Optare

ANNUAL REPORT AND ACCOUNTS 2025

ASHOK LEYLAND

COMPANY INFORMATION

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

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The directors present the strategic report for the year ended 31 March 2025.

Fair review of the business

Optare PLC ("Optare") specialises in the production and service of diesel buses and through Switch Mobility the production and service of electric buses within the UK, Europe, and India. The company has production facilities in Europe and India, and aftermarket service centres in Rotherham and Thurrock within the UK. The company has an Engineering centre and corporate offices in Chennai (India). Financial Year 2025 saw Optare deliver 126 buses in the UK and 2 in Spain. Total production of buses was 126 in the UK and 630 buses in India, where Switch also operate the buses on a GCC (Gross Cost Contract) basis. In total, revenues were £112,000k, an increase of £45,445k compared with Financial Year 2023/2024. As the business is in a development and growth phase with higher volumes from the market, the pre-tax loss has increased to £48,724k (compared with losses of £45,238k in FY2023/2024).

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

Our vision

Be a global technology leader providing zero emission commercial mobility products and solutions that create outstanding value for all our stakeholders.

Our mission

To enrich lives through green mobility through four key principles.

Ensuring zero impact on the environment.

- Going further than just zero tail-pipe emissions, ensuring carbon neutrality throughout the group's operations and supply chain.
- Delivering sustainable practices such as 2nd life battery partnerships.

Empowering our people to be agile, innovative, and responsible.

- Training our employees.
- Developing the next generation of talent via our apprentice scheme.
- Recruiting the best talent from a range of industries.

Intelligently using our technology and data.

- Digital native approach to fleet solutions with all EVs embedded with proprietary telematics platform.
- Best in class battery packs and battery management systems increase efficiency.
- 2TB of data used each day to feed digital solutions and enable optimised solutions.

Delivering lowest lifecycle cost products and solutions.

- Leverage our relationship with Ashok Leyland to deliver economies of scale.
- Light weighting, vehicle optimisation and modular platforms.
- Deliver quality products and reduce warranty costs.
- Unique MaaS offering eBus and eLCV focused ecosystems.

Combining these four principles will ultimately enable us to achieve our vision of democratising zero carbon mobility.

Performance highlights

Switch India

- Switch India received an order from CESL for Mauritius for 100 Buses. This is the largest export order for an OEM based in India.
- Switch India received an order from MTC (through OHM) for 645 buses at the end of FY25 Q4
- Switch India received and completed a BMTC order (through OHM) for 325 ULE buses in FY25.
- Received an order for outright sale of 100 Buses from UPSRTC. Around 10 of these buses were successfully deployed during the Maha Kumbh Mela 2025 in Prayagraj.
- Repeat Order received for 20 Nos of EiV22 Buses and 30 Nos of EiV12 Buses from UPSRTC
- Received Order and Supplied 5 Nos of EiV22 Buses to Bhubaneswar

Switch UK

- FY25 Sales of 126. Comprising of 123 Solo Diesel and 3 EV buses.
- E1 - Avanza (Benidorm), 2 vehicles delivered in Dec 24.

Deliveries within the financial year

Switch India

- 325 buses to BMTC (Ohm)
- 63 buses to UPSRTC
- 24 buses to Chalo Indore (HLFL)
- 19 buses to various other clients.
- LCV 1,028 Nos
- 21 buses to Chalo Indore

Switch UK

- FY25 Sales of 126. Comprising of 123 Solo Diesel and 3 EV buses.
- E1 - Avanza (Benidorm), 2 vehicles delivered in Dec 24.

New product developments

The Company maintains a strong product development capability, with a clear focus on creating solutions aligned with customer needs, regulatory requirements, and evolving market trends. In FY25, our R&D teams focused on advancing platform architecture and optimising product performance, culminating in the successful launch of two key offerings tailored for domestic and international markets: the Switch EiV12 Low Floor City Bus for the Indian market and the Switch e1 for international deployment. These products reflect our commitment to delivering technologically advanced, energy-efficient, and cost-effective mobility solutions tailored to regional requirements.

Building on the momentum from the previous year, FY25 also marked the first full commercial year for Switch's electric light commercial vehicles, the Switch IeV3 and IeV4. Designed specifically for urban delivery, municipal operations, and fleet logistics, both platforms have demonstrated strong operational efficiency and customer acceptance. These vehicles enable a broader shift toward electrified last-mile connectivity and are central to Switch's vision of zero-emission logistics.

Switch EiV12 Low Floor City Bus

On the product front, Switch expanded its EV portfolio with the launch of the Switch EiV12 Low Floor City Bus, a 100% low-floor electric bus built on a born-EV platform with floor-mounted, IP67-rated battery packs—marking the Hinduja Group's first purpose-built electric vehicle platform. It features a scalable battery capacity, kneeling mechanism, automated wheelchair ramp, etc. Designed, developed, and manufactured entirely in India, the Switch EiV12 Low Floor City Bus is equipped with Switch iON for real-time diagnostics, telematics, and fleet monitoring.

SWITCH E1

The Switch E1, developed for European markets, features in-wheel motors, a lightweight monocoque architecture, and a triple-door configuration to enhance passenger flow. The bus is integrated with the Switch iON platform, offering smart diagnostics and improved fleet efficiency.

SWITCH IeV3

The Switch IeV3 is India's first 256V high-voltage architecture-based electric light commercial vehicle, designed to deliver superior performance and comfort in urban logistics. Engineered for last-mile applications, the IeV3 has a spacious cargo deck. Its compact design ensures high manoeuvrability, making it ideal for dense urban environments, while also offering best-in-class efficiency and reliability for commercial operators.

SWITCH IeV4

The Switch IeV4 builds upon the IeV platform as a larger, high-voltage eLCV purpose-built for mid-mile and highvolume applications. With a robust design and extended load-carrying capabilities, the IeV4 is suited for a range of use cases, including e-commerce, FMCG, and municipal operations. It is engineered to deliver best-in-class performance, lower total cost of ownership, and enhanced driver comfort, reinforcing Switch Mobility's commitment to sustainable, customer-centric transportation solutions.

s172 Companies Act 2006

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

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

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

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

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

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

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

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

Environmental considerations are further detailed in the Streamlined energy and carbon reporting (SECR) section of the report which is on page 6.

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

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

Development

The global electric vehicle (EV) industry is poised for significant growth, with total sales projected to reach approximately 41.8 million units annually by 2030. EVs could represent over 35% to 45% of all new vehicle sales globally by the end of the decade. This expansion is being driven by technological advancements in battery technology, the rapid development of charging infrastructure, and a steadily declining total cost of ownership, all of which are making electric mobility more viable and attractive across segments and regions.

Europe's zero-emission transition in the eBus sector will gain momentum thanks to binding regulations and major funding commitments. The EU has mandated that by 2030, 90% of new city buses must be zero-emission, escalating to 100% by 2035. This push is backed by the European Green Deal and stricter CO_2 emissions standards across commercial vehicles. Our Switch e1, engineered specifically for the European market, is designed to address the operational and regulatory needs of these cities, reinforcing our commitment to delivering sustainable and regionally relevant mobility solutions.

India remains one of the world's fastest-growing EV markets. With 2 million EVs registered in FY25, volumes are expected to cross 2.5 million in FY26 and reach 12 million annually by FY30. The Indian EV sector continues to represent a high-growth opportunity, propelled by favourable government policies, rising OEM investment, and the rapid expansion of charging and service infrastructure. Growth is particularly strong in two- and three-wheelers, buses, and light commercial vehicles (LCVs). The eBus market is expected to exceed 25,000 units by 2030, with approximately 19% adoption, while the eLCV segment is projected to surpass 75,000 units, achieving nearly 10% market penetration.

