

# Journeo

Connected systems,  
for connected journeys



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

# Journeo

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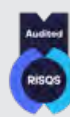
## Welcome to Journeo's 2021 annual report.

Journeo plc is a leading provider of information systems and technical services to transport operators and local authorities. The Company is focused on delivering innovative public transport and related infrastructure solutions, contributing to smarter and safer city initiatives as transport of all types becomes more intelligent and connected.

The Company works at many levels with government organisations, local/combined authorities, and many of the largest multinational transport operators. Journeo is helping these customers, to leverage the Internet of Things (IoT) and open data standards to improve the sustainability and longevity of the technology they use, and support them as new and legacy systems converge.

In the last four years, Journeo has invested over £5m in research and development and has begun to release powerful new and scalable solutions to the market for public travel and freight applications which capture, process, analyse and display essential information to deliver connected journeys safely.

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## Financial highlights

# £15.6m

Revenue

(2020: £13.6m)

# £6.0m

Gross profit

(2020: £5.3m)

# £0.6m

Underlying profit before tax

(2020: £0.5m)

# £0.4m

Profit before tax

(2020: £0.2m)

# £0.5m

Profit before tax excluding share-based payments

(2020: £0.3m)

# £1.1m

Cash and cash equivalents at 31 December 2021

(2020: £1.3m)

# 4.46p

Diluted earnings per share

(2020: 2.26p)



Read more on **Consolidated statement of accounts** on pages 52 to 78

## Operational highlights

- Increased adoption of Journeo technologies amongst the Group's fleet operator customers, now with over 4,000 vehicles connected to the Journeo Portal.
- Continued investment in Research and Development delivering advancements in Driver Performance Monitoring and Ultra-Low Power displays technology.
- Launched new Fault Management System (FMS) that allows support tickets to be automatically created from self-reporting display systems.
- Extensive work with our supply chain to ensure availability of key components.
- Initiation of Group-wide online seminars from industry and domain specialists (both internal and external) to ensure staff engagement and broaden staff knowledge of the markets in which we operate and technologies that we deliver.
- Completed the first two of four phases of our Environmental, Social and Governance (ESG) study.
- Extension of our cyber security credentials to include Cyber Essentials Approval, building upon our existing ISO 27001:2013 accreditation for Information Security Management. All ISO accreditations retained.



Read more on **Chief Executive's report** on pages 16 to 19

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# Investment proposition

Journeo is a leading provider of information systems and technical services to transport operators and local authorities. We target two market segments: **Passenger Transport Infrastructure Systems**, for the local authorities and Passenger Transport Executives (PTEs) managing transport networks, and **Fleet Operator Systems** for the bus, coach, rail, and specialist commercial fleet operators.



## 1 Opportunities for growth

We have identified attractive growth opportunities where there is a focus on increasing the number and quality of journeys using public transport, particularly in and around cities, in response to the need to reduce congestion and deliver the carbon-neutral, low-emissions agenda. This is backed by Government, significant funding flowing from the £2.4bn Transforming Cities Fund and the regulatory landscape changes of the Bus Services Act 2017. The National Bus Strategy for England, announced in 2021, pledged £1.4bn funding over three years resulting in local authorities committing to ambitious technology-led Bus Service Improvement Plans (BSIP).



Read more on **Chief Executive's report** on pages 16 to 19



## 2 Competitive position

We strive to compete by listening to our customers, applying attention to detail in our systems design, engineering and support over an extended lifecycle and through continuous innovation. This leads to fresh insights and new approaches for predictive maintenance in both new and legacy applications. We share the benefits of our scale economies, to reduce costs for our customers, which include fleet operators, vehicle manufacturers, local authorities, and Network Rail (to be renamed as Great British Railways).

We work in a number of niche market segments which have few competitors and high barriers to entry due to enterprise risk combined with technical complexity which is associated with the management of long lifecycle assets across large geographic areas. Our ability to rise to the challenges of increasing complexity and converging solutions on the cloud provides Journeo with an increasingly differentiated position. Bolt on acquisitions may provide an additional route to market for our core technology in other attractive market niches.



### 3 Recurring revenue and SaaS

The capabilities of our software solutions are being recognised by a growing number of specialist equipment manufacturers, who can use the Journeo Portal to present their performance data to end users. The Company is delivering improved performance through long-term contracts that deliver recurring revenues, alongside the SaaS-based income from its latest software solutions.

During 2021, the number of vehicles connected to Journeo's SaaS platform increased by 30% from 3,000 to 4,000 contributing to an increase in recurring revenue.

Recent SaaS wins will increase the number of monthly connections towards 10,000 during FY22 which will further increase recurring revenues.



### 4 Investing in growth

In the last four years, Journeo has invested over £5m in research and development and has begun to release new scalable solutions which capture, process, analyse and display essential information to deliver connected journeys safely.

We use Artificial Intelligence (AI), automation and machine learning techniques to deliver powerful new solutions for customers and our service offering includes design, installation, on-site support, analytics and back-office systems.

In addition, the Group's growing market presence has enabled exclusive relationships to be forged with specialist equipment manufacturers, which have the potential to significantly increase revenue.



Read more on **Our markets** on pages 20 to 21

# At a glance

## Connected systems, for connected journeys...

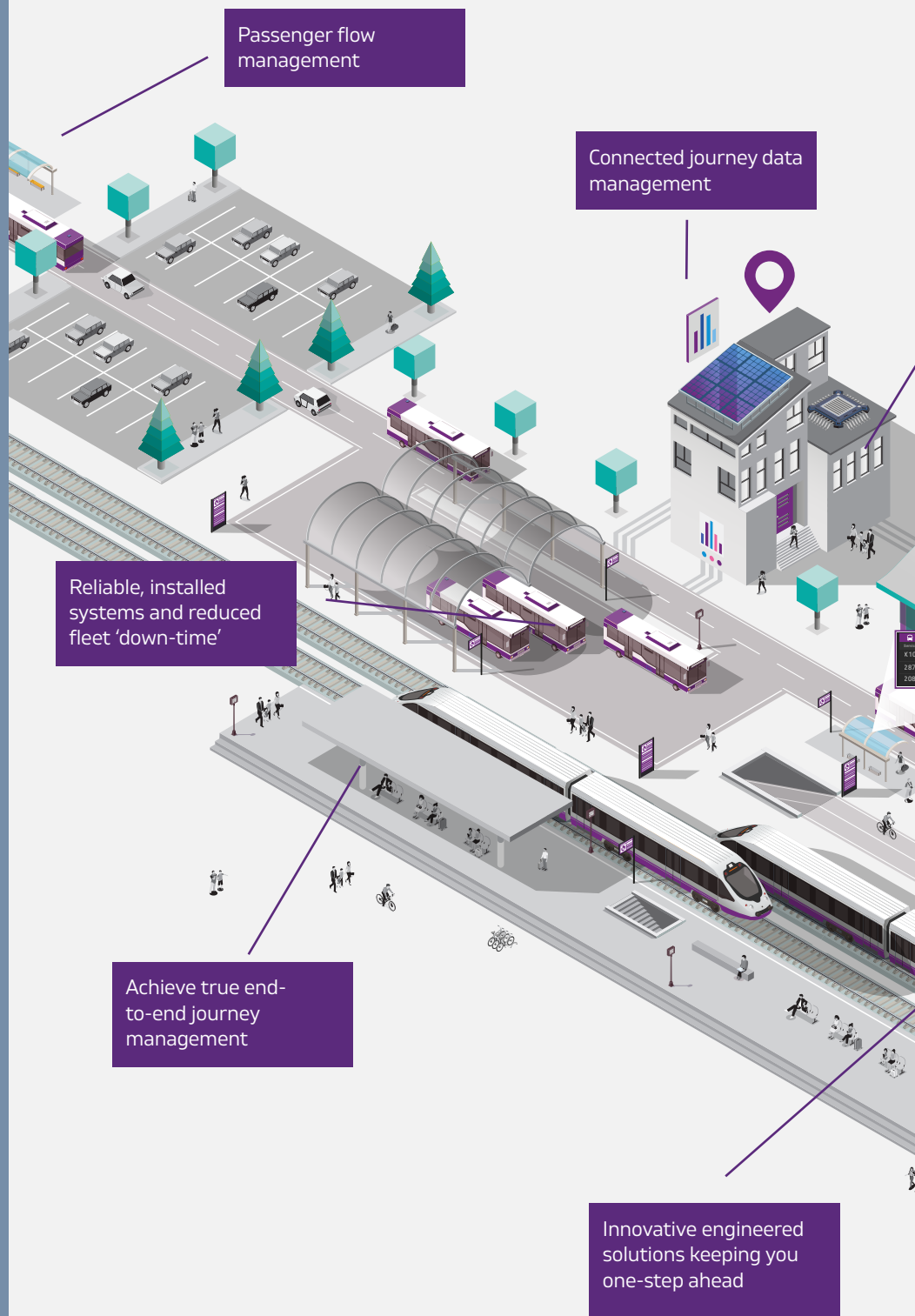
### Converged passenger transport software

#### EPIX modules and applications

- Core real time information management
  - Timetable management
  - Real time management
  - Message management
  - Global service edits
  - Via and alias management
  - Speech messages
  - Status map and health monitor
- Advertising management
  - Media manager
  - Campaign manager
- Bus station management
  - Stand changes
  - Stand charging
  - Cluster management
- Multi-modal templates
- Web departure boards
- Mobile-EPI
- Template editor

#### Journeo Portal

- Real time map
- Transit
  - Driver Performance Monitoring
  - Remote Condition Monitoring (RCM)
  - Agnostic Video Management System (AVMS)
  - Automatic Passenger Counting (APC)
  - Operational management
    - Schedule management
    - Driver management
    - Message hub
    - Service management
- Surface
  - Highways app
  - Surface monitor
- Air
  - Air quality monitor



Improved operational efficiency

Confidence to meet current and future compliance and safety needs

Trusted partner offering skilled field services

| Bus Departures | Time  | Destination | Time |
|----------------|-------|-------------|------|
| Birmingham     | 10:15 | 8 mins      |      |
| Stourbridge    | 10:30 | 12 mins     |      |
| Dudley         | 10:45 | 12:30       |      |

## Passenger transport infrastructure systems

- Bay displays
- Stretched in-shelter displays
- Summary displays
- Full-colour LED displays
- Low-power E-ink displays
- Solar-powered TFT displays
- Interactive wayfinding totems
- Air quality sensors
- In-shelter CCTV
- Bus station Wi-Fi

## Fleet operator systems

### Bus, coach and Specialist vehicle

- Automatic passenger counting
- CCTV
- Driver displays
- Next stop announcement displays
- On-board Wi-Fi
- Journeo Camera Monitoring System (Journeo CMS)
- Telematics and driver behaviour

### Rail

- Forward Facing CCTV
- Automatic passenger counting
- Saloon CCTV
- Station information security systems
- Train Wi-Fi

# At a glance CONTINUED

## Passenger transport infrastructure systems

We provide our solutions to many local authorities and Passenger Transport Executives (PTEs) across the UK and currently have over 5,000 display systems under software or support contracts.

These systems are powered by our latest electronic passenger information software, 'EPIX' content management for the transport sector. EPIX controls the content displayed on public transport information estates and gives local authorities and PTEs the power to display scheduled and real-time transport information in conjunction with supporting media and vital disruption messaging for routes and services.

Our ruggedised outdoor display products are designed and manufactured in long-lasting and robust materials to withstand harsh environments for many years. We use high-performance imaging panels, the latest communications technology and low-energy semiconductors. For the most demanding applications, our displays can now be

supplied tested to IP69K, which is currently the highest protection available.



Read more on **Chief Executive's Report** on pages 16 to 19

# £6.3m

Revenue

# 7% decrease

(2020: £6.8m)



## SOLUTIONS

### INTELLIGENT DISPLAY TECHNOLOGY

We have developed a broad range of display solutions including ultra-low power versions, full-colour LED and TFT/LCD models to suit most locations. Our displays are built around our own core technology and use open-platform communication methods and machine-learning techniques. We monitor the health and performance of our displays to provide customers with durable city-wide solutions for passenger information and vital disruption messaging. Our latest display products can be integrated into new bus shelters and bus stops or retrofitted to existing locations. Additionally, our graphics controllers can be applied to third-party displays technology, enabling the Company to take over pre-existing estates.

### EPIX CONTENT MANAGEMENT

Our powerful Content Management System (CMS) manages scheduled and real time information updates for over 1 million departures a day. The software manages display templates, disseminates critical disruption and public service messaging and can be supplemented with advertising content for revenue generation.

### INTERACTIVE WAYFINDING

To highlight points of interest, destinations and transport services, our interactive wayfinding totems allow PTEs to provide all the information needed to move people around towns and cities. Integration with web technologies enables our customers to extend the reach of their messaging directly to the users' own personal device.



## Fleet transport operator systems

We provide vital on-board safety and efficiency solutions to fleet operators, large and small, with many thousands of vehicles connected to our SaaS platform in the UK, Ireland and Sweden. We have a growing share of the UK bus market and are proud to include leading companies such as Abellio, Arriva, First Group, National Express and Translink, amongst our many customers.

Our services extend into mainland Europe through Keolis and Arriva. We also serve customers in rail, light-rail, and specialist commercial vehicle sectors.

Journeo management software provides fleet operators with powerful tools to improve operational efficiency, revealing valuable data-insights of their business performance and in the delivery of smarter, safer cities. Our key enabling technology is the Journeo Edge which runs vehicle applications such as remote condition monitoring, agnostic video management and passenger counting. Our FITAS-approved engineering services cover the design, systems integration, installation, and field service support.

# £9.3m

Revenue

# 36% increase

(2020: £6.8m)



Read more on **Chief Executive's Report** on pages 16 to 19



### ON-BOARD TECHNOLOGIES

Our solutions include voice over internet protocol (VOIP), closed circuit television (CCTV), Automatic Passenger Counting (APC), Telematics, Next Stop Announcements and Passenger Wi-Fi. Our design engineering complies with European Committee for Standardisation (CEN) standards.

Installations are completed in accordance with Federation of Communication Services (FCS) regulations. We are members of Information Technology for Public Transport (ITxPT) and systems' data are securely communicated to our Journeo Portal via our Journeo Edge intelligent gateway in open formats.

### JOURNEO PORTAL

The Journeo Portal is a secure, scalable and easy to use interface that enables our customers to gain operation-critical insights from the data generated in real time by their vehicles.

Sold as Software as a Service, the Journeo Portal integrates seamlessly with new and legacy on-board solutions to provide a complete view of on-board system health monitoring, whilst enabling users to more easily perform key tasks, such as video evidence handling, driver performance monitoring and operational safety management.

### OPERATION OPTIMISATION TECHNOLOGIES

We capture and process data from multiple on-board technologies to optimise operations. Using intelligent automation, we provide solutions that can manage customers' operations for them, provide exception alerts and disseminate data to key decision makers. For example, improving the utilisation of large area car parks bussing services as at Gatwick and Stansted airports.

## Airport Passenger Transfers

### CASE STUDY

#### Our customer's challenge

Serving 28 million passengers per year (pre-pandemic) across nearly 200,000 flights, London Stansted Airport is home to the largest surface area car park in Europe. With over 35,000 car parking spaces across the site, moving passengers safely and swiftly between car parks and the terminal is an essential component in the airports' efficient and safe operation.

The transfer operations have been provided by National Express for many years and, following a competitive re-tendering process, the operator was seeking assistance from technology providers to provide solutions to help meet the new Service Level Agreements (SLAs) required by the UK's fourth largest airport.

The new SLAs focus on the passenger travel experience, both in the transfer time to and from the terminal and an improved provision of information when embarking on and completing the transfer journey.

Previous technology installations had been supplied from a range of technology suppliers and National Express were seeking to minimise the number of suppliers they had and to capture more data from their installed systems, to demonstrate service improvement.

#### Our solution and technology

Following demonstrations of Journeo's first-generation passenger transfer solution at London Gatwick Airport, National Express engaged Journeo to

design a system that would meet all of their needs in a single, holistic platform, and would help them to manage their services to meet SLAs.

The delivery team worked with controllers for the passenger transfer operation to understand the challenges presented by the service and the SLAs they had to meet, and provided National Express with vehicle scheduling and service management tools.

Journeo installed each vehicle with the Journeo Edge; the intelligent gateway that connects all on-board systems (CCTV, passenger counting sensors, Wi-Fi, driver performance telematics, next stop announcement displays and driver's android display), which connects securely to the Journeo Portal.



Additionally, the Journeo Portal constantly tracks the location of the vehicle.

Journeo Portal enables authorised and authenticated users to access the different functions of the vehicle, view live occupancy information, complete video download requests, live view into the vehicle and produce driver performance reports and more.

Furthermore, the Journeo Portal constantly tracks the location of the vehicle, enabling the operator to manage their services more effectively.

Each service operated has its own target to meet, including a managed headway between buses operating the service to ensure that passengers are transferred to the terminal within the agreed SLA.



Journeo provided National Express with vehicle scheduling and service management tools.

With data collected from a period of sample trips, Journeo applies Machine Learning techniques to train the back-office system to learn regular pinch points, diversionary routes and regular times of the day when delays are most likely.

Intelligent automation is then used to actively manage the headway between vehicles to ensure the operation remains within SLAs. Drivers are delivered instructions on when to depart, when to hold and any route and service change information through their android display. The system intelligence allows corrective action to be taken should the operation fall outside of SLAs.

In addition, direct driver messaging through the android display triggers AI responses within the system that compensate for situations that the system cannot know.

Advanced vehicle tracking also provides predictions of when buses will be departing from each bus stop, so that passengers can have real-time information on their waiting time via the High-Definition TFT displays Journeo have installed at each bus stop.

## Value added

The delivery of our solution has transformed the National Express operation, from the previous situation where drivers were constantly required to radio each other for positional updates, to a seamless automated system, where drivers are able to complete their shifts via instructions delivered directly into the cab.

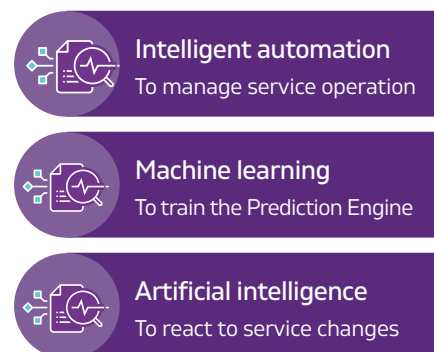
Controllers are able to focus on equally important activities such as managing vehicle repairs and driver incidents, whilst operational management are able to confidently demonstrate that SLAs are being met, highlight where the system has taken action to maintain the SLA and can instantly see any negative driver behaviour.

The system is constantly learning. Each additional trip adds more system

understanding of the service and as a result, adapts and improves predictions output to passengers.

London Stansted Airport can see clearly the quality of service they are providing and the improvements that they have made, ensuring that all passengers have a positive and seamless experience in their transfers which reflects well on the airport operator.

## System IP



# Chairman's statement



“*Journeo showed great resilience throughout 2021 increasing revenues, and profits, and has generated a significant and growing pipeline of opportunities through its strategic business development.*”

**Mark Elliott**  
Non-Executive Chairman

## Introduction

The Group continues to make solid progress in terms of financial performance and pace of development which is driving growth in the adoption of its hardware, software and services.

Journeo showed great resilience throughout 2021 increasing revenues, and profits, and has generated a significant and growing pipeline of opportunities through its strategic business development.

With passenger numbers still below pre-pandemic levels, the need to capture information on-board vehicles and provide real-time insights to operators, network managers and passengers will be one of the key factors in improving the overall passenger travel experience and encouraging people back to using public transport.

## Trading results

Group results for the year ended 31 December 2021 show underlying profit increased 36.6% to £634k (2020: £464k).

Overall sales increased by 15% to £15.6m (2020: £13.6m) and gross profit increased 13% to £6.0m (2020: £5.3m).

Fleet sales increased by 36% to £9.3m (2020: £6.8m) despite the lower passenger numbers continuing for the operators. Gross profit increased to £2.9m (2020: £2.1m) with margins maintained at 31% (2020: 31%).

Passenger sales decreased by 7% to £6.3m (2020: £6.8m). Margins improved to 49%

(2020: 47%) due to a lower proportion of new system installations, and gross profit decreased slightly to £3.1m (2020: £3.2m).

Underlying administrative expenses increased to £5.6m (2020: £5.1m) as expenditure returned to pre-Covid-19 levels.

Profit before a charge for share-based payments and before tax was £0.5m (2020: £0.3m).

Profit before tax was £0.4m (2020: £0.2m).

Diluted earnings per share was 4.46p (2020: 2.26p).

Cash and cash equivalents closed the year at £1.1m (2020: £1.3m).

## Markets

Last year proved to be another challenging year for transport as passenger numbers remained significantly below pre-pandemic levels. According to the DfT annual bus statistics England, in 2020/21 local bus passenger journeys fell by 61% compared with 2019/20 and 54% of all journeys occurred in London. However, cessation of the UK Government's work from home advice in January 2022 is regarded as a positive step towards encouraging people back to work and to use public transport which is widely viewed as essential to the UK's economic recovery.

It is clear however, that the recovery must be focused on environmental benefits, where businesses and members of the public are encouraged to support the Government's aim to achieve Net Zero

carbon by 2050. Central to this goal is the adoption of public transport as a viable and preferable alternative to personal-use vehicles.

The Government has put in place a number of policies to aid its target, laying the groundwork for local authorities and transport operators to form Enhanced Partnerships (EP) as part of the National Bus Strategy for England and to encourage further use of the UK's railways from the Williams-Shapps Plan for Rail.

It is encouraging to see the ongoing support from the UK Government to invest in town and city infrastructure and the transport networks that feed them. Whilst funding levels may have been impacted by the Covid-19 response, opportunities are beginning to flow from the substantial funding and spending that is taking place.

One such Government scheme that is being well-received by our operator customers is the Zero Emission Bus Regional Areas (ZEBRA) scheme. Whilst we are not direct beneficiaries of the scheme, it is reigniting the new bus sector of the market, that has been depressed for a number of years.

There are an estimated 40,000 buses in the UK. Just over half of the 32,000 buses on roads in England currently meet EURO VI standards and around 2% are currently zero emission vehicles, an indicator of the scale of investment that is needed over the coming years if the Government is to meet its environmental ambitions.

Historically, fleet operators have been replacing their vehicles at a rate of 5% to 7% per year. Due to the reduced passenger numbers over the last few years, many fleet operators have chosen to extend the life of their existing vehicles, rather than purchase new vehicles. The Government has made commitments to 4,000 carbon zero buses by 2024 and released 'Bus Back Better', the National Bus Strategy for England, which requires local authorities to prepare Bus Service Improvement Plans (BSIPs) and form Enhanced Partnerships (EPs) with fleet operators in order to access funding.

To move away from diesel powered buses to fleets of newer, cleaner vehicles, requires significant investment in both new vehicles as well as vehicle-charging infrastructure, whether electrical, hydrogen or a combination of both by manufacturers, local authorities and fleet operators.

A number of vehicle manufacturers are reporting significant interest for electric and hydrogen fuel cell buses. In the medium term this may lead to a positive cycle where reduction in production costs

leads to further demand for new vehicles, and the products, software and services that Journeo supplies.

The Department for Transport's (DfT) unlocking of timetable and vehicle location data through the Bus Open Data Scheme (BODS) is also delivering new opportunities, allowing Journeo to design systems that can enhance the overall passenger travel experience where data was not previously available.

It is also encouraging to see a return of international travel. Having delivered solutions to London Gatwick Airport and London Stansted Airport, we were delighted to welcome London Heathrow Airport to the list of major international travel hubs that rely on our Passenger Transfer solutions. In 2020, prior to the pandemic, Heathrow was the third busiest airport in the world by international passenger traffic. The project is now underway and, on completion will allow us to showcase our powerful airport bussing and passenger information solution to an international audience. In the meantime,

our airport solutions are gaining industry recognition for improvements to passenger travel experience and in supporting Airport Authorities meet their own service level agreements.

## Strategy

Our strategy is to seek, identify and solve current or anticipated future requirements within our target markets. We form deep and long-lasting bonds in supply chains and with customers to understand where to apply research and development to build Intellectual Property (IP) that has real value to our customers and that may also scale worldwide.

Bids and tenders involving, or built around, our own IP and know-how, are a key differentiator that gives us a high-success rate in sales conversions and purchase orders.

