Company registration number 11031314 (England and Wales)

AUTOPROTECT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AUTOPROTECT GROUP LIMITED

COMPANY INFORMATION

Directors	Mr CA Lugt Mr G Nieman Ms S Uys
Company number	11031314
Registered office	3rd Floor 114a Cromwell Road London SW7 4AG
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

AUTOPROTECT GROUP LIMITED

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AUTOPROTECT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the group strategic report for the year ended 31 December 2022.

Review of the business
During prior year year, Autoprotect Group Limited "the group" acquired Future 45 Limited, which was acquired on 17 February 2021, therefore this subsidiary has been consolidated on the Balance Sheet and on a pro-rata basis in the Profit and Loss account for the period ended 31 December 2021. The year ended 31 December 2022 represents a full year of trading for all subsidiaries of the group.

Principle risks and uncertainties
The principal risks facing the company are set out below.

Credit risk

- Credit risks are those risks which expose the group to loss if another party fails to perform its financial obligations to the company.
- All new business partners are subject to credit checks which are then subsequently reviewed on a regular basis.

Liquidity risk

- Liquidity risk is the risk that the group although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.
- Short and medium term cash forecasts are prepared regularly to ensure liquidity is managed.
- Working capital cycles are well understood and incorporated into our business plans.

Market risk

- Market risk includes foreign exchange risk.
- The group regularly reviews the changing market environment and associated risks.
- The group ensures that it matches foreign currency assets and liabilities.

Economic, regulatory and fiscal risk

- The directors anticipate that the economic conditions across Europe including the impact of inflationary pressures and cost of living will continue throughout 2023 and beyond and continue to consider further initiatives and measures to address the associated impact on the demand for the group's products.
- The directors are also cognizant of the changing regulatory environment in respect of the group's core products and on the market as a whole.

Operational risk

- Operational risk means the risk of loss arising from inadequate or failed processes, personnel or systems. The group has identified the major sources of operational risk as fraud, both internal and external, IT security, employee practices, business continuity and process management.
- The group seeks to mitigate these risks by maintaining a rigorous internal review process. As part of the Risk and Control Management Framework the group monitors and controls its operational risk through the use of an integrated risk register and events log both of which are monitored monthly by the Risk Management function.

Development and performance
The company has significant growth opportunities within both of its existing divisions and recently acquired subsidiaries which underpin the group's 3 year forward looking plan.

This plan reflects its strategic objectives and sets robust growth and financial strength targets, including:

- Increased penetration of existing UK new and used car sectors, including major dealerships and manufacturers.
- Extension of partnerships with major affinity brands and affinities in the motor sector.
- Expansion of the product range.
- Further launches for the commercial vehicle sector in EMEA.
- Development of direct and wholesale distribution channels.

Financial key performance indicators
Group Earnings Before Interest, Tax and Depreciation (EBITDA) for the year ending 31 December 2022 was £1,461,633 (2021: £3,478,469).

Non-financial key performance indicators
The Autoprotect Group of companies constantly evolves its strategy to deliver on its vision of providing exceptional customer care whilst targeting sustainable returns through a combination of optimizing digital distribution and servicing channels, affordable pricing and improving operational efficiency.

The business continues to invest in future capabilities and using data to gain greater insight to improve operational efficiency and customer experience. The group makes a conscious effort to develop and grow effective, diverse teams to foster innovation and maintain sustainable growth. The business develops a collaborative culture and invests in talented employees, so they continue to thrive in the face of transformation.

Statement by the Director in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Our People
People are a key factor for our business to succeed. We are proud of the average length of service of our employees. We intend to retain people for the long term and our recruitment strategy is based on offering long careers in fairly paid and stable jobs.

We encourage our employees to have both fulfilling careers and balanced lives. We look to our employees to contribute ideas for our future growth, and share the rewards of the business where we are profitable, primarily through our discretionary annual bonus scheme.

Business Relationships
We value long term relationships with our suppliers and customers and many of our relationships span years and some span decades. We employ robust "know your customer" and "know your supplier" processes across our operations, and we are typically cautious when entering into new relationships. We ensure compliance with the most up to date ESR (Essential Safety Requirements) standards required by the industries in which we operate.

Community, Environment, Reputation
We believe that a positive and strong culture is the best way to ensure a high level of professional conduct when it comes to health and safety, environment, regulations or business dealings.

