10 May 2023

Anexo Group plc
('Anexo' or the 'Group')

Final Results

"Continuing revenue growth laying the groundwork for a drive towards cash"

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, announces its final results for the year ended 31 December 2022 (the 'period' or 'FY2022).

Financial Highlights	**2022**	**2021**	**% movement**
Total revenues (£'000s)	138,329	118,237	+17.0%
Operating profit (£'000s)	30,416	27,350	+11.2%
Adjusted[1] operating profit before exceptional items (£'000s)	30,241	27,728	+9.0%
Adjusted[1] operating profit margin (%)	21.9	23.5	-6.8%
Profit before tax (£'000s)	24,093	23,746	1.5%
Adjusted[1] profit before tax and exceptional items (£'000s)	23,918	24,124	-0.8%
Adjusted[2] basic EPS (pence)	16.5	16.8	-1.8%
Total dividend for the year (pence)	1.5	1.5	-
Equity attributable to the owners of the Company (£'000s)	146,347	128,224	+14.1%
Net cash used in operating activities (£'000s)	-3,132	-7,307	+57.1%
Net debt balance (£'000s)	73,124	62,014	+17.9%

Note: The basis of preparation of the consolidated financial statements for the current and previous year is set out in the Financial Review below.

1. Adjusted operating profit and profit before tax: excludes share-based payment charges in 2021 and 2022. A reconciliation to reported (IFRS) results is included in the Financial Review below.

2. Adjusted EPS: adjusted PBT less tax at statutory rate divided by the weighted number of shares in issue during the year.

Financial and Operational KPIs

- During 2022 we saw the continued improvement in a number of key performance measures (detailed below). Financial performance has been strong, despite continued delays in the court system. Opportunities within the Credit Hire division remain strong, following the introduction of the Civil Liabilities Act 2021 (which has caused a number of competitors to withdraw from the market), but the Group has been careful to manage its fleet size prudently, especially in the light of the lower than expected vehicle contributions from the major insurance contract announced in November 2021. Consequently, although the average number of vehicles on hire rose year on year, the fleet numbers at the end of the year declined 26.9% to 1,730 (2021:

2,366). The number of new cases funded during the year also declined slightly, falling 2.7% to 9,986 (2021: 10,265).

- Our ability to fund growth in our hire business has been supported by ongoing investment in legal staff. In 2022, the number of senior fee earners grew by 6.8% to reach 253 at the year end. This investment has driven increased cash collections in the year despite the challenges of the reduced operation of the court system. Much of the investment will start to impact during 2023 and beyond, reflecting both the shorter life cycle of a typical housing disrepair claim and the time a new credit hire starter takes to reach settlement maturity.

KPI's	**2022**	**2021**	**% movement**
Total revenues (£'000s)	138,329	118,237	+17.0%
Gross profit (£'000s)	105,776	91,481	+15.6%
Adjusted operating profit (£000's)	30,241	27,728	+9.1%
Adjusted operating profit margin (%)	21.9%	23.5%	-6.8%
Vehicles on hire at the year-end (no)	1,730	2,366	-26.9%
Average vehicles on hire for the year (no)	1,892	1,834	+3.2%
Number of hire cases settled	7,922	6,187	+28.0%
Cash collections from settled cases (£'000s)	146,090	119,007	+22.8%
New cases funded (no)	9,986	10,265	-2.7%
Legal staff at the period end (no)	678	634	+6.9%
Average number of legal staff (no)	646	590	+9.5%
Total senior fee earners at period end (no)	253	237	+6.8%
Average senior fee earners (no)	240	201	+19.4%

Commenting on the Final Results, Alan Sellers, Executive Chairman of Anexo Group plc, said: *"I am pleased to report a solid performance for FY2022. Revenues for the Group have continued to grow across all divisions. As always, we have managed our vehicle numbers carefully and funded those cases which we feel offer the best opportunities for utilising working capital most efficiently. The success of this strategy is reflected in the growth in cash collections driven by the continued investment in high quality staff across our three legal services offices.*

We continue to be excited by the opportunities within Housing Disrepair, which has more than doubled its case portfolio during the year, as well as fresh activity on emissions claims. A focus on prudent case management will enable the Group to concentrate on cash generation and a reduction in overall debt during FY2023."