Switch enters FY26 with a robust order book of over 1,700 electric vehicles, positioning the Company for continued momentum. In the eBus segment, the upcoming 9-metre platform is set to address a wider range of public transport requirements, unlocking new tender opportunities. In parallel, the eLCV portfolio will be enhanced through the launch of multiple new variants, catering to a broad spectrum of applications—from urban logistics and last-mile delivery to municipal services and regional cargo transport.

Looking ahead, Switch India will focus on expanding its product footprint across India, GCC and African markets, offering modular, efficient, and regionally tailored EV solutions. Supported by world-class engineering talent and cost-efficient manufacturing capabilities at our Indian facilities, the Company is well-positioned to lead the next phase of zero-emission mobility in both domestic and international markets.

Financial performance

The financial results for the year show a net loss of £46,915k compared to a loss of £43,599k in the previous period.
The key highlights for the period end are:

- Revenue for the period was £112,000k (2023/2024: £66,555k).
- Gross profit was £25,867k over the twelve-month period as against £15,160k in the year 2023/24.
- Loss after tax was £46,915k (2023/2024: £43,599k).

Key risks and mitigating activities

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

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

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

Changes in legislation

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

Change in Policy

There has been no change in government in India. However, in the UK, a change in government took place during the financial year 2024–25, though we expect overall economic stability to be maintained. That said, shifts in government incentives and subsidy frameworks directly influence EV adoption. For instance, India's FAME II scheme, introduced in 2019, provided subsidies for eligible electric vehicles only up to March 31, 2024. Building on this, the government launched the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) in September 2024, with an outlay of £984,621k through March 2026, to support demand incentives for electric twoand three-wheelers, e-buses, ambulances, and trucks, while also funding over charging stations and upgrading testing infrastructure. These evolving policies highlight both the opportunities and the need for close monitoring, ensuring that Switch remains agile and responsive to changes in the regulatory landscape.

Pricing, Credit and Fund constraints

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

Market transition to EV does not occur as quickly as expected

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

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

Supply chain

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

Reputational and Customer relationships

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

Introduction and production of new technologies

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

On behalf of the board

Mr V Venkataraman (NED)
Director

Date: 4th September 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Principal activities

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

Results and dividends

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

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

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

Directors

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

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

Qualifying third party indemnity provisions

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

Supplier payment policy

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

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

Trade creditors of the group at the year end were equivalent to 91 day's purchases (2024: 61 days), based on the average daily amount invoiced by suppliers during the year.

Political donations

There were no political contributions during the period (2024: £Nil). Charitable contributions were £Nil in the period (2024: £Nil).

Existence of Branches outside UK

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

Financial instruments

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

Research and development

The company has in our view one of the strongest product development teams in the industry, generating advanced product designs in accordance with customer needs, legislative requirements, and market trends, integrating with market-leading technology suppliers. Through 2024/2025 our R&D teams developed a number of new products including Switch E1, Switch EiV12 ULE, Switch IeV3, Switch IeV4. These products incorporate highly efficient battery technology and a robust structure, resulting in them being some of the most efficient buses within the industry.

Disabled persons

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

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

Employee Involvement

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

Sustainability Strategy

At Optare PLC, sustainability is integral to our core mission. The company places significant emphasis on sustainability, aiming to consistently exceed statutory environmental and social responsibility requirements. From an environmental perspective, as outlined in the SECR, we have proactively undertaken numerous initiatives to reduce greenhouse gas emissions and promote sustainable operational practices across our business.

Actively working towards identifying and defining long-term ESG strategy goals in collaboration with the Group Sustainability Council.

- Exclusive use of high Lumen/Watt energy-efficient lamps across office and production areas at the Ennore facility
- Shop floor fans upgraded to Brushless Direct Current (BLDC) motors with inverter controls for optimized power usage.
- Implementation of Multi Indoor AC units connected to single outdoor units, reducing CO_2 emissions by approximately 25%.
- Introduction of Electric Power Steering (EPS) in eLCVs to enhance driver comfort, reduce driver fatigue, and improve energy efficiency.
- By facilitating the transition from diesel-powered vehicles to zero-emission EVs, Switch actively supports cleaner urban transportation, significantly reducing fossil fuel dependency and greenhouse gas emissions.
- LED lights in Rotherham service centre (workshop) in July 2024, this not only ensures power savings, but also enabled attending four Double decker buses at a time, due to increased heights of the LED Lights.
- Continued actions towards optimal energy usage:
    - Moving to 100% renewable energy tariff for UK operations.
    - Manufacturing side improvements including energy optimisation during idle time followed by several small improvement projects.
    - Continuing the integrated waste management provider to provide greater traceability on waste management and improve recycling percentages.
    - Optimizing pressure settings of all air compressors.
    - Encouraging good energy practices among the Operatives and other employees.

Furthermore, our sustainability vision extends beyond environmental considerations to encompass comprehensive employee well-being and meaningful community engagement. Senior Leadership Teams across Switch receive detailed training, tailored to address cultural diversity and enhance global operational synergy. Additionally, Switch UK demonstrated its commitment to local community development by sponsoring the local children's cricket team in 2025, reinforcing our dedication to fostering social responsibility and community well-being.

Post reporting date events
Cessation of UK Manufacturing Activities

On 27th March 2025, the Board of Directors authorised the commencement of consultation process with Union and employees which could lead to potential cessation of activities at the Sherburn facility in Leeds in the UK to review the options. After over fifteen years of commitment and support from Ashok Leyland Limited to the UK market, this is a decision that has not been taken lightly, and due to market and product challenges, Switch Mobility Limited in the UK was not able to achieve volume and cost economics in Electric vehicles. This was compounded further by the general inability to derive benefits of scale in the overall bus market in the UK, together with general lower volumes and uncompetitive cost structures, making the operations in the UK unviable.

Switch Mobility Limited has no plans to exit the UK bus market and continues to execute all orders on hand and is fully committed to meeting its current and continuing obligations and will provide aftermarket and service support from its two other facilities in Rotherham and Thurrock for the current vehicle parc. Where it is considered appropriate, the plan is for Switch Mobility Limited to cater for the UK market from Ashok Leyland's other manufacturing sites.

On 15th May 2025, after considering various business factors and options together with employee expectations, it was mutually agreed that the closure of the Sherburn facility and the cessation of operations in the UK was the only viable option. As a result of this decision, of the total workforce strength, 194 employees would be at risk of redundancy. Where possible, employees would be offered alternative employment in the continuing aftermarket and services business or opportunities in the wider group.

The cessation activity remains in progress and is being concluded with full consideration and compassion of all stakeholders, including employees, customers, and suppliers. The cost and liability obligations in respect of this remain as an estimate and as of 31 March 2025, a restructuring provision has been provided which is considered by the Management of Switch Mobility Limited to be the best estimate of the cost of cessation of activities at the time. The cessation process is targeted to be concluded by the end of September 2025.

Going concern

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

The group made a loss before tax for the year to 31 March 2025 of £48.7m (2024 £45.2m) with net assets of £5.9m as against the net assets of £10.0m for the year ended 31 March 2024. Over the 12 months following this report, the group is forecasting a loss before tax.

The group has obtained a legally binding letter of support from its ultimate parent company, Ashok Leyland Limited, who are a public limited company incorporated and domiciled in India. This letter confirms that, if necessary, Ashok Leyland Limited will source or provide additional funding if required to allow the company to meet all contractual and legal obligations and covenant requirements if needed, including any intercompany receivable balances due, for the period up to and including the 30 September 2026. The directors have assessed the ability and intention of the ultimate parent company to provide funding if required and consider this satisfactory.