Capital allocation and long term decisions
Quarterly the directors review the financial budgets, resource plans and investment decisions. In making decisions concerning the business plan and future strategy, the directors have regard to a variety of matters including the interests of stakeholders, long term consequences of our capital allocation (such expenditure needed to ensure our long- term viability whilst maintaining adequate liquidity), and reputation.

Decisions on the level of dividend take into account the general profitability, liquidity and funding needs of the group.

On behalf of the board

Mr G Nieman
Director

29 September 2023

AUTOPROTECT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company and group continued to be that of providing insurance products and dealer warranties to vehicle manufacturers and retailers of all types throughout the UK, Europe and globally, together with repair services for minor car damages.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further 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 CA Lugt	
Mr M Briggs	(Resigned 11 May 2022)
Mr G Nieman	
Ms S Uys	

Financial instruments

Interest rate risk

Interest rate risk arises from borrowing at variable rates which is not hedged.

Foreign currency risk

Foreign currency risk arises where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of group companies (transactional exposures). The group invariably has some customers or suppliers that transact in a foreign currency. The group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies but the group's primary exposures relates to the Euro.

Reserving risk

The group broker maintains reserves which are released against the future costs of servicing insurance policies incepted in prior underwriting periods. Notably the group holds reserves for policy administration; the group incurs costs over the policy year to administer the policy. The reserve is released to income against those costs. There is a risk that these reserves are insufficient to meet the forecast requirements.

Research and development

The group's subsidiaries engaged in Research and Development activities during the year ended 31 December 2022. These activities predominantly related to ongoing development of its customer policy portals to improve efficiency of customer claims as well as overall customer service and experience.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group's policy is to consult and discuss with employees, through forums and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Post reporting date events
Inflation risk and rising cost of living
The Directors are aware of rising inflation and the subsequent pressure being placed on everyday living cost. The Directors have strategies in place to mitigate the risk of consumers reducing spending on discretionary products and maintain the company's competitiveness in the marketplace.

Going Concern
The directors consider it appropriate to adopt the going concern basis in preparing these financial statements. Further commentary in this regard is set out in note 1.4 of accounting policies of these financial statements.

Auditor
In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report
Statement of carbon emissions compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR), 21 January 2021 covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and energy efficiency actions.

The latest emissions data includes Well to Tank (WTT) and Transmission and Distribution (T&D).

WTT accounts for the upstream emissions associated with extraction, refining and transportation of raw fuel sources prior to combustion (gas, fuel) or for use in the generation of electricity.

T&D accounts for the emissions associated through grid energy loss which occurs in getting the electricity from the powerplant to your sites.

	2022	2021
Energy consumption	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	410,244	516,366
- Electricity purchased	252,028	333,437
- Fuel consumed for transport	1,960,955	2,639,799
	2,623,227	3,489,602

Emissions of CO2 equivalent	**2022 metric tonnes**	**2021 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	92.00	106.00
- Fuel consumed for owned transport	467.00	657.00
	559.00	763.00
Scope 2 - indirect emissions		
- Electricity purchased	49.00	71.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	-
Total gross emissions	608.00	834.00
Intensity ratio		
Tonnes C02e per £1m Turnover	17.7	24.4

Quantification and reporting methodology

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting .

All measured emissions from activities which the organisation has financial control over are included unless otherwise stated in the exclusions statement, as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The intensity measurement of turnover has been selected in order to compare emissions with company growth and for consistency with similarly reporting businesses for review of the market position.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tonnes CO2e per £1m turnover.

Measures taken to improve energy efficiency

The Autoprotect Group is committed to responsible carbon management and will practice energy efficiency throughout our organisation, wherever it's cost effective.

We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

A number of changes have been implemented for the purpose of increasing the businesses energy efficiency, with these including:

- Air conditioning units replaced with smaller, more efficient units.
- All waste is recyclable and are removed via a recycle purposed recycle bin.
- All fleet vehicles are now hybrid or fully electric.

Statement of directors' responsibilities
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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr G Nieman
Director

29 September 2023

AUTOPROTECT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOPROTECT GROUP LIMITED

Opinion

We have audited the financial statements of Autoprotect Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non- compliance with laws and regulations, our procedures included the following:

• We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation, health and safety and Financial Conduct Authority.
• We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
• We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
• The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition, related parties outside normal course of business and management override.