We invest in developing a broad range of solutions around our core technology that customers need now and that we anticipate they may need in the future.



# Chairman's statement CONTINUED



The Journeo Portal is a highly secure web based application launched to the market in late 2019. Journeo Portal saw the number of vehicles connected increase by 33% from 3,000 to 4,000 during 2021. Other orders and the three-year SaaS award from Arriva announced in November 2021 indicates that we will surpass the 10,000 connections milestone during 2022, where each connection is a bus, coach or train generating recurring income every month. This demonstrates that we have an attractive and commercially viable cloud-based offering, but also meaningful market penetration in CCTV and on-board IoT technology.

In addition to strong organic growth targets, the Company also maintains an active interest in seeking bolt-on acquisitions where the target businesses provide access to markets for our core technologies and capabilities.

## **Brexit and Covid-19**

The Group has had to adjust to the changes brought about by major external events sequentially; first the pandemic and the subsequent resulting impacts on global supply chains.

The largest direct impacts have been in our ability to reliably source high quality semiconductors and display components that are vital to building our solutions. Extended delivery timescales, rising costs in raw materials and labour continue to pose challenges for manufacture, assembly and installation engineering.

Where possible, we have mitigated against many of these risks through advanced purchase and stock holding, innovative design changes to avoid single source components, diverse procurement and strong supply chain relationships.

## **Environmental, Social and Governance**

The Group is committed to being a responsible member of the corporate community and has, over the course of the year, engaged with external consultants to set strategies and targets for our environmental, social and governance activities. Our initial findings are included on pages 32 to 33 in the sustainability section of this report. Throughout the course of 2021, the Company maintained all ISO accreditations.

## People

Throughout the pandemic, we followed the prevailing Government advice to help ensure the safety of all our people, who have shown great flexibility and dedication to ensure the continued support of our customers throughout.

Everyone in the Group has played an important role in building the capabilities that are positioning Journeo as an industry sector leader, and help capture an increasing share of a market that is transitioning from proprietary or closed hybrid systems to open, standards-based, IoT solutions.

I would like to take this opportunity to thank everyone for their commitment and attention to detail and look forward to working with them as we enter an exciting and successful period for the Group over the next few years.

## Outlook

The performance of the Group through a time of unprecedented global challenges has been admirable and we continue to make solid progress. Journeo showed

great resilience throughout 2021 and local authority and fleet operator customers are re-engaging with renewed momentum.

Indications are that many of the issues affecting global supply chains, particularly microprocessor and displays manufacture continue to pose challenges, however, projects that were temporarily suspended or delayed are restarting, such as the £2.1m second phase of the City of Edinburgh real time project announced in March 2022.

The increasing adoption of our IP and technologies from flagship customers in the last 18 months reinforces our conviction that a customer-led, applied development strategy is the correct one; and moreover, that it is working. Strong performance from our factory and delivery teams in Q4 2021 has been bolstered in Q1 2022 by good order intake and a significant pipeline of future sales opportunities into 2023 and beyond.

Public transport continues to be a major focus for the UK Government, and we look forward to learning more in the anticipated announcements of the successful bidders for key funding streams such as ZEBRA and the National Bus Strategy for England later this year.

Over the last 12 months, the Group has managed to mitigate many of the component supply chain issues and continues to meet customer expectations for delivery. However, the situation may be exacerbated by the conflict in Ukraine, and is an area where we remain particularly vigilant.

We continue to evaluate complementary or bolt on acquisitions where our technologies, software and core capabilities, that we continue to invest in, can add value. The Board remains focused on delivering ambitious growth plans and, the significant Government funding, plus increased adoption of our technologies and software underpin our confidence in meeting these objectives.

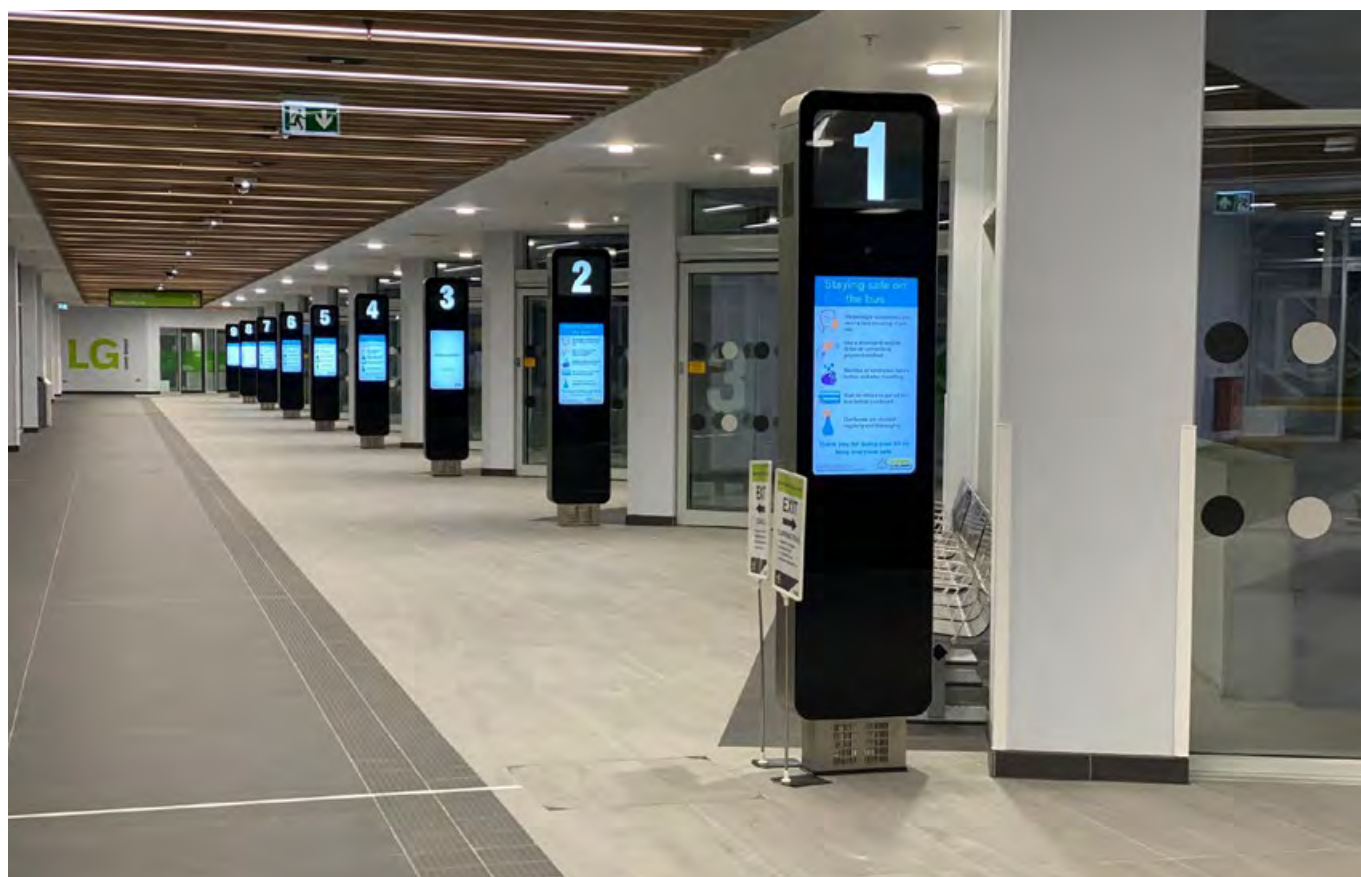
### Mark Elliott

Non-Executive Chairman

28 March 2022



Read more on **Consolidated statement of accounts** on pages 52 to 78



# Strategic Report

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“ The continued adoption of our technologies and software solutions by flagship customers demonstrates the significant progress we are making.”

**Russ Singleton**  
Chief Executive



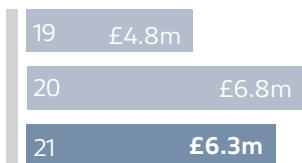
# Chief Executive's report



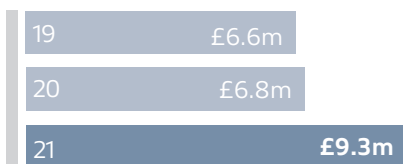
“ Over the last four years we have invested over £5m into R&D and this run-rate will continue, fuelled by increased customer interest in our technology and significant market drivers to encourage sustainable and carbon zero transport solutions.”

**Russ Singleton**  
Chief Executive

## Passenger transport infrastructure systems revenue



## Fleet transport operator systems revenue



## Introduction and strategy update

The continued adoption of our technologies and software solutions by flagship customers demonstrates the significant progress we are making.

The transport sector has faced many challenges in recent years, where the number of new bus registrations were lower than the historical norm, even before the global pandemic as a result of the reduction in passenger numbers.

The collective impact of these and other industry-specific events has been partially responsible for creating the circumstances for our software and services to thrive. For example, where fleet operators' have been seeking to prolong the life of their vehicles, Journeo has been able to provide a solution to increase system availability on legacy fleets through Remote Condition Monitoring. Whilst the global pandemic limited fleet operators ability to access CCTV images directly from vehicles, Journeo delivered secure, cloud-based access to vital evidence. And whilst the reduction in passenger numbers reduced fleet operator margins, Journeo has delivered innovative camera monitoring systems that improve safety and further reduce fleet operating costs.

The deep and trusted customer bonds and our technical agility enable us to pivot our core technology quickly to resolve customer needs, and our engineering excellence ensures that we can deliver solutions that

are crucial to operators and infrastructure managers in challenging operating environments.

During the year we secured a number of strategically important wins, including a three-year contract with Arriva to connect 4,700 of their UK buses, which is the largest single deployment of our SaaS-based solutions to date. Further penetration into airports was gained with the win at Heathrow, the third busiest airport in the world by international passenger traffic, and we expanded our passenger information systems along key transport corridors throughout Wales.

Over the last four years we have invested over £5m into R&D and this run-rate will continue, fuelled by increased customer interest in our technology and significant market drivers to encourage sustainable and carbon zero transport solutions.

## Operational review

### Passenger Infrastructure Systems

Local authorities have been delivered one of their biggest challenges in recent times by the UK Government. The National Bus Strategy for England (Bus Back Better published March 2021) paved the way for Enhanced Partnerships (EP) with operators and access to greater levels of funding from central Government to meet these ambitious plans. However, to achieve this, local authorities and transport executives were required to complete extensive Bus Service Improvement Plans (BSIPs) to access new funding.

One side-effect from this was the delay in some expected projects taking place as customers worked to complete and submit their BSIPs. As a result, we experienced a 7% fall in revenues to £6.3m (2020: £6.8m) which is disappointing as it masks the significant groundwork that was laid with customers in support of their BSIPs and the future projects that are expected to emerge. The sales process for infrastructure projects can be protracted and difficult to predict, but the early signs in 2022 are that we will see a return to growth in the coming year.

The announcement made in January for a £1.3m award from a northern transport partnership demonstrated the interest in our real time information displays and content management software. Part of a tranche 2 order from the £2.4bn Transforming Cities Fund (TCF), our solution forms part of a continuing commitment by the customer to enhance their passenger information solutions which we anticipate will continue to grow in future. Our accurate and intuitive systems have been well

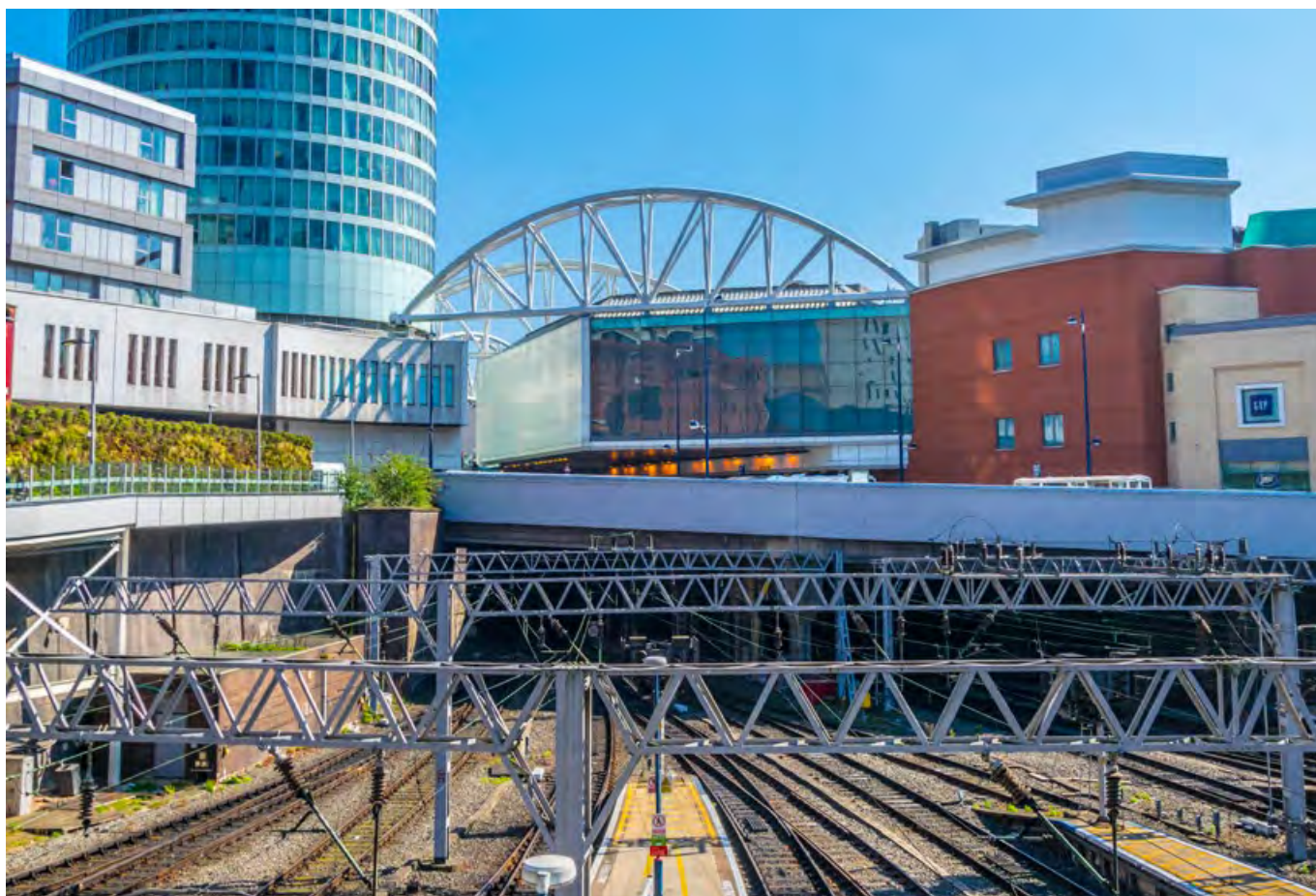
received and we will shortly be expanding the features and capabilities to include disruption messaging and up-to-the-moment travel information to passengers.

In November 2021, we completed the site acceptance testing and handover of City of Edinburgh Bus Station. The project had experienced delays due to regional travel restrictions but was completed shortly after these were lifted. This milestone is a gateway for the Edinburgh team to access the second phase, referred to as Lot 2 of the contract where we will deliver our latest high contrast optically bonded display technology throughout Scotland's capital city. We were delighted to be able to announce our first orders under Lot 2 in March 2022, valued at £2.1m.

Ensuring that our solutions support customers' aims to achieve carbon neutrality is a major focus in our product development. In March 2021, we announced an award valued at £1.1m, for solar-powered displays in key transport corridors in Wales. Since then, we have developed lower power

solutions. We currently have trials taking place of our next generation ultra-low power solutions, that have the potential of a seven-year running time without intervention, or extended indefinitely by the addition of solar energy and wind turbine, with recyclable battery technology. The expansion of our systems into key transport corridors in Wales has continued, and a further contract award of £0.8m was announced in December 2021, positioning Journeo well for future opportunities with Transport for Wales (TfW).

Estimates for the level of funding available as part of the National Bus Strategy for England have been revised down since its initial announcement, as a result of funding the Covid-19 Bus Service Support Grant (CBSSG) and its replacement Bus Recovery Grants (BRG) schemes to support networks throughout the Covid-19 pandemic (initial estimates c. £3bn vs. current estimates c. £1.4bn), but there is still cause for optimism. A green and sustainable recovery to meet the Governments' Net Zero carbon goals will be reliant on encouraging the



# Chief Executive's report CONTINUED

mass movement of people away from personal-use vehicles and on to clean and efficient public transport. This will undoubtedly require investment in transport infrastructure projects that have underpinned our success and we expect this will increase in the coming years.

## Fleet Transport Operator Systems

Last year proved to be a significant year for our Fleet Transport Operator Systems business with revenue increasing by 36% to £9.3m (2020: £6.8m). The increased level of SaaS-based subscriptions within the business mix helped increase the underlying profit to £0.7m (2020: £0.1m), demonstrating the value that our innovative solutions are delivering to our customers.

In our Annual Report for 2020 we included reference to a 200-system trial of our IoT technology with Abellio London. We were delighted in July 2021 to announce the trial was a success with a three-year £0.5m SaaS framework. The cost of the solution is being funded through operational savings and efficiencies which further underscores the attractive Return On Investment (ROI) that Journeo's agile software and cloud-based solutions provide.

Abellio's decision to adopt our technology fleet-wide on 900 buses was our largest single deployment in London. This was swiftly followed by an announcement that Journeo will be the preferred supplier for legacy and new CCTV systems for Metroline, with a fleet of 1,500 buses that form part of ComfortDelGro, further extending our presence within London, where approximately one third of all buses in England operate.

In November 2021, we announced a three-year SaaS contract award from Arriva UK Bus, adding an additional 4,700 connections to our cloud-based platforms. The roll-out and installation of our complementary IoT technology will complete during 2022 and will take the number of vehicles connected to our platform to over 10,000 by the end of 2022. Since its launch in November 2019, Journeo Portal is gaining popularity and we look forward to further adoption as a number of other operators are currently evaluating the application.

This success is not limited to bus and coach, however. Whilst announced shortly after the financial year end in January 2022, the achievement of our small, dedicated rail team in introducing our solution into the

rail market demonstrates the opportunities in adjacent and complementary markets for our solutions. The £0.7m framework services award with GB Railfreight for fleet-wide deployment of our Forward-Facing CCTV system also includes the provision of secure access to Journeo Portal for Network Rail and British Transport Police, further enhancing the value of our software in highly regulated environments.

Interest in Journeo's car park bussing and inter-terminal mobility systems in airports also continues to grow. In September 2021 we announced the award of a five-year contract at Heathrow Airport, valued initially at £2.5m, with Transdev Airport Services where we will deliver vital operational management, Real Time Information and on-vehicle technology services. With a growing market share in airport mobility, Transdev are leaders in the airport shuttle segment in the USA and have been providing mobility solutions at airports in the UK for over 50 years.

Work has already begun to deliver our technology and services to Transdev for existing vehicles with new vehicles expected to be delivered later this year. We have also started the work to connect



the existing car park and terminal displays into our management platform. This will allow Transdev to provide accurate real-time information to passengers and staff travelling to terminals and on connecting services.

### Central Services

Most of our people continued to work from home throughout 2021, as we adopted a hybrid working model when Covid-19 restrictions permitted. Particular attention was paid to team member engagement to prevent isolation issues through a series of daily, weekly and monthly departmental virtual meetings and regular on-line seminars that were open to everyone in the Company. These interactive events included presentations on the latest developments in transport applications. The sessions proved to be very popular so are being continued and now form part of our formal ISO workforce communication plan for 2022.

We also worked hard to maintain relationships with our supply chain partners to ensure that where possible, we were able to access vital components and maintain adequate stock levels required to meet our commitments.

2021 also provided the soft launch of our new Fault Management System, allowing our systems to automatically raise support tickets should they require an engineering visit. Initially rolled out to our flagship customer, the City of Edinburgh, this new system enables our operations team to track system performance down to component level, allowing them to identify trends and work with our technical teams to mitigate future incidents. The system is now gradually being rolled out to all customers.

Throughout the year, we have maintained all ISO accreditations and have now added the Cyber Essentials accreditation, giving further assurance to our customers that they are placing their data within a safe and secure environment.

### Russ Singleton

Chief Executive

28 March 2022



# Markets

## Global megatrends



Rapid urbanisation



Climate change and resource scarcity



Shift in global economic power



Demographic and social change



Technological breakthroughs



## Transport trends

Increased Congestion.

Changing passenger demand

Move to zero-emission vehicles

Use of renewable energy.

Vehicle production rising in Asia.

Continuing globalisation and standardisation within supply chains.

Fewer journeys per person due to rise of the internet.

Long term reduction in young people holding driving licences

Transport in the Smarter City and Internet of things.

More intelligent transport.

A future of driverless and on-demand services.



## Government policy

### Changing government policies

The transport sector, and particularly public transport, plays a key part in any strategy to reduce emissions and congestion. Most cities and governments have policies to encourage the use of public transport and these policies have a major effect on the markets we serve. In the UK, passenger numbers have been declining for many years, leading to a reduction in funds available for investment by our Passenger and Fleet customers. That said, pre-Covid, bus transport remained the most used form of public transport with more than 60% of all public transport journeys.

The sector now faces the double challenge of attracting customers back to public transport to pre-pandemic levels as well as revitalising mass public transport in order to meet environmental ambitions. In March 2021, the UK Government launched the National Bus Strategy for England, which has made available £1.4bn of funding and includes important changes to revenue support and, the creation of 'turn-up-and-go' high-frequency networks in England. Ticketing will be made simpler, with flat fares, daily 'capping' and high-quality passenger information.

Local transport authorities are at the heart of bus network revitalisation and in late 2021 they submitted Bus Service Improvement Plans to the DfT for review. Decisions from the DfT have been delayed, but we expect a funding announcement shortly.

The Williams-Shapps Plan for Rail, published in May 2021, also aims to place rail as a viable option over the personal-use car.

The franchising model, already replaced with Emergency Recovery Measures Agreements (ERMA) due to the financial impact of Covid-19 on train operators' revenues, will change to

a concession model using Passenger Service Contracts (PCS), let by the proposed Great British Railways (GBR) body.

The PCS puts demanding passenger satisfaction requirements in place, in which the passenger experience is one of five pillars that PCS holders must meet to receive performance incentives.

The William-Shapps Plan for Rail sets out a 'New Deal for Passengers' of which making the railway easier to use is a key deliverable. Number one on the Plan's list of ten key deliverables is a 'modern passenger experience' and the Plan sets out that clear, consistent passenger information.

The quality of information at railway stations and on-board trains is specifically referenced in the Plan. GBR will be made up of powerful regional divisions, with budgets and delivery held at local level, not just nationally, to ensure that railway stations meet new standards for passenger information.

It is expected that existing passenger rolling stock will be refurbished, with upgraded passenger information systems. This is likely to be part of the DfT's 30-year strategy which is to provide clear long-term plans for transforming the railways to strengthen collaboration, unlock efficiencies and incentivise innovation.

The DfT has commissioned a Whole Industry Strategic Plan, that will become the first 30-Year Strategy, to be ready later in 2022.

The Plan for Rail also says that the safety and security of passengers, of which CCTV is a key component, is 'critical' and 'must continue'.

### Net Zero

The UK became the first major economy to enshrine Net Zero by 2050 in law. The ministerial foreword to the DfT report Decarbonising Transport – Setting the Challenge sets out that:

"Public transport and active travel will be the natural first choice for our daily activities. We will use our cars less and be able to rely on a convenient, cost-effective and coherent public transport network."

Significant investment from bus manufacturers is seeing technologies (predominantly hydrogen and electric vehicles) mature rapidly, and several large bus operators have already stated that they will never buy another diesel vehicle. We can expect this shift in technology to accelerate, with most consumer-grade vehicles now also focusing on zero-emission vehicles.

### Bus Services Act 2017 and National Bus Strategy (2021)

The Act provides new powers to England's metropolitan areas outside London, to redress the negative effects of deregulation such as variable quality, lack of integration and fragmented services. The National Bus Strategy for England encourages local authorities to leverage the powers contained within the Act. Funding has been impacted by Government spend on maintaining services during the pandemic, but the remaining £1.4bn funding remains for a three-year period. DfT funding allocations are expected imminently. Many consider it possible that the devolved parts of the United Kingdom will follow suit to encourage a return to public transport.