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

Matters covered in Strategic report

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

Auditor

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

Energy and carbon report

During the year, the company consumed 3,779k kilowatt hours (3,509k 2023/24) of energy and the emissions were calculated at 1,475 tonnes (1,138 2023/24) of carbon dioxide equivalents at an emissions intensity of 13.2(kg CO2e/£'000) for the period 1st April 2024 to 31st March 2025.

Energy consumption	**2025 kWh**	**2024 kWh**
Aggregate of energy consumption in the year		
- Gas combustion	1,017	909
- Electricity purchased	2,106	1,918
- Fuel consumed for transport	656	682
	3,779	3,509

Emissions of CO2 equivalent	**2025 metric tonnes**	**2024 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	185.90	166.00
- Fuel consumed for owned transport	156.30	162.00
	342.20	328.00
Scope 2 - indirect emissions		
- Electricity purchased	1,132.30	810.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	-
Total gross emissions	1,474.50	1,138.00
Intensity ratio		
Tonnes CO2e / £'000	13.2	17.1

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

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

Measures taken to improve energy efficiency
Optare PLC commitment to sustainability extends well beyond the vehicles we manufacture. We strive to ensure that every aspect of our operations reflects our responsibility toward the environment. Across our facilities, a comprehensive set of initiatives has been rolled out to reduce energy consumption, enhance operational efficiency, and minimize our overall carbon footprint. Several energy efficiency improvement and conservation measures were taken up, some of them are:

- Exclusive use of high Lumen/Watt energy-efficient lamps across office and production areas at the Ennore facility.
- All shop floor fans have been upgraded to Brushless Direct Current (BLDC) motors paired with inverter controls, which minimize power usage while maintaining operational efficiency.
- Deployment of Multi Indoor AC units connected to a single outdoor unit, enabling individual temperature control and delivering an estimated 25% reduction in CO2 emissions.
- Introduction of chassis transfer robots in assembly lines for increased productivity, consistency, and precision in manufacturing processes.
- Implementing manufacturing-side energy optimization during idle periods and driving several small improvement projects to cut down wastage.
- Introduction of Electric Power Steering (EPS) in eLCVs to enhance driver comfort, reduce driver fatigue, and improve energy efficiency.
- LED lights in Rotherham service centre (workshop) in July 2024, this not only ensures power savings, but also enabled attending four Double decker buses at a time, due to increased heights of the LED Lights.
- Continued actions towards optimal energy usage:
    - Moving to 100% renewable energy tariff for UK operations.
    - Manufacturing side improvements including energy optimisation during idle time followed by several small improvement projects.
    - Continuing the integrated waste management provider to provide greater traceability on waste management and improve recycling percentages.
    - Optimizing pressure settings of all air compressors.
    - Encouraging good energy practices among the Operatives and other employees.

These initiatives collectively demonstrate our ongoing effort to create a leaner, greener, and more efficient manufacturing ecosystem. As we continue to expand our production capacity and deliver more zero-emission vehicles to the market, we remain firmly committed to further reducing our carbon emissions intensity and embedding sustainability at the heart of everything we do.

Statement of disclosure to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board.

Mr V Venkataraman (NED)
Director

Date: 4th September 2025

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Optare Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise Group statement of comprehensive income, Group statement of financial position, Group statement of changes in equity, Group statement of cash flows, Parent company statement of financial position, Parent company statement of changes in equity, and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud.

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

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

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

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

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

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

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

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

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- We selected a judgemental sample of journals not meeting the defined risk criteria and agreed these to supporting documentation;
- In relation to revenue recognition, we performed a combination of tests of controls and substantive procedures. Our substantive procedures included testing a sample of sales transactions against underlying supporting documentation such as invoices, contracts or sales orders, delivery notes, and bank receipts. Additionally, we conducted year-end cut-off testing to ensure revenue was recognized in the appropriate period. As part of our journal entry testing, we also assessed unusual revenue combinations to identify any potential anomalies or misstatements.

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

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

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

Use of our report

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

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

04 September 2025

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

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Revenue	4	112,000	66,555
Cost of sales		(86,133)	(51,395)
Gross Profit		25,867	15,160
Other operating income		1,558	523
Distribution costs		(477)	(579)
Administrative expenses		(54,075)	(47,611)
Exceptional Items	5	(11,897)	1,350
Operating loss	6	(39,024)	(31,157)
Finance income	10	427	352
Finance costs	11	(10,127)	(14,433)
Loss before taxation		(48,724)	(45,238)
Income tax credit	13	1,809	1,639
Loss for the year		(46,915)	(43,599)
Other comprehensive loss:			
Items that will not be reclassified to profit or loss			
Actuarial (Loss)/gain on defined benefit pension schemes		(170)	15
Currency translation differences		(1,976)	(654)
Total items that will not be reclassified to profit or loss		(2,146)	(639)
Total other comprehensive loss for the year		(2,146)	(639)
Total comprehensive loss for the year		(49,061)	(44,238)
Loss for the financial year is attributable to:			
- Owners of the parent company		(46,241)	(43,039)
- Non-controlling interests		(674)	(560)
		(46,915)	(43,599)
Total comprehensive loss for the year is attributable to:			
- Owners of the parent company		(48,357)	(43,669)
- Non-controlling interests		(704)	(569)
		(49,061)	(44,238)

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

The notes on pages 17 to 37 form part of these group financial statements.

AS AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Intangible assets	15	30,800	28,174
Property, plant and equipment	16	50,704	49,295
Other receivables	20	3,909	4,045
Deferred tax asset	26	6,826	5,017
		92,239	86,531
Current assets			
Inventories	18	31,462	29,408
Trade and other receivables	20	44,485	41,862
Current tax recoverable		-	57
Cash and cash equivalents		51,915	12,340
Assets held for sale	16	-	6,970
		127,862	90,637
Current liabilities			
Trade and other payables	24	50,134	34,666
Current tax liabilities		365	-
Borrowings	22	37,207	85,372
Lease liabilities	25	2,453	1,885
Provisions	27	8,935	9,158
Deferred revenue	28	34	34
		99,128	131,115
Net-current assets/(liabilities)		28,734	(40,478)
Non-current liabilities			
Trade and other payables	24	629	-
Borrowings	22	100,401	24,130
Lease liabilities	25	7,722	8,903
Long term provisions	27	5,823	2,875
Deferred revenue	28	56	-
Retirement benefit obligations	29	447	189
		115,078	36,097
Net assets		5,895	9,956
Equity			
Called up share capital	30	141,894	141,894
Share premium account	31	133,485	133,485
Own shares	33	5,542	5,542
Share-based payment reserve	34	42	42
Shares pending allotment	35	45,000	-
Capital redemption reserve	32	(9,527)	(9,527)
Accumulated losses		(308,279)	(259,922)
Equity attributable to owners of the parent company		8,157	11,514
Non-controlling interests		(2,262)	(1,558)
Total surplus		5,895	9,956

The notes on pages 17 to 37 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 4 September 2025 and are signed on its behalf by:

