,440	102,980

Preference share capital	2024 Number	2023 Number	2024 £'000	2023 £'000
Alloted				
8.5% non-convertable redeemable preference shares of £100 each	30,100,000	30,100,000	26,881	26,881
NCI on preference shares	-	-	(427)	(427)
	30,100,000	30,100,000	26,454	26,454
Total equity share capital			141,894	129,434

The group has two classes of share which carry no right of fixed income.

A summary of the rights which will attach to the deferred share, which render them effectively worthless are as follows:
- they will not entitle holders to receive any dividend or other distribution, or to receive notice of, speak or vote at general meetings of the group;
- on a return of assets on a winding up, they will only entitle the deferred share holder to the amounts paid up on such shares after the repayment of £10m per new ordinary share;
- they will not be freely transferable;
- the creation and issue of further shares which rank equally or in priority to the deferred shares, or the passing of a resolution of the group to cancel the deferred shares or to effect a reduction of capital shall not constitute a modification or abrogation of their rights; and
- the group shall have the right at any time to purchase all of the deferred shares in issue for an aggregate consideration of £1.

Details surrounding the issuance of preference shares can be found in 22

31 Share premium account

	2024 £'000	2023 £'000
At the beginning of the year	32,396	32,396
Issue of new shares	101,089	-
At the end of the year	133,485	32,396

32 Capital redemption reserve

	2024 £'000	2023 £'000
At the beginning of the year	(9,527)	(9,516)
Transfers	-	(11)
At the end of the year	(9,527)	(9,527)

The common control reserve relates to the group reorganisation of Ohm International Mobility Limited in the current year, and Switch Mobility Automotive Limited in the prior year.

Ohm International Mobility Limited was established on 2 August 2021. 80% of the shares were bought by Switch Mobility Limited on 22 September 2022. This was a common control transaction, and therefore the difference between consideration and net assets has been recognised as a common control reserve as detailed in note 33.

Switch Mobility Automotive Limited was established on 31 December 2020. The majority of the shares were acquired by Switch Mobility Limited on 14 June 2021. On 1 October 2021, Ashok Leyland Limited, the ultimate parent company, sold part of its business to Switch Mobility Automotive Limited for Rs. 240 Crores (£23.9m). As this was a common control transaction, the difference between consideration and net assets has been recognised as a common control reserve.

33 Merger reserve

	2024 £'000	2023 £'000
At the beginning and end of the year	5,542	5,542

34 Share-based payment reserve

	2024 £'000	2023 £'000
At the beginning and end of the year	42	42

Share-based payment reserve is the amount outstanding for share-based payments to former employees.

35 Capital risk management

The group's main objective when managing capital is to protect returns to shareholders by ensuring there is sufficient liquidity in the business and that it will trade profitably in the foreseeable future. The group manages its capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its gearing. The group also aims to maximise its capital structure of debt and equity so as to control its cost of capital.

The group considers capital to include share capital, share premium, common control reserve and retained earnings.

36 Related party transactions

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

	2024 £'000	2023 £'000
Short-term employee benefits	673	2,522
Post-employment benefits	40	99
	713	2,621

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

	Sale of goods		Purchase of goods	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Parent company	-	-	2,108	783

	Interest payable on loan	
	2024 £'000	2023 £'000
Parent company	589	-
Subsidiaries	-	177
	589	177

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2024 £'000	2023 £'000
Parent company	13,367	50,966

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2024 £'000	2023 £'000
Parent company	841	1,891
Subsidiaries	-	78
	841	1,969

Other information
Ashok Leyland Limited, the ultimate parent company, have provided guarantees for the bank loans included in note 21.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		£'000	£'000	£'	£'
Non-current assets					
Property, plant and equipment	**39**		3,812		4,675
Investments	**40**		191,459		104,509
			195,271		109,184
Current assets					
Trade and other receivables	**41**	12,978		13,300	
Cash and cash equivalents		48		40	
		13,000		13,340	
Current liabilities	**42**	(4,715)		(31,703)	
Net current assets (liabilities)			8,268		(18,363)
Total assets less current liabilities			203,539		90,821
Non-current liabilities	**42**		(3,136)		(4,051)
Net assets			200,403		86,770
Equity					
Called up share capital	**46**		115,440		102,980
Share premium account			137,921		36,832
Own shares			42		42
Retained earnings			(53,000)		(53,084)
Total equity			200,403		86,770

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £84k (2023 - £189k).