### Transforming Cities Fund (TCF)

TCF is a £2.4bn programme, originally announced in 2017, to improve productivity and spread prosperity through investment in public and sustainable transport in some of the largest English city regions. Large tranches of the funding are yet to be spent and there are many projects in their formative stages that will benefit the Company.

## Fleet transport operator systems

### The market

We supply safety and information systems to bus, rail, rail freight, light-rail, and specialist vehicle operators, as well as integrated solutions to enclosed transport operations, at locations such as airports. Our solutions tend to be provisioned at a fleet-wide level rather than individual vehicles.

UK bus is our largest market where the main drivers for revenue are the systems for new vehicles, the fleet-wide adoption of new technology to meet operational needs and on-going services to the fleet.

Pre-pandemic, the UK bus market had falling passenger numbers, rising costs, fare pressures, changing technology to carbon-zero vehicles, reduced Government subsidies and regulatory changes. This resulted in new bus and coach registrations falling for consecutive years, culminating in significant reductions during the Covid-19 period.

However, the recently announced National Bus Strategy for England and ZEBRA (Zero Emission Bus Regional Areas) funding signals a move away from restricted funding to an incentives-based programme, through Enhanced Partnerships and franchising run by local authorities. To access funding, services must have a plan for improvement, with the Government's ultimate goal to make buses and bus services so appealing, that they become the de-facto choice for mid-range and inner-urban journeys.

As the effect of changing Government policies filters through and now that restrictions have been lifted, we expect to see an improving situation.

A similar shift is occurring in the passenger rail market and the publication of the Williams-Shapps Plan for Rail report sets out how the quasi-nationalisation of the railways that occurred during the pandemic, is paving a way out of the feast and famine approach to franchise-era upgrades.

The Plan puts passenger experience and satisfaction at its heart, with demanding standards for the delivery of passenger information, directly linked to rail operators' performance incentives.

The DfT is to publish a 30-year Strategy for the railways later in 2022, which is expected to include improved on-board passenger information systems to be fitted during refurbishment.

### Our response

We strive to continuously improve the range and quality of our services to customers and invest in IT systems and our core capabilities which are applied across all our customer accounts.

The National Bus Strategy is expected to accelerate the quality and consistency of bus services throughout England in the coming years. It will create demand for new technologies that drive operational efficiencies and improve the passenger experience which will be key to achieving the Government's goals.

We have invested £5m into Research and Development over the last four years, placing us in a strong position to capture market share and growth.

For instance, Our Remote Condition Monitoring (RCM) solution provides operators with a cost-effective route for ensuring the critical systems on their vehicles are working to meet regulatory and operational requirements. RCM also helps improve availability and reduces life-cycle costs through predictive maintenance and extends product life.

Further, our Agnostic Video Management System has proved valuable to customers looking to standardise data security in accordance with GDPR processes across large fleets with a mixed technology base. This has been especially welcomed during the pandemic as customers can access vital evidence remotely and securely, without having to visit the bus, coach or train.

We continue to broaden the range of safety solutions by introducing more complementary products. For example, Journeo Camera Monitoring System (CMS – sometimes known as Digital Wing Mirrors) has now been installed on over 1,000 vehicles across 27 operators and we have recently announced a three-year extension of our distribution agreement within the UK and Swedish markets.

Many customers are multi-national fleet operators and our technology-based approach is opening new opportunities and routes to market.

## Passenger transport infrastructure systems

### The market

We supply passenger information systems to the local authorities and Passenger Transport Executives (PTEs) that manage transport networks.

The last decade has seen limited investment in passenger information systems, but recent changes in Government policy has led to increased activity in the UK passenger systems market. The first tranche of Transforming Cities Funding was released to PTEs and local authorities in 2019. This is regarded as a positive trend and we continue to receive purchase orders from the second tranche of the funding.

Following the release of the National Bus Strategy for England, local authorities

and PTEs have now submitted their Bus Service Improvement Plans (BSIP) to the DfT and are awaiting the outcomes. The new Enhanced Partnerships this will deliver, enables them to better influence bus service provision in their region and invest in bus prioritisation and service improvement measures.

### Our response

Our strategy of combining engineering services, partnerships with complementary industry specialists and our own latest generation of industry specific solutions has produced a powerful competitive advantage for large and complex infrastructure projects.

We are continuing to invest in the development of our Journeo EPIX Software to meet the emerging needs of our customers

as their requirements grow with their new powers and responsibilities.

We are also developing new solutions in response to the needs of local authorities and PTEs as we seek to extend our role in the transport sector of the wider smarter city; for example with our new air quality monitoring sensor.

We have emerging business opportunities in cycling and walking, low power solutions, emissions measurement, and road surface analysis; all of which will support local authorities as they work to achieve the UK Government's goal of making public transport the de-facto choice of transport in an effort to meet their Net Zero targets.

# Business model

## Key resources

Our core capabilities have developed through practical experience in creating market-leading solutions for the unique requirements of the transport community. Our key resources are:

### Engineering excellence

Our people and culture are aligned to the needs of our customers. The importance of our solutions in the day-to-day operations of our customers informs our actions. Our customers demand engineering excellence, and it is at the heart of our expertise.

### Technology leadership

We support our customers legacy systems, today's new purchases and tomorrow's strategic direction. We have a 360° view of the technology relevant to our customers and the capability to develop products and software that meet the transport communities' unique requirements.

### Affinity with customers

Like our customers, we have a long-term commitment to the transport sector. We are specialists and understand the importance of creating solutions that are leading edge but also durable and cost-effective over the long-term.

### Third-party relationships

We are key members of the transport ecosystem and work inclusively and collaboratively with industry complementors to deliver the solutions required by our customers.

## Our activities

Our main activities can be split by:



### Engineering services

A full spectrum service from design and bid response teams to installation, management and field support services.



### Technology provider

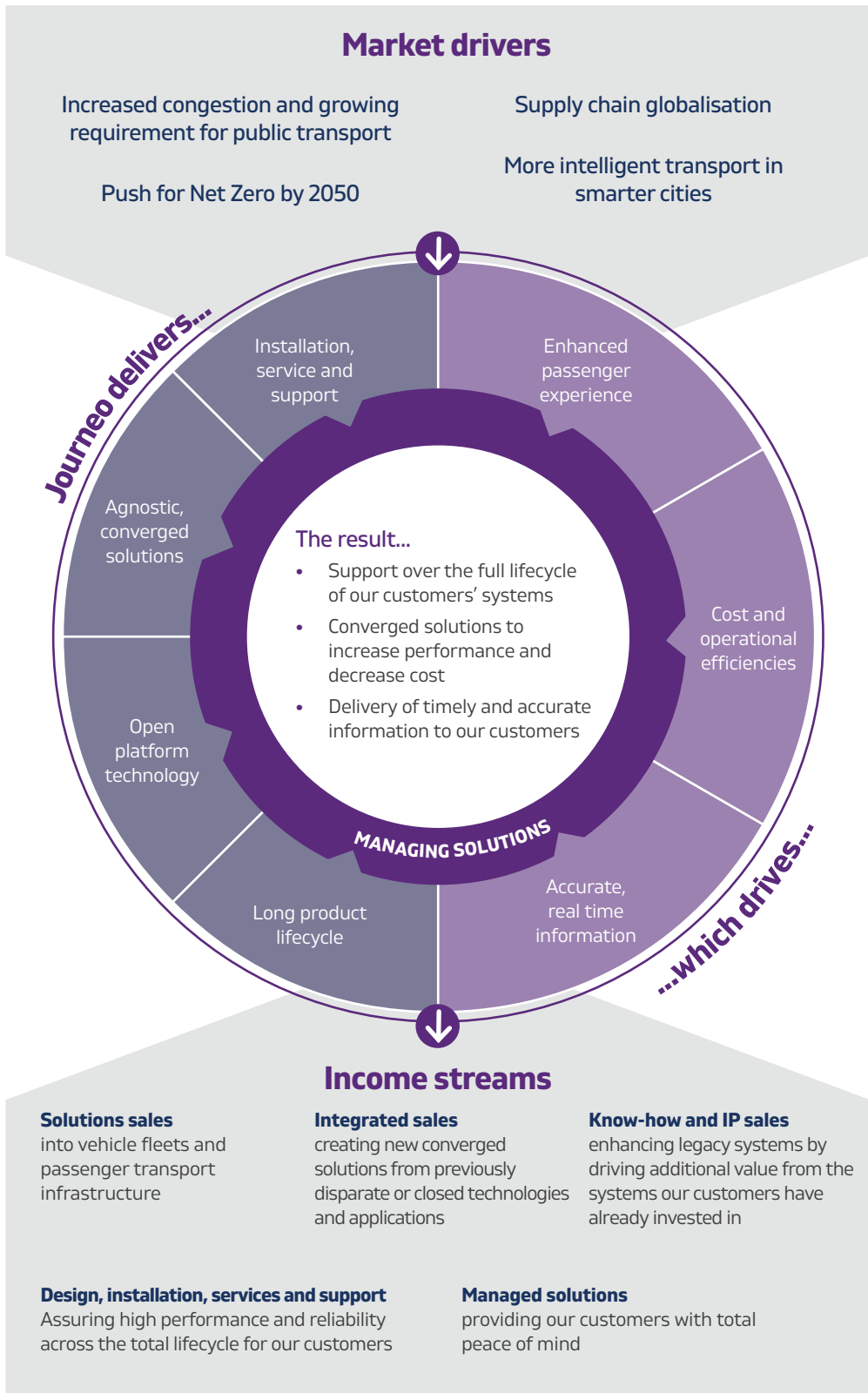
We combine a deep understanding of customer needs with our Research and Development capabilities to create innovative, new, open-platform products and software solutions that increase performance and decrease costs for our customers.



### Support services

We provide vital services to our customers, delivering best practices and processes to enable them to deliver efficient and consistent results for their customers.





## Journeo's competitive advantage

### Open technology

We leverage industry standards, enabled by our own IP, to ensure we can support legacy solutions directly alongside the latest technology solutions.

### Bespoke solutions from core technology

The flexibility of our technology enables Journeo to deploy the same core technology across both on and off board technology solutions, adapted to its use case.

### Long product lifecycle

The longevity of our Journeo solutions enables us to maintain customer relationships for longer and create a barrier to entry for new entrants.

### Installation and servicing

Our expertise enables us to support our customers for the full life cycle of the solutions that we install, further embedding Journeo into our customers' operations.

# Business model CONTINUED

## Our customers



We provide operation-critical solutions to our transport community customers which capture, process, and display essential information to improve journeys. We serve towns and cities with passenger information, fleet operators with safety and efficiency systems and bring these together in fully integrated solutions for places such as airports.

### Passenger transport infrastructure systems

We provide our solutions to many of the local authorities and Passenger Transport Executives (PTEs) across the UK and currently have over 5,000 display systems under software and support contracts. Our software controls the content displayed on public transport information estates and gives local authorities and PTEs the power

to display scheduled and real time transport information in conjunction with supporting media and vital disruption messaging for routes and services.

### Fleet transport operator systems

We provide vital on-board safety and efficiency solutions to a growing share of the UK bus market and are proud to include leading companies such as Abellio, Arriva, First Group, National Express and Translink amongst our many customers. Our services extend into mainland Europe through Keolis and Arriva. We also serve customers in rail, light-rail, and specialist vehicle sectors.

Our key enabling technology on vehicles is Journeo Edge which runs vehicle applications such as remote condition

monitoring, agnostic video management and passenger counting.

### Journeo software

Journeo management software provides transport infrastructure and fleet operators with a powerful and secure cloud-based platform to improve operational efficiency, revealing valuable data-insights for connectivity into the wider organisation and smarter city.

## Managed solutions



Our products, software and services provide our customers with a range of tailored solutions for the management of their enterprise in accordance with their Service Level Agreements.

Connected technologies with legacy integration drive value in our service offering. Machine learning algorithms are used to predict and pre-empt system performance issues to maximise service availability. Resolutions are automated where possible to optimise the cost of engineering.



## Value created for stakeholders



### Customer end user

We seek to become a trusted partner and are proud of the long-term relationships we forge, with new and existing customers. Our solutions are designed to continuously deliver value, in the short, medium and long term.



### Shareholders

By developing our own intellectual property and technologies, we have reduced our reliance on third party suppliers and are now accessing opportunities that were previously inaccessible to us. As we apply these to more complex projects and a wider range of markets, we expect to generate increasing value for our shareholders.



### Key suppliers & complementors

Our market presence and engineering capabilities provide an attractive route to market to global product businesses and our supply chain. As innovators, we work closely with industry influencers.



### Passengers

The systems we create improve the provision of information, increase the efficiency of services, seek to minimise environmental impact and safeguard members of the public whilst they use public transport.



### Our people

We aim to attract and retain great people by providing interesting and rewarding roles that allow and encourage opportunities for personal development.



# Strategy

## Connected systems for connected journeys.

Our overall strategy is developed through initiatives grouped into four strategic goals focused on our customers, our capabilities, and our stakeholders:



### Customer bonding

We aim for deep customer bonding through the critical technology solutions we provide to the transport community which capture, process, and display essential information to improve journeys. We carefully select niche markets where we can generate significant market share.



### Technology leadership

We are an open technology provider and partner with many leading global-scale product companies and local industry specialists to deliver our solutions.

We have a 360° view of the technology relevant to our customers and the capability to develop products and software that meet the transport communities' unique requirements, as well as the engineering services to deliver and support the solutions.



### Engineering excellence

We support our customers legacy systems, today's new purchases and tomorrow's strategic direction.

We invest in the skills and capabilities of our people to deliver engineering excellence and technical leadership across the life cycle of solutions.



### Business growth

We are strategically positioned for growth, as solutions in the transport community converge, with significant presence in passenger transport infrastructure and fleet operators' safety and management systems. Journeo's software and services are driving an increasing number of our new business opportunities.

We continue to evaluate acquisitions where they provide a route to market for our core capabilities.

# Strategic Objectives

We set objectives to advance our strategic goals with regular performance monitoring by the Board and management. The following table highlights the progress we have made this year:

|  | Customer bonding  | Engineering excellence  | Technology leadership   | Business growth   |
|--|---|---|---|---|
| 2021 OBJECTIVE   | <p>More deeply embed our solutions within our customers operations, enhancing our customers' ability to manage their fleets and infrastructure.</p> <p>Further align with our customers' Net Zero ambitions, delivering solutions that help them achieve these goals.</p>   | <p>Target large projects in which our extensive engineering ability will be pivotal in differentiating us from competitors as our customer base looks to install new and refresh existing technologies.</p>   | <p>Seek out new markets where our core technologies can deliver increased benefits to customers.</p> <p>Further invest in the Journeo portal as a central point where all customers can access and manage their technology deployments.</p>   | <p>Further extend our customer base into complementary and adjacent markets, either organically or by acquisition.</p>  |
| PROGRESS   | <p>Our solutions are becoming ever more critical to our customers' operations. Implementations of our Airport Passenger Transfer solutions operate on our intelligent automation, demanding secure, robust and high-availability solutions.</p> <p>We continue to improve the power consumption of our hardware, with an ultra-low power range of ePaper displays released in 2021. Where applications require different display technologies we are designing alternative ways to reduce power consumption, such as bonded displays, which remain more readable at lower brightness outputs.</p> | <p>We have completed many large-scale deployments in 2021, including a full roll-out of our Journeo Edge technology to the entire Abellio fleet of nearly 1000 vehicles. The implementation will extend the lifecycle of their current CCTV estate and enables centralised management of evidence through our cloud-based Journeo Portal.</p> | <p>Accessing new markets organically remains a goal for Journeo, but can have an indeterminate timeline. We have identified acquisition targets where our technology will complement their current solutions and customer base.</p> <p>We have continued to invest in the Journeo Portal, with new functionality, such as driver monitoring solutions, being pivotal to our ongoing success with project wins such as Heathrow Airport.</p> | <p>We have seen success in broadening our offerings to current customer sets, however the long lead time of organic breakthroughs has been exacerbated by local and regional lockdowns. We have identified a number of acquisition targets that we are actively pursuing.</p> |
| <p>We are pleased to set out our key strategic objectives going forward as part of the continual development of Journeo.</p> |   |   |   |   |
|  | <p>Broaden the capabilities of our embedded solutions to enhance our customers' ability to manage their fleets and infrastructure.</p> <p>Place a greater emphasis on sustainability across our operations and the full life-cycle of our products and services.</p>  | <p>Target specialist projects that deepen our knowledge and will form the foundations for future customer applications.</p> <p>Continue to support large-scale and complex deployments of Journeo technologies.</p>   | <p>Continue to invest in research and development.</p> <p>Extend our renewables and ultra-low power technologies and broaden the capabilities of our SaaS solutions.</p>  | <p>Introduce new applications to enter new market segments to attract and retain customers.</p> <p>Extend our customer base into complementary and adjacent markets, organically and by acquisition.</p>  |

# Strategy in action timeline



## 2016–2018

- **Formation of the R&D Team** – following the appointment of Dr Andy Houghton as CTO, the Research and Development (R&D) Team was formed to create new and more valuable solutions in niche segments of the transport market.
- **Consolidation of operations** – generated synergy benefits and annualised savings of £1.4m by combining operations into Midlands HQ. Culture change forming a more dynamic, responsive, and innovative working environment.
- **First initial trials and roll out of Journeo RCM technology** – following a successful trial with First UK Bus in the North West of England, our SaaS model was established and rolled out with Remote Condition Monitoring (RCM) applied to a significant proportion of the fleet.



## 2019

- **Sales, marketing, and channel development** – investment in pre-sales technical support and (CRM) management software to support marketing activities. Pipeline of sales opportunities outside traditional bus and bus shelter applications starts to build and includes large scale transport infrastructure projects.
- **Secured London Stansted Airport upgrade project** – based entirely on our own software with National Express.
- **Renamed Group Journeo plc** – to better reflect the Company's evolution into a provider of IoT based, connected technologies to the transport community.
- **Release of the Journeo Portal** – providing a single point of access for our Fleet Operator customers to manage the operational efficiency of their technology solutions.



## 2020

- **Transforming Cities Funding (TCF)** – receipt of first TCF orders, including a £1.9m award for displays technology for a northern transport partnership.
- **Major project wins** – including a £0.8m order from the £4.8m contract secured with City of Edinburgh Council, for real time information systems and associated displays technologies at City of Edinburgh bus station.
- **Initial sales of LED and low energy products** – £0.6m award to upgrade Birmingham City centre transport infrastructure.
- **Further development of the Journeo Portal** – inclusion of new applications such as Operational Management (developed for our Converged Airport Solutions) and Automatic Passenger Counting applications to take advantage of the increased interest in vehicle occupancy as a result of the Covid-19 pandemic.



## 2021

- **Launch of London Stansted Airport project** – delayed throughout 2020 by Covid-19 and launched on the re-opening of Stansted Airport Car Parks, the solution utilises machine learning and AI tools to provide automated driver management, enabling the system to completely manage the transfer service and ensure the operator remains within SLA.
- **Wider market adoption of Journeo technologies** – monthly connections to the Journeo Portal and enabling technology increased from 3,000 to 4,000 within the year, with further orders received just prior to year end that will see subscriptions more than double again in 2022.
- **Customer wins in Wales** – with previously limited amounts of Real Time Information displays in the region, Journeo have made impressive gains ahead of future anticipated TFW changes.
- **Further expansion of our Airport Solutions** – key wins at London Heathrow Airport and Bristol Airport sees further adoption of our airport car park transfer solutions.

# Chief Technical Officer's report



“ Having established the core platforms that deliver for us at scale, we are now moving into the enviable position of creating the magic that is seen. The key factors that will drive our solutions forward in 2022 are visualisation and application of data.”

**Dr Andy Houghton**  
Chief Technical Officer

**Within research and development, 2021 proved to be as busy as ever for the business. One of the most exciting and rewarding aspects of the year has been, without doubt, the rapid advances in our Journeo management platform (the Journeo Portal) as well as a substantial increase in uptake.**

The latter should not, of course, be surprising as the system has been architected in partnership with both our customers and many of our system component suppliers.

Being designed as an open system, our customers recognise that they are investing in an expanding eco-system while, at a component level, suppliers who partner with us are increasingly seeing the benefits that derive from deep integration of their products into that ecosystem. Last year I mentioned projects where, from inception to operation, happened within weeks; this testimony to our open architecture continues as we bring in more services, capabilities, and products (both home-grown and third-party) into the platform.

Building scalability and resilience into these systems has underpinned our efforts to

date. From a customer perspective, though, this is largely unseen; it means simply that, when an operation is requested, it happens seamlessly and in a timely manner. Having established the core platforms that deliver for us at scale, we are now moving into the enviable position of creating the magic that is seen. The key factors that will drive our solutions forward in 2022 are visualisation and application of data.

For some years now we have captured system health as part of our monitored services and we have used this to drive and optimise our engineering visits. As we capture more data from more systems the need to tease out underlying information increases as, without this, there is no practical or financial purpose. To this end, we are increasing our investment in artificial intelligence (AI) as well as creating extensive visualisation tools within our management platform. AI helps us to scale, by automating the detection of exceptions, while visualisation makes information accessible in an intuitive way. Together these lead to a genuine, and sometimes substantial, ROI for our customers which manifests the true value of capturing data.

Development of our hardware solutions across the business continues too. We have produced several new LED-based passenger displays as well as a new range of ePaper-based bus stop information signs. These new solutions are evolutionary, responding to environmental and cost/performance challenges, and demonstrate the capability and flexibility of our factory-based design engineers who, in response to a customer requirement, can turn around

a proof of concept sometimes in days. We now have a range of bus stop flag displays where, previously, we had no offering.

Further development of our TFT display range continues, too. Our latest bonded-glass displays are more durable than their predecessors and consume less power by operating at a lower brightness, a feat that can only be achieved by removing the void between display and protective casing, in much the same way as you would see on a modern smartphone.

Environmental considerations continue to be at the heart of our displays development strategy. Alongside the creation of substantially lower power display options we are also integrating wind turbine technology into our solar powered systems. Dual energy sourcing in this way gives us the option of off-grid solutions further north in the UK than was previously viable.

In support of the Government's goal of both increasing the accessibility of public transport and improving safety we have invested in the creation of new on-vehicle components, including intelligent displays that bring more information to passengers, as well as driver displays that improve situational awareness. Alongside these we continue with the integration of vehicle safety monitoring systems through our Journeo Edge gateway.