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

	Notes	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Share-based payment reserve	Shares pending allotment	Accum losses	Total	Non-controlling Interest	Total
		£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Balance at 1 April 2023		129,434	32,396	(9,527)	5,542	42	-	(216,253)	(58,366)	(989)	(59,355)
Year ended 31 March 2024											
Loss for the year		-	-	-	-	-	-	(43,039)	(43,039)	(560)	(43,599)
Other comprehensive loss											
Actuarial gains on pensions scheme		-	-	-	-	-	-	15	15	-	15
Currency translation differences		-	-	-	-	-	-	(654)	(654)	-	(654)
Amounts attributable to non-controlling interests		-	-	-	-	-	-	9	9	(9)	-
Total comprehensive loss		-	-	-	-	-	-	(43,669)	(43,669)	(569)	(44,238)
Transactions with owners											
Issue of share capital	30	12,460	101,089	-	-	-	-	-	113,549	-	113,549
Balance at 31 March 2024		141,894	133,485	(9,527)	5,542	42	-	(259,922)	11,514	(1,558)	9,956
Year ended 31 March 2025											
Loss for the year		-	-	-	-	-	-	(46,241)	(46,241)	(674)	(46,915)
Other comprehensive loss:											
Actuarial loss on pensions scheme		-	-	-	-	-	-	(170)	(170)	-	(170)
Currency translation differences		-	-	-	-	-	-	(1,976)	(1,976)	-	(1,976)
Amounts attributable to non- controlling interests		-	-	-	-	-	-	34	34	(34)	-
Total comprehensive loss		-	-	-	-	-	-	(48,357)	(48,357)	(704)	(49,061)
Transactions with owners:											
Share application money pending allotment		-	-	-	-		45,000	-	45,000	-	45,000
Balance at 31 March 2025		141,894	133,485	(9,527)	5,542	42	45,000	(308,279)	8,157	(2,262)	5,895

The notes on pages 17 to 37 form part of these group financial statements.

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Operating activities					
Loss before tax			(48,724)		(45,238)
Adjusted for non-cash items:					
Depreciation charge	**6**		9,369		6,226
Impairment of property, plant and equipment	**14**		2,202		-
Amortisation of intangible assets	**6**		3,688		2,014
Impairment of intangible assets	**14**		2,693		649
(Gain)/loss on disposal of fixed assets	**6**		(1,347)		(243)
Finance income loss/(Gain)	**10**		(427)		(352)
Finance charges	**11**		10,127		14,433
Gain on deferred taxation recognised in profit or loss			(131)		-
			(22,550)		(22,511)
Changes in working capital:					
Increase in provisions			2,763		5,659
(Increase)/Decrease in inventories			(2,673)		1,536
(Increase)/Decrease in trade and other receivables			(2,950)		1,802
Increase/(Decrease) in trade and other payables			17,007		(20,525)
Cash utilised in operations			(8,403)		(34,039)
Interest paid			(63)		(12)
Unwinding of discounts on provisions			(39)		
Income tax refund			398		105
Net cash used in operating activities			(8,107)		(33,946)
Investing activities					
Purchase of intangible assets	**15**	(14,005)		(7,947)	
Purchase of property, plant and equipment	**16**	(14,095)		(23,007)	
Proceeds on disposal of property, plant and equipment		20,489		2,748	
Issue of loans		(98)		-	
Interest received		22		352	
Net cash used in investing activities			(7,687)		(27,854)
Financing activities					
Proceeds from issue of shares		-		113,549	
Proceeds for shares pending allotment		45,000		-	
Issue of redeemable preference shares		(103)		-	
Repayment of borrowings		-		(28,286)	
Proceeds of new bank loans		(29,612)		-	
Repayment of intercompany loans		(9,130)		(20,846)	
Payment of lease liabilities		(10,124)		(2,493)	
Net cash generated from financing activities			55,255		61,924
Net increase in cash and cash equivalents			39,461		124
Cash and cash equivalents at beginning of year			12,340		10,661
Effect of foreign exchange rates			114		1,555
Cash and cash equivalents at end of year			51,915		12,340

Changes in liabilities arising from financing activities

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

	At 1 April 2024	Financing cash flows	New loans	New leases	Accrued interest	Foreign exchange adjustments	At 31 March 2025
		Cash movements			Non-cash movements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	96,175	-	29,612	-	8,486	(1,205)	133,068
Leases	10,788	(10,125)	-	8,770	941	(199)	10,175
Loans from parent undertakings	9,020	(9,130)	-	-	110	-	-
	115,983	(19,255)	29,612	8,770	9,537	(1,404)	143,243

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

1 Material Accounting policies

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

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

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

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

All financial statements are made up to 31 March 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

1.3 Going concern

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

The group made a loss before tax for the year to 31 March 2025 of £48,724k (2024: £45,238k) with net assets of £5,895k (2024: net assets of £9,956k). Over the 12 months following this report, the group is forecasting a loss before tax.

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

The group has obtained a legally binding letter of support from its ultimate parent company, Ashok Leyland Limited, who are a public limited company incorporated and domiciled in India. This letter confirms that, if necessary, Ashok Leyland Limited will source or provide additional funding if required to allow the group and company to meet all contractual and legal obligations and covenant requirements if needed, including any intercompany receivable balances due, for the period up to and including the 30 September 2026. The directors have assessed the ability and intention of the ultimate parent company to provide funding if required and consider this satisfactory.

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

1.4 Revenue

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

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

1 Material Accounting policies (continued)

Determining the transaction price

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

Allocating amounts to performance obligations

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

Practical Exemptions

The Group has taken advantage of the practical exemptions:

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

1.5 Goodwill

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

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

1.6 Intangible assets other than goodwill

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

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

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

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

Acquired vehicle designs, internal vehicle designs, technical knowhow and research and development are all recognised in vehicle related intangible assets in note 15.

1.7 Property, plant and equipment

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

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

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

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

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

1 Material Accounting policies (continued)

1.8 Non-current investments

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

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

1.9 Borrowing costs related to non-current assets

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

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

1.10 Impairment of tangible and intangible assets

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

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

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

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

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

1.11 Inventories

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

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

1.12 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

1.13 Cash and cash equivalents

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

1.14 Financial assets

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

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

Financial assets held at amortised cost

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

1 Material Accounting policies (continued)

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets

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

1.15 Financial liabilities

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.16 Equity instruments

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

1.17 Taxation

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

Current tax

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

Deferred tax

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

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

1.18 Provisions

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

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

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

1 Material Accounting policies (continued)

1.19 Employee benefits

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

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

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

1.20 Retirement benefits

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

The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The group makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India.

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

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

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

1.21 Leases

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

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

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

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

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

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

1.22 Grants

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

1.23 Foreign exchange

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

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

1 Material Accounting policies (continued)

1.24 Research and development

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

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

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

Standards which are in issue but not yet effective

The Group has not adopted interpretations and amendments to standards that are issued but not mandatory for the year ended 31 March 2025. They are not expected to have a material impact on the Group.

3 Material accounting estimates and judgements

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

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

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

Critical judgements

Impairment reviews

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

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

In the year, intangible assets with a NBV of £30,738k (2024: £28,174k) and PPE with a NBV of £50,704k (2024: £49,295k) have been reviewed and assets related to non-continued EV products as well as assets relating to Sherburn manufacturing site have been impaired by £4,894k (2024: £Nil). Further based on the impairment assessment performed, Intangible assets amounting to £Nil (2024: £649k) were impaired in Switch Mobility Europe EL.

Provision for warranty claims

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

The level of warranty provision required is based on the number of buses in service and their remaining warranty life, with the key estimation being the likely warranty cost per bus. This is based on historical data, with estimates where necessary for new vehicle designs. If the assumption for likely warranty cost per vehicle was adjusted by 10%, this would equate to an under or over provision of £1,481k (2024: £1,203k). The accounts include a total warranty provision of £14,812k (2024: £12,033k).

Provision for expected credit loss

Allowances against doubtful debts are recognised against trade receivables between 30 days and 365 days based on estimated recoverable amounts based on past experience under the expected credit loss model. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). The group's credit risk relates primarily to its trade receivables. There is significant estimation uncertainty associated with the determination of the recoverable amount. The total trade debt not impaired was £24,134k (2024: £18,440k) and a bad debt provision of £101k (2024: £335k).