• We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
• We enquired of the directors about actual and potential litigation and claims.
• We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
• Reviewing correspondence between the Company and Financial Conduct Authority (FCA) in relation to compliance with laws and regulations.
• In addressing the risk of fraud due to management override of internal controls, we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non- detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Robert Moore (Senior Statutory Auditor)
For and on behalf of Bright Grahame Murray 29 September 2023

Chartered Accountants
Statutory Auditor

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

AUTOPROTECT GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	34,329,102	34,112,007
Cost of sales		(8,342,536)	(9,121,491)
Gross profit		25,986,566	24,990,516
Administrative expenses		(30,831,531)	(27,393,216)
Other operating income		612,130	305,978
Operating loss	4	(4,232,835)	(2,096,722)
Interest receivable and similar income	8	5,675	1,637
Interest payable and similar expenses	9	(149,963)	(1,232,222)
Loss before taxation		(4,377,123)	(3,327,307)
Tax on loss	10	99,379	(217,227)
Loss for the financial year		(4,277,744)	(3,544,534)

Loss for the financial year is all attributable to the owners of the parent company.

AUTOPROTECT GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Loss for the year	(4,277,744)	(3,544,534)
Other comprehensive losses		
Currency translation loss taken to retained earnings	(6,223)	(11,325)
Total comprehensive loss for the year	(4,283,967)	(3,555,859)

Total comprehensive loss for the year is all attributable to the owners of the parent company.

AUTOPROTECT GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Goodwill	11		24,026,840		27,986,979
Other intangible assets	11		4,317,409		3,806,965
Total intangible assets			28,344,249		31,793,944
Tangible assets	12		1,034,191		1,320,242
			29,378,440		33,114,186
Current assets					
Stocks	15	398,854		358,416	
Debtors	17	14,663,596		11,739,764	
Cash at bank and in hand		22,931,809		22,699,850	
		37,994,259		34,798,030	
Creditors: amounts falling due within one year	18	(34,891,286)		(29,963,039)	
Net current assets			3,102,973		4,834,991
Total assets less current liabilities			32,481,413		37,949,177
Creditors: amounts falling due after more than one year	19		(21,500,000)		(22,850,000)
Provisions for liabilities					
Deferred tax liability	21	224,397		58,194	
			(224,397)		(58,194)
Net assets			10,757,016		15,040,983
Capital and reserves					
Called up share capital	23		24,500,100		24,500,100
Profit and loss reserves			(13,635,176)		(9,351,209)
Equity attributable to owners of the parent company			10,864,924		15,148,891
Non-controlling interests			(107,908)		(107,908)
			10,757,016		15,040,983

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr G Nieman
Director

Company registration number 11031314 (England and Wales)

AUTOPROTECT GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	**13**		43,400,460		43,400,460
Current assets					
Debtors	**17**	1,522,565		2,032,762	
Creditors: amounts falling due within one year	**18**	(6,038,086)		(5,628,567)	
Net current liabilities			(4,515,521)		(3,595,805)
Total assets less current liabilities			38,884,939		39,804,655
Creditors: amounts falling due after more than one year	**19**		(17,500,000)		(18,850,000)
Net assets			21,384,939		20,954,655
Capital and reserves					
Called up share capital	**23**		24,500,100		24,500,100
Profit and loss reserves			(3,115,161)		(3,545,445)
Total equity			21,384,939		20,954,655

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £430,284 (2021 - £1,215,202 loss).

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr G Nieman
Director

Company registration number 11031314 (England and Wales)

AUTOPROTECT GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£
Balance at 1 January 2021	24,500,100	(5,795,350)	18,704,750	(107,908)	18,596,842
Year ended 31 December 2021:					
Loss for the year	-	(3,544,534)	(3,544,534)	-	(3,544,534)
Other comprehensive losses:					
Currency translation differences	-	(11,325)	(11,325)	-	(11,325)
Total comprehensive loss	-	(3,555,859)	(3,555,859)	-	(3,555,859)
Balance at 31 December 2021	24,500,100	(9,351,209)	15,148,891	(107,908)	15,040,983
Year ended 31 December 2022:					
Loss for the year	-	(4,277,744)	(4,277,744)	-	(4,277,744)
Other comprehensive losses:					
Currency translation differences	-	(6,223)	(6,223)	-	(6,223)
Total comprehensive loss	-	(4,283,967)	(4,283,967)	-	(4,283,967)
Balance at 31 December 2022	24,500,100	(13,635,176)	10,864,924	(107,908)	10,757,016