# Principal risks and mitigation

| Risk or uncertainty and potential impact   | Mitigation   |
|--|--|
| <p><b>Covid-19:</b><br/>The Covid-19 pandemic and Government and societal reactions to events are expected to continue to impact the business.</p> <p><b>our people</b></p> <ul style="list-style-type: none"> <li>– our fundamental duty of care for their safety</li> <li>– our capacity to deliver our services, e.g., customer SLAs and project delivery</li> </ul> <p><b>our customers</b></p> <ul style="list-style-type: none"> <li>– degree of essential supply of our services</li> <li>– credit risk and cash flow</li> <li>– reduction in their services</li> </ul> <p><b>our supply chain</b></p> <ul style="list-style-type: none"> <li>– their capability to deliver key services and components</li> </ul>  | <p>A dedicated Covid-19 response team continues to assess and manage impacts of the challenges on the business.</p> <p>The Group will continue to monitor guidance from the Government and will communicate with staff on a regular basis as appropriate.</p> <p>Personnel are working from home and where on-site working is required, appropriate measures have been put in place in line with Government guidelines.</p> <p>We maintain regular communication with our supply chain and customers on the measures in place to minimise disruption to normal operations arising from Covid-19.</p> |
| <p><b>Changes in government policy</b><br/>Although the recent release of a National Bus Strategy from the Government and the Williams-Shapps Plan for Rail is broadly welcomed by Journeo, we must remain mindful that this will have major impacts to the transport landscape:</p> <p><b>Changes to buying decisions:</b></p> <ul style="list-style-type: none"> <li>– Through Enhanced Partnerships and franchising, operator customers may have less leeway to specify the equipment and hardware that they use within their fleet</li> </ul> <p><b>Changes to funding streams</b></p> <ul style="list-style-type: none"> <li>– Whilst the National Bus Strategy has been announced, it is not yet clear how the funding will be allocated and how much will come from existing funding streams such as BSO, ZEBRA Funding and Concessionary Travel Funding</li> </ul> | <p>Through our Passenger segment Journeo already works very closely with local authorities and has been engaging with key asset clients on their Enhanced Partnership plans since the release of the Bus Services Act.</p> <p>This provides us with the opportunity to demonstrate our capabilities to both the local authority and fleet operator customers. We continue to work with industry complementors to set system specifications.</p> <p>The Board continues to monitor changes in Government policy closely and will continue to set strategy as further details emerge.</p>              |
| <p><b>Supply Chain management</b><br/>The Group has an international supply chain and a growing overseas customer base.</p> <p>Access to, and delivery of equipment, people and materials could still be negatively impacted by the UK exit from the EU. This is potentially exacerbated by the conflict in Ukraine that may impact production and supply routes of some key components.</p>   | <p>We initiated a programme of advance purchase and delivery of stock to our warehousing facilities to mitigate any short-term impact. We continue to hold this buffer stock.</p> <p>Whilst no stock comes directly from the conflict zone, we have key suppliers in bordering countries who may be impacted should the invasion be protracted. We are carefully monitoring this emerging situation and have plans in place for alternate supply chains if required.</p>   |
| <p><b>Major project delivery</b><br/>Failure to deliver a major project on time or to specification, or technical performance falling significantly short of customer expectations, would have potentially significant adverse financial and reputational consequences.</p>  | <p>Risk assessments are conducted for all projects and the major ones are also subject to Board approval.</p> <p>Major projects are reviewed at various levels and frequencies throughout the project lifecycle. Any material exceptions are escalated to the Group management team.</p>   |
| <p><b>Dependence on key suppliers</b><br/>Wherever possible the Group endeavours to retain a choice of suppliers in the supply chain. In instances where we are reliant on the performance of one supplier for a product or a subsystem, our risk is increased.</p>  | <p>We manage this risk with rigorous financial and technical appraisals of key suppliers. We monitor their general performance closely and for major projects we apply the mitigation covered above.</p>   |
| <p><b>Competition</b><br/>The Group may face increased competition as the technology on and off vehicles moves away from point solutions to broader integrated solutions.</p> <p>This changing technology landscape creates openings for new product and service entrants which may possess better technical and capital resources than the Group.</p>   | <p>The Group will continue to increase its technical capability to capitalise on our current market position and work closely with technology partners to broaden our skills.</p> <p>We aim to become a larger Group via organic growth and potential acquisitions to provide better economies of scale and increased industry knowledge.</p>  |
| <p><b>Technology</b><br/>As transport systems become more intelligent and converged there is a risk that solutions or products can be overtaken by new approaches. The speed of innovation may increase.</p> <p>This may impact our ability to invest in further development in the future and could reduce the product lifecycle for our current solutions in the market.</p>   | <p>We are a customer-led business that has made significant investments in research and development resources in carefully selected niche markets in which we are recognised experts with substantial field engineering experience. This allows us to continually keep pace with changes and improvements in relevant technology and link this to our customer's changing needs.</p> <p>The Board regularly reviews progress on product development.</p>   |

# Sustainability

We are living in a time of climate crisis. The UK Government has become the first major world economy to commit to Carbon Net Zero by 2050. And, as the 26th United Nations Climate Change Conference, COP26, revealed last year, the spotlight is now firmly placed on businesses to deliver on this and act on climate change. In our 2020 Annual Report, we committed to carrying out an initial review of ESG activities at Journeo in an effort to identify the issues of importance to internal and external stakeholders.

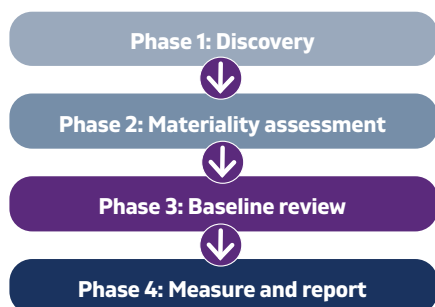
Journeo takes its Environmental, Social and Governance (ESG) responsibilities seriously. In addition to complying with the QCA Corporate Governance Code, Journeo has in place international trademarks and recognised accreditations for: Information Security Management Systems (ISO 270001:2013 and Cyber Essentials), Quality Management (ISO 9001:2015), Environmental Quality Management (ISO 14001:2015) and Occupational Health and Safety (ISO 45001:2018). Together, these systems embed a strong culture of sound, ethical values and behaviour within the Group.

But we recognise that Journeo can do more.

Our aim is to utilise the review to inform our future ESG strategies, to engage with our stakeholders on the issues that most matter to them and to build our focus on sustainability from the ground-up.

Journeo has made significant progress on this preliminary part of its ESG journey. With the assistance of specialist external advisors who provide expertise not currently held within the business, and the support of those within and outside of Journeo, we have carried out two phases; an initial discovery study (ESG issue identification) and materiality assessment (ESG issue prioritisation).

From these two phases, we will create a baseline review of issues to be prioritised for internal and external engagement (Phase 3). In time, this will also lead to a number of Key Performance Indicators (KPIs) from which the Group will be able to monitor, measure and report our progress on ESG (Phase 4).



## Phase 1: Discovery – issue identification

Our discovery phase involved desk-based research, reviewing ESG information from more than 25 sources, to identify ESG issues of significance to our Group, stakeholders and industry. The sources were selected for their relevance to Journeo and included (but not limited to) standard sustainability frameworks, Government codes of practice and frameworks, influential industry bodies and media outlets and published material from customers, competitors and shareholding organisations. In addition, Journeo's own

internal sources were analysed, including policies and procedures that form part of our aforementioned accreditations and our historical Annual Reports.

Across all sources, 90 ESG issues were identified and categorised as follows:

- Economic (13)
- Environmental (28)
- Social (24)
- Governance (25)

The advisors then worked with the Journeo team to collate these issues into a condensed list of 16 topics to be prioritised through a materiality assessment:

| Our products (Economic)   | Our environment (Environmental)   | Our social (Social)   | Governance (Governance)  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>• Innovation and product responsibility</li> <li>• Customer satisfaction</li> <li>• Economic contribution</li> </ul> | <ul style="list-style-type: none"> <li>• Operational energy use and carbon emissions</li> <li>• Low carbon products</li> <li>• Waste and recycling</li> </ul> | <ul style="list-style-type: none"> <li>• Social impact and investment</li> <li>• Occupational health, safety and wellbeing</li> <li>• Diversity, inclusion and equality</li> <li>• Attracting and retaining talent</li> </ul> | <ul style="list-style-type: none"> <li>• Data privacy and cybersecurity – Products</li> <li>• Data privacy and cybersecurity – Operations</li> <li>• Corporate governance</li> <li>• Risk management</li> <li>• Responsible supply chain</li> <li>• Ethical conduct</li> </ul> |

## Phase 2: Materiality assessment – issue prioritisation

To prioritise the ESG issues in our condensed list, a materiality study took place in two tranches.

The first, for internal stakeholders, involved a questionnaire distributed amongst all departments within the Group. Journeo team members were asked to rank ESG issues by their perceived levels of importance to the Group and their respective departments and, where appropriate, provide supporting notes and information to clarify their reasoning.

The second tranche of work involved 30-minute interviews with external stakeholders including our customers, suppliers, investors and industry influencers. Each interviewee was supplied a copy of the material issues to be discussed prior to the virtual meeting to enable them to formulate opinions and responses. The interview itself was then an open discussion during which the interviewee was invited to rank the topics and provide additional commentary.

In the case of external stakeholder responses, all answers were provided directly to our advisors and anonymised prior to return to Journeo, to assure an open and honest dialogue was achieved.

## Outcome

We were delighted by the high level of engagement from all participants. We would like to extend our thanks and gratitude to those who generously provided their time and thoughts to shape our sustainability journey. Unanimously, all participants were supportive of Journeo undertaking this process. As a result of this exercise, we were also able to understand the ESG areas in which Journeo is leading the industry, as well as areas of potential improvement.

Journeo benefits from working closely with a customer base that is built from local authorities, PTEs and large corporate customers who also have strong working relationships with local and national government organisations. As a result, their level of engagement with the ESG agenda is relatively high and a 'cascading' effect takes place, with procurement requirements often demanding alignment to Government strategy around Net Zero, health and wellbeing, and other ESG topics such as the creation of social value.

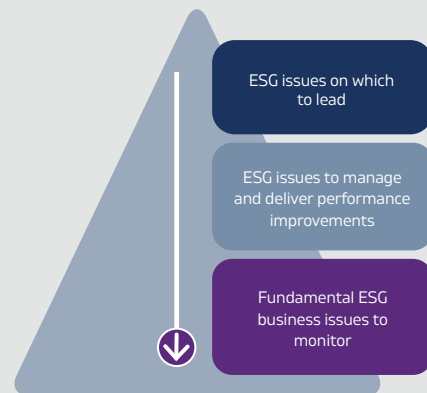
Once all inputs were collected, a cumulative ranking system was applied to help identify issues that were of most importance to our stakeholders. In general, there was a strong correlation between internal and external stakeholders, with many of the same topics selected as areas for prioritisation. There were, however, some interesting outliers. For example, 'innovation and product responsibility' scored highly throughout all respondents, however 'occupational

health, safety and wellbeing' scored as a far more important issue amongst our internal audience, possibly because of current mainstream media narratives following the end of lockdown restrictions.

By placing the cumulative rankings on a matrix, we are able to easily recognise the ESG issues of importance to Journeo.

As can be seen from the matrix below, importance of an issue for a customer is tracked along the X axis, whilst perceived importance of an issue to our business is tracked along the Y axis. We were pleased to see high levels of correlation between what is considered important to our stakeholders and our strategic business model. It would be easy to draw direct parallels between 'Innovation and technology leadership' and 'Technology leadership', for example; or 'Customer satisfaction' and 'Customer bonding'; and 'Product data privacy and security' and 'Engineering excellence'.

Low carbon products and energy use emerged as ESG issues of critical importance. While this was not an unexpected outcome, it highlights the need for Journeo to further focus our efforts on reducing emissions as part of our operations, but also the products and services we provide.



## Our next steps

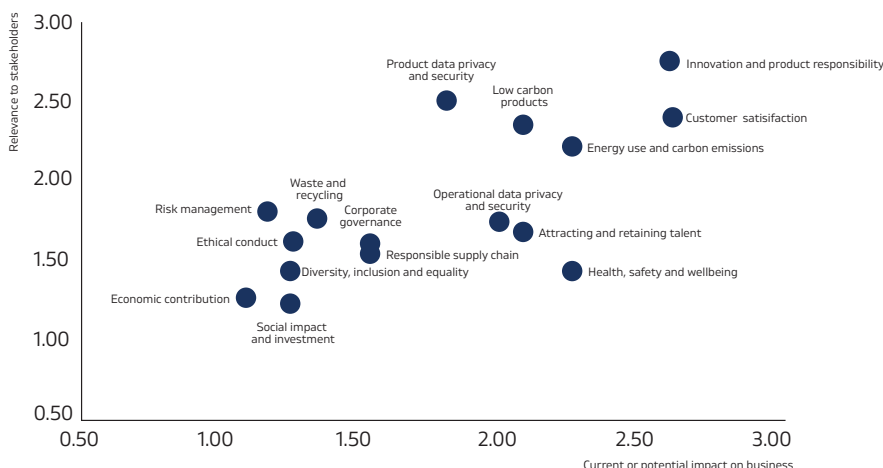
Whilst the matrix enables us to prioritise ESG issues of concern to our Company, we have to be pragmatic about how, and to what extent, Journeo can address these issues.

Our next step will be to analyse the results of the materiality study and use the outcome to develop a Journeo Sustainability strategy. Whilst the qualitative nature of the study is already proving invaluable in shaping our thinking, key insights can also be gained from the tone and content of some of the long-form responses provided within our external stakeholder interviews. For this, we will build defined ESG objectives and targets, alongside a governance framework to act on this strategy.

Our sustainability strategy will be built around issues that allow us to genuinely lead the conversation within the industry, but also around various issues in the short, medium and long term that can be substantively tracked to monitor our journey.

We look forward to sharing our sustainability journey in our future reports, most specifically a baseline review (Phase 3) and measuring and reporting (Phase 4), as well as working together to achieve a more sustainable future.

## Journeo plc materiality matrix





## Governance

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|                                   |    |
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“As with all businesses there are particular times of the year where our working capital requirements are at their peak. The Group is well placed to manage these business risks effectively.”

# Board of Directors



## Mark Elliott

Non-Executive Chairman

**A N R**

Mark Elliott joined the Company in December 2010 as a Non-Executive Director before taking on the role of Executive Chairman in August 2013 after a period in the role of Interim Finance Director from January 2013. In August 2014 Mark was appointed Non-Executive Chairman. Mark is a Chartered Accountant who was an Equity Partner with Baker Tilly (now RSM UK) specialising in audit and corporate finance. More recently he has advised and been on the board of two companies listed on AIM. He is also Non-Executive Chairman of AIM listed Malvern International plc.



## James Cumming

Non-Executive Director and Senior Independent Director

**A N R**

James Cumming joined the Board as a Non-Executive Director in August 2013. Following a long career in corporate advisory and broking in the City, including acting as Chief Executive Officer of N+1 Brewin LLP, and latterly as a Senior Adviser to Cantor Fitzgerald, James has significant experience in working with small and mid-sized UK companies. James currently utilises his commercial experience in supporting growth companies in non-executive roles, is an associate of Ruffena Capital and has qualified as a fellow of the Chartered Institute of Securities & Investment.



## Russ Singleton

Chief Executive Officer

Russ Singleton joined the Company in October 2013 as Chief Executive. Russ is a Chartered Engineer with a strong track record, including forming and growing electronics businesses for Synectics plc, formerly Quadnetics Group plc, where, after moving to AIM in 2002, he led the group as Chief Executive, achieving a five-fold increase in turnover and substantial profits. This growth came organically and through acquisitions. Subsequently, he formed Coretrol Limited to focus on opportunities in the security markets.



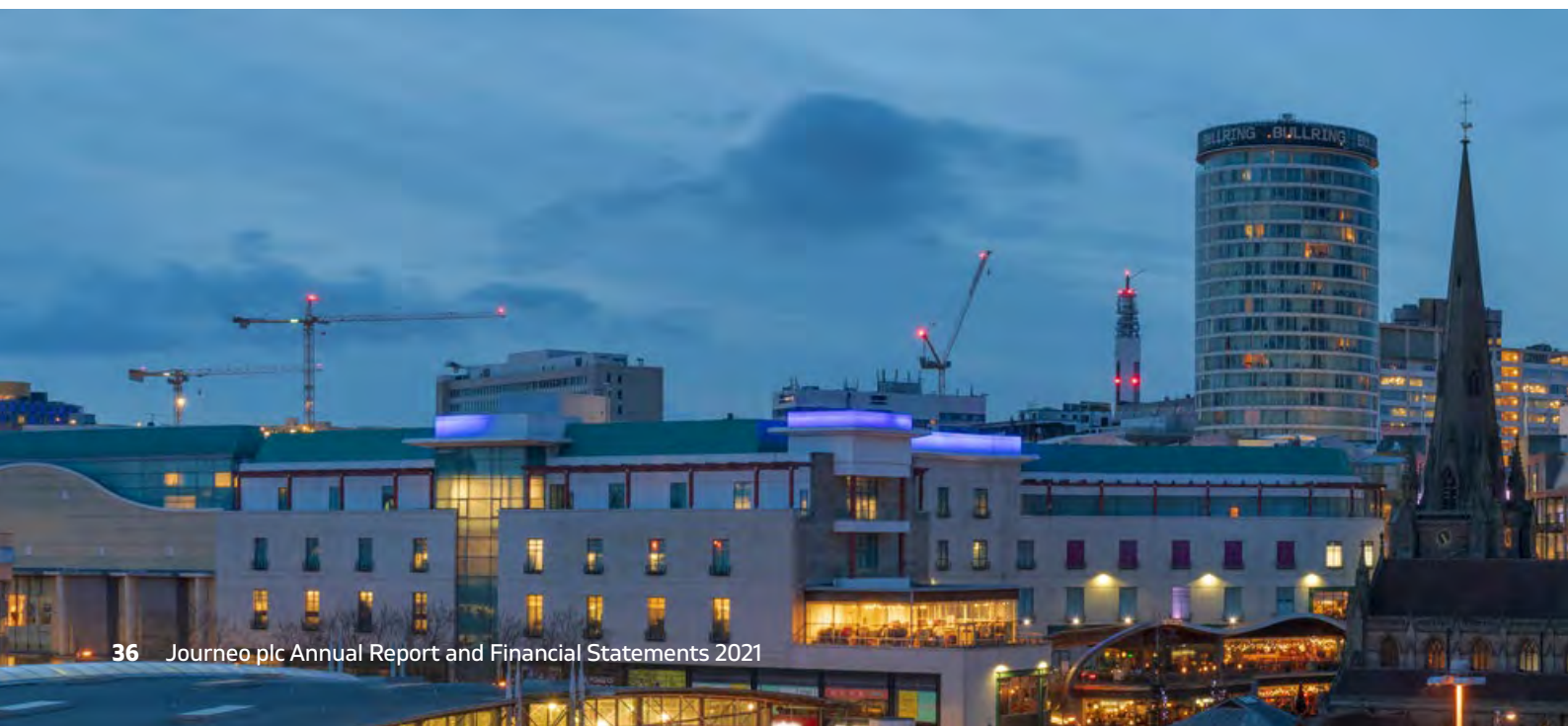
## Nick Lowe

Chief Financial Officer and Company Secretary

Nick Lowe joined the Company in May 2017 as Chief Financial Officer. Nick is an FCA with experience at finance director level in growing, technology-led, SME businesses. He has strong group reporting, process and control skills developed whilst at the prestige motor dealer, Sytner Group. Nick qualified as a Chartered Accountant with Tenon in Nottingham, before joining KPMG.

### Key

- A** Audit Committee
- N** Nomination Committee
- R** Remuneration Committee



# Senior management team



**Dr Andy Houghton**  
Chief Technical Officer



**Mark Johnson**  
Director of Fleet Systems



**Darren Maher**  
Group Development and  
Communications Director



**Phil Harrison**  
Group Financial Controller



**Kim Bradley**  
Group Projects Manager



**Steve Kesterton**  
Group Operations Manager



# Report on corporate governance

## Summary

- The full Board met 12 times in 2021. All of the Directors of the Company at the time of the meetings were in attendance.
- The Audit Committee met with the Auditor twice during the year.
- Several meetings of the Remuneration Committee were held during 2021.
- An ongoing process to identify, evaluate and manage the significant risks faced by the Group has been in place for the full year under review.

The Company has adopted the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies (revised in April 2018 to meet the new requirements of AIM Rule 26).

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. The Board has considered how it applies each principle to the extent that the Board judges these to be appropriate in the circumstances, and provides an explanation of the approach taken in relation to each on the Company's website. The Board considers that it does not depart from any of the principles of the QCA Code.

## The workings of the Board and its Committees

### The Board

The Board currently comprises one Non-Executive Director, a Non-Executive Chairman and two Executive Directors and is responsible for the management of the Group. The Board meets at least ten times a year, setting and monitoring Group strategy, reviewing trading performance and formulating policy on key issues. Day-to-day operational decisions are delegated to the senior management team. Key issues reserved for the Board include the consideration of potential acquisitions, share issues and fundraising, the setting of Group strategy, City public relations, and the review and evaluation of significant risks facing the business. Briefing papers are distributed by the Company Secretary to all Directors in advance of Board meetings. All Directors

have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable Directors to obtain independent professional advice in the furtherance of their duties if necessary, at the Company's expense.

Biographies of the Directors, including details of their experience and role within the Group, are set out on page 36.

### Attendance at meetings

The full Board met 12 times in 2021. All of the Directors of the Company at the time of the meetings were in attendance.

### The Audit Committee

The Audit Committee comprises the two Non-Executive Directors: James Cumming, as Chairman, and Mark Elliott. The Audit Committee's remit is set out in its terms of reference. The Committee assists the Board in ensuring that the Group's published financial statements give a true and fair view and, where the Auditor provides non-audit services, that its objectivity and independence is safeguarded. The Audit Committee reviews arrangements by which employees may, in confidence, raise concerns about possible inappropriateness in the financial reporting of the Company or other matters. The Audit Committee has procedures in place for the investigation and follow-up of any such matters reported to it by staff.

### The Remuneration Committee

The Remuneration Committee comprises the two Non-Executive Directors: James Cumming, as Chairman, and Mark Elliott. Several meetings of the Committee were held during 2021. The Committee is responsible for making recommendations to the Board on the remuneration of senior management and all Directors.

### The Nomination Committee

The Nomination Committee comprises the two Non-Executive Directors: James Cumming and Mark Elliott as Chairman. It meets as necessary and is responsible for making recommendations to the Board on the appointments of Executive and Non-Executive Directors. When required, it is the usual practice of the Nomination Committee to employ specialist external

search and selection consultants to assist in the appointment process for new Executive and Non-Executive Directors.

### Election and re-election of Directors

All Directors of the Company are subject to election by shareholders at the first AGM following their appointment by the Nomination Committee. Thereafter, each Director is subject to re-election by rotation at intervals of no more than three years.

### Terms of reference

The terms of reference for the Audit, Remuneration and Nomination Committees are available on request from the Company Secretary and are available for inspection on the Company's website – [www.journeo.com](http://www.journeo.com).

## Internal controls

The Directors acknowledge that they are responsible for the Group's system of internal control and for reviewing its effectiveness. The internal control systems are reviewed annually by the Board. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed. Internal control procedures are regularly reviewed in light of an ongoing process to identify, evaluate, and manage the significant risks faced by the Group. The procedures are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The process has been in place for the full year under review and up to the date of approval of the Annual Report and Financial Statements.

The key procedures which the Directors have established with a view to providing effective internal controls are as follows::

### Management structure

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board.

Each Executive Director has been given responsibility for specific aspects of the Group's affairs. The Executive Directors, together with the senior management team, constitute the Management Committee, which meets weekly to discuss day-to-day operational matters.

### Control environment

The Group's control environment is the responsibility of the Group's Directors



and managers at all levels. A review of the key risks facing the business and the effectiveness of the Group's internal controls was last performed in January 2021. During the year, the Board reviewed and updated its internal control arrangements to ensure they remained appropriate.

### Main control procedures

The Directors have established control procedures in response to key risks. Standardised financial control procedures operate throughout the Group to ensure the integrity of the Group's financial statements. The Board has established procedures for authorisation of capital and revenue expenditure.

### Monitoring system used by the Board

The Board reviews the Group's performance against budgets on a monthly basis. The Group's cash flow is monitored monthly by the Board.

### Internal audit

The Group does not have an independent internal audit function, as the Board does not consider the current scale of operations warrants such a function. However, the Board will keep this under review, with a view to creating an internal audit function when it is warranted.

### Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out in the Strategic Report along with the principal risks and uncertainties.

The Group's net underlying profit for the year was £634k (2020: £464k). As at 31 December 2021 the Group had net current assets of £206k (2020: £170k liability) and net cash reserves of £1,096k (2020: £1,254k).

In December 2021, the 2016 Loan Notes and the 2018 Loan Notes maturity dates were extended to 31 March 2023.

The Directors have prepared Group cash flow projections for the period to 30 June 2023 based on latest forecasts that show that the Group will be able to operate within the Group current funding resources with significant headroom.

As with all businesses there are particular times of the year where our working capital requirements are at their peak. The Group is well placed to manage these business risks effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed. The Directors also monitor a rolling cash flow forecast, and key management review working capital movements and requirements on a daily basis.

The projections, taking account of reasonably possible changes in trading performance, indicate that the Group will operate within available facilities throughout the projection period and therefore, based on these projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of these financial statements. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.



# Report of Directors' remuneration

As an AIM company, the Company is required to comply with AIM Rule 19 and not with Schedule 8 to the Accounting Regulations under the Companies Act 2006. Nevertheless, the Board prefers to follow best practice and has therefore prepared the following report which meets the majority of these regulations.

This Report on Directors' Remuneration sets out the Company's policy on the remuneration of Executive and Non-executive Directors together with details of Directors' remuneration packages and service contracts.

## Remuneration Committee

For the financial year ended 31 December 2021, the remuneration policy for Executive and Non-Executive Directors and the determination of individual Executive Director's remuneration packages have been delegated to the Board's Remuneration Committee.