Provisions for inventories

Inventories are valued at the lower of cost vs net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends. An inventory impairment provision has been recognised against stock of £3,204k (2024: £3,184k). This has been allocated against raw materials. Management reviews the requirement for impairment against work in progress and finished goods on a case by case basis. At the year end, an impairment of £Nil (2024: £Nil) was required.

3 Material accounting estimates and judgements (continued)

Provision for restructuring

Included within exceptional items, as broken down in note 5 to the accounts, are restructuring related provisions totalling £11,897k, representing costs to be incurred following the closure of the Sherburn and Warwick facilities and the cessation of operation in the UK.

These costs include:

- Redundancy costs totalling £4,465k, representing 194 employees whose roles are expected to be made redundant following the closure of the Sherburn facility.
- Property relates restructuring cost totalling £4,591k, representing the exit from the Sherburn facility lease and associated dilapidations costs, exit from the Sherburn car park lease and associated dilapidations costs and dilapidation costs in relation to the Warwick facility exited in April 2025.
- Inventory related costs totalling £1,800k, representing specific obsolete stock items to be disposed of during the closure process.
- Legal costs of £1,041k, representing an estimate for legal and professional costs to be incurred during the closure process.

4 Revenue

	2025 £'000	2024 £'000
Revenue analysed by class of business		
Sale of goods	94,970	50,306
Render of services	17,030	16,249
	112,000	66,555

	2025 £'000	2024 £'000
Revenue analysed by geographical market		
UK	26,195	24,871
Europe	922	117
Rest of the world	1,227	1,017
India	83,656	40,550
	112,000	66,555

	2025 £'000	2024 £'000
Other income		
Grants received	-	100
Other	1,558	423

Other income of £1,558k includes £1,347k profits on the disposal of fixed assets, £190k advertising income and £21k sundry income.

5 Exceptional items

	2025 £'000	2024 £'000
Income		
Provision for fire damage works	-	1,350
Expenditure		
Legal and other related restructuring cost	2,841	-
Employee related restructuring costs	4,465	-
Property related restructuring costs	4,591	-
	11,897	-
Net exceptional (expenditure)/income	(11,897)	1,350

Legal and other related restructuring costs include legal expenses of £1,041k and a provision for obsolete inventories amounting to £1,800k.

6 Operating loss

Operating loss for the year is stated after charging/(crediting):	2025 £'000	2024 £'000
Exchange losses/(gains)	42	(23)
Research and development costs	1,747	2,442
Government grants	-	(100)
Fees payable to the company's auditor for the audit of the group and company's financial statements	315	295
Depreciation of property, plant and equipment	9,369	6,226
Profit on disposal of property, plant and equipment	-	(243)
Amortisation of intangible assets (included within administrative expenses)	3,688	2,663
Cost of inventories recognised as an expense	74,745	41,517
Write downs of inventories recognised as an expense	6	-
Other income	(1,558)	(423)

7 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2025 £'000	2024 £'000
For audit services		
Audit of the financial statements of the group and company	73	112
Audit of the financial statements of the company's subsidiaries	242	183
	315	295

8 Employees

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

	2025 Number	2024 Number
Head Office and administration	190	196
Production	455	372
Total	645	568

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	21,796	19,848
Social security costs	791	911
Pension costs	546	589
	23,133	21,348

Wage costs capitalised as part of development costs total £4,447k (2024 - £2,814k).

9 Directors' remuneration

	2025 £'000	2024 £'000
Remuneration for qualifying services	582	527

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

	2025 £'000	2024 £'000
Remuneration for qualifying services	582	527

There are no directors for whom retirement benefits are accruing under defined contribution schemes (2024 - nil).
During the year, no directors were entitled to receive shares under long term incentive schemes (2024 - nil).

10 Finance income

	2025 £'000	2024 £'000
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	405	351
Other interest income on financial assets	22	1
Total interest revenue	427	352

11 Finance costs

	2025 £'000	2024 £'000
Interest on bank overdrafts and loans	8,485	12,441
Interest on lease liabilities	940	245
Other interest payable	615	1,212
Total interest expense	10,040	13,898
Unwinding of discount on provisions	87	535
	10,127	14,433

12 Administrative expenses

Included in administrative expenses are the following:

	2025 £'000	2024 £'000
Employees	13,023	13,244
Subcontractor labour	455	1,044
Computer running costs	1,540	1,380
Depreciation	9,369	6,226
Amortisation	3,688	2,663
Other	26,000	23,054
	54,075	47,611

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

13 Income tax expense

	2025 £'000	2024 £'000
Deferred tax		
Origination and reversal of temporary differences	(1,809)	(1,755)
Foreign exchange differences	-	116
	(1,809)	(1,639)

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

	2025 £'000	2024 £'000
Loss before taxation	(48,724)	(45,238)
Expected tax credit based on a corporation tax rate of 25.00% (2024-25.00%)	(12,181)	(11,310)
Effect of expenses not deductible in determining taxable profit	1,570	162
Income not taxable	-	(106)
Unutilised tax losses carried forward	8,712	8,255
Effect of overseas tax rates	57	1,360
Tax impact on prior year Right of use asset and Lease Liability	75	-
Tax impact on remeasurement of defined benefit obligation	(42)	-
Taxation credit for the year	(1,809)	(1,639)

14 Impairments

Impairment tests have been carried out where appropriate. As a result of these tests, intangible assets were impaired by £2,693k (2024: Intangible assets were impaired by £649k) and property, plant and equipment was impaired by £2,201k, being recognised in administrative expenses.

15 Intangible assets

	Goodwill	Software	Development costs	Vehicle related tangible assets	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2023	8,703	1,978	31,382	608	2,453	45,124
Additions	-	516	3,641	-	3,789	7,946
Transfers	-	390	2,620	-	(3,010)	-
Foreign currency adjustments	-	(49)	(509)	-	(97)	(655)
At 31 March 2024	8,703	2,835	37,134	608	3,135	52,415
Additions - internally generated	-	-	4,945	-	9,016	13,961
Additions - purchased	-	44	-	-	-	44
Disposals	-	-	(3)	-	-	(3)
Transfers	-	-	5,630	-	(9,749)	(4,119)
Foreign currency adjustments	-	(82)	(910)	-	(126)	(1,118)
At 31 March 2025	8,703	2,797	46,796	608	2,276	61,180
Amortisation and impairment						
At 1 April 2023	8,703	1,040	11,338	608	-	21,689
Charge for the year	-	417	2,246	-	-	2,663
Foreign currency adjustments	-	(19)	(90)	-	-	(109)
At 31 March 2024	8,703	1,438	13,494	608	-	24,243
Charge for the year	-	390	3,298	-	-	3,688
Impairment loss	-	252	2,441	-	-	2,693
Foreign currency adjustments	-	(42)	(202)	-	-	(244)
At 31 March 2025	8,703	2,038	19,031	608	-	30,380
Carrying amount						
At 31 March 2025	-	759	27,765	-	2,276	30,800
At 31 March 2024	-	1,399	23,640	-	3,135	28,174
At 31 March 2023	-	938	20,044	-	2,453	23,435

