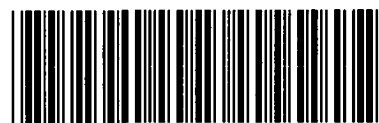


POD POINT HOLDING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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POD POINT HOLDING LIMITED

COMPANY INFORMATION

Directors	P Hiscocks D E Fairbairn S Cook (resigned 26 September 2019) J Bromley (appointed 1 March 2019, resigned 11 November 2019) J Sibilia (appointed 26 September 2019)
Registered number	07180463
Registered office	28-42 Banner Street London EC1Y 8QE
Independent auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

POD POINT HOLDING LIMITED

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POD POINT HOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their strategic report for the year ended 30 June 2019.

The principle activity of Pod Point Holding Ltd is that of a holding company.

The year to 30 June 2019 was an exciting year for Electric Vehicle (EV) charging with numerous car manufacturers announcing new models coming to market, the Government committing to a date for internal combustion engine car sales to cease and a significant shift in the public's awareness and appreciation of the benefits and importance of EVs. Sales of EVs and Plug-In Hybrid vehicles in the year were 57,633 (2018: 54,221), an increase of 6.3% from the previous year and their percentage of total car sales increased from 2.2% to 2.5% (based on data published by SMMT).

Within this market context Pod Point delivered very strong growth over the year across all key sectors of EV charging. The Group continued to build revenues and relationships with car companies, retailers, workplaces, developers and many other business sectors. It also continued to deliver its strategy of developing long term commercial relationships across the key charging occasions of Home, Workplace, Public and En-Route.

Group turnover grew by 15% to £13.5m (2018: £11.7m). Group EBITDA was a loss of £5.9m (2018: £4.7m loss) and net loss before tax was £6.9m (2018: £5.7m loss) as it continued to invest heavily in its sales team, technology and operations infrastructure.

Within the Home segment, the Group was the number one provider of home charge points in the UK, with over 28% of all OLEV qualifying home charge installs being completed by Pod Point (based on data published by OLEV). The Group continued to grow its strategic relationships with car manufacturers, and now has eleven car companies as Pod Point partners including Nissan, Audi, VW, Hyundai and Volvo. Across all home charge installs, an average score of 4.74 out of 5 stars were received for customer service, which is unmatched by any other volume provider in the UK. This focus on customer service is a key part of the Group's culture and has been key to the growth of the Group.

Pod Point now has the largest network of Workplace charge points across the UK. These include a large number of corporate customers including Skanska, UTC Aerospace, Dixons Carphone, Bank of America and Pepsi.

In the Public charging segment the Group has continued to grow its Public network installing units at Lidl, Sainsbury, Tesco, Centre Parcs, McDonald's and a wide range of 'destination' locations. Use of the Pod Point Public charge network grew rapidly with a 40% year on year increase in individual charge events.

Looking forward, the directors are confident that the Group is well positioned to continue its strong growth as the EV market enters a rapid growth phase as more EV models are released by car manufacturers and wider public appreciation of the benefits of EV travelling including cheaper cost and lower emissions increases. In the period from 1 July 2019 to 31 October 2019 sales of Pure EV vehicles have so far increased 220% year over year, and make up 2.2% of all UK registrations.

Key performance indicators

The directors consider revenue growth to be a key indicator of the Group's performance. Revenue has grown 15%, which reflects the strength of the Pod Point product offering.

Principle risks and uncertainties

The directors believe that the principal risks and uncertainties facing the Group can be summarised as:

General economic climate and the global economy

The general economic climate and the global economy could affect the level of demand for the Group's products and services. The Group Board therefore monitors the position on an ongoing basis.

POD POINT HOLDING LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

Principle risks and uncertainties (continued)

Customer relationships/loss of key clients

The Group monitors the income level from all its clients on a monthly basis to identify any clients where there is a risk to the Group becoming overly dependent on any particular income stream.

Financial risks and treasury management

Currency risk

The Group buys currency at spot rate. The Group minimizes exposure to foreign exchange through the use of matching currency flows where possible.

Liquidity risk

The Group's policy is to ensure that it has sufficient balance sheet cash and committed borrowing facilities in excess of its forecast requirements. The directors believe the Group has sufficient financing facilities in place for the next 12 months.

Credit risk

Credit risk arises on financial instruments such as trade debtors and short term bank deposits. Policies and procedures exist to ensure that clients have an appropriate credit history. Short term bank deposits are only with highly credit rated authorized counterparties.