AUTOPROTECT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital		Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	24,500,100	(28,540)	(2,301,703)	22,169,857
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(1,215,202)	(1,215,202)
Transfers	-	-	(28,540)	(28,540)
Other movements	-	28,540	-	28,540
Balance at 31 December 2021	24,500,100	-	(3,545,445)	20,954,655
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	430,284	430,284
Balance at 31 December 2022	24,500,100	-	(3,115,161)	21,384,939

AUTOPROTECT GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		5,197,340		(8,024,117)
Interest paid			(1,260,913)		(1,226,512)
Income taxes paid			(479,599)		(245,851)
Net cash inflow/(outflow) from operating activities			3,456,828		(9,496,480)
Investing activities					
Purchase of business		-		(2,900,460)	
Cash acquired on purchase of business		-		796,686	
Insurer cash acquired upon purchase of business		-		71,425	
Purchase of intangible assets		(1,602,149)		(1,506,922)	
Purchase of tangible fixed assets		(340,705)		(230,076)	
Proceeds from disposal of tangible fixed assets		68,533		37,124	
Interest received		5,675		1,637	
Net cash used in investing activities			(1,868,646)		(3,730,586)
Financing activities					
Repayment of borrowings		-		(1,200,000)	
Issue/(repayment) of bank loans		(1,350,000)		1,350,000	
Payment of finance leases obligations		-		(66,077)	
Net cash (used in)/generated from financing activities			(1,350,000)		83,923
Net increase/(decrease) in cash and cash equivalents			238,182		(13,143,143)
Cash and cash equivalents at beginning of year			22,699,850		35,854,318
Effect of foreign exchange rates			(6,223)		(11,325)
Cash and cash equivalents at end of year			22,931,809		22,699,850
Relating to:					
Cash at bank and in hand			8,827,757		11,462,269
Insurer broking cash at bank and in hand			14,104,052		11,237,581
			22,931,809		22,699,850

1 Accounting policies

Company information

Autoprotect Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 3rd Floor, 114a Cromwell Road, London, SW7 4AG.

The group consists of Autoprotect Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Autoprotect Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. 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 g roup.

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.

Future 45 Limited has been included in the group financial statements using the purchase method of accounting. The company was acquired on 17 February 2021. Therefore its results are consolidated on the balance sheet and the group profit and loss account on a pro-rata basis in the prior year. As such the profit & loss and balance sheet are not immediately comparable to that of the other years. The purchase considerations have been allocated to the assets and liabilities on the basis of fair values at the date of acquisitions.

1 Accounting policies **(Continued)**

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is the amount receivable, by the group, for services provided, exclusive of Value Added Tax ("VAT"). VAT is chargeable on services relating to motor accident management and insurance compliance.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from commission is received for selling and administering insurance policies and is recognised in the profit and loss account at the later of transaction receipt or effective date. Provisions are maintained to meet potential bad debts for policies that could cancel in the future. Trade debtors are shown net of any provision for bad debts. Additional provisions are maintained to meet the costs of post placement services for claims handling and premium administration. These amounts are included in deferred income.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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.

1.8 Intangible fixed 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.

1 Accounting policies **(Continued)**

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	20% on a straight line basis
Development costs	20% on a straight line basis

1.9 Tangible fixed assets

Tangible fixed assets 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:

Leasehold improvements	7-10 years on a straight line basis
Fixtures and fittings	15-20% on a straighht line basis
Computers	20-33% on a straight line basis
Motor vehicles	16.67% on a straight line basis

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 profit and loss account.

1.10 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

Equity investments are measured at fair value through profit or loss, except for those equity instruments that are not publicly traded and whose fair values cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

1.11 Impairment of fixed assets

At each reporting period 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1 Accounting policies **(Continued)**

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

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

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

1.16 Taxation

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

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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 if, and only if, there is 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.

1.17 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 stock or fixed 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

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

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1 Accounting policies **(Continued)**

1.21 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.

1.22 Insurance debtors and creditors

The group acts as an agent of insurance companies in broking and administering insurance products and is liable as a principal for premiums due to those underwriters. The group has followed generally accepted accounting practice for insurance brokers by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the group itself. Revenue is recognised on such agency arrangements as set out in the turnover accounting policy.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Provisions

Provisions are liabilities that are uncertain as to timing or amount, and are recognised when there is a legal or constructive obligation at the balance sheet date and it is probable that a transfer of economic benefits will be required to settle that obligation.