Analyst Briefing

A conference call for analysts will be held at 9.00am today, 10 May 2023. A copy of the Final Results presentation is available at the Group's website: https://www.anexo-group.com/

For further enquiries:

Anexo Group plc	+44 (0) 151 227 3008
Alan Sellers, Executive Chairman	www.anexo-group.com
Gary Carrington, Interim Chief Financial Officer	
Nick Dashwood Brown, Head of Investor Relations	
WH Ireland Limited	
(Nominated Adviser & Joint Broker)	
Chris Hardie / Hugh Morgan/ Darshan Patel / Enzo Aliaj (Corporate)	+44 (0) 20 7220 1666
	www.whirelandplc.com/capital-markets
Fraser Marshall / Harry Ansell (Broking)	
Zeus	
(Joint Broker)	
David Foreman / Louisa Waddell (Investment Banking)	+44 (0) 20 3829 5000
Simon Johnson (Corporate Broking)	www.zeuscapital.co.uk

Notes to Editors:

Anexo is a specialist integrated credit hire and legal services provider. The Group has created a unique business model by combining a direct capture Credit Hire business with a wholly owned Legal Services firm. The integrated business targets the impecunious not at fault motorist, referring to those who do not have the financial means or access to a replacement vehicle.

Through its dedicated Credit Hire sales team and network of 1,100 plus active introducers around the UK, Anexo provides customers with an end-to-end service including the provision of Credit Hire vehicles, assistance with repair and recovery, and claims management services. The Group's Legal Services division, Bond Turner, provides the legal support to maximise the recovery of costs through settlement or court action as well as the processing of any associated personal injury claim.

The Group was admitted to trading on AIM in June 2018 with the ticker ANX. For additional information please visit: www.anexo-group.com

Chairman's Statement

On behalf of the Board, I am pleased to report a year of solid growth by the Group in the face of ongoing nationwide challenges and delays. These results reflect our continued focus on increasing cash settlements through the expansion of our Legal Services division, while using our working capital to maximum effect to ensure prudent management of our Credit Hire division. This emphasis on balancing growth in cash collections against commitment of capital on new cases has ensured significant increases in cash collections while managing a decrease in the number of vehicles on the road during the course of the year. We have continued to invest in our advocacy practice, particularly through our Housing Disrepair Division, and we believe the division will continue its growth to become a significant contributor to future revenues.

The Board continues its close monitoring of progress in our core divisions while seeking to take advantage of the significant growth opportunities which are presenting themselves and believes that the Group is well positioned for further strong performance in 2023 and beyond.

Group Performance

Anexo Group plc has shown solid performance during 2022. Trading across all our divisions has been resilient and we have managed the core business prudently. As a result, Group revenues in 2022 increased by 17.0% to £138.3 million (2021: £118.2 million), gross profits increased by 15.6% from £91.5 million in 2021 to £105.8 million in 2022. Adjusted operating profit increased by 9.1% to £30.2 million in 2022 at a margin of 21.9% (2021: £27.7 million at a margin of 23.5%). Adjusted profit before tax was broadly in line year on year, reducing by 0.8% to £23.9 million (2021: £24.1 million), reflecting the ongoing investment in staff and marketing costs within Bond Turner. To provide a better guide to underlying business performance, adjusted profit before tax excludes share-based payments credited/charged to profit and loss.

During 2022, the Group continued to take advantage of the opportunities offered by the withdrawal of a number of competitors from the market following the introduction of the Civil Liabilities Act, which severely curtails the ability of personal injury solicitors to recover substantial legal costs. This has enabled the Group to attract new high quality staff and expand its infrastructure to facilitate increased case