16 Property, plant and equipment

	Land and buildings	Leasehold land and buildings	Assets under construction	Plant and equipment	Fixtures & fittings	Computers	Motor vehicles	Production tooling	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost									
At 1 April 2023	16,904	2,418	2,692	4,339	927	2,062	22,804	2,698	54,844
Additions	668	256	21,643	75	21	-	4,281	270	27,214
Disposals	(39)	(48)	-	-	-	(14)	(3,141)	-	(3,242)
Transfers	-	148	(24,031)	860	130	161	22,732	-	-
Transfers to investment property	-	-	-	-	-	-	(7,790)	-	(7,790)
Foreign currency adjustments	(137)	(11)	(67)	(76)	(15)	(26)	(859)	-	(1,191)
At 31 March 2024	17,396	2,493	237	5,198	1,063	2,183	38,027	3,238	69,835
Additions	1,390	329	7,198	6,528	112	447	6,861	-	22,865
Disposals	(9,887)	-	(6,689)	(224)	(3)	(64)	(65)	-	(16,932)
Transfers	-	27	-	566	(60)	33	3,553	-	4,119
Foreign currency adjustments	(138)	(25)	(22)	(253)	(23)	(45)	(1,674)	-	(2,180)
At 31 March 2025	8,761	2,824	724	11,815	1,089	2,554	46,702	3,238	77,707
Accumulated depreciation and impairment									
At 1 April 2023	4,024	1,746	-	2,587	267	902	3,793	2,549	15,868
Charge for the year	1,446	53	-	316	111	443	3,740	117	6,226
Eliminated on disposal	(39)	(6)	-	-	-	-	(692)	-	(737)
Transfers	-	-	-	-	-	-	(735)	-	(735)
Foreign currency adjustments	(6)	(1)	-	(11)	(2)	(5)	(57)	-	(82)
At 31 March 2024	5,425	1,792	-	2,892	376	1,340	6,049	2,666	20,540
Charge for the year	1,452	380	-	1,028	107	477	5,948	(23)	9,369
Impairment loss (profit or loss)	291	47	-	473	233	61	956	140	2,201
Eliminated on disposal	(4,655)	-	-	(29)	(1)	(12)	(65)	-	(4,762)
Transfers	-	(5)	-	-	15	(10)	-	-	-
Foreign currency adjustments	(18)	(3)	-	(37)	(6)	(16)	(265)	-	(345)
At 31 March 2025	2,495	2,211	-	4,327	724	1,840	12,623	2,783	27,003
Carrying amount									
At 31 March 2025	6,266	613	724	7,488	365	714	34,079	455	50,704
At 31 March 2024	11,971	701	237	2,306	687	843	31,978	572	49,295

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

Right-of-use assets	**2025 £'000**	**2024 £'000**
Net values at the year end		
Property	1,771	7,774
Plant and equipment	2,354	-
Motor vehicles	6,747	3,396
	10,872	11,170
Total additions in the year	8,698	4,207
Depreciation charge for the year		
Property	1,774	1,447
Plant and equipment	265	-
Motor vehicles	1,135	202
	3,174	1,649

During the prior year Switch Mobility Automotive Limited reclassified motor vehicles with a carrying amount of £6,970k to held for sale. In the prior year, £85k of foreign exchange had arisen from translation at year end.

More information on impairment movements in the year is given in note 14.

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2025 are as follows:

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

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

An application to wind up Ohm International Mobility Limited was made and the company declared solvency on 18 June 2024. Ohm International Mobility Limited was subsequently dissolved on 2 December 2024.

Optare PLC purchased 1,033,658 Ordinary Shares from Dana Inc for a consideration of $9,600k (USD) on 4 June 2025.

18 Inventories

	2025 £'000	2024 £'000
Raw materials	13,554	19,529
Work in progress	10,255	6,871
Finished goods	7,653	3,008
	31,462	29,408

19 Contracts with customers

	2025 Period end £'000	2024 Period end £'000	2024 Period start £'000
Contracts in progress			
Contract assets	979	1,151	801

Analysis of contract assets	2024 £'000	2023 £'000
Sale of goods	979	1,151

All contract assets are expected to unwind within 12 months.

20 Trade and other receivables

	Current 2025 £'000	2024 £'000	Non-current 2025 £'000	2024 £'000
Trade receivables	24,235	18,775	-	-
Provision for bad and doubtful debts	(101)	(335)	-	-
	24,134	18,440	-	-
Contract assets (note 19)	979	1,151	-	-
VAT recoverable	679	7,732	-	-
Amount owed by parent undertaking	-	841	-	-
Amount owed by fellow group undertaking	-	3,798	-	-
Other receivables	16,088	7,201	3,909	4,045
Prepayments	2,605	2,699	-	-
	44,485	41,862	3,909	4,045

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

21 Trade receivables - credit risk

Expected credit loss assessment	**Balance**	**2025 rate %**	**Loss allowance**	**Balance**	**2024 rate %**	**Loss allowance**
Trade receivables	**£'000**		**£'000**	**£'000**		**£'000**
0 - 30 days past due	1,227	0	-	11,813	0	-
31 - 180 days past due	22,100	0	-	6,642	0.2	15
181 - 365 days past due	753	3.8	28	227	100	227
More than 365 days past due	155	47.2	73	93	100	93
	24,235		101	18,775		335

Expected credit loss provisions are based on estimated recoverable amounts based on past experiences under the expected credit loss model.

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

22 Borrowings

	Current 2025 £'000	2024 £'000	Non-current 2025 £'000	2024 £'000
Borrowings held at amortised cost:				
Bank loans	37,207	76,352	95,859	19,823
Redeemable preference shares	-	-	4,542	4,307
Loans from parent undertaking	-	9,020	-	-
	37,207	85,372	100,401	24,130

During the prior year, Switch Mobility Automotive Limited repaid the short term lending facility it had availed from Ashkok Leyland Limited's parent company, Hinduja Automotive Limited.

Loans from parent undertakings provided to Switch Mobility Automotive Limited by Ashok Leyland Limited were made available for operational, working capital and capital expenditure purposes. These loans carried an interest rate charged of 10.5%.

Bank loans are secured by way of distinct corporate guarantee provided by Ashok Leyland Limited covering the entirety of the lending periods. Alternatively, bank loans are secured against the assets in which they relate to.

Switch Mobility Automotive Limited issued 30,100,000 8.5% non-convertible redeemable preference shares to Ashok Leyland Limited, redeemable on or before 20 years. These preference shares are fair valued at a discount rate of 10.5%. The equity component amounting to £26,882k was recognised in Other Equity and the liability component of £4,542k is disclosed under financial liabilities and measured at amortised cost, until it is redeemed.

23 Financial instruments

Foreign exchange risk

One of management's primary foreign currency risks arise from suppliers who invoice in Euros, US Dollars and New Zealand Dollars. The group monitors exchange rate movements and considers the utilisation of purchasing currency in advance to manage this risk. The group's bulk purchases of stock enable management of the overall pricing of materials, and monitoring of exchange rates ensures that the group makes payments against trade payables at an appropriate time to reduce the effect of exchange rate fluctuations. As of 31 March 2025 foreign currency risk was negligible in regard to trade receivables as 99.35% of all invoices were issued in their respective local currencies.

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

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

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

Interest rate risk

Management has a policy to obtain long-term debt at fixed rates and short-term debt at flexible rates. In FY 2025 fixed interest debt totalled £Nil whereas flexible rate debt totalled £137,609k.

Although the board accepts that this policy neither protects the group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments, it considers that it achieves an appropriate balance of exposure to these risks. A one percentage point change in interest rates would result in a change in retained profit of approximately £1,376k (2024: £1,095k).

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

	2025 £'000	**2024 £'000**
Bank loans	133,066	96,174
Loans from parent	-	9,020
Other loans	4,542	4,307
	137,608	109,501

Credit risk

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

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

Further disclosure credit risk are included in note 21.