These provisions require management's best estimate of costs that will be incurred based on legal and contractual requirements. In addition, the timing of the cash flows require management's judgement.

Determining the useful economic lives of Intangible Fixed Assets

The group depreciates intangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The group also take due notice of the generally accepted treatments in place within their industry when determining those useful lives. The actual lives of these assets can vary depending on a variety of factors.

Establishing recoverable values of impaired assets

At a group level, the carrying value of goodwill and investments are reviewed for impairment on an annual basis and also whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Loans and receivables are evaluated based on collectability.

At a company level, the carrying values of investments in subsidiaries and the recoverability of intercompany debt are subject to the same review process.

Changes in estimates could impact recoverable values of these assets.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

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

Technical reserves creditor

Each year end, the group makes a provision in respect of income deferred at that date to match against future costs, such as claims and customer resolutions. The provision is calculated using an estimate of future costs based on historical averages.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Broking income	19,750,283	23,555,223
Profit commission	2,886,950	2,302,189
Adminstration income	5,171,491	2,651,606
Repairs service	6,520,378	5,602,989
	34,329,102	34,112,007

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	30,824,350	30,148,958
Europe & Middle East	3,504,752	3,963,049
	34,329,102	34,112,007

	2022	2021
	£	£
Other revenue		
Interest income	5,675	1,637
Grants received	184,007	318,545

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(400,325)	52,462
Research and development costs	184,007	159,020
Government grants	(184,007)	(318,545)
Depreciation of owned tangible fixed assets	602,069	609,354
Profit on disposal of tangible fixed assets	(43,846)	(30,372)
Amortisation of intangible assets	5,051,844	4,965,837
Operating lease charges	403,514	325,074

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2022 £	2021 £
For audit services		
Audit of the financial statements of the group and company	19,000	18,000
Audit of the financial statements of the company's subsidiaries	95,150	88,450
	114,150	106,450
For other services		
Taxation compliance services	114,860	149,858

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors and senior management	6	5	-	-
Trainers	5	4	-	-
Sales staff	22	19	-	-
Office staff	137	130	-	-
Claims handling staff	50	52	-	-
Technicians	73	72	-	-
Total	293	282	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	14,191,253	12,615,709	-	-
Social security costs	1,775,692	1,393,714	-	-
Pension costs	457,827	405,658	-	-
	16,424,772	14,415,081	-	-

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	157,000	282,500
Company pension contributions to defined contribution schemes	5,320	11,300
	162,320	293,800

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

	2022	2021
	£	£
Remuneration for qualifying services	157,000	180,000

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest income	5,675	1,637

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	9,997	33,517
Interest payable to group undertakings	139,684	1,196,195
	149,681	1,229,712
Other finance costs:		
Interest on finance leases and hire purchase contracts	-	1,205
Other interest	282	1,305
Total finance costs	149,963	1,232,222

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(34,803)	253,797
Adjustments in respect of prior periods	(230,735)	(40,030)
Total current tax	(265,538)	213,767

10 Taxation **(Continued)**

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	(59,293)	(57,172)
Changes in tax rates	-	44,154
Adjustment in respect of prior periods	225,452	16,478
Total deferred tax	166,159	3,460
Total tax (credit)/charge	(99,379)	217,227

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(4,377,123)	(3,327,307)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(831,653)	(632,188)
Tax effect of expenses that are not deductible in determining taxable profit	798,513	881,934
Tax effect of income not taxable in determining taxable profit	(95,000)	(13,254)
Unutilised tax losses carried forward	106,756	-
Change in unrecognised deferred tax assets	997	-
Group relief	-	(11,535)
Permanent capital allowances in excess of depreciation	(21,310)	(6,793)
Depreciation on assets not qualifying for tax allowances	-	1,320
Research and development tax credit	(34,961)	-
Other non-reversing timing differences	(4,527)	33,857
Other permanent differences	-	(1,172)
Effect of overseas tax rates	(2,969)	(247)
Under/(over) provided in prior years	(230,735)	(40,030)
Deferred tax adjustments in respect of prior years	225,452	16,478
Differences between deferred tax and corporation tax rates	(9,942)	(11,143)
Taxation (credit)/charge	(99,379)	217,227

10 Taxation **(Continued)**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. ·In the Spring Budget 2021, the UK Government announced that the headline UK corporation tax rate would increase from 19% to 25% from 1 April 2023 on profits in excess of £250,000. This new law now been substantively enacted at the balance sheet date and so the current deferred tax is calculated at 25%.