The financial statements were approved by the board of directors and authorised for issue on 3rd September 2024 and are signed on its behalf by:

....

Mr V Venkataraman (NED)
Director

Company registration number 06481690 (England and Wales)

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital	Share premium account	Share based payment reserve	Accumulated deficit	Total
		£	£	£	£	£
Balance at 1 April 2022		102,980	36,832	42	(53,273)	86,581
Year ended 31 March 2023:						
Profit and total comprehensive income		-	-	-	189	189
Balance at 31 March 2023		102,980	36,832	42	(53,084)	86,770
Year ended 31 March 2024:						
Profit and total comprehensive income		-	-	-	84	84
Transactions with owners:						
Issue of share capital	**46**	12,460	101,089	-	-	113,549
Balance at 31 March 2024		115,440	137,921	42	(53,000)	200,403

37 Material Accounting policies

Company information

Optare PLC is a public company limited by shares incorporated in England and Wales. The registered office is Unit 3 Hurricane Way South, Sherburn In Elmet, North Yorkshire, LS25 6PT. The company's principal activities and nature of its operations are disclosed in the directors' report.

37.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the applicable accounting standards.

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

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

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

38 Employees - Company

The average monthly number of persons (including directors) employed by the company during the year was:	2024 Number	2023 Number
Head Office and administration	-	1

Their aggregate remuneration comprised:

	2024 £'000	2023 £'000
Wages and salaries	-	12
Social security costs	-	1
	-	13

39 Property, plant and equipment - Company

	Freehold land and buildings £'000
Cost	
At 1 April 2023	8,067
At 31 March 2024	8,067
Accumulated depreciation and impairment	
At 1 April 2023	3,392
Charge for the year	863
At 31 March 2024	4,255
Carrying amount	
At 31 March 2024	3,812
At 31 March 2023	4,675

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2024 £'000	2023 £'000
Net values at the year end		
Property	3,812	4,675
Total additions in the year	-	953
Depreciation charge for the year		
Property	863	1,169

40 Investments - Company

	Current 2024 £'000	2023 £'000	Non-current 2024 £'000	2023 £'000
Investments in subsidiaries	-	-	191,459	104,509

Investment in subsidiary undertakings
Details of the company's principal operating subsidiaries are included in note 17.

41 Trade and other receivables - Company

	2024 £'000	2023 £'000
VAT recoverable	58	106
Amounts owed by fellow group undertakings	12,245	12,681
Other receivables	212	-
Prepayments	437	513
	12,952	13,300

42 Liabilities - Company

	Notes	Current 2024 £'000	2023 £'000	Non-current 2024 £'000	2023 £'000
Borrowings	43	3,000	29,600	-	-
Trade and other payables	44	817	1,208	-	-
Taxation and social security		-	(3)	-	-
Lease liabilities	45	915	898	3,136	4,051
		4,732	31,703	3,136	4,051

43 Borrowings - Company

	2024 £'000	2023 £'000
Borrowings held at amortised cost:		
Bank loans	3,000	29,600

Current bank loans of £3,000k are secured by way of a corporate guarantee from Ashok Leyland Limited.
Current bank loans bear interest rates of 6.3%.

44 Trade and other payables - Company

	2024 £'000	2023 £'000
Trade payables	2	283
Accruals	815	925
Social security and other taxation	-	(3)
	817	1,205

45 Lease liabilities - Company

Maturity analysis	2024 £'000	2023 £'000
Within one year	982	982
In two to five years	3,016	3,885
In over five years	227	341
Total undiscounted liabilities	4,225	5,208
Future finance charges and other adjustments	(174)	(259)
Lease liabilities in the financial statements	4,051	4,949

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

	2024 £'000	2023 £'000
Current liabilities	915	898
Non-current liabilities	3,136	4,051
	4,051	4,949

46 Share capital - Company

Refer to note 30 of the group financial statements.

Optare plc
Unit 3
Hurricane Way South
Sherburn in Elmet
North Yorkshire LS25 6PT

Tel: +44 (0) 8434 873 200
Fax: +44 (0) 8434 873 201
Email: info@optare.com

www.optare.com