In setting the remuneration policy, the Remuneration Committee considers a number of factors including:

- the basic salaries and benefits available to Executive Directors of comparable companies;
- the need to attract and retain Directors of an appropriate calibre;
- the need to ensure Executive Directors' commitment to the continued success of the Company by means of incentive schemes; and
- the need for the remuneration awarded to reflect performance.

## Remuneration of the Non-Executive Directors

The Non-Executive Directors receive fees for their services which are agreed by the Board following recommendation by the Chief Executive with a view to rates paid in comparable organisations and appointments.

Mark Elliott sacrificed an element of his fees in exchange for contributions into a money purchase pension scheme. Other than this, the Non-Executive Directors did not receive any pension or other benefits from the Company, nor did they participate in any bonus or incentive schemes.

## Remuneration policy for Executive Directors

The Company's remuneration policy for Executive Directors is to:

- have regard to the Directors' experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains management of the highest quality;
- link individual remuneration packages to the Group's long-term performance through the award of share options and discretionary bonus schemes; and
- provide employment-related benefits including life assurance, insurance relating to the Directors' duties and medical insurance.

The Remuneration Committee meets at least once a year in order to consider and set the annual salaries for Executive Directors, having regard to personal performance and information regarding the remuneration practices of companies of similar size and of industry competitors.

## Directors' service contracts

Details of individual Directors' service contracts are as follows:

|                  | Contract date | Unexpired term | Notice period |
|------------------|---------------|----------------|---------------|
| <b>Executive</b> |               |                |               |
| R C Singleton    | 10 Oct 2013   | None           | Twelve months |
| N Lowe           | 15 May 2017   | None           | Six months    |

The Non-Executive Directors do not have service contracts, but their terms are set out in letters of appointment.

|                      | Date of letter of appointment | Notice period |
|----------------------|-------------------------------|---------------|
| <b>Non-Executive</b> |                               |               |
| M W Elliott          | 18 August 2014                | One month     |
| J Cumming            | 22 August 2013                | None          |

The Directors are required to retire by rotation and the appointment of new Directors has to be approved at the next AGM subsequent to their appointment by the Board. The Director retiring by rotation is Mark Elliott.

Other than the notice periods afforded to some of the Directors, there are no special provisions for compensation in the event of loss of office. The Remuneration Committee considers the circumstances of individual cases of early termination and determines compensation payments accordingly.

## Non-Executive directorships

With the permission of the Board, the Executive Directors may accept appointments as non-executive directors elsewhere. Any fees related to such employment may be retained by the Director concerned.

## Directors' detailed emoluments and remuneration

Details of individual Directors' emoluments and remuneration for the year are as follows:

|                      | Salary and<br>fees<br>£ | Benefits<br>£ | Pension<br>£  | <b>Total<br/>2021<br/>£</b> | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------|-------------------------|---------------|---------------|-----------------------------|--------------------|--------------------|
| <b>Executive</b>     |                         |               |               |                             |                    |                    |
| R C Singleton        | 193,500                 | 19,748        | 2,844         | <b>216,092</b>              | 205,183            | 180,063            |
| N Lowe               | 137,600                 | 919           | 12,145        | <b>150,664</b>              | 136,066            | 132,036            |
| <b>Non-Executive</b> |                         |               |               |                             |                    |                    |
| M W Elliott          | 70,000                  | —             | —             | <b>70,000</b>               | 74,830             | 74,830             |
| J Cumming            | 35,000                  | —             | —             | <b>35,000</b>               | 29,000             | 23,000             |
|                      | <b>436,100</b>          | <b>20,667</b> | <b>14,989</b> | <b>471,756</b>              | <b>445,079</b>     | <b>409,929</b>     |

## Share options

At 31 December 2021, the Company had three employee share option schemes: the 2004 Enterprise Management Incentive (EMI) Plan, the 2014 Enterprise Management Incentive (EMI) Share Option Plan and the 2020 Enterprise Management Incentive (EMI) Plan. The 2004 EMI Plan was approved by shareholders on 18 May 2004 and expired for new options on its tenth anniversary. On 22 October 2014, the Board established the 2014 EMI Share Option Plan and on 1 April 2020, the Board established the 2020 EMI Share Option Plan, both operate in substantially the same way as the 2004 EMI Plan.

Options were granted under the 2020 EMI Share Option Plan in the year. The outstanding options are detailed in note 22 to the financial statements.

## Directors' interests in share options

Directors' interests in share options are disclosed in note 22 to the Group financial statements.

## Directors' interests in the employee shareholder plan

On 15 February 2015, the 21st Century Technology Employee Shareholder Plan (the "Plan") was implemented following approval at a general meeting of the Company.

Directors' interests in the Plan are disclosed in note 22 to the Group financial statements.

## Directors' interests in shares

Directors' interests in the share capital of the Company are disclosed in the Directors' Report.

# Statutory Directors' report

The following matters are reported by the Directors in accordance with the Companies Act 2006 requirements in force at the date of the Annual Report.

The Directors present their report and the Group financial statements for the year ended 31 December 2021.

## Principal activities

The principal activities of the Group are set out within the Strategic Report on pages 22 to 25.

## Review of business and future developments

The consolidated statement of comprehensive income for the year ended 31 December 2021 is set out on page 52.

A review of the Group's business activities and its future developments is included in the Strategic Report on pages 16 to 33 and the Chairman's Statement on pages 10 to 13.

The Chairman's Statement, the Report on Corporate Governance and the Report on Directors' Remuneration are incorporated into this report by reference and should be read as part of this report.

## Key performance indicators

The Directors and Company management use financial key performance indicators (KPIs), as reflected in this Annual Report, to monitor progress against our objectives. The KPIs are:

- Revenue
- Gross Profit and Gross Profit %
- Administrative expenses - total and underlying
- Operating profit – total and underlying
- Net Current Assets
- Net cash balance and net cash flows from operating activities
- Earnings per share on a basic and diluted basis
- Profit before tax
- Order book

## Principal risks and uncertainties

Details of the principal risks and uncertainties considered by the Board to affect the Group, and the related mitigation actions, are given in the Strategic Report on page 31.

## Financial risk management

The Group's financial instruments include bank facilities and cash. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial instruments, such as trade receivables and trade payables, that arise directly from its operations.

The main risks from the Group's financial instruments are credit, liquidity, interest rate and foreign exchange risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

## Credit risk

The Group is exposed to credit risk primarily in respect of its trade receivables, which are stated net of provision for estimated impaired receivables. Exposure to this risk is mitigated by careful evaluation of the granting of credit and close monitoring and management of collections from trade receivables. In addition, we have credit insurance in place on the majority of trade receivables.

## Liquidity and interest rate risk

The Group's policy on funding capacity is to ensure that we have sufficient long-term funding and facilities in place to meet foreseeable peak borrowing requirements. At 31 December 2021, the Group had net cash at bank of £1,096k (2020: £1,254k). The Group's policy is to ensure that sufficient resources are available to service all debt by monitoring prudent cash flow forecasts.

During 2021 the 2016 Loan Notes and 2018 Loan Notes maturity date was extended to 31 March 2023.

## Foreign currency risk

Several components used in Fleet Systems are sourced from overseas suppliers who invoice in US Dollars and Euros. In addition, our operations in Europe generate transactions denominated in Euros and Swedish Krona. Consequently, the Group is exposed to fluctuations in Sterling against these foreign currencies. Where appropriate, the Group uses forward exchange contracts to hedge foreign exchange exposures arising on forecast payments in foreign currencies and our selling prices in overseas markets are linked to movements in Sterling.

## Future outlook

A summary of the outlook for the Group is given within the Chairman's Statement on page 13.

## Going concern

The financial statements have been prepared on a going concern basis as covered in the Report on Corporate Governance on pages 39 to 40.

## Results and dividend

The Group reports a profit of £0.4m for the year (2020: £0.2m). At the forthcoming AGM, the Directors are not recommending the payment of a dividend (2020: £nil).

## Directors

Details of current Directors, dates of appointment, their roles, responsibilities, and significant external commitments are set out on page 36.

## Directors' interests in shares

The Directors during the year and their interests in the share capital of the Company, other than in respect of options to acquire Ordinary Shares (which are detailed in the analysis of options included in note 22 to the financial statements) were as follows:

|               | Number of Ordinary 6.5p Shares in the Company |                  |
|---------------|---|------------------|
|               | 31 December 2021                              | 31 December 2020 |
| M W Elliott   | 100,000                                       | 100,000          |
| R C Singleton | 300,000                                       | 300,000          |
| N Lowe        | 15,000  | 15,000           |
| J Cumming     | 25,000  | 25,000           |

187,750 of the share interests of Russ Singleton are held in self-invested personal pension schemes.

Apart from the interests disclosed above and in note 22, no Directors held interests at any time in the year in the share capital of the Company or other Group companies.

## Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, and career development and promotion to disabled persons wherever appropriate.

## Employee involvement

The Group's policy is to consult and discuss with employees, through meetings, matters likely to affect employees' interests. The meetings seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

All employees are eligible to receive share options. Membership of the share option scheme is reviewed annually. The number of options granted varies according to seniority and performance.

## Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's Directors.

## Directors' duties

The Directors of the Company are required to act in accordance with a set of general duties. These duties are detailed in Section 172 of the UK Companies Act 2006 which is summarised as follows: "A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole".

The Directors are aware of their obligations with regards to the matters under Section 172, namely:

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

The Strategic report on pages 16 to 33, the Directors' report on pages 42 to 44 and the Corporate governance statement on pages 38 and 39 set out the ways in which these duties are fulfilled.

# Statutory Directors' report CONTINUED

## Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Strategic Report, 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 of the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and applicable law and have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has been followed subject to any material departures disclosed and explained in the Company 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.

In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the United Kingdom have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is 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
- 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 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.

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

## Disclosure of information to Auditor

In the case of each person who was a Director at the time this report was approved:

- (a) so far as the Director is aware there is no relevant audit information of which the Group's Auditor is unaware; and
- (b) he has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group'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.

By order of the Board

**Mark Elliott**  
Non-Executive Chairman

28 March 2022

# Independent Auditor's report

to the members of Journeo plc

## Opinion

We have audited the financial statements of Journeo plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 the parent company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 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 as applied to SME listed entities 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.

## An overview of the scope of our audit

We adopted a risk-based audit approach. We gained a detailed understanding of the Group's business, the environment it operates in and the risks it faces. The key elements of our audit approach were as follows:

The audit team evaluated each component of the Group by assessing its materiality to the Group as a whole. This was done by considering the percentage of total Group assets, liabilities, revenues and profit before taxes which each component represented. From this, we determined the significance of the component to the Group as a whole and devised our planned audit response. In order to address the audit risks described in the Key Audit Matters section which were identified during our planning process, we performed a full-scope audit of the financial statements of the parent company, Journeo plc, and all of the Group's UK trading subsidiaries, providing 100% coverage of revenues and profit before tax for these components.

The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues and £413,000 of consolidated profit after tax. Entities subject to review-scope audit procedures made up 0% of the consolidated revenue and £5,000 of consolidated loss after tax. We applied analytical procedures to the Balance Sheets and income statements of the entities comprising the remaining operations of the Group, focusing on applicable risks identified as above, and their significance to the Group's balances.

# Independent Auditor's report CONTINUED

to the members of Journeo plc

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk Description  | Our response to the risk   |
|---|--|
| <p><b>Revenue recognition:</b></p> <p>As detailed in note 2 to the financial statements, Significant Accounting Policies, the Group's revenue is generated from a number of streams, as follows:</p> <ul style="list-style-type: none"><li>• the sale of equipment;</li><li>• installation of equipment;</li><li>• construction contracts; and</li><li>• service contracts.</li></ul> <p>Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management's application of the Group's revenue recognition accounting policy represents a key risk area of significant judgement in the financial statements.</p> | <p>We reviewed the accounting policies and practices for consistency of application as well as the basis of any recognition estimates.</p> <p>We tested equipment sales and installation revenue to gain assurance over the completeness, existence and accuracy of reported revenue.</p> <p>We tested construction contracts and ongoing service contracts to gain assurance over the completeness, existence and accuracy of reported revenue. In doing this we have held discussions with management and documented the sales process to understand the sales system and key controls within the revenue cycle and to assess revenue recognition policies used by the Group. We have held meetings with project managers to understand key contracts and the basis of revenue recognition.</p> <p>We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct period.</p> |
| <p><b>Carrying value and impairment of goodwill:</b></p> <p>The Group has a significant goodwill balance in relation to the Passenger Systems Cash Generating Unit. The Group's assessment of carrying value requires significant judgement, in particular regarding cash flows, growth rates, discount rates and sensitivity assumptions.</p>  | <p>We challenged the assumptions used in the impairment model for goodwill, which is described in note 10 to the financial statements.</p> <p>We considered historical trading performance by comparing recent growth rates of both revenue and operating profit.</p> <p>We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.</p> <p>We performed sensitivity analysis to determine whether an impairment would be required if costs increase at a higher than forecast rate.</p>   |
| <p><b>Provision for warranty costs:</b></p> <p>The Group provides warranties on some of the equipment sold and therefore makes provision for future costs in relation to these warranties. The amount provided is a management estimate based on past experience and management assessment and requires significant judgement.</p>  | <p>We reviewed the calculation method and agreed a sample of data used in the calculation back to source records.</p> <p>We tested warranty claims in the year to gain assurance over the existence of costs.</p> <p>We agreed warranty terms back to contracts for a sample of those provided.</p>  |



## Our application of materiality

The materiality for the Group financial statements as a whole was set at £312,000. This has been determined with reference to the benchmark of the Group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 2% of Group revenue as presented in the Group Statement of Comprehensive Income and performance materiality represents 80% of materiality.

The materiality for the parent company financial statements as a whole was set at £107,000 and performance materiality represents 80% of materiality. This has been determined with reference to the parent company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 2% of net assets as presented on the face of the parent company's Balance Sheet.

## 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.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's cash flow forecasts for a period of 12 months from the date of approval of these financial statements;
- assessing the reasonableness of management's forecasts & assumptions and assessing remaining cash headroom within those forecasts; and
- reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets.

From our work we noted that the Group has positive cash balances, and its forecasts support the Directors' assessment that the Group will continue to be able to meet its liabilities as they fall due.

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 ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other 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 audit report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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

In the light of our knowledge and understanding of 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.

# Independent Auditor's report CONTINUED

to the members of Journeo plc

## Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 44, 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.

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

Our assessment focused on key laws and regulations the Group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, such as the warranty provision; and
- reviewing a sample of the largest construction contracts, understanding the rationale for the stage of completion and assessing the profit take on them.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](http://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.

**Katharine Warrington**  
(Senior Statutory Auditor)

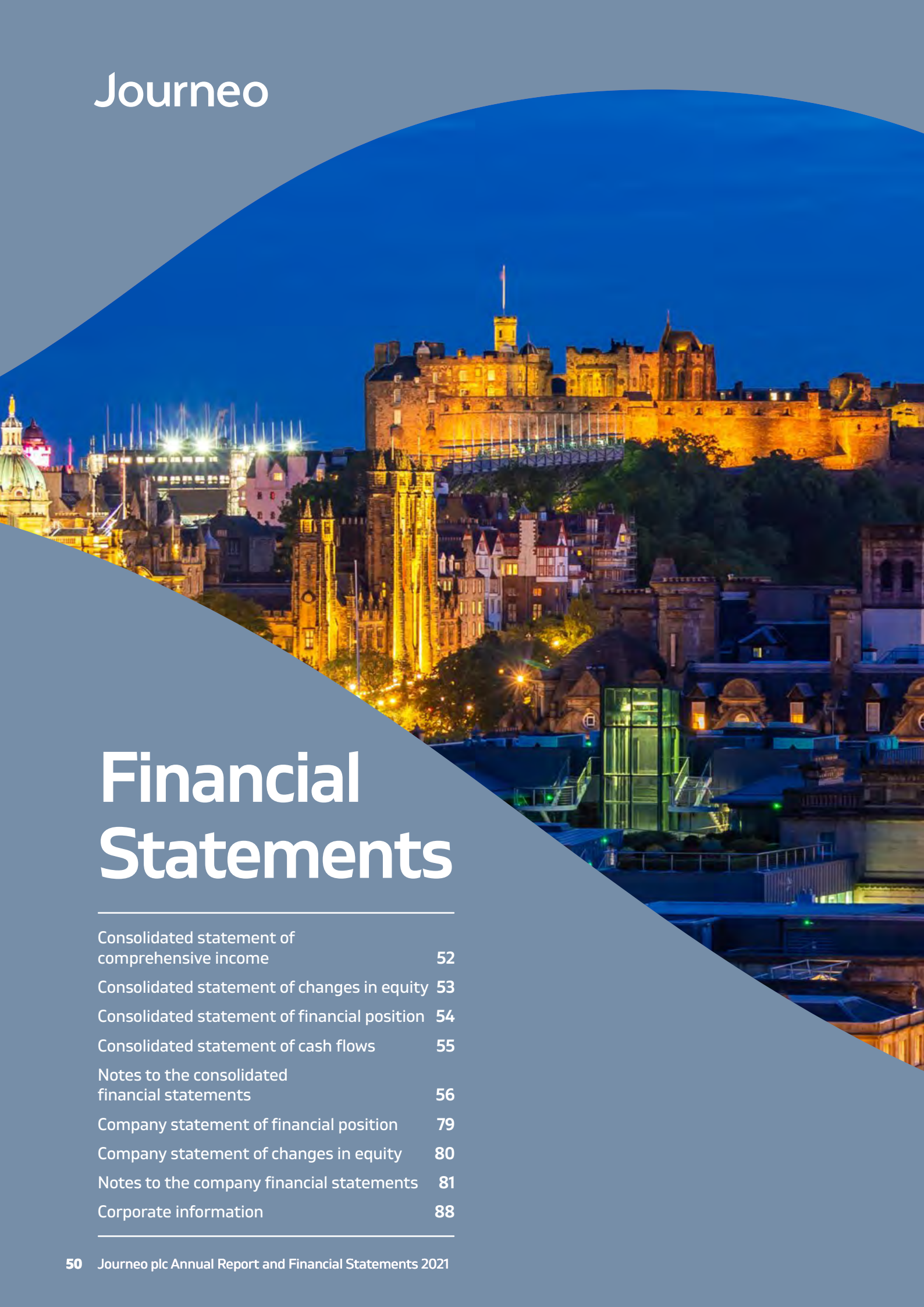
for and on behalf of  
Cooper Parry Group Limited

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

28 March 2022





# Financial Statements

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“ The Group has delivered increased revenue, profit and EPS for shareholders through the careful management and allocation of our resources. We are well positioned entering 2022 with a growing sales pipeline built on our own IP.”

**Nick Lowe**  
Chief Financial Officer

# Consolidated statement of comprehensive income

for the year ended 31 December 2021

|   | Notes | 2021<br>£'000  | 2020<br>£'000 |
|---|-------|----------------|---------------|
| <b>Revenue</b>  | 3, 4  | <b>15,592</b>  | 13,605        |
| Cost of sales   |       | <b>(9,569)</b> | (8,304)       |
| Gross profit  | 4     | <b>6,023</b>   | 5,301         |
| Underlying administrative expenses  |       | <b>(5,557)</b> | (5,142)       |
| Other income  | 3     | <b>168</b>     | 305           |
| Underlying profit   |       | <b>634</b>     | 464           |
| Share-based payments  |       | <b>(49)</b>    | (116)         |
| Total administrative expenses and other income  |       | <b>(5,438)</b> | (4,953)       |
| Operating profit  |       | <b>585</b>     | 348           |
| Finance expense   | 6     | <b>(176)</b>   | (155)         |
| Profit before taxation from continuing operations   | 7     | <b>409</b>     | 193           |
| Taxation (charge) / credit  | 8     | <b>(2)</b>     | 2             |
| Profit for the year being total comprehensive income attributable to owners of the parent |       | <b>407</b>     | 195           |
| Profit per share  | 9     |                |               |
| Basic   |       | <b>4.65p</b>   | 2.27p         |
| Diluted   |       | <b>4.46p</b>   | 2.26p         |

The notes on pages 56 to 78 form part of these financial statements.

# Consolidated statement of changes in equity

for the year ended 31 December 2021

|  | Share capital<br>£'000 | Share premium account<br>£'000 | Retained earnings<br>£'000 | Total equity shareholders' funds<br>£'000 |
|--|------------------------|--------------------------------|----------------------------|---|
| Balance at 1 January 2020                          | 6,217                  | 958                            | (6,991)                    | 184                                       |
| Profit and total comprehensive income for the year | —                      | —                              | 195                        | 195                                       |
| Proceeds from issue of new shares                  | 33                     | 216                            | —                          | 249                                       |
| Share-based payments                               | —                      | —                              | 116                        | 116                                       |
| Balance at 31 December 2020                        | 6,250                  | 1,174                          | (6,680)                    | 744                                       |
| Profit and total comprehensive income for the year | —                      | —                              | 407                        | 407                                       |
| Share-based payments                               | —                      | —                              | 49                         | 49  |
| <b>Balance at 31 December 2021</b>                 | <b>6,250</b>           | <b>1,174</b>                   | <b>(6,224)</b>             | <b>1,200</b>                              |

The notes on pages 56 to 78 form part of these financial statements.

# Consolidated statement of financial position

at 31 December 2021

|                                     | Notes | 2021<br>£'000 | 2020<br>£'000 |
|-------------------------------------|-------|---------------|---------------|
| <b>Assets</b>                       |       |               |               |
| Non-current assets                  |       |               |               |
| Goodwill                            | 10    | 1,345         | 1,345         |
| Other intangible assets             | 11    | 1,166         | 1,144         |
| Property, plant and equipment       | 12    | 565           | 619           |
| Trade and other receivables         | 15    | 43            | 43            |
|                                     |       | <b>3,119</b>  | 3,151         |
| <b>Current assets</b>               |       |               |               |
| Inventories                         | 14    | 1,609         | 1,675         |
| Trade and other receivables         | 15    | 5,931         | 4,207         |
| Cash and cash equivalents           | 16    | 1,096         | 1,254         |
|                                     |       | <b>8,636</b>  | 7,136         |
| <b>Total assets</b>                 |       | <b>11,755</b> | 10,287        |
| <b>Equity and Liabilities</b>       |       |               |               |
| <b>Shareholders' equity</b>         |       |               |               |
| Share capital                       | 22    | 6,250         | 6,250         |
| Share premium account               |       | 1,174         | 1,174         |
| Retained earnings                   |       | (6,224)       | (6,680)       |
| <b>Total equity</b>                 |       | <b>1,200</b>  | 744           |
| <b>Non-current liabilities</b>      |       |               |               |
| Deferred revenue                    | 17    | 947           | 957           |
| Other payables                      | 17    | —             | 80            |
| Loans and borrowings                | 19    | 604           | 564           |
| Lease liabilities                   |       | 261           | 358           |
| Provisions                          | 20    | 313           | 278           |
|                                     |       | <b>2,125</b>  | 2,237         |
| <b>Current liabilities</b>          |       |               |               |
| Trade and other payables            | 17    | 3,499         | 3,332         |
| Deferred revenue                    | 17    | 3,408         | 3,061         |
| Loans and borrowings                | 19    | 1,175         | 595           |
| Lease liabilities                   |       | 121           | 135           |
| Provisions                          | 20    | 227           | 183           |
|                                     |       | <b>8,430</b>  | 7,306         |
| <b>Total equity and liabilities</b> |       | <b>11,755</b> | 10,287        |

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2022 and were signed on its behalf by:

**M W Elliott**

Non-Executive Chairman

**R C Singleton**

Chief Executive

Registered number: 2974642

The notes on pages 56 to 78 form part of these financial statements.



# Consolidated statement of cash flows

for the year ended 31 December 2021

|   | Notes | 2021<br>£'000 | 2020<br>£'000 |
|---|-------|---------------|---------------|
| <b>Net cash flows from operating activities</b>               | 13    | <b>2</b>      | 1,574         |
| Cash flows from investing activities                          |       |               |               |
| Purchases of property, plant and equipment                    |       | <b>(165)</b>  | (55)          |
| Purchases / generation of intangible assets                   |       | <b>(460)</b>  | (519)         |
| <b>Net cash flows from investing activities</b>               |       | <b>(625)</b>  | (574)         |
| <b>Cash flows from financing activities</b>                   |       |               |               |
| Cash flows from financing activities                          |       | <b>642</b>    | (546)         |
| Principal element of lease repayments                         |       | <b>(148)</b>  | (168)         |
| Repayment of loans  |       | <b>(22)</b>   | (6)           |
| Issue of Shares   |       | —             | 249           |
| <b>Net cash flows from financing activities</b>               |       | <b>472</b>    | (471)         |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |       | <b>(151)</b>  | 529           |
| <b>Cash and cash equivalents at beginning of year</b>         |       | <b>1,254</b>  | 725           |
| Effect of foreign exchange rate changes                       |       | <b>(7)</b>    | —             |
| <b>Cash and cash equivalents at end of year</b>               |       | <b>1,096</b>  | 1,254         |

The notes on pages 56 to 78 form part of these financial statements.