Included in the adjustments in respect of prior periods are timing differences arising from the change of tax treatment of group intangible assets. This has resulted in additional tax losses being available in prior periods which have been relieved in the group in the group via group relief.

11 Intangible fixed assets

Group	Goodwill	Software	Development costs	Total
	£	£	£	£
Cost				
At 1 January 2022	39,606,069	513,616	6,734,659	46,854,344
Additions - internally developed	-	-	1,555,760	1,555,760
Additions - separately acquired	-	46,389	-	46,389
At 31 December 2022	39,606,069	560,005	8,290,419	48,456,493
Amortisation and impairment				
At 1 January 2022	11,619,090	331,868	3,109,442	15,060,400
Amortisation charged for the year	3,960,139	104,641	987,064	5,051,844
At 31 December 2022	15,579,229	436,509	4,096,506	20,112,244
Carrying amount				
At 31 December 2022	24,026,840	123,496	4,193,913	28,344,249
At 31 December 2021	27,986,979	181,748	3,625,217	31,793,944

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

12 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	397,240	189,264	563,765	1,770,348	2,920,617
Additions	56,165	865	145,580	138,095	340,705
Disposals	-	-	-	(288,771)	(288,771)
At 31 December 2022	453,405	190,129	709,345	1,619,672	2,972,551
Depreciation and impairment					
At 1 January 2022	271,452	120,699	326,066	882,158	1,600,375
Depreciation charged in the year	103,428	48,559	126,283	323,799	602,069
Eliminated in respect of disposals	-	-	-	(264,084)	(264,084)
At 31 December 2022	374,880	169,258	452,349	941,873	1,938,360
Carrying amount					
At 31 December 2022	78,525	20,871	256,996	677,799	1,034,191
At 31 December 2021	125,788	68,565	237,699	888,190	1,320,242

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

13 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	**14**	-	-	43,400,460	43,400,460

Movements in fixed asset investments

Company	Shares in subsidiaries
	£
Cost or valuation	
At 1 January 2022 and 31 December 2022	43,400,460
Carrying amount	
At 31 December 2022	43,400,460
At 31 December 2021	43,400,460

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

14 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Take The Weekend Off Ltd	England & Wales	Vehicle preparation service	Ordinary	100.00	-
Autoprotect (MBI) Ltd	England & Wales	Insurance broking	Ordinary	100.00	-
Autoprotect Administration Ltd	England & Wales	Management of claims	Ordinary	-	100.00
iComply Online Ltd	England & Wales	Management consultancy	Ordinary	-	100.00
M R Automotive	England & Wales	Dormant	Ordinary	-	54.00
Autoprotect Polska	Poland	Sale of car warranties	Ordinary	-	100.00
Small Accident Repair Technology	England & Wales	Dormant	Ordinary	-	100.00
Autoprotect Ltd	England & Wales	Dormant	Ordinary	-	100.00
Autopartners (UK) Ltd	England & Wales	Dormant	Ordinary	-	100.00
Dealtrak Ltd	England & Wales	Insurance & dealer software development	Ordinary	100.00	-
Future 45 Limited	England & Wales	Sale of car warranties and GAP insurance	Ordinary	100.00	-

15 Stocks

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Raw materials and consumables	398,854	358,416	-	-

16 Insurance broking assets and liabilities

Included in these financial statements are the following balances which are held by the Group as an agent and which represent insurance premiums due to underwriters or claims payable to clients.

Group	2022	2021
	£	£
Debtors	8,637,204	6,359,819
Cash at bank and in hand	14,085,127	11,237,581
Creditors	(22,722,331)	(17,597,400)
	-	-

Company

The company did not hold any Insurance Broking Accounts during the current or prior year.