This report was approved by the board and signed on its behalf.



D E Fairbairn

Director

Date:

19/12/19.

POD POINT HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

Directors

The directors who served during the year were:

P Hiscocks

D E Fairbairn

S Cook (resigned 26 September 2019)

J Bromley (appointed 1 March 2019, resigned 11 November 2019)

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Group has made losses for the year and it has loan finance due for repayment within 12 months, after making enquiries and reviewing the Group's cash flow forecast for the 12 month period from the date of signing these financial statements, the Directors consider that the Company and the Group have adequate resources to continue operating for the foreseeable future. Therefore the going concern basis has been accepted in preparing these financial statements.

Auditors

Grant Thornton UK LLP were appointed as auditors during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



D E Fairbairn
Director

Date:

19/12/19.

POD POINT HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Pod Point Holding Limited

Opinion

We have audited the financial statements of Pod Point Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity and the consolidated statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Independent auditor's report to the members of Pod Point Holding Limited
(continued)**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.

**Independent auditor's report to the members of Pod Point Holding Limited
(continued)**

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

Use of our report

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



Nicholas Page

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 19/12/19

POD POINT HOLDING LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	13,548,155	11,736,285
Cost of sales		(11,554,612)	(9,629,834)
Gross profit		1,993,543	2,106,451
Administrative expenses		(8,946,068)	(7,430,321)
Operating loss	5	(6,952,525)	(5,323,870)
Interest receivable and similar income	8	13,833	2,384
Interest payable and expenses	9	(322,312)	(329,322)
Loss before tax		(7,261,004)	(5,650,808)
Tax on loss	10	460,152	830,971
Loss for the financial year		(6,800,852)	(4,819,837)
Other comprehensive income		-	-
Total comprehensive income for the year		(6,800,852)	(4,819,837)

POD POINT HOLDING LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed Assets			
Intangible assets	11	1,892,023	1,214,779
Tangible assets	12	307,384	375,544
		<u>2,199,407</u>	<u>1,590,323</u>
Current assets			
Stocks	14	1,439,221	1,473,109
Debtors: amounts falling due within one year	15	6,048,407	6,527,294
Cash at bank and in hand	16	10,889,540	1,099,043
		<u>18,377,168</u>	<u>9,099,446</u>
Creditors: amounts falling due within one year	17	(9,915,885)	(5,968,556)
Net current assets		<u>8,461,283</u>	<u>3,130,890</u>
Total assets less current liabilities		<u>10,660,690</u>	<u>4,721,213</u>
Creditors: amounts falling due after more than one year	18	(235,500)	(2,319,000)
Provisions for liabilities			
Deferred tax	20	-	-
		<u>-</u>	<u>-</u>
Net liabilities		<u>10,425,190</u>	<u>2,402,213</u>
Capital and reserves			
Called up share capital	22	32,125	25,850
Share premium account		30,826,476	16,060,936
Other reserves		658,626	606,612
Profit and loss account		(21,092,037)	(14,291,185)
		<u>10,425,190</u>	<u>2,402,213</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D E Fairbairn
Director

Date: 19/12/19.

The notes on pages 14 to 36 form part of these financial statements.

POD POINT HOLDING LIMITED

COMPANY BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed Assets			
Investments	13	511,701	511,700
		<u>511,701</u>	<u>511,700</u>
Current assets			
Debtors: amounts falling due within one year	15	30,551,660	15,442,161
Cash at bank and in hand	16	2,256	81,907
		<u>30,553,916</u>	<u>15,524,068</u>
Creditors: amounts falling due within one year	17	(431,610)	(150,104)
Net current assets		<u>30,122,307</u>	<u>15,373,964</u>
Total assets less current liabilities		<u><u>30,634,007</u></u>	<u><u>15,885,664</u></u>
Net liabilities			
Capital and reserves			
Called up share capital	22	32,125	25,850
Share premium account		30,826,476	16,060,936
Other reserves		658,626	606,612
Profit and loss account carried forward		(883,220)	(807,734)
		<u><u>30,634,007</u></u>	<u><u>15,885,664</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D E Fairbairn
Director
Date:

19/12/19.