# Notes to the consolidated financial statements

for the year ended 31 December 2021

## 1. General information

Journeo plc is a public limited company incorporated in England and listed on AIM. Its principal trading subsidiaries are 21st Century Fleet Systems Limited and 21st Century Passenger Systems Limited, and its registered and head office address is 12 Charter Point Way, Ashby-de-la-Zouch, LE65 1NF. Its principal place of business is in the UK and mainland Europe and its principal activities are described in the Strategic Report on pages 23 to 25.

## 2. Significant accounting policies applied to the consolidated financial statements of the Group

### Basis of preparation

These financial statements are the consolidated financial statements of Journeo plc and its subsidiaries (the "Group"). Separate financial statements for the parent company as an individual entity are included on pages 79 to 87.

The Group financial statements are prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued and effective (or adopted early) and endorsed by the United Kingdom at the time of preparing these financial statements and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except financial instruments and share-based payments, which are prepared in accordance with IFRS 9 and IFRS 2 respectively. A summary of the more important Group accounting policies is set out below.

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Sterling (£), which is the presentation currency for the consolidated financial statements. The numbers in the financial statements are rounded in £'000 for presentation purposes.

### Standards and Interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IFRS 3 Business Combinations;
- Amendments to IFRS Practice Statement 2 Making Materiality Judgements;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12 Income Taxes.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

## 2. Significant accounting policies applied to the consolidated financial statements of the Group CONTINUED

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The purchase of subsidiaries is accounted for using the acquisition method. The results of subsidiaries sold or acquired are included in the consolidated statement of comprehensive income up to, or from, the date control passes. Intragroup sales and profits are eliminated fully on consolidation.

### Goodwill

Goodwill is recognised as an intangible asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the consolidated statement of comprehensive income and may not be subsequently reversed. Goodwill previously eliminated has not been reinstated on implementation of IAS 38 as permitted by IFRS 1.

On disposal of a subsidiary or business, the attributable goodwill is included in the determination of profit or loss on disposal.

### Plant and equipment

The cost of plant and equipment is the purchase price plus any costs directly attributed to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight line basis to their estimated residual values over the expected useful economic lives of the assets concerned. Periodic reviews are made of estimated remaining useful lives and residual values and the depreciation rates applied are:

|                              |                 |
|------------------------------|-----------------|
| Leasehold improvements       | 20%             |
| Right of Use asset: property | 68 months       |
| Plant and equipment          | 20–33%          |
| Right of Use asset: vehicles | Up to 60 months |

### Business combinations

On the acquisition of a company or business, a determination of the fair value and the useful life of intangible assets acquired is performed, which requires the application of management judgement. Future events could cause the assumptions used by the Group to change, which would have a significant impact on the results and net position of the Group.

### Revenue

Revenue represents amounts invoiced to customers, net of value added tax and trade discounts. The sale of equipment includes installation of on-vehicle equipment, with the turnover being recognised once the installation has been completed or when the goods are despatched. There is also revenue from longer term and construction contracts which is recognised as contract work in progress in accordance with the Group's contract accounting policy as detailed below. For most sales, the enforceable contract is each purchase order, which is an individual, short term contract. As the enforceable contract for most arrangements is the purchase order, the transaction price is determined at the date of each sale and, therefore, there is no future variability within scope of IFRS 15 and no further remaining performance obligations under those contracts.

When the Group sells multiple goods and/or services as a package, the components are separated and accounted for separately.

Revenue received before goods and services are delivered is recognised as deferred income and transferred to the consolidated statement of comprehensive income once the goods are delivered and when the services have been performed.

Ongoing revenue from service contracts is recognised on a straight line basis over the term of the contract.

The Group does provide a warranty period of up to five years which is considered to be an assurance-type warranty and therefore no separate performance obligation has been identified.

### Contract accounting

The Group recognises revenue and costs on its customer contracts under the percentage of completion method.

In determining costs incurred up to the year end, any costs relating to future activity on a contract are excluded and are shown as contract work in progress. The aggregate of the cost incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on contracts, under receivables and prepayments. Where the progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on contracts, under trade and other payables.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 2. Significant accounting policies applied to the consolidated financial statements of the Group CONTINUED

### Government grants

Grants are accounted under the accruals model. Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure. Government grants relating to the receipt of Coronavirus Job Retention Scheme income is included within other operating income in the consolidated statement of comprehensive income.

### Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, and intangible assets other than goodwill.

### Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year-end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the year-end liability method on any temporary differences between the carrying amounts for financial reporting purposes and those for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference.

### Earnings per Ordinary Share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares in issue during the year. For diluted earnings, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all dilutive potential Ordinary Shares.

### Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, estimates are made of the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value, less costs to sell, and value-in-use. In assessing value-in-use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or cash generating unit and by comparing the internal rate of return generated by the cash flows to target return rates established by management. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying value of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the consolidated statement of comprehensive income.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if that impairment loss had not been recognised. Impairment losses in respect of goodwill are not reversed.

### Intangible assets

#### Software

Software which can be separately identified is capitalised to intangible assets at cost of acquisition and amortised over the estimated useful economic lives of between three and five years on a straight line basis into administrative expenses. All software will be fully amortised by 31 December 2026.

## 2. Significant accounting policies applied to the consolidated financial statements of the Group CONTINUED

### Research and development

Expenditure on research is written off in the period in which it is incurred.

Development expenditure is capitalised where it relates to a specific project where technical feasibility has been established, adequate technical, financial and other resources exist to complete the project, the expenditure attributable to the project can be measured reliably and overall project profitability is reasonably certain. In this case, it is recognised as an intangible asset and amortised over its useful economic life when the asset is made available for use. All other development expenditure is recognised as an expense in the period in which it is incurred. All capitalised development expenditure will be fully amortised by 31 December 2026.

### Customer lists

The fair value of customer lists acquired in a business combination is estimated using discounted incremental cash flow and amortised over a five-year estimated useful economic life. Amortisation is included in the consolidated statement of comprehensive income as a part of administrative expenses. The customer lists were fully amortised by 30 April 2020.

### Inventories

Inventory is stated at the lower of cost and net realisable value. The cost is based on the average weighting method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Where necessary, provision is made for obsolete, slow-moving and defective inventory.

### Financial instruments

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of less than or equal to three months and are measured on initial recognition at their fair value and subsequently at amortised cost.

#### Loans and receivables and other financial liabilities

Trade receivables and trade payables are measured on initial recognition which is the trade date, at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable trade receivables are recognised in the consolidated statement of comprehensive income when there is objective evidence that the asset is impaired.

Loans are initially recognised at the fair value of the proceeds and are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least one year after the balance sheet date.

#### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the consolidated statement of comprehensive income.

#### Leasing

Under IFRS 16, which the Group has adopted effective for the period starting 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In adopting this approach, the Group has applied the expedient to expense long-term leases with a remaining lease term of 12 months or less or short-term leases (less than 12 months). These leases are disclosed as operating leases. Rentals payable under operating leases are charged in the statement of comprehensive income on a straight-line basis over the lease term.

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expensed to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 2. Significant accounting policies applied to the consolidated financial statements of the Group CONTINUED

### Pensions

The Group operates a defined contribution scheme. The pension cost charge to the consolidated statement of comprehensive income is the contributions payable to the pension scheme for the period.

### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the net expenditure required to settle the obligation at the year-end date and are discounted to present value where the effect is material.

### Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the year-end date. All differences are taken to the statement of comprehensive income.

The assets and liabilities of foreign operations are translated to Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sterling at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the consolidated statement of comprehensive income.

### Share capital and share premium

Ordinary Shares are classified as equity. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

### Share-based payments

The Group issues equity-settled share-based payments to certain Directors and employees. Share-based payments are measured at their fair value at the date of grant using a Black Scholes model. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based upon the Group's estimate of participants eligible to receive shares at the point of vesting.

### Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out in the Strategic Report along with the principal risks and uncertainties.

The Group's net underlying profit for the year was £634k (2020: £464k). As at 31 December 2021 the Group had net current assets of £206k (2020: £170k liability) and net cash reserves of £1,096k (2020: £1,254k).

In December 2021, the 2016 Loan Notes and the 2018 Loan Notes maturity dates were extended to 31 March 2023.

The Directors have prepared Group cash flow projections for the period to 30 June 2023 based on latest forecasts that show that the Group will be able to operate within the Group current funding resources with significant headroom.

As with all businesses there are particular times of the year where our working capital requirements are at their peak. The Group is well placed to manage these business risks effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed. The Directors also monitor a rolling cash flow forecast, and key management review working capital movements and requirements on a daily basis.

The projections, taking account of reasonably possible changes in trading performance, indicate that the Group will operate within available facilities throughout the projection period and therefore, based on these projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of these financial statements. The Directors, therefore continue to adopt the going concern basis in preparing the financial statements.

### Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were:

## 2. Significant accounting policies applied to the consolidated financial statements of the Group CONTINUED

### (i) Note 3 – Revenue recognition

Where products and maintenance are bundled in a contract some judgement may be required to identify the separate components which are recognised in accordance with general revenue recognition criteria.

### (ii) Note 8 – Deferred tax

Determining the amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference.

### (iii) Note 10 – Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate future cash flows expected to arise from the cash generating unit at a suitable discount rate in order to calculate the present value. A discount rate of 13% is applied to the cash flow forecasts from the most recent financial budgets and long-term plans which are extrapolated in perpetuity assuming no growth beyond five years. The key assumptions made in relation to the impairment review of goodwill are set out in note 10.

### (iv) Note 11 – Capitalisation of development, amortisation and impairment of intangibles

It is Group policy to capitalise and amortise development expenditure for the production of new or substantially improved products and processes if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Such expenditure is amortised over the period which the Directors expect to obtain economic benefits. This policy includes judgements regarding the initial recognition of the asset based upon market research and expected future net revenues. It also includes estimations regarding the period of amortisation.

Determining whether intangibles are impaired requires an estimation of the recoverable value of the individual asset. Where assets generate cash flows that are independent of other assets then the value-in-use calculation requires the Group to estimate future cash flows expected to arise from the asset at a suitable discount rate in order to calculate the present value.

### (v) Note 14 – Provision for obsolete and slow-moving inventory

Determining the level of provision necessary for obsolete and slow-moving inventory requires management to make judgements in estimating the net realisable value of the Group's inventory based upon stock turnover statistics and management's knowledge of market changes. Provisions are made on an item-by-item basis.

### (vi) Note 18 – Contract accounting

Determining the outcome of a contract requires management to make judgements on whether the outcome can be estimated reliably and this includes estimates of future costs. The percentage completion of a contract also requires management to make judgements and estimates which are based on costs incurred and project progress.

When the outcome of a contract cannot be estimated reliably contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised when incurred.

When the outcome of a contract can be estimated reliably contract revenue and contract costs are recognised over the period of the contract as revenue and expenses, respectively. This is normally measured either by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work are included to the extent that they have been agreed with the customer. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the consolidated statement of comprehensive income.

### (vii) Note 20 – Warranty provision

Determining the level of provision necessary for product warranties requires management to make judgements in estimating the likely future costs based upon historical cost experience, expected future trends and management's experience. The warranty provision is estimated on a per vehicle basis.

### (viii) Note 22 – Share-based payments

In determining the fair value of equity settled share-based payments and the related charge to the consolidated statement of comprehensive income, the Group makes assumptions about future events and market conditions. In particular, judgement must be made as to the likely number of shares that will vest and the fair value of each award granted. The share options have a life of ten years and the exercise period is determined to be five years. The fair value is determined using the Black Scholes valuation model. At each year end the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 3. Revenue and other income

The revenue split between goods and services is:

|                                  | <b>2021</b>   | 2020   |
|----------------------------------|---------------|--------|
|                                  | <b>£'000</b>  | £'000  |
| Goods                            | <b>10,615</b> | 9,417  |
| Services                         | <b>4,977</b>  | 4,188  |
|                                  | <b>15,592</b> | 13,605 |
| Contract works included in goods | <b>5,520</b>  | 5,332  |

The other income is split as follows:

|                 | <b>2021</b>  | 2020  |
|-----------------|--------------|-------|
|                 | <b>£'000</b> | £'000 |
| R&D Tax credit  | <b>168</b>   | 267   |
| Furlough Income | <b>—</b>     | 38    |
|                 | <b>168</b>   | 305   |

## 4. Segmental reporting

IFRS 8 requires operating segments to be determined on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker as defined by IFRS 8) to make strategic decisions.

As the Board of Directors reviews revenue, gross profit and operating loss on the same basis as set out in the consolidated statement of comprehensive income, no further reconciliation is considered to be necessary.

### Revenue and gross profit

|                   | <b>Revenue</b> | <b>Gross profit</b> | Revenue | Gross profit |
|-------------------|----------------|---------------------|---------|--------------|
|                   | <b>2021</b>    | <b>2021</b>         | 2020    | 2020         |
|                   | <b>£'000</b>   | <b>£'000</b>        | £'000   | £'000        |
| Fleet Systems     | <b>9,290</b>   | <b>2,919</b>        | 6,827   | 2,147        |
| Passenger Systems | <b>6,302</b>   | <b>3,104</b>        | 6,778   | 3,154        |
| Total             | <b>15,592</b>  | <b>6,023</b>        | 13,605  | 5,301        |

### Major customers

In the year, one customer within the Fleet Systems segment accounted for over 10% of Group revenue and no customers within the Passenger Systems segment. In the prior year, there was one Passenger Systems customer that accounted for over 10% of revenue at 10% and no major customers within the Fleet Systems segment.

### Underlying profit

|                   | <b>2021</b>  | 2020  |
|-------------------|--------------|-------|
|                   | <b>£'000</b> | £'000 |
| Fleet Systems     | <b>698</b>   | 81    |
| Passenger Systems | <b>339</b>   | 634   |
|                   | <b>1,037</b> | 715   |
| Central           | <b>(403)</b> | (251) |
| Underlying profit | <b>634</b>   | 464   |



## 4. Segmental reporting CONTINUED

Reconciling to profit / (loss) before interest and tax

|                   | Underlying operating profit / (loss) £'000 | Share-based payments £'000 | Operating profit / (loss) £'000 | Profit / (loss) before interest and tax £'000 |
|-------------------|--|----------------------------|---------------------------------|---|
| <b>2021</b>       |  |                            |                                 |   |
| Fleet Systems     | 698  | (24)                       | 674                             | 674   |
| Passenger Systems | 339  | (25)                       | 314                             | 314   |
|                   | <b>1,037</b>                               | <b>(49)</b>                | <b>988</b>                      | <b>988</b>                                    |
| Central           | (403)                                      | —                          | (403)                           | (403)   |
|                   | <b>634</b>                                 | <b>(49)</b>                | <b>585</b>                      | <b>585</b>                                    |
|                   | Underlying operating profit / (loss) £'000 | Share-based payments £'000 | Operating profit / (loss) £'000 | Profit/(loss) before interest and tax £'000   |
| <b>2020</b>       |  |                            |                                 |   |
| Fleet Systems     | 81   | (58)                       | 23                              | 23  |
| Passenger Systems | 634  | (58)                       | 576                             | 576   |
|                   | 715  | (116)                      | 599                             | 599   |
| Central           | (251)                                      | —                          | (251)                           | (251)   |
|                   | <b>464</b>                                 | <b>(116)</b>               | <b>348</b>                      | <b>348</b>                                    |

Net assets attributed to each business segment represent the net external operating assets of that segment, excluding goodwill, bank balances and borrowings, which are shown as unallocated amounts, together with central assets and liabilities.

### Net assets

|                     | Assets 2021 £'000 | Liabilities 2021 £'000 | Net assets 2021 £'000 | Assets 2020 £'000 | Liabilities 2020 £'000 | Net assets 2020 £'000 |
|---------------------|-------------------|------------------------|-----------------------|-------------------|------------------------|-----------------------|
| Fleet Systems       | 5,193             | (3,216)                | 1,977                 | 3,599             | (2,932)                | 667                   |
| Passenger Systems   | 4,109             | (5,449)                | (1,340)               | 4,077             | (5,372)                | (1,295)               |
|                     | <b>9,302</b>      | <b>(8,665)</b>         | <b>637</b>            | 7,676             | (8,304)                | (628)                 |
| Goodwill            | 1,345             | —                      | 1,345                 | 1,345             | —                      | 1,345                 |
| Cash and borrowings | 1,096             | (1,779)                | (683)                 | 1,254             | (1,159)                | 95                    |
| Unallocated         | 12                | (111)                  | (99)                  | 12                | (80)                   | (68)                  |
| Total               | <b>11,755</b>     | <b>(10,555)</b>        | <b>1,200</b>          | 10,287            | (9,543)                | 744                   |

### Geographical segments

|                     | Revenue 2021 £'000 | Gross profit 2021 £'000 | Revenue 2020 £'000 | Gross profit 2020 £'000 |
|---------------------|--------------------|-------------------------|--------------------|-------------------------|
| UK                  | 15,070             | 5,602                   | 13,025             | 4,923                   |
| International       |                    |                         |                    |                         |
| – Scandinavia       | 457                |                         | 520                |                         |
| – Other EU          | 43                 |                         | 52                 |                         |
| – Non-EU            | 22                 |                         | 8                  |                         |
| Total international | 522                | 421                     | 580                | 378                     |
| Total               | <b>15,592</b>      | <b>6,023</b>            | 13,605             | 5,301                   |

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 4. Segmental reporting CONTINUED

Assets and liabilities by location

|                          | 2021<br>£'000   | 2020<br>£'000 |
|--------------------------|-----------------|---------------|
| <b>Assets</b>            |                 |               |
| UK                       | 11,720          | 10,265        |
| International            | 35              | 22            |
| <b>Total assets</b>      | <b>11,755</b>   | 10,287        |
| <b>Liabilities</b>       |                 |               |
| UK                       | (10,532)        | (9,533)       |
| International            | (23)            | (10)          |
| <b>Total liabilities</b> | <b>(10,555)</b> | (9,543)       |

All non-current assets are located within the United Kingdom.

## 5. Employee information

The average monthly number of persons (including Executive Directors) employed by the Group during the year was:

|                | 2021<br>Number | 2020<br>Number |
|----------------|----------------|----------------|
| By activity:   |                |                |
| Administration | 24             | 26             |
| Technical      | 13             | 12             |
| Operations     | 59             | 54             |
|                | <b>96</b>      | 92             |

Staff costs (for the above persons)

|                       | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 4,016         | 3,791         |
| Social security costs | 482           | 442           |
| Pension costs         | 102           | 157           |
| Share-based payments  | 49            | 116           |
|                       | <b>4,649</b>  | 4,506         |

Key management compensation (included above)

|                       | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 851           | 737           |
| Social security costs | 96            | 96            |
| Pension costs         | 24            | 42            |
| Share-based payments  | 49            | 116           |
|                       | <b>1,020</b>  | 991           |

## 5. Employee information CONTINUED

The key management personnel are the Board of Directors, the Directors of each of the Group's business segments and the senior management team responsible for the call centre, finance, business development and IT. Directors' emoluments and pensions included on page 41 are:

|                       | Emoluments    |               | Pension contributions |               |
|-----------------------|---------------|---------------|-----------------------|---------------|
|                       | 2021<br>£'000 | 2020<br>£'000 | 2021<br>£'000         | 2020<br>£'000 |
| Total Directors       | 457           | 386           | 15                    | 59            |
| Highest paid Director | 213           | 194           | 3                     | 11            |

There are two (2020: three) Directors receiving payments into pension schemes. Directors' detailed emoluments are disclosed in the Report on Directors' Remuneration.

## 6. Finance expense

|                           | 2021<br>£'000 | 2020<br>£'000 |
|---------------------------|---------------|---------------|
| Interest payable on loans | 144           | 130           |
| IFRS16 interest           | 32            | 25            |
|                           | 176           | 155           |

## 7. Profit before taxation from continuing operations

This is stated after charging/(crediting):

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Operating lease rentals:  |               |               |
| – Rent of land and buildings  | 72            | 99            |
| – Hire of plant and equipment   | 132           | 176           |
| Depreciation:   |               |               |
| – Property, plant and equipment owned   | 71            | 65            |
| – Right of Use Assets   | 147           | 144           |
| Amortisation of intangible fixed assets (included within administrative expenses) | 438           | 429           |
| Research and Development expenditure  | 325           | 241           |
| Inventories – consumed and recognised as an expense in cost of sales              | 5,321         | 4,767         |
| Trade Receivables Impairment  | (1)           | –             |
| Write down of inventories   | 24            | 90            |
| Exchange differences  | 30            | 20            |
| Share-based payments charge   | 49            | 116           |

Profit before taxation is also stated after charging:

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Auditor's remuneration:   |               |               |
| Fees payable to the Company's Auditor for the audit of the Company's annual financial statements          | 3             | 3             |
| Fees payable to the Company's Auditor for the audit of the Company's subsidiaries pursuant to legislation | 48            | 46            |
| Additional fees payable to the Company's Auditor for the prior year audit pursuant to legislation         | 4             | 4             |
| Total audit fees  | 55            | 53            |

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 8. Taxation

(a) Analysis of charge / (credit) in year:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Current tax</b>                                       |               |               |
| UK corporation tax on the loss for the year (19%)        | —             | —             |
| Swedish corporation tax on the profit for the year (22%) | —             | —             |
| Prior year under provision                               | 2             | 7             |
| <b>Deferred tax credit</b>                               |               |               |
| – Temporary differences on acquisition                   | —             | (9)           |
| <b>Total tax charge / (credit) for the year</b>          | <b>2</b>      | <b>(2)</b>    |

(b) Factors affecting the total tax charge / (credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 19% (2020: 19%). The differences are explained below:

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Profit on ordinary activities before tax  | 409           | 193           |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | 78            | 37            |
| <b>Effects of:</b>  |               |               |
| Expenses not deductible for tax purposes  | (139)         | (4)           |
| Change in unrecognised deferred tax assets  | 93            | 15            |
| Income not taxable  | (32)          | (57)          |
| Prior year under provision  | 2             | 7             |
| <b>Total tax charge / (credit) for the year</b>   | <b>2</b>      | <b>(2)</b>    |

(c) Deferred tax asset / (liability)

The unrecognised and recognised deferred tax assets / (liability) comprise the following:

| Group                          | Unrecognised  |               | Recognised    |               |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | 2021<br>£'000 | 2020<br>£'000 | 2021<br>£'000 | 2020<br>£'000 |
| Tax losses                     | 1,116         | 841           | —             | —             |
| Accelerated capital allowances | (91)          | (47)          | —             | —             |
|                                | <b>1,025</b>  | <b>794</b>    | <b>—</b>      | <b>—</b>      |

The Group has £4,466,000 of unutilised tax losses (2020: £4,425,000) which may be carried forward indefinitely. On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

## 9. Profit per Ordinary Share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares in issue during the year.

For diluted earnings, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all dilutive potential Ordinary Shares.

| Group  | 2021            |                              | 2020            |                              |
|--|-----------------|------------------------------|-----------------|------------------------------|
|  | Profit<br>£'000 | Per share<br>amount<br>Pence | Profit<br>£'000 | Per share<br>amount<br>Pence |
| <b>Basic EPS</b>                             |                 |                              |                 |                              |
| Profit attributable to Ordinary Shareholders | 407             | 4.65p                        | 195             | 2.27p                        |
| <b>Diluted EPS</b>                           |                 |                              |                 |                              |
| Profit attributable to Ordinary Shareholders | 407             | 4.46p                        | 195             | 2.26p                        |

Details of the weighted average number of Ordinary Shares used as the denominator in calculating the earnings per Ordinary Share are given below:

|   | 2021<br>'000 | 2020<br>'000 |
|---|--------------|--------------|
| Basic weighted average number of shares   | 8,741        | 8,610        |
| Dilutive potential Ordinary Shares        | 370          | 29           |
| Diluted weighted average number of shares | 9,111        | 8,639        |

## 10. Goodwill

Goodwill acquired in a business combination is allocated at acquisition to the cash generating unit (CGU) that is expected to benefit from that business combination. The Group has two CGUs which are its two operating segments, Fleet Systems and Passenger Systems. The carrying amount of goodwill has been allocated to the CGUs as follows:

|                            | Passenger<br>Systems<br>£'000 | Total<br>£'000 |
|----------------------------|-------------------------------|----------------|
| Deemed cost:               |                               |                |
| At 1 January 2020          | 1,345                         | 1,345          |
| At 31 December 2020        | 1,345                         | 1,345          |
| <b>At 31 December 2021</b> | <b>1,345</b>                  | <b>1,345</b>   |

The Group tests goodwill annually for impairment as at 31 December, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined based on a value-in-use calculation which uses cash flow projections based on financial budgets and business plans approved by the Directors covering a five-year period. Cash flows beyond that period have been extrapolated in perpetuity assuming no growth, which the Directors consider to be a conservative approach.