17 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	11,531,945	9,243,198	-	-
Corporation tax recoverable	286,941	-	22,465	532,662
Amounts owed by group undertakings	100	100	1,500,100	1,500,100
Other debtors	1,020,342	560,534	-	-
Prepayments and accrued income	1,824,268	1,935,932	-	-
	14,663,596	11,739,764	1,522,565	2,032,762

18 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	**£**	**£**	**£**
Trade creditors	26,974,769	20,693,521	-	-
Amounts owed to group undertakings	1,003	-	5,991,583	4,380,266
Corporation tax payable	-	458,240	-	-
Other taxation and social security	744,143	652,581	-	-
Other creditors	1,493,630	2,159,327	-	1,207,871
Accruals and deferred income	5,677,741	5,999,370	46,503	40,430
	34,891,286	29,963,039	6,038,086	5,628,567

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	**£**	**£**	**£**
Bank loans and overdrafts	**20**	-	1,350,000	-	1,350,000
Other borrowings	**20**	21,500,000	21,500,000	17,500,000	17,500,000
		21,500,000	22,850,000	17,500,000	18,850,000

Included in other creditors due after one year in both company and group is a £17.5m loan note with an interest rate of 6% + Bank of England base rate. The loan was capitalised into 17,500,000 shares at par post year end. Any interest accrued on this balance was waived prior to capitalisation, therefore no interest in the current year was charged (2021: £1,110,950).

20 Other borrowings

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	-	1,350,000	-	1,350,000
Loans from parent undertakings	17,500,000	17,500,000	17,500,000	17,500,000
Other loans	4,000,000	4,000,000	-	-
	21,500,000	22,850,000	17,500,000	18,850,000
Payable after one year	21,500,000	22,850,000	17,500,000	18,850,000

The company has in issue, which are included in loans from parent undertakings, £17,500,000 of unsecured PIK loan notes with an interest rate of 6.75%. The loan is repayable on 31 December 2025. The loan has no fixed or floating charge.

On 31 March 2021 the group obtained a new 5 year bank loan facility. The utilised facility is priced at LIBOR plus a margin contingent on the group's total leverage, stipulated by the lender, and maturity of the facility.

As at the prior year end 73% of the facility was not drawn, on which interest was charged at a percentage of the margin charged on the drawn down facility.

During the year this loan was repaid.

The bank loan was secured by fixed and floating charges over all the assets (present and future) of the company.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	296,119	70,190
Provisions unpaid	(71,722)	(11,996)
	224,397	58,194

The company has no deferred tax assets or liabilities.

21 Deferred taxation **(Continued)**

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 January 2022	58,194	-
Charge to profit or loss	166,159	-
Other	44	-
Liability at 31 December 2022	224,397	-

The deferred tax asset set out above relates to unpaid pension contributions by the Group. The deferred tax liability set out above relates to accelerated capital allowances.

22 Retirement contribution schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	457,827	405,658

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
Ordinary shares of £1 each	24,500,100	24,500,100	24,500,100	24,500,100

24 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	425,584	388,786	-	-
Between two and five years	1,368,997	803,652	-	-
In over five years	-	34,156	-	-
	1,794,581	1,226,594	-	-

25 Related party transactions

The group has taken advantage of the exemptions available under Financial Reporting Standard 102, not to disclose any transactions or balances with entities that are 100% controlled by the company.

Included in non-current creditors at the year end are amounts of £4,000,000 (2021: £4,000,000) due to Correlation Holdings Limited, the group's ultimate parent company. Interest is charged at 2% + Bank of England base rate. During the year interest of £139,684 (2021: £85,245) was charged.

26 Controlling party

The immediate controlling party is Correlation Three Holdings Limited, a company incorporated in Guernsey.

The directors consider the ultimate controlling undertaking to be Carena II Trust, registered in Liechtenstein.

These group financial statements are at the smallest and highest level where consolidated accounts are prepared. Copies of these accounts can be found at Companies House.

27 Cash generated from/(absorbed by) group operations

	2022	2021
	£	£
Loss for the year after tax	(4,277,744)	(3,544,534)
Adjustments for:		
Taxation (credited)/charged	(99,379)	217,227
Finance costs	149,963	1,232,222
Investment income	(5,675)	(1,637)
Gain on disposal of tangible fixed assets	(43,846)	(30,372)
Amortisation and impairment of intangible assets	5,051,844	4,965,837
Depreciation and impairment of tangible fixed assets	602,069	609,354
Movements in working capital:		
(Increase)/decrease in stocks	(40,438)	4,259
Increase in debtors	(2,636,891)	(25,452)
Increase/(decrease) in creditors	6,497,437	(11,451,021)
Cash generated from/(absorbed by) operations	5,197,340	(8,024,117)