POD POINT HOLDING LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 30 JUNE 2019**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 July 2017	22,607	9,833,209	439,011	(9,471,348)	823,479
Loss for the year	-	-	-	(4,819,837)	(4,819,837)
Issue of shares	3,243	6,227,727	-	-	6,230,970
Share based payment charge	-	-	167,601	-	167,601
At 30 June 2018	25,850	16,060,936	606,612	(14,291,185)	2,402,213
Loss for the year	-	-	-	(6,800,852)	(6,800,852)
Issue of shares	6,275	14,765,540	-	-	14,771,815
Share based payment charge	-	-	52,014	-	52,014
At 30 June 2019	32,125	30,826,476	658,626	(21,092,037)	10,425,190

POD POINT HOLDING LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 30 JUNE 2019**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 July 2017	22,607	9,833,209	439,011	(630,581)	9,664,246
Loss for the year	-	-	-	(177,153)	(177,153)
Issue of shares	3,243	6,227,727	-	-	6,230,970
Share based payment charge	-	-	167,601	-	167,601
At 30 June 2018	25,850	16,060,936	606,612	(807,734)	15,885,664
Loss for the year	-	-	-	(75,486)	(75,486)
Issue of shares	6,275	14,765,540	-	-	14,771,815
Share based payment charge	-	-	52,014	-	52,014
At 30 June 2019	32,125	30,826,476	658,626	(883,220)	30,634,007

POD POINT HOLDING LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	£	£
Cash flows from operating activities		
(Loss) for the period	(6,952,525)	(5,323,870)
Adjustments for:		
Amortisation of intangible assets	821,059	368,903
Depreciation of tangible assets	153,855	117,558
Share-based payment	52,014	167,601
Tax	460,152	830,971
Decrease/(increase) in trade and other debtors	(1,521,630)	(2,104,906)
Increase/(decrease) in trade and other creditors	1,918,830	1,804,326
Decrease/(increase) in stocks	33,888	(842,489)
Cash from operations	(5,034,357)	(4,981,906)
Income taxes paid	-	-
Net cash generated from operating activities	(5,034,357)	(4,981,906)
Cash flows from investing activities		
Purchases of intangible assets	(1,498,303)	(340,628)
Purchases of tangible assets	(90,471)	(1,185,895)
Interest received	13,833	2,384
Net cash used in investing activities	(1,574,941)	(1,524,139)
Cash flows from financing activities		
Issue of ordinary share capital	16,777,106	4,265,974
Loan finance	-	2,000,000
Bond redemption	(55,000)	-
Interest paid	(322,312)	(329,322)
Net cash used in financing activities	16,399,794	5,936,652
Net Increase/(decrease) in cash and cash equivalents	9,790,496	(569,393)
Cash and cash equivalents at the beginning of year	1,099,044	1,668,437
Cash and cash equivalents at end of year	10,889,540	1,099,044

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Pod Point Holding is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the Company Information page and this is also the company's principal place of business. The principal activity of the company is that of development and supply of equipment and systems for recharging electric vehicles. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The following principal accounting policies have been applied:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are presented in Pound Sterling (£) which is also the functional currency of the Group. Amounts are rounded to the nearest thousand, unless otherwise stated.

The Company has taken advantage of the exemption available under Section 1A Small Entities from preparing a statement of cash flows.

The individual accounts of Pod Point Holding Limited have taken advantage of the following exemptions in its individual financial statements:

- the requirement to present a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company cash flows.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 July 2015.

2.3 Going concern

The company continues to meet its day to day financial obligations from the investment from shareholders and cash generated from business. The director is satisfied that they can continue to finance the company in this way and the company can achieve sustained profitability in the future. The accounts have thus been prepared under the going concern assumption.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In practice where the Group physically installs a charging point this is the date the installation is complete and handed over to the customer. On a limited number of larger projects, revenue may be recognised in line with contractually agreed dates or deliverables. Where the Group simply sells its products to a third party this is the date the products are despatched to the third party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Development

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed three years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- Straight line over lease term
Plant & machinery	- 33.3% straightline
Motor vehicles	- 33.3% straight line
Fixtures & fittings	- 33.3% straight line
Computer equipment	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Trade debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash credited by customers on to their Pod Point mobile application to pay for future vehicle charging is disclosed separately.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.15 Share based payments

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

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

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

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

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.19 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where judgements have been made include:

- a) Useful economic lives of tangible and intangible assets
The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets.
- b) Provision of doubtful debts
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience.
- c) Warranty provision
A provision for warranty costs is recorded on product sales at the time of installation or dispatch. In establishing the warranty provision, management estimates the likelihood that products sold will experience warranty claims and the cost to resolve claims received. In making such determinations, the company uses estimates based on the nature of the contract and past and projected experience with the products. Should these estimates prove to be incorrect, the company may incur costs different from those provided for in the warranty provision. Management reviews warranty assumptions and makes adjustments to the provision at each reporting date based on the latest information available, including the expiry of contractual obligations. Adjustments to the warranty provision are recorded in cost of sales.
- d) Inventory provision
In determining the lower of cost and net realisable value of inventory and in establishing the appropriate provision for inventory obsolescence, management estimates the likelihood that inventory carrying values will be affected by changes in market pricing or demand for the products and by changes in technology or design which could make inventory on hand obsolete or recoverable at amounts less than the recorded value. Management performs regular reviews to assess the impact of changes in technology and design, sales trends and other changes on the carrying value of inventory. Where it is determined that such changes have occurred and will have a negative impact on the value of inventory on hand, appropriate provisions are made. If there is a subsequent increase in the value of inventory on hand, reversals of previous writedowns to net realisable value are made. Unforeseen changes in these factors could result in additional inventory provisions, or reversals of previous provisions, being required.
- e) Share-based payments
Management is required to make estimates in respect of the inputs used to calculate the fair values of share-based payment arrangements, particularly in relation to vesting and volatility. Details of these can be found in note 23.

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Turnover

Turnover, analysed geographically between markets, was as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
UK	10,701,153	9,145,620	-	-
Europe	2,847,002	2,590,665	-	-
	13,548,155	11,736,285	-	-

Turnover, analysed by category, was as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Home	7,532,710	8,142,990	-	-
Commercial	6,015,445	3,590,944	-	-
Other	-	2,351	-	-
	13,548,155	11,736,285	-	-

5. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after:

	2019	2018
	£	£
Operating lease rentals	1,380,926	537,313
Research and development – current year spend	47,505	272,284
Inventory recognised as an expense	6,164,608	4,903,407
Amortisation of intangible fixed assets	821,059	368,903
Depreciation of tangible fixed assets	153,855	117,558
Exchange differences	(4,196)	37,440
Profit on disposal of fixed asset	6,285	-

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>38,000</u>	<u>29,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>69,000</u>	<u>21,750</u>

7. Directors and employees

Staff costs during the year were as follows:

	2019 £	restated 2018 £
Wages and salaries	5,941,785	5,286,417
Social security costs	702,915	672,364
Cost of defined contribution scheme	160,661	82,621
	<u>6,805,361</u>	<u>6,041,401</u>

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £160,661 (2018 restated: £82,621). 2018 has been restated to correct misclassifications of some wages and salary costs.

The average number of employees of the Group during the year was:

	2019 No.	2018 No.
Management	7	7
Sales and administration	62	60
Operations	61	49
Technology	28	23
	<u>158</u>	<u>139</u>

The company had no employees during 2019 or 2018.

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

7. Directors and employees (continued)

Remuneration in respect of directors was as follows:

	2019	2018
Wages and salaries	224,936	237,976
Social security costs	25,189	27,979
Cost of defined contribution scheme	4,662	2,260
	<u>254,787</u>	<u>268,215</u>

The highest paid director during the year was paid fees totalling £191,936 (2018: 177,976).
The number of directors who received pension benefits within the year totalled 2 (2018: 2).

8. Interest receivable and similar income

	2019 £	2018 £
Interest on bank deposits	13,833	2,384
	<u>13,833</u>	<u>2,384</u>

9. Interest payable and similar charges

	2019 £	2018 £
Interest expense on loans	294,652	299,482
Interest expense on bonds	27,660	29,840
	<u>322,312</u>	<u>329,322</u>

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

10. Taxation

	2019 £	2018 £
Current tax		
UK Corporation tax	(480,265)	(403,608)
Adjustments in respect of prior periods	20,113	(410,343)
Total current tax charge/(credit)	<u>(460,152)</u>	<u>(813,951)</u>
Deferred tax		
Origination and reversal of timing difference	-	(17,020)
Total deferred tax	<u>-</u>	<u>(17,020)</u>
Tax on loss on ordinary activities	<u>(460,152)</u>	<u>(830,971)</u>
	2019 £	2018 £
Loss on ordinary activities before tax	(7,261,004)	(5,650,808)
Tax on profit on ordinary activities at standard rate of corporation tax in the UK of 19% (2018 – 19%)	(1,379,591)	(1,073,654)
Effects of:		
Fixed asset differences	264,588	-
Expenses not deductible for tax purposes	38,311	66,194
Income not taxable for tax purposes	(264,588)	-
Losses eliminated	-	10,817
Other permanent differences	(54,783)	-
Additional deduction for R&D expenditure	(355,698)	(298,924)
Surrender of tax losses for R&D tax credit refund	149,047	125,258
Adjustment in respect of prior periods	20,113	(410,343)
Adjust closing deferred tax to average rate	331,835	222,546
Adjust opening deferred tax to average rate	(214,954)	(141,841)
Deferred tax not recognised	1,005,570	668,976
Unexplained difference	(2)	-
Tax charge for the period	<u>(460,152)</u>	<u>(830,971)</u>