23 Financial instruments (continued)

Liquidity risk

Financial assets	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
Trade and other receivables	33,030	8,793	4,084	-	-	45,907
Cash and cash equivalents	12,340	-	-	-	-	12,340
As at 31 March 2024	45,370	8,793	4,084	-	-	58,247
Trade and other receivables	43,381	967	961	2,327	768	48,404
Cash and cash equivalents	51,915	-	-	-	-	51,915
As at 31 March 2025	95,296	967	961	2,327	768	100,319

Financial liabilities	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
Trade and other payables	8,356	26,310	-	-	-	34,666
Borrowings	3,531	72,823	2,133	15,492	2,196	96,175
Loans from parent undertakings	9,020	-	-	-	-	9,020
Leases	561	1,671	2,147	5,266	2,892	12,537
As at 31 March 2024	21,468	100,804	4,280	20,758	5,088	152,398
Trade and other payables	45,656	2,138	812	2,157	-	50,763
Borrowings	34,620	1,826	7,688	86,494	2,438	133,066
Leases	701	2,101	2,435	6,428	1,340	13,005
As at 31 March 2025	80,977	6,065	10,935	95,079	3,778	196,834

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

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

Liquidity gap	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
As at 31 March 2024	23,902	(92,011)	(196)	(20,758)	(5,088)	(94,151)
As at 31 March 2025	14,319	(5,098)	(9,974)	(92,752)	(3,010)	(96,515)

All assets and liabilities are held in Sterling.

24 Trade and other payables

	Current 2025 £'000	2024 £'000	Non-current 2025 £'000	2024 £'000
Trade payables	20,446	8,543	-	-
Amount owed to parent undertaking	-	4,347	-	-
Amount owed to fellow group undertaking	254	-	-	-
Accruals	18,280	10,952	-	-
Social security and other taxation	739	651	-	-
Other payables	10,415	10,173	629	-
	50,134	34,666	629	-

25 Lease liabilities

Maturity analysis	2025 £'000	2024 £'000
Within one year	2,803	2,232
In two to five years	8,861	7,412
In over five years	1,341	2,893
Total undiscounted liabilities	13,005	12,537
Future finance charges and other adjustments	(2,830)	(1,749)
Lease liabilities in the financial statements	10,175	10,788

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

	2025 £'000	2024 £'000
Current liabilities	2,453	1,885
Non-current liabilities	7,722	8,903
	10,175	10,788

Amounts recognised in profit or loss include the following:

	2025 £'000	2024 £'000
Interest on lease liabilities	940	245

26 Deferred taxation

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

	ACAs £'000
Asset at 1 April 2023	(3,378)
Deferred tax movements in prior year	
(Credit) to profit or loss	(1,639)
Asset at 1 April 2024	(5,017)
Deferred tax movements in current year	
(Credit) to profit or loss	(1,809)
Asset at 31 March 2025	(6,826)

No deferred tax asset has been recognised in respect of tax losses amounting to £240.3m (2024: £205.6m). If a deferred tax asset was recognised on these losses, it would increase net assets by £60.1m (2024: £51.4m).

27 Provisions for liabilities

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

	2025 £'000	2024 £'000
Current liabilities	8,935	9,158
Non-current liabilities	5,823	2,875
	14,758	12,033

Movements on provisions:	£'000
At 1 April 2024	12,033
Additional provisions in the year	5,065
Utilisation of provision	(2,253)
Unwinding of discount	(49)
Exchange difference	(38)
At 31 March 2025	14,758

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

28 Deferred revenue

	2025 £'000	2024 £'000
Arising from render of services and deposits for bus sales	90	34

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

	2025 £'000	2024 £'000
Current liabilities	34	34
Non-current liabilities	56	-
	90	34

29 Retirement benefit schemes

Defined contribution schemes	2025 £'000	2024 £'000
Charge to profit or loss in respect of defined contribution schemes	507	589

The group operates a defined contribution pension scheme in Switch Mobility Automotive Limited, for all qualifying employees.

Unpaid pension in relation to defined contribution schemes amounts to £64k (2024 - £73k) at the reporting date.

Defined benefit scheme
The subsidiary Switch Mobility Automotive Limited's liability towards compensated absences is actuarially determined at each reporting period using the projected unit credit method as applicable.

Key assumptions	2025 %	2024 %
Discount rate	6.4	6.98
Salary growth rate	10.7	8
Attrition	15.5	23.5
Average longevity at retirement age - past service	2.6	2.6
Average longevity at retirement age - future service	6	4.1

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

	2025 £'000	2024 £'000
Present value of defined benefit obligations	406	215
Fair value of plan assets	(211)	(213)
Deficit in scheme	195	2
Liability recognised in statement of financial position	195	2
Current gratuity liability	12	2
Non-current gratuity liability	183	-
	195	2

Movements in the present value of defined benefit obligations	2025 £'000	2024 £'000
Opening defined benefit obligation	215	259
Current service cost	39	47
Benefits paid	(17)	(93)
Actuarial gains and losses	165	(13)
Interest cost	14	15
Exchange differences	(10)	-
Closing defined benefit obligation	406	215

29 Retirement benefit schemes (Continued)

Movements in the fair value of plan assets:	2025 £'000	2024 £'000
Opening fair value of plan assets	213	202
Return on plan assets (excluding amounts included in net interest)	(1)	2
Benefits paid	(17)	(93)
Contributions by the employer	12	88
Exchange differences	(10)	-
Other	14	14
Closing fair value of plan assets	211	213

Amounts recognised in the income statement	2025 £'000	2024 £'000
Current service cost	39	47
Net interest on defined benefit liability	-	1
Total costs	39	48

Amounts recognised in other comprehensive income	2025 £'000	2024 £'000
Actuarial changes arising from changes in financial assumptions	165	(13)
Actuarial changes related to plan assets	1	(2)
Exchange differences	4	-
Total costs/(income)	170	(15)

Compensated absences

The subsidiary Switch Mobility Automotive Limited's liability towards compensated absences is actuarially determined at each reporting period using the projected unit credit method as applicable.

Key assumptions	2025 %	2024 %
Discount rate	6.4	6.98
Salary growth rate	10.7	8
Attrition	15.5	23.5

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

	2025 £'000	2024 £'000
Present value of obligations	252	187
Deficit in scheme	252	187
Liability recognised in statement of financial position	252	187

Movements in the present value of the obligation	2025 £'000	2024 £'000
Opening obligation	187	155
Current service cost	74	32
Exchange differences	(9)	-
Closing obligation	252	187

	2025 £'000	2024 £'000
Total retirement benefit obligations recognised in statement of financial position	447	189

30 Share capital

Ordinary share capital	2025 Number '000	2024 Number '000	2025 £'000	2024 £'000
Issued and fully paid				
Ordinary shares of 0.1p each	108,670,441	108,670,441	108,670	108,670
Deferred shares of 0.9p each	752,145	752,145	6,770	6,770
	109,422,586	109,422,586	115,440	115,440

Preference share capital	2025 Number	2024 Number	2025 £'000	2024 £'000
Alloted				
8.5% non-convertable redeemable preference shares of £100 each	30,100,000	30,100,000	26,881	26,881
NCI on preference shares	-	-	(427)	(427)
	30,100,000	30,100,000	26,454	26,454
Total equity share capital			141,894	141,894

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

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

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

31 Share premium account

	2025 £'000	2024 £'000
At the beginning of the year	133,485	32,396
Issue of new shares	-	101,089
At the end of the year	133,485	133,485

32 Capital redemption reserve

	2025 £'000	2024 £'000
At the beginning of the year	(9,527)	(9,527)

The common control reserve relates to the group reorganisation of Switch Spain Limited in the current year.