The key assumptions for the value-in-use calculations are those regarding discount rates and sales forecasts.

The discount rates needed to equate the net present value from these cash flows to the carrying value of goodwill are compared to the required rate of return from the CGU based upon an assessment of the time value of money, prevailing interest rates and the risks specific to the CGU. If this discount rate is in excess of the required rate of return then it is assumed that no impairment has occurred to the carrying value of goodwill.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 10. Goodwill CONTINUED

The discount rates are as follows:

|                   | 2021<br>% | 2020<br>% |
|-------------------|-----------|-----------|
| Passenger Systems | 13        | 13        |

The discount rates used are based on the Board's judgement considering macroeconomic factors and reflecting specific risks in each segment such as the nature of the market served, the concentration of customers, cost profiles and barriers to entry.

Passenger Systems also has intangible assets, see note 11, which are considered in the same value-in-use calculations as goodwill.

The Passenger Systems cash flow projections used to determine value-in-use are based upon assumptions of sales, margins and cost bases. Of these assumptions the value-in-use is most sensitive to the level of sales. Margins are fixed in the forecast based upon past experience; the cost base is similarly based upon past experience and will vary depending upon the level of sales. In accordance with the requirements of IAS 36 our value-in-use calculations do not include cash flows from restructurings to which the Group is not yet committed.

The level of sales is the key assumption used in the cash flow forecast. Sales have been determined by management using estimates based upon past experience and future performance with reference to market position and the sales pipeline. The macroeconomic environment has improved and there continues to be an increase in the number and size of contracts available. There was an investment in key staff during 2018 and 2019. The 2022 forecast predicts sales growth of 34%. The remaining four years are based upon compound sales growth of 5%.

The value-in-use calculation supports the carrying value of the CGU with headroom of £5,869k. A sensitivity analysis has been performed on the impairment test. The Directors consider that an absolute change in the key sales assumption is possible and a reduction in the growth rate in 2022 to 10% would result in headroom remaining in the current carrying value of goodwill in relation to Passenger Systems of £1,149k. If sales forecasts were down 20% across the whole period and overheads remained unchanged then there would be headroom of £598k.

Based on the review the discount rate applied to equate the net present value of the forecast cash flows to the carrying value of goodwill and the intangible assets was 65%, whereas the required rate of return of the CGU is 13%.

In view of this, the Directors consider that no impairment of goodwill or intangible assets is required.

## 11. Other intangible assets

| 2021 movements             | Customer<br>list<br>£'000 | Development<br>costs<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|----------------------------|---------------------------|-------------------------------|-------------------|----------------|
| <b>Cost</b>                |                           |                               |                   |                |
| At 1 January 2021          | 192                       | 2,129                         | 273               | 2,594          |
| Additions                  | —                         | 442                           | 18                | 460            |
| Disposals                  | (192)                     | (135)                         | —                 | (327)          |
| <b>At 31 December 2021</b> | <b>—</b>                  | <b>2,436</b>                  | <b>291</b>        | <b>2,727</b>   |
| <b>Amortisation</b>        |                           |                               |                   |                |
| At 1 January 2021          | 192                       | 1,076                         | 182               | 1,450          |
| Charge for the year        | —                         | 422                           | 16                | 438            |
| Disposals                  | (192)                     | (135)                         | —                 | (327)          |
| <b>At 31 December 2021</b> | <b>—</b>                  | <b>1,363</b>                  | <b>198</b>        | <b>1,561</b>   |
| <b>Net book value</b>      |                           |                               |                   |                |
| <b>At 31 December 2021</b> | <b>—</b>                  | <b>1,073</b>                  | <b>93</b>         | <b>1,166</b>   |

## 11. Other intangible assets CONTINUED

| 2020 movements        | Customer list<br>£'000 | Development costs<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|-----------------------|------------------------|----------------------------|-------------------|----------------|
| <b>Cost</b>           |                        |                            |                   |                |
| At 1 January 2020     | 192                    | 1,697                      | 186               | 2,075          |
| Additions             | —                      | 432                        | 87                | 519            |
| At 31 December 2020   | 192                    | 2,129                      | 273               | 2,594          |
| <b>Amortisation</b>   |                        |                            |                   |                |
| At 1 January 2020     | 177                    | 678                        | 166               | 1,021          |
| Charge for the year   | 15                     | 398                        | 16                | 429            |
| At 31 December 2020   | 192                    | 1,076                      | 182               | 1,450          |
| <b>Net book value</b> |                        |                            |                   |                |
| At 31 December 2020   | —                      | 1,053                      | 91                | 1,144          |

The Group tests intangible assets when there is indication of impairment. The recoverable amounts are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding cash flow forecasts, growth rates and discount rates. The cash flow forecasts are derived from the most recent financial budgets for the next five years approved by management, extrapolated in perpetuity assuming no growth. The impairment test is covered in the Goodwill note 10.

## 12. Plant and equipment

| 2021 movements             | Leasehold improvements<br>£'000 | Right of Use Asset Lease<br>£'000 | Plant and equipment<br>£'000 | Total<br>£'000 |
|----------------------------|---------------------------------|-----------------------------------|------------------------------|----------------|
| <b>Cost</b>                |                                 |                                   |                              |                |
| At 1 January 2021          | 12                              | 750                               | 321                          | 1,083          |
| Additions                  | —                               | 23                                | 142                          | 165            |
| Disposals                  | —                               | (19)                              | (49)                         | (68)           |
| <b>At 31 December 2021</b> | <b>12</b>                       | <b>754</b>                        | <b>414</b>                   | <b>1,180</b>   |
| <b>Depreciation</b>        |                                 |                                   |                              |                |
| <b>At 1 January 2021</b>   | 9                               | 237                               | 219                          | 465            |
| Charge for the year        | 3                               | 147                               | 68                           | 218            |
| Disposals                  | —                               | (19)                              | (49)                         | (68)           |
| <b>At 31 December 2021</b> | <b>12</b>                       | <b>365</b>                        | <b>238</b>                   | <b>615</b>     |
| <b>Net book amounts</b>    |                                 |                                   |                              |                |
| <b>At 31 December 2021</b> | <b>—</b>                        | <b>389</b>                        | <b>176</b>                   | <b>565</b>     |

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 12. Plant and equipment CONTINUED

| 2020 movements          | Leasehold improvements<br>£'000 | Right of Use<br>Asset Lease<br>£'000 | Plant and<br>equipment<br>£'000 | Total<br>£'000 |
|-------------------------|---------------------------------|--------------------------------------|---------------------------------|----------------|
| <b>Cost</b>             |                                 |                                      |                                 |                |
| At 1 January 2020       | 12                              | 298                                  | 325                             | 635            |
| Additions               | —                               | 496                                  | 55                              | 551            |
| Disposals               | —                               | (44)                                 | (59)                            | (103)          |
| At 31 December 2020     | 12                              | 750                                  | 321                             | 1,083          |
| <b>Depreciation</b>     |                                 |                                      |                                 |                |
| At 1 January 2020       | 6                               | 126                                  | 216                             | 348            |
| Charge for the year     | 3                               | 144                                  | 62                              | 209            |
| Disposals               | —                               | (33)                                 | (59)                            | (92)           |
| At 31 December 2020     | 9                               | 237                                  | 219                             | 465            |
| <b>Net book amounts</b> |                                 |                                      |                                 |                |
| At 31 December 2020     | 3                               | 513                                  | 102                             | 618            |

At 31 December 2021, the Plant and Equipment include items with a carrying value of £68k pledged as security for loans included in note 19.

## 13. Reconciliation of operating profit to net cash inflow from operating activities

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Profit for the year                                     | 407           | 195           |
| Adjustments for:  |               |               |
| – Finance expense                                       | 176           | 155           |
| – Deferred tax credit                                   | –             | (9)           |
| – Depreciation of property, plant and equipment         | 218           | 209           |
| – Amortisation of intangible fixed assets               | 438           | 429           |
| – Share-based payment expense                           | 49            | 116           |
| – Foreign exchange rate                                 | (15)          | 17            |
| – Increase / (decrease) in provisions                   | 79            | (34)          |
| Operating cash flows before movement in working capital | 1,352         | 1,078         |
| Decrease / (increase) in inventories                    | 66            | (404)         |
| Increase in receivables                                 | (1,724)       | (280)         |
| Increase in payables                                    | 450           | 1,317         |
| Cash inflow from operations                             | 144           | 1,711         |
| Income taxes paid                                       | (2)           | (7)           |
| Interest paid   | (140)         | (130)         |
| Net cash inflow from operating activities               | 2             | 1,574         |

## 14. Inventories

|                                     | 2021<br>£'000 | 2020<br>£'000 |
|-------------------------------------|---------------|---------------|
| Raw materials                       | 444           | 370           |
| Work in progress                    | 19            | 41            |
| Finished goods and goods for resale | 1,146         | 1,264         |
|                                     | 1,609         | 1,675         |



## 15. Trade and other receivables

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Current</b>                                |               |               |
| Trade receivables                             | 3,135         | 1,544         |
| Less: provision for impairment of receivables | (12)          | (22)          |
| Trade receivables – net                       | 3,123         | 1,522         |
| Amounts due from contract customers           | 1,345         | 1,238         |
| Other receivables and prepayments             | 1,463         | 1,447         |
|   | <b>5,931</b>  | <b>4,207</b>  |
| <b>Non-current</b>                            |               |               |
| Other receivables and prepayments             | 43            | 43            |

The average credit period taken on sales of goods is 43 days (2020: 41 days). Trade receivables are provided for to the extent that management has reason to believe that the recoverability of the debt is questionable. Before granting credit terms to any new customer, the Group uses an external credit checking company to assess the customer's credit quality and to assist in the definition of credit limits for that customer. In addition, the Group uses credit protection facilities to protect certain key customer receivables.

The following customers represented more than 5% of the total balance of net trade receivables at the year-end:

|            | Amount receivable |               |
|------------|-------------------|---------------|
|            | 2021<br>£'000     | 2020<br>£'000 |
| Customer 1 | 1,127             | 218           |
| Customer 2 | 251               | 231           |
| Customer 3 | 169               | –             |
| Customer 4 | 156               | 87            |
| Customer 5 | –                 | 83            |

Included in the Group's trade receivable balance are debtors with a carrying amount of £540,000 (2020: £432,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 56 days (2020: 53 days).

Ageing of past due but not impaired trade receivables:

|                              | 2021<br>£'000 | 2020<br>£'000 |
|------------------------------|---------------|---------------|
| Up to three months past due  | 495           | 420           |
| Three to six months past due | 42            | –             |
| Over six months past due     | 3             | 12            |
|                              | <b>540</b>    | <b>432</b>    |

Movement in the provision for impairment of trade receivables:

|                        | 2021<br>£'000 | 2020<br>£'000 |
|------------------------|---------------|---------------|
| Balance at 1 January   | 22            | 49            |
| Provision released     | (10)          | (27)          |
| Balance at 31 December | 12            | 22            |

Ageing of impaired trade receivables:

|              | 2021<br>£'000 | 2020<br>£'000 |
|--------------|---------------|---------------|
| 60 – 90 days | –             | 16            |
| Over 90 days | 12            | 6             |
|              | <b>12</b>     | <b>22</b>     |

The trade and other receivables are used as security for the loan notes as set out in note 19.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 16. Cash and cash equivalents

|                           | 2021<br>£'000 | 2020<br>£'000 |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 1,096         | 1,254         |

Cash and cash equivalents comprise cash, including bank deposits held by the Group.

## 17. Trade and other payables

|                                       | 2021<br>£'000 | 2020<br>£'000 |
|---------------------------------------|---------------|---------------|
| <b>Current</b>                        |               |               |
| Trade payables                        | 1,347         | 1,284         |
| Other taxation and social security    | 863           | 909           |
| Other payables                        | 2             | —             |
| Accruals                              | 1,287         | 1,138         |
| Deferred income relating to contracts | 1,554         | 1,166         |
| Deferred income                       | 1,854         | 1,896         |
|                                       | 6,907         | 6,393         |
| <b>Non-current</b>                    |               |               |
| Deferred income                       | 947           | 957           |
| Other Payables                        | —             | 80            |
|                                       | 947           | 1,037         |

Trade creditors and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 37 days (2020: 43 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## 18. Contract accounting

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Contracts in progress at dates of statement of financial position:            |               |               |
| Amounts due from contract customers included in trade and other receivables   | 1,406         | 1,238         |
| Amounts due to contract customers included in trade and other payables        | (1,492)       | (1,166)       |
|   | (86)          | 72            |
| Contract costs incurred plus recognised profit less recognised losses to date | 7,007         | 3,872         |
| Less: progress billings   | (7,093)       | (3,800)       |
|   | (86)          | 72            |

At 31 December 2021, retentions held by customers for contract work amounted to £5,000 (2020: £25,000). Advances received from customers for contract work amounted to £1,554,000 (2020: £1,166,000).

At 31 December 2021, amounts of £nil (2020: £nil) included in trade and other receivables and arising from contracts are due for settlement after more than 12 months.

## 19. Loans and borrowings

|                 | 2021             |                      |                | 2020             |                      |                |
|-----------------|------------------|----------------------|----------------|------------------|----------------------|----------------|
|                 | Current<br>£'000 | Non-current<br>£'000 | Total<br>£'000 | Current<br>£'000 | Non-current<br>£'000 | Total<br>£'000 |
| Bank loans      | 1,175            | 54                   | 1,229          | 595              | 14                   | 609            |
| 2016 Loan Notes | —                | 300                  | 300            | —                | 300                  | 300            |
| 2018 Loan Notes | —                | 250                  | 250            | —                | 250                  | 250            |
|                 | <b>1,175</b>     | <b>604</b>           | <b>1,779</b>   | 595              | 564                  | 1,159          |

The fair value of the loans and borrowings is not substantially different from the carrying value.

During the year £22,000 (2020: £6,000) of loans and borrowings were repaid.

The main terms of the loans are:

|                 | Loan name       | Interest rate   | Term                | Final payment | Loan value |
|-----------------|-----------------|-----------------|---------------------|---------------|------------|
| Close Brothers  | Invoice finance | 2.35% over base | Repayable on demand |               | 1,161      |
| BMW Finance     | BMW             | 2.2%            | 3 years             | December 2025 | 68         |
| 2016 Loan Notes | Loan notes      | 10.00%          | 7.3 years           | March 2023    | 300        |
| 2018 Loan Notes | Loan notes      | 10.00%          | 5.3 years           | March 2023    | 250        |
|                 |                 |                 |                     |               | 1,779      |

The 2016 and 2018 Loan notes are secured on the trade and other debtors of the Group's principal trading entities, 21st Century Fleet Systems Limited and 21st Century Passenger Systems Limited.

The invoice finance facility is secured by a debenture over all assets of the Group's principal trading entities, 21st Century Fleet Systems Limited and 21st Century Passenger Systems Limited.

At 31 December 2021, Plant and Equipment with a carrying value of £68k (2020: £12k) are pledged as security for loans.

## 20. Warranty provisions

|                                     | Warranty<br>£'000 | Total<br>£'000 |
|-------------------------------------|-------------------|----------------|
| Balance at 1 January 2021           | 461               | 461            |
| Charged                             | 352               | 352            |
| Released                            | (273)             | (273)          |
| Movement in the year                | 79                | 79             |
| <b>Balance at 31 December 2021</b>  | <b>540</b>        | <b>540</b>     |
| Included in current liabilities     | 227               | 227            |
| Included in non-current liabilities | 313               | 313            |
|                                     | 540               | 540            |

The warranty provision represents management's best estimate of the Group's liability for warranties granted on products sold based on past experience and industry averages for defective products. The warranty provision is expected to be fully released by 31 December 2026.

## 21. Financial instruments

### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity balances. The capital structure of the Group at the year end consisted of cash and cash equivalents, loans, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group maintains or adjusts its capital structure through the payment of dividends to shareholders, the issue of new loans, loan repayments, the issue of new shares and the buy-back of existing shares.

The Group's overall capital risk management strategy remains unchanged from the prior year.

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 21. Financial instruments CONTINUED

Note 22 to the financial statements provides details regarding the Company's share capital and movements in the year. There were no breaches of any requirements with regard to any relevant conditions imposed by the Company's Articles of Association during the periods under review.

### Gearing

Net debt (excluding lease liabilities) was £683k at 31 December 2021 (2020: net cash £95,000). Net cash / (debt) is defined as cash and cash equivalents less short-term and long-term borrowings.

### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

### Categories of financial instruments

|  | Carrying value |               |
|--|----------------|---------------|
|  | 2021<br>£'000  | 2020<br>£'000 |
| <b>Financial assets</b>                                      |                |               |
| Loans and receivables (including cash and cash equivalents): |                |               |
| Trade receivables  | 3,123          | 1,522         |
| Other receivables  | 1,463          | 1,447         |
| Cash and cash equivalents                                    | 1,096          | 1,254         |
|  | <b>5,682</b>   | 4,223         |
| <b>Financial liabilities</b>                                 |                |               |
| Other financial liabilities held at amortised cost:          |                |               |
| Trade payables   | 1,347          | 1,284         |
| Other payables   | 6              | —             |
| IFRS16 leases  | 382            | 493           |
| Accruals   | 1,287          | 1,138         |
| Loans and borrowings   | 1,779          | 1,159         |
|  | <b>4,801</b>   | 4,074         |

The Directors consider that the carrying amount of the financial assets approximates to their fair value and represents the maximum exposure to credit risk.

The Directors consider that the carrying amount of the financial liabilities approximates to their fair value.

### Financial risk management objectives

The Group's approach to managing financial risk is described in the Directors' Report.

### Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates.

### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

|               | Assets        |               | Liabilities   |               |
|---------------|---------------|---------------|---------------|---------------|
|               | 2021<br>£'000 | 2020<br>£'000 | 2021<br>£'000 | 2020<br>£'000 |
| Swedish Krona | 116           | 63            | 22            | 7             |
| Euro          | 16            | 68            | 150           | 106           |
| US Dollar     | —             | 7             | 72            | —             |

At the year end the Group was exposed to fluctuations in Swedish Krona, Euros and US Dollars against Sterling.

## 21. Financial instruments CONTINUED

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against the relevant foreign currencies. 10% represents management's assessment of a possible change in foreign currency exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit where Sterling strengthens against the relevant currency. For a 10% weakening in Sterling against the foreign currency, there would be an equal and opposite impact on the profit.

|                      | 2021<br>£'000 | 2020<br>£'000 |
|----------------------|---------------|---------------|
| Swedish Krona (loss) | (9)           | (6)           |
| Euro profit          | 13            | 4             |
| US Dollar (loss)     | (14)          | (1)           |

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only extending credit to creditworthy counterparties, and obtaining collateral where appropriate, as a means of mitigating risk of financial loss from defaults. The Group obtains credit checks from independent rating agencies and other publicly available financial information to rate its customers. The Group's exposure and credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the credit control team.

The credit risk within contracts is managed in the same way. The credit risk management of other receivables, where material, if not covered above, is handled on a case-by-case basis.

The Group has significant credit risk exposure to several single counterparties. Note 15 to the financial statements gives details of counterparties with balances in excess of 5% of total trade receivables at the year end.

### Liquidity risk management

Responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining adequate banking facilities. At 31 December 2021, the Group had £nil overdraft facility (2020: £nil). As at 31 December 2021, the net bank balance, cash less overdraft, was £1,096k (2020: £1,254k).

At 31 December 2021, the Group has £550k (2020: £550k) of loan notes and an invoice discounting facility with Close Brothers for £1,250k (2020: £1,250k).

### Maturity of financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The maturity of financial liabilities table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

|                     | 2021<br>£'000 | 2020<br>£'000 |
|---------------------|---------------|---------------|
| In one year or less | 3,390         | 2,789         |
| In one to two years | 604           | 645           |

## 22. Share capital

### Called up share capital

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Authorised</b>   |               |               |
| 8,741,250 New Ordinary Shares of 6.5p each (2020: 8,741,250 Ordinary Shares of 6.5p each) | 568           | 568           |
| 87,412,500 Deferred Shares of 6.5p each (2020: 87,412,500)                                | 5,682         | 5,682         |
|   | <b>6,250</b>  | 6,250         |
| <b>Issued, allotted and paid up</b>   |               |               |
| 8,741,250 New Ordinary Shares of 6.5p each (2020: 8,741,250 Ordinary Shares of 6.5p each) | 568           | 568           |
| 87,412,500 Deferred Shares of 6.5p each (2020: 8,741,250)                                 | 5,682         | 5,682         |
|   | <b>6,250</b>  | 6,250         |

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 22. Share capital CONTINUED

On 3 April 2020, the Group issued 513,750 Ordinary Shares with a nominal value of 6.5p and a share premium of 43.5p per share.

Ordinary Shares are entitled to one vote each, a dividend and a return on assets.

Deferred shares are not entitled to vote or any dividends. A return on liquidation will only be made after payment has been made to the holders of Ordinary Shares of the amounts paid up on such shares and the sum of £10,000,000 in respect of each Ordinary Share.

The share premium account represents the amount received on the issue of Ordinary Shares by the Company, in excess of their nominal value and is non-distributable.

The merger reserve represents the excess over nominal value of the fair value consideration for the acquisition of subsidiaries satisfied by the issue of shares in accordance with S612 of the Companies Act 2006.

### Share options

The Company operates EMI share option schemes for employees and Directors of the Group. Individual options have an exercise price of the market value at date of grant or the nominal value if higher. All options are settled in equity, automatically lapse ten years after the date of grant and generally lapse if an option holder ceases to be a Group employee.

As at 31 December options under these schemes, including those held by Directors, were outstanding over:

|                                  | 2021      |                                 | 2020    |                                 |
|----------------------------------|-----------|---------------------------------|---------|---------------------------------|
|                                  | Options   | Weighted average exercise price | Options | Weighted average exercise price |
| Outstanding at beginning of year | 949,135   | 65p                             | 259,135 | 104p                            |
| Issued during the year           | 125,000   | 105p                            | 690,000 | 50p                             |
| Outstanding at end of year       | 1,074,135 | 69p                             | 949,135 | 65p                             |
| Exercisable at end of year       | 1,074,135 | 69p                             | 949,135 | 65p                             |

The aggregate charge recognised in the Group financial statements in the year was £49,000 (2020: £116,000), all of which was recognised in subsidiary entities results.

In February 2022, the vesting period increased for a tranche of the employee share options granted in 2020 from 3.75 years to 4.75 years and a tranche of the 2021 share options from 2.75 years to 3.75 years. The fair value of the options at the date of modification remained unchanged and was determined using the same models and principles as described above. These options will continue to be recognised as an expense over the period from the modification date to the end of the extended vesting period.

### Directors' interests in share options

Details of options held by Directors over the Company's Ordinary and Deferred Shares of 104p and 50p are set out below:

|               | As at<br>31 December<br>2020 | Issued during<br>the Year | As at<br>31 December<br>2021 | Exercise<br>price | Date<br>from which<br>exercisable | Expiry<br>date |
|---------------|------------------------------|---------------------------|------------------------------|-------------------|-----------------------------------|----------------|
| R C Singleton | 240,385                      | —                         | 240,385                      | 104p              | 10/10/2016                        | 10/10/2023     |
| N W Lowe      | 180,000                      | —                         | 180,000                      | 50p               | 02/04/2021                        | 01/04/2030     |

The market price of the Company's shares at the end of the financial year was 107.5p (2020: 53p) and the range of market prices during the year was 49p to 137p (2020: 43.5p to 73.5p). The weighted average remaining life of all share options outstanding at 31 December 2021 is 6 years and 9 months (31 December 2020: 7 years and 6 months).

## 22. Share capital CONTINUED

For those options granted after 7 November 2002, the Black Scholes model has been used to calculate the charge to the consolidated statement of comprehensive income. The inputs into the model are as follows:

| Option type | Grant date | Exercise price (pence) | Share price on grant date (pence) | Expected term (years) | Vesting period (years) | Option life (years) | Expected volatility | Risk free rate |
|-------------|------------|------------------------|-----------------------------------|-----------------------|------------------------|---------------------|---------------------|----------------|
| EMI         | 10/10/2013 | 104                    | 5.62                              | 5                     | 3                      | 10                  | 144%                | 2.74%          |
| EMI         | 12/10/2015 | 104                    | 4.38                              | 5                     | 3                      | 10                  | 146%                | 1.82%          |
| EMI         | 02/04/2020 | 50                     | 50                                | 5                     | 0                      | 10                  | 57%                 | 1.10%          |
| EMI         | 02/04/2020 | 50                     | 50                                | 5                     | 2                      | 10                  | 56%                 | 1.10%          |
| EMI         | 02/04/2020 | 50                     | 50                                | 5                     | 2.75                   | 10                  | 56%                 | 1.10%          |
| EMI         | 02/04/2020 | 50                     | 50                                | 5                     | 4.75                   | 10                  | 56%                 | 1.10%          |
| EMI         | 21/04/2021 | 105                    | 105                               | 5                     | 2                      | 10                  | 57%                 | 1.10%          |
| EMI         | 21/04/2021 | 105                    | 105                               | 5                     | 3.75                   | 10                  | 57%                 | 1.10%          |
| EMI         | 21/04/2021 | 105                    | 105                               | 5                     | 3.75                   | 10                  | 57%                 | 1.10%          |

No dividend yield has been assumed for any of the above options and none of the share options' performance conditions are linked to the market price of the Company's shares.

Expected volatility was determined by calculating the historical volatility of the Company's share price over the time commensurate with the award term immediately prior to the date of grant (i.e. five years). Given the lack of past option award exercise data for the Company's share-based awards, management has assumed an expected term equal to five years for option awards with ten-year terms (a typical average input for a ten-year option scheme).

### Employee Shareholder Plan

On 15 February 2015, the 21st Century Technology Employee Shareholder Plan (the "Plan") was implemented following approval at a general meeting of the Company. Details of the B Ordinary Shares of 0.1p in the capital of 21st Century Fleet Systems Limited (formerly 21st Century Technology Solutions Limited) ("Shares" and "Solutions", respectively) are set out below:

The Shares carry the right for the holder, to require the holder(s) of A Ordinary Shares, jointly and severally, in Solutions to acquire the Shares (the "Put Option"). The option may be exercised:

- (a) at the discretion of the Executive where a compulsory share transfer event occurs (such as a cessation of employment); and
- (b) if (i) not less than three years nor more than ten years have elapsed since the Shares were acquired; and (ii) the share price of Ordinary Shares in the capital of the Company (or such other company as may then be the parent company of Solutions) is not less than 112p per share.

The price per Share payable under the Put Option shall be equal to the amount by which the market capitalisation of the Company (as determined by the middle-market price of the Company's shares averaged over the last ten dealing days preceding the valuation date) exceeds £378,787, divided by the total number of issued shares in the capital of Fleet Systems.

The price may be settled, at the discretion of the Company, in cash or by the issue or transfer of such number of Ordinary Shares in the Company to the relevant value, calculated by reference to the middle-market price of the Company's shares averaged over the last ten dealing days preceding the valuation date. Should the Company exercise its discretion described above and issue the Executives with Ordinary Shares in the Company in exchange for the Shares in Solutions, the Executives' holdings in the Company would represent, following the same allotment, 7% of the fully diluted share capital of the Company.

### Directors' interests in the Employee Shareholder Plan

|   | As at<br>31 December<br>2020 & 2021 | Exercise<br>price | Date<br>from which<br>exercisable | Expiry<br>date |
|---|-------------------------------------|-------------------|-----------------------------------|----------------|
| 21st Century Technology Employee Shareholder Plan |                                     |                   |                                   |                |
| R C Singleton                                     | 100                                 | 112p              | 13/02/2018                        | 13/02/2025     |

# Notes to the consolidated financial statements CONTINUED

for the year ended 31 December 2021

## 22. Share capital CONTINUED

Although the employee shares awarded under the Plan are not strictly share options, they have the same characteristics as premium-priced share options. Accordingly, the Plan is accounted for in accordance with IFRS 2 'Share-based Payment' using a Black Scholes option pricing model to give a proxy for the fair value of the services provided by the Executives, the key inputs to which are:

| Option type               | Grant date | Exercise price (pence) | Share price on grant date (pence) | Expected term (years) | Vesting period (years) | Option life (years) | Expected volatility | Risk free rate |
|---------------------------|------------|------------------------|-----------------------------------|-----------------------|------------------------|---------------------|---------------------|----------------|
| Employee Shareholder Plan | 13/02/2015 | 104                    | 4.88                              | 5                     | 3                      | 10                  | 139%                | 1.68%          |

No dividend yield has been assumed for any of the above options and none of the share options' performance conditions are linked to the market price of the Company's shares.

## 23. Financial commitments

At 31 December 2021, the Group had total commitments under non-cancellable operating leases not accounted for under IFRS16 as follows:

|                                | 2021<br>£'000 | 2020<br>£'000 |
|--------------------------------|---------------|---------------|
| Due within one year            | 43            | 43            |
| Due between two and five years | —             | —             |
|                                | <b>43</b>     | 43            |

## 24. Related party transactions

Payments to key management personnel are included in note 5.

£60,000 of the 2016 Loan Notes and £25,000 of the 2018 Loan Notes included in note 19 in aggregate were provided by three of the Group's Directors: Russ Singleton, Mark Elliott and James Cumming (the "Lending Directors"). The Lending Directors are related parties of the Company pursuant to the AIM Rules for Companies.

There are no other related party transactions.

### Subsidiaries

Transactions between the Company and its subsidiaries are eliminated on consolidation and therefore not disclosed.



# Company statement of financial position

at 31 December 2021

|                                     | Notes | 2021<br>£'000 | (Restated)<br>2020<br>£'000 |
|-------------------------------------|-------|---------------|-----------------------------|
| <b>Assets</b>                       |       |               |                             |
| Non-current assets                  |       |               |                             |
| Property, plant and equipment       | 3     | 3             | 4                           |
| Investment in subsidiaries          | 4     | 6,958         | 6,958                       |
|                                     |       | <b>6,961</b>  | 6,962                       |
| <b>Current assets</b>               |       |               |                             |
| Other debtors                       |       | 10            | 9                           |
| Cash and cash equivalents           |       | 1             | 1                           |
|                                     |       | <b>11</b>     | 10                          |
| <b>Total assets</b>                 |       | <b>6,972</b>  | 6,972                       |
| <b>Equity and Liabilities</b>       |       |               |                             |
| <b>Shareholders' equity</b>         |       |               |                             |
| Share capital                       | 8     | 6,250         | 6,250                       |
| Share premium account               |       | 1,174         | 1,174                       |
| Merger reserve                      |       | 1,001         | 1,001                       |
| Retained earnings                   |       | (3,248)       | (2,989)                     |
| <b>Shareholders' funds</b>          |       | <b>5,177</b>  | 5,436                       |
| <b>Non-current liabilities</b>      |       |               |                             |
| Loans and borrowings                | 6     | 550           | 550                         |
|                                     |       | <b>550</b>    | 550                         |
| <b>Current liabilities</b>          |       |               |                             |
| Amounts owed to Group undertakings  | 5     | 1,134         | 905                         |
| Other creditors and accruals        |       | 111           | 81                          |
|                                     |       | <b>1,245</b>  | 986                         |
| <b>Total equity and liabilities</b> |       | <b>6,972</b>  | 6,972                       |

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2022 and were signed on its behalf by:

**M W Elliott**

Non-Executive Chairman

**R C Singleton**

Chief Executive

Registered number: 2974642

The notes on pages 81 to 87 form part of these parent company financial statements.

# Company statement of changes in equity

for the year ended 31 December 2021

|  | Share capital<br>£'000 | Share premium account<br>£'000 | Merger reserve<br>£'000 | (Restated) Retained earnings<br>£'000 | (Restated) Total equity shareholders' funds<br>£'000 |
|--|------------------------|--------------------------------|-------------------------|---------------------------------------|--|
| Balance at 1 January 2020                        | 6,217                  | 958                            | 1,001                   | (2,798)                               | 5,378  |
| Loss and total comprehensive income for the year | —                      | —                              | —                       | (307)                                 | (307)  |
| Share-based payments                             | —                      | —                              | —                       | 116                                   | 116  |
| Proceeds from Issue of new shares                | 33                     | 216                            | —                       | —                                     | 249  |
| Balance at 31 December 2020                      | 6,250                  | 1,174                          | 1,001                   | (2,989)                               | 5,436  |
| Loss and total comprehensive income for the year | —                      | —                              | —                       | (308)                                 | (308)  |
| Share-based payments                             | —                      | —                              | —                       | 49                                    | 49   |
| <b>Balance at 31 December 2021</b>               | <b>6,250</b>           | <b>1,174</b>                   | <b>1,001</b>            | <b>(3,248)</b>                        | <b>5,177</b>   |

The prior year comparatives have been updated to reflect a correction to share-based payments charge, which has had the effect of increasing retained earnings by £232,000 and reducing the amounts owed to Group undertakings by £232,000.

The notes on pages 81 to 87 form part of these parent company financial statements.

# Notes to the company financial statements

for the year ended 31 December 2021

## 1. Significant accounting policies applied to the individual entity financial statements of the Company

### Statement of compliance

The separate financial statements of the Company are presented in accordance with Financial Reporting Standard 101 'The Reduced Disclosure Framework'. They have been prepared under the historic cost convention, except financial instruments and share options, which have been prepared in accordance with IFRS 9 and IFRS 2 respectively. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year.

The results and financial position of the Company are expressed in Sterling (£). The numbers in the financial statements are rounded in £'000 for presentation purposes.

This Company is included in the consolidated financial statements of Journeo plc for the year ended 31 December 2021. These accounts are available from the registered address of the Company.

### Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101, paragraph 8:

- (i) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- (iii) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79a, iv), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73e) and the reconciliation of the carrying amount of intangible assets (IAS 38.118e);
- (iv) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (v) The requirements of IAS 7 'Statement of Cash flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a cash flow statement;
- (vi) The requirements of paragraph 45(b) and 45-52 of IFRS 2 'Share-based Payments' because the share-based payment arrangement concerns instruments of a Group entity.

### Basis of preparation

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were:

#### (i) Note 4 – Investments in subsidiaries

Determining whether investments are impaired requires an estimation of the value-in-use of the cash generating units to which the investments relate. The value-in-use calculation requires the Company to estimate future cash flows expected to arise from the cash generating unit at a suitable discount rate in order to calculate the present value. A discount rate of 14% is applied to the cash flow forecasts from the most recent financial budgets and long-term plans which are extrapolated in perpetuity assuming no growth beyond five years.

### Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out in the Strategic Report along with the principal risks and uncertainties.

The Group's net underlying profit for the year was £634k (2020: £464k). As at 31 December 2021 the Group had net current assets of £206k (2020: £170k liability) and net cash reserves of £1,096k (2020: £1,254k).

In December 2021, the 2016 Loan Notes and the 2018 Loan Notes maturity dates were extended to 31 March 2023.

The Directors have prepared Group cash flow projections for the period to 30 June 2023 based on latest forecasts that show that the Group will be able to operate within the Group current funding resources with significant headroom.

# Notes to the company financial statements CONTINUED

for the year ended 31 December 2021

## 1. Significant accounting policies applied to the individual entity financial statements of the Company CONTINUED

As with all businesses there are particular times of the year where our working capital requirements are at their peak. The Group is well placed to manage these business risks effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed. The Directors also monitor a rolling cash flow forecast, and key management review working capital movements and requirements on a daily basis.

The projections, taking account of reasonably possible changes in trading performance, indicate that the Group will operate within available facilities throughout the projection period and therefore, based on these projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of these financial statements. The Directors, therefore continue to adopt the going concern basis in preparing the financial statements.

### Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

### Financial instruments

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of less than or equal to three months and are measured on initial recognition at their fair value and subsequently at amortised cost.

#### Loans and receivables and other financial liabilities

Trade receivables and trade payables are measured on initial recognition which is the trade date, at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable trade receivables are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

Loans are initially recognised at the fair value of the proceeds and are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least one year after the balance sheet date.

#### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the statement of comprehensive income.

#### Share capital and share premium

Ordinary Shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### Merger reserve

The merger reserve arose on a historical acquisition prior to 1 January 2015 and has been maintained under an FRS 101 transition exemption.

#### Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, estimates are made of the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value, less costs to sell, and value-in-use. In assessing value-in-use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or CGU and by comparing the internal rate of return generated by the cash flows to target return rates established by management. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying value of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the statement of comprehensive income.

## 1. Significant accounting policies applied to the individual entity financial statements of the Company CONTINUED

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if that impairment loss had not been recognised. Impairment losses in respect of goodwill are not reversed.

## 2. Loss for the year

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. Journeo plc reported a loss for the financial year ended 31 December 2021 of £308,000 (2020: loss of £307,000).

The Company has an unrecognised deferred tax asset of:

|            | 2021<br>£'000 | 2020<br>£'000 |
|------------|---------------|---------------|
| Tax losses | 405           | 347           |

The Auditor's remuneration for the audit and other services is disclosed in note 7 to the Group financial statements.

The Directors' remuneration is disclosed in note 5 to the Group financial statements.

## 3. Property, plant and equipment

|                            | Leasehold<br>improvements<br>£'000 | Plant and<br>equipment<br>£'000 | Total<br>£'000 |
|----------------------------|------------------------------------|---------------------------------|----------------|
| <b>2021 movements</b>      |                                    |                                 |                |
| <b>Cost</b>                |                                    |                                 |                |
| At 1 January 2021          | 12                                 | 11                              | 23             |
| Additions                  | —                                  | 4                               | 4              |
| <b>At 31 December 2021</b> | <b>12</b>                          | <b>15</b>                       | <b>27</b>      |
| <b>Depreciation</b>        |                                    |                                 |                |
| At 1 January 2021          | 10                                 | 9                               | 19             |
| Charge for the year        | 2                                  | 3                               | 5              |
| <b>At 31 December 2021</b> | <b>12</b>                          | <b>12</b>                       | <b>24</b>      |
| <b>Net book amounts</b>    |                                    |                                 |                |
| <b>At 31 December 2021</b> | <b>—</b>                           | <b>3</b>                        | <b>3</b>       |
| At 31 December 2020        | 2                                  | 2                               | 4              |

# Notes to the company financial statements CONTINUED

for the year ended 31 December 2021

## 4. Investments in subsidiaries

|                         | Interests in Group undertakings |               |
|-------------------------|---------------------------------|---------------|
|                         | 2021<br>£'000                   | 2020<br>£'000 |
| <b>Cost</b>             |                                 |               |
| At 1 January            | 27,367                          | 27,367        |
| At 31 December          | 27,367                          | 27,367        |
| <b>Amounts provided</b> |                                 |               |
| At 1 January            | (20,409)                        | (20,409)      |
| At 31 December          | (20,409)                        | (20,409)      |
| Net book amounts        | 6,958                           | 6,958         |

The Group tests investments annually for impairment as at 31 December, or more frequently if there are indications that investments might be impaired.

The assessment is based on the net assets of the Group combined with the net present value of the cash flow projections for Fleet Systems and Passenger Systems based on financial budgets and business plans approved by the Directors covering a five-year period. Cash flows beyond that period have been extrapolated in perpetuity assuming no growth, which the Directors consider to be a conservative approach.

The key assumptions for the calculations are those regarding discount rates and sales forecasts.

The discount rates are as follows:

|                   | 2021<br>% | 2020<br>% |
|-------------------|-----------|-----------|
| Fleet Systems     | 14        | 14        |
| Passenger Systems | 13        | 13        |

The discount rates used are based on the Board's judgement considering macroeconomic factors and reflecting specific risks in each segment such as the nature of the market served, the concentration of customers, cost profiles and barriers to entry.

The Passenger Systems cash flow projections are described in detail in note 10 to the Group Accounts. The value-in-use calculation supports the carrying value of the CGU with headroom of £5,869k. The sensitivity analysis based on a reduction of 24% points in the growth rate in 2022 to 10% produced headroom of £1,149k.

The Fleet Systems cash flow projections are based upon assumptions of sales, margins and cost bases. Of these assumptions the calculation is most sensitive to the level of sales. Margins are fixed in the forecast and based upon past experience; the cost base is similarly based upon past experience and will vary depending upon the level of sales. In accordance with the requirements of IAS 36 our calculations do not include cash flows from restructurings to which the Group is not yet committed.

Sales have been determined by management using estimates based upon past experience and future performance with reference to market position and the sales pipeline. The sales levels in 2022 are supported by long-term framework agreements with key customers, actual performance in 2021 and a strong order book going forward, 2022 represents a 41% increase and the next three years are based upon compound sales growth of 5%. This calculation produces a net present value for the CGU of £7,244k.

A sensitivity analysis has been performed on the Fleet Systems calculation. The Directors consider that an absolute change in the key sales assumption is possible and a reduction of 10% points in the growth rate in 2022 to 27% would result in a £3,873k reduction in the value-in-use of the CGU.

Combining the net assets of the Group with the net present value of the cash flow projections of Fleet Systems and Passenger Systems produces an estimated investment value-in-use of £7,065k for 21st Century Fleet Systems Ltd. This supports the current carrying value of the investment.

## 4. Investments in subsidiaries CONTINUED

### Subsidiary undertakings

Details of the Company's subsidiary undertakings at 31 December 2021 are as follows:

| Name of undertaking                             | Nature of business   | Country of incorporation |
|---|--|--------------------------|
| <b>Direct subsidiaries</b>                      |  |                          |
| 21st Century Fleet Systems Limited              | Sale and installation of CCTV and other monitoring devices | UK                       |
| 21st C. Scandinavia AB                          | CCTV installation and project management                   | Sweden                   |
| 21st Century Crime Prevention Services Limited  | Dormant  | UK                       |
| 21st Century Technology Group Limited           | Dormant  | UK                       |
| Bridge Alert Limited                            | Dormant  | UK                       |
| Ecomanager Limited                              | Dormant  | UK                       |
| Integrated Technologies (International) Limited | Dormant  | UK                       |
| 21st Century Technology Limited                 | Dormant  | UK                       |
| Laserline (UK) Limited                          | Dormant  | UK                       |
| Linefit Engineering Limited                     | Dormant  | UK                       |
| Second Base Systems Limited                     | Dormant  | UK                       |
| Secure Microsystems Limited                     | Dormant  | UK                       |
| ServiceManager Limited                          | Dormant  | UK                       |
| Sextons Group Limited                           | Dormant  | UK                       |
| Toad Innovations Limited                        | Dormant  | UK                       |
| Toad Limited                                    | Dormant  | UK                       |
| 21st Century Integrated Systems Limited         | Holding company of Region Services Group                   | UK                       |
| <b>Indirect subsidiaries</b>                    |  |                          |
| 21st Century Passenger Systems Limited          | Sale, manufacture and installation of passenger systems    | UK                       |
| RSL Cityspace Limited                           | Sale and service of information kiosks                     | UK                       |
| RSL Street Net Limited                          | Dormant  | UK                       |
| Cityspace Limited                               | Dormant  | UK                       |

All subsidiaries are wholly owned except the 70%-owned Integrated Technologies (International) Limited. All UK subsidiaries' registered office address is the same as the Company; 12 Charter Point Way, Ashby-de-la-Zouch LE65 1NF except Linefit Engineering Limited, registered office 272 Bath Street, Glasgow, G2 4JR.

21st C. Scandinavia AB registered office is at Varuvägen 9, 125 30 Älvsjö, Sverige.

# Notes to the company financial statements CONTINUED

for the year ended 31 December 2021

## 5. Amounts owed to Group undertakings

The amounts owed to Group undertakings are repayable upon demand.

## 6. Loans and borrowings

|                 | 2021             |                      |                | 2020             |                      |                |
|-----------------|------------------|----------------------|----------------|------------------|----------------------|----------------|
|                 | Current<br>£'000 | Non-current<br>£'000 | Total<br>£'000 | Current<br>£'000 | Non-current<br>£'000 | Total<br>£'000 |
| Loan Notes 2016 | —                | 300                  | 300            | —                | 300                  | 300            |
| Loan Notes 2018 | —                | 250                  | 250            | —                | 250                  | 250            |
|                 | —                | 550                  | 550            | —                | 550                  | 550            |

The fair value of the loans and borrowings is not substantially different from the carrying value.

The main terms of the bank and other loans are:

|                 | Loan<br>name | Interest<br>rate<br>% | Term      | Final<br>payment | Loan<br>value<br>£'000 |
|-----------------|--------------|-----------------------|-----------|------------------|------------------------|
| Loan Notes 2016 | Loan notes   | 10.00                 | 7.3 years | March 2023       | 300                    |
| Loan Notes 2018 | Loan notes   | 10.00                 | 5.3 years | March 2023       | 250                    |

The 2016 and 2018 Loan notes are secured on the trade and other debtors of the Group's principal trading entities, 21st Century Fleet Systems Limited and 21st Century Passenger Systems Limited.

## 7. Employee information

The Company had no direct employees in the years ended 31 December 2021 and 31 December 2020.



## 8. Share capital

### Called up share capital

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Authorised</b>   |               |               |
| 8,741,250 New Ordinary Shares of 6.5p each (2020: 8,741,250 Ordinary Shares of 6.5p each) | 568           | 568           |
| 87,412,500 Deferred Shares of 6.5p each (2020: 87,412,500)                                | 5,682         | 5,682         |
|   | <b>6,250</b>  | 6,250         |
| <b>Issued, allotted and paid up</b>   |               |               |
| 8,741,250 New Ordinary Shares of 6.5p each (2020: 8,741,250 Ordinary Shares of 6.5p each) | 568           | 568           |
| 87,412,500 Deferred Shares of 6.5p each (2020: 8,741,250)                                 | 5,682         | 5,682         |
|   | <b>6,250</b>  | 6,250         |

On 3 April 2020, the Group issued 513,750 Ordinary Shares with a nominal value of 6.5p and a share premium of 43.5p per share.

Ordinary shares are entitled to one vote each, a dividend and a return on assets.

Deferred shares are not entitled to vote or any dividends. A return on liquidation will only be made after payment has been made to the holders of Ordinary Shares of the amounts paid up on such shares and the sum of £10,000,000 in respect of each Ordinary Share.

The share premium account represents the amount received on the issue of Ordinary Shares by the Company, in excess of their nominal value and is non-distributable.

The merger reserve represents the excess over nominal value of the fair value consideration for the acquisition of subsidiaries satisfied by the issue of shares in accordance with S612 of the Companies Act 2006.

# Corporate information

## DIRECTORS

**Non-Executive Chairman**  
M W Elliott

**Non-Executive Director**  
J Cumming

**Executive Directors**  
R C Singleton  
N Lowe

**Company Secretary**  
N Lowe

## AUDITOR

**Cooper Parry Group Limited**  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

## BANKERS

**NatWest Bank**  
16 South Parade  
Nottingham  
NG1 2JX

## SOLICITORS

**Ashurst**  
1 Duval Square  
London  
E1 6PW

## REGISTERED OFFICE

12 Charter Point Way  
Ashby-de-la-Zouch  
LE65 1NF  
Registered number: 2974642

## NOMINATED ADVISER, FINANCIAL ADVISER AND BROKER

**Cenkos Securities plc**  
6 7 8 Tokenhouse Yard  
London  
EC2R 7AS

## REGISTRARS

**Link Group**  
10th Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL



# Journeo

## Journeo plc

12 Charter Point Way  
Ashby-de-la-Zouch  
LE65 1NF  
United Kingdom

Tel: +44 (0)203 651 9166

Email: [info@journeo.com](mailto:info@journeo.com)