Factors that may affect future tax charges

The directors have not recognised a deferred tax asset in relation to the carried forward losses.

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Act 2016. As such, the main rate of tax will fall from 19% to 17% from 1 April 2020.

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Intangible assets
Group and company

	Development £	Goodwill £	Total £
Cost			
At 1 July 2018	2,068,439	491,600	2,560,039
Additions	1,498,303	-	1,498,303
At 30 June 2019	<u>3,566,742</u>	<u>491,600</u>	<u>4,058,342</u>
Amortisation			
At 1 July 2018	853,660	491,600	1,345,260
Charge for the year	821,059	-	821,059
At 30 June 2019	<u>1,674,719</u>	<u>491,600</u>	<u>2,166,319</u>
Net book value			
At 30 June 2019	<u><u>1,892,023</u></u>	<u><u>-</u></u>	<u><u>1,892,023</u></u>

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. Tangible fixed assets

	S/Term- Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 July 2018	29,050	113,257	18,755	404,908	78,261	644,231
Additions	-	4,980	-	58,698	26,793	90,471
Disposals	-	-	-	(10,165)	-	(10,165)
At 30 June 2019	29,050	118,237	18,755	453,441	105,054	724,537
Depreciation						
At 1 July 2018	25,419	109,448	10,007	123,813	-	268,687
Charge for the year on owned assets	3,631	3,095	4,904	135,893	6,332	153,855
Disposals	-	-	-	(5,389)	-	(5,389)
At 30 June 2019	29,050	112,543	14,911	254,317	6,332	417,153
Net book value						
At 30 June 2019	-	5,694	3,844	199,124	98,722	307,384

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

12. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Short leasehold	-	3,631
	<u>-</u>	<u>3,631</u>

13. Investments

Total fixed asset investments comprise:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Interests in subsidiaries	-	-	511,701	511,700
	<u>-</u>	<u>-</u>	<u>511,701</u>	<u>511,700</u>

Interests in subsidiaries

At 2019 the group and the company had interests in the following subsidiaries:

Subsidiaries	Type of shares	Proportion held (%)	Country of incorporation	Nature of business
Pod Point Limited	Ordinary	100%	United Kingdom	Development and supply of equipment and systems for electric charging vehicles
Open Charge Limited	Ordinary	100%	United Kingdom	Ownership of equipment and systems for electric charging vehicles
Pod Point Asset One Limited (dormant)	Ordinary	100%	United Kingdom	Ownership of equipment and systems for electric charging vehicles
Pod Point Norge AS (dormant)	Ordinary	100%	Norway	Supply of equipment and systems for electric charging vehicles

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Investments (continued)

The company

	Investments in subsidiary companies £
Cost of valuation	
At 1 July 2018	511,700
Additions in the year	1
At 30 June 2019	<u>511,701</u>
Net book value	
At 30 June 2019	<u><u>511,701</u></u>

14. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	<u>1,439,221</u>	<u>1,473,109</u>	<u>-</u>	<u>-</u>
	<u><u>1,439,221</u></u>	<u><u>1,473,109</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

An impairment loss of £169,880 (2018: £59,176) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Debtors

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	3,992,899	3,012,276	-	-
Amounts owed by group undertakings	-	-	30,551,660	13,437,541
Other debtors	105,694	2,080,516	-	2,004,620
Corporation tax receivable	480,265	813,951	-	-
Prepayments and accrued income	1,469,549	620,551	-	-
	6,048,407	6,527,294	30,559,660	15,442,161

An impairment loss of £3,125 (2018: £16,763) was recognised against trade debtors.