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

33 Merger reserve

	2025 £'000	2024 £'000
At the beginning and end of the year	5,542	5,542

34 Share-based payment reserve

	2025 £'000	2024 £'000
At the beginning and end of the year	42	42

35 Shares pending allotment

	2025 £'000	2024 £'000
At the beginning of the year	-	-
Additions	45,000	-
At the end of the year	45,000	-

On 1 April 2025, 6,496,355,352 ordinary shares were allotted, with nominal value of £0.001 at a price per share of £0.006927.

The purpose of this equity infusion was to support cessation of activities in Switch Mobility Limited and general working capital requirements.

36 Capital risk management

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

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

37 Events after the reporting date

On 15 May 2025, the Board of Directors approved the cessation of manufacturing operations at the Group's Sherburn facility in Leeds, UK, following the completion of an employee consultation process initiated prior to year-end. The decision was made due to continued challenges in achieving operational scale and cost efficiencies in the UK market.

As of 31 March 2025, a restructuring provision has been recognised representing management's best estimate of the costs associated with the closure. The cessation process is expected to be completed by 30 September 2025.

38 Contingent Liabilities

Switch Mobility Limited has received a legal claim for damages from a customer at the end of August 2025 and is currently in the process of defending this claim. The company's external solicitors are reviewing the necessary documentation, but it is too early to gain a formal view however, the Management believe that in their assessment, that the likelihood of a significant unfavourable impact to the financial statements is less than probable and at this stage not measurable.

No provision has been included in the financial statements but is disclosed as a contingent liability in accordance with IAS 37.

39 Related party transactions

Name of Related Party	Nature of Relationship
Ashok Leyland	Parent Company, Ultimate holding company have control of the group
Switch Mobility Limited	Subsidiary of reporting entity (Optare Plc), whose accounts are consolidated with Optare Plc
Switch Mobility Automotive Limited	Subsidiary of reporting entity (Optare Plc), whose accounts are consolidated with Optare Plc
Switch Mobility Europe SL	Subsidiary of reporting entity (Optare Plc), whose accounts are consolidated with Optare Plc
Optare UK Limited	Subsidiary of reporting entity (Optare Plc), whose accounts are consolidated with Optare Plc
Mahesh Babu Subramanium	Key managerial personnel, CEO
Lalit Malik	Key managerial personnel, CFO (UK, India)
Ananda Thirtha Jayaram Rao Tanjore	Key managerial personnel, Chief Operation officier
Stuart Mangan	Key managerial personnel, CFO (UK)
Abhijit Mukhopadhyay	Secretary of Optare Plc
Gopal Mahadevan	Director of Optare Plc , CFO of Ashok leyland Limited
Venkatesan Venkataraman	Director of Optare Plc, Corporate Executive

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

	2025 £'000	2024 £'000
Short-term employee benefits	900	673
Post-employment benefits	104	40
	1,004	713

39 Related party transactions (continued)

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

	Sale of goods		Purchase of goods	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Parent company	2,043	-	2,214	2,108

	Interest payable on loan	
	2025 £'000	**2024 £'000**
Parent company	496	589

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	**2025 £'000**	**2024 £'000**
Parent company	5,754	13,367

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2025 £'000**	**2024 £'000**
Parent company	1,380	841

Other information
Ashok Leyland Limited, the ultimate parent company, have provided guarantees for the bank loans from MUFG bank to Switch Mobility Limited, with an amount outstanding of £79,745k. (See note 22 for further details)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Non-current assets					
Property, plant and equipment	42		636		3,812
Investments	43		191,459		191,459
Trade and other receivables	44		200		-
			192,295		195,271
Current assets					
Trade and other receivables	44	13,159		12,952	
Cash and cash equivalents		45,006		48	
		58,165		13,000	
Current liabilities	45	(4,300)		(4,732)	
Net current assets			53,865		8,268
Total assets less current liabilities			246,160		203,539
Non-current liabilities	46		(539)		(3,136)
Net assets			245,621		200,403
Equity					
Called up share capital	49		115,440		115,921
Share premium account			137,921		137,921
Own shares			45,042		42
Accumulated deficit			(52,782)		(53,000)
Total equity			245,621		200,403

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £218k (2024: £84k).

The financial statements were approved by the board of directors and authorised for issue on 4th September 2025 and are signed on its behalf by:

Mr V Venkataraman (NED)
Director

Company registration number 06481690 (England and Wales)

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Share pending allotment £	Accumulated deficit £	Total £
Balance at 1 April 2023		102,980	36,832	42	-	(53,084)	86,770
Year ended 31 March 2024:							
Profit and total comprehensive income		-	-	-	-	84	84
Transactions with owners:							
Issue of share capital	**49**	12,460	101,089	-	-	-	113,549
Balance at 31 March 2024		115,440	137,921	42	-	(53,000)	200,403
Year ended 31 March 2025:							
Profit and total comprehensive income		-	-	-	-	218	218
Transactions with owners:							
Share application money pending allotment		-	-	-	45,000	-	45,000
Balance at 31 March 2025		115,440	137,921	42	45,000	(52,782)	245,621

40 Material Accounting policies - Company

Company information

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

40.1 Accounting convention

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

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

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

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

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

41 Employees - Company

The average monthly number of persons (including directors) employed by the company during the year was:	**2025 Number**	**2024 Number**
Total	-	-

42 Property, plant and equipment - Company

	Freehold land and buildings £'000
Cost	
At 1 April 2024	8,067
Additions	72
Disposals	(6,285)
At 31 March 2025	1,854
Accumulated depreciation and impairment	
At 1 April 2024	4,255
Charge for the year	875
Eliminated on disposal	(3,912)
At 31 March 2025	1,218
Carrying amount	
At 31 March 2025	636
At 31 March 2024	3,812

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

Right-of-use assets	**2025 £'000**	**2024 £'000**
Net values at the year end		
Property	636	3,812
4,675		
Total additions in the year	72	-
Depreciation charge for the year		
Property	875	863

43 Investments - Company

	Current 2025 £'000	2024 £'000	Non-current 2025 £'000	2024 £'000
Investments in subsidiaries	-	-	191,459	191,459

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

44 Trade and other receivables - Company

	Current 2025	2024	Non-current 2025 £'000	2024 £'000
VAT recoverable	68	58	-	-
Amounts owed by fellow group undertakings	12,624	12,245	-	-
Other receivables	-	212	200	-
Prepayments	467	437	-	-
	13,159	12,952	200	-

45 Liabilities - Company

	Notes	Current 2025 £'000	2024 £'000	Non-current 2025 £'000	2024 £'000
Borrowings	46	-	3,000	-	-
Trade and other payables	47	4,199	817	-	-
Lease liabilities	48	101	915	539	3,136
		4,300	4,732	539	3,136

46 Borrowings - Company

	2025 £'000	2024 £'000
Borrowings held at amortised cost:		
Bank loans	-	3,000

During the year, the company fully repaid a short term bank loan of £3,000k in full. The loan was interest bearing at a rate of 6.3% and was secured by way of a corporate guarantee from Ashok Leyland Limited.

47 Trade and other payables - Company

	2025 £'000	2024 £'000
Trade payables	2	2
Accruals	4,197	815
	4,199	817

48 Lease liabilities

Maturity analysis	2025 £'000	2024 £'000
Within one year	114	982
In two to five years	454	3,016
In over five years	114	227
Total undiscounted liabilities	682	4,225
Future finance charges and other adjustments	(42)	(174)
Lease liabilities in the financial statements	640	4,051

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

	2025 £'000	2024 £'000
Current liabilities	101	915
Non-current liabilities	539	3,136
	640	4,051

49 Share capital - Company

Refer to note 30 of the group financial statements.

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