16. Cash and cash equivalents

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Cash at bank and in hand	10,754,489	1,041,160	2,256	81,907
Pod Point Mobile Application	135,051	57,883	-	-
	10,889,540	1,099,043	2,256	81,907

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

17. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	2,820,656	1,647,554	-	-
Amounts owed to group undertakings	-	-	100	100
Other taxation and social security	435,192	530,645	-	-
Other creditors	34,017	18,060	-	-
Bond	82,500	54,000	-	-
Accruals and deferred income	3,543,520	2,718,297	431,510	150,004
Bank loans	3,000,000	1,000,000	-	-
	<u>9,915,885</u>	<u>5,968,556</u>	<u>431,610</u>	<u>150,104</u>

18. Creditors: Amounts falling due after more than one year

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Bank loans	-	2,000,000	-	-
Bond	235,500	319,000	-	-
	<u>235,500</u>	<u>2,319,000</u>	<u>-</u>	<u>-</u>

19. Borrowings

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Within one year	3,082,500	1,054,000	-	-
Between one to two years	235,500	319,000	-	-
Between two to five years	-	2,000,000	-	-
	<u>3,318,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>

The bank loans totaling £3,000,000 are secured against fixed and floating charges against all properties of the subsidiary, Pod Point Limited. In addition, the parent company, Pod Point Holding Limited and subsidiary, Open Charge Limited, have also given guarantees for the loans. The loan of £1m is repayable in June 2020, the £2m loan in January 2020. The bond is redeemable on 27th January 2021 and has a coupon rate of 8%

The bank loans contain covenants measuring EBITDA and cash against budgeted amounts. In June 2019 the EBITDA covenant was breached, management obtained a waiver from the bank in November 2019. The bank did not demand the loan to be repaid between 1 July 2019 and 29 November 2019.

POD POINT HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

20. Deferred taxation

Group	2019 £	2018 £
At beginning of year	-	(17,020)
Charged to profit or loss	-	17,020
At end of year	-	-

21. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves – represents the share-based payments.

Profit and loss account – includes all current and prior period retained profits and losses.

22. Called up share capital

	2019 £	2018 £
Allotted, called up but not fully paid		
218,208,979 (2018 – 217,097,868) Ordinary shares of £0.0001 each	21,820	21,710
103,046,154 (2018 – 41,398,006) Ordinary A shares of £0.0001 each	10,305	4,140
	32,125	25,850

During the year 13,500,000 ordinary A share were issued at a value of £0.20 per share, and 49,259,259 ordinary and ordinary A shares of £0.0001 were also issued at a value of £0.27 per share.

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

23. Share based payments

Pod Point Holding Limited operates an equity-settled share-based remuneration scheme for employees and directors.

The share options have the following conditions:

- Each option granted is based upon the individual performance of the employee and length of service.
- The vesting period for share options granted is typically 5 years, however some vest immediately upon grant.
- Point at which options can be exercised varies between grants. Some are exercisable upon vesting in tranches, and some upon the occurrence of an exit event (as detailed in the share option plan).

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in a materially accurate estimate of the fair value options granted.

	Weighted average exercise price (pence) 2019	No. 2019	Weighted average exercise price (pence) 2018	No. 2018
Outstanding at 1 July	1.11	33,566,734	1.51	31,066,734
Granted	-	-	1.51	11,620,000
Forfeited	2.38	(1,500,000)	12.74	(1,500,000)
Exercised	1.05	(1,111,111)	-	-
Expired	-	-	1.05	(7,620,000)
Outstanding at 30 June	1.05	30,955,623	1.11	33,566,734

	2019 £	2018 £
Equity settled schemes	52,014	167,601
Total expense on share based-remuneration expense	52,014	167,601

POD POINT HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Commitments under operating leases

At 30 June 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within one year	402,830	357,870
Between one and five years	978,326	179,443
	<u>1,381,156</u>	<u>537,313</u>

25. Related party transactions

At the balance sheet date, the company was owed £30,559,660 (2018: £13,437,541) from Pod Point Limited. At the balance sheet date, no interest is charged and the balance is repayable on demand.

26. Subsequent events

On 10 December 2019 Pod Point Holding Ltd entered into a loan agreement with Pod Point Ltd. Interest of 5% will be charged on any loan from 6 April 2017 between Pod Point Holding and Pod Point Ltd, repayable with notice of 2 years. There will be £2,667,169 of interest charged on the loans made up to 30 June 2019 in the financial statements for the year ended 30 June 2020.

27. Controlling party

The company does not have a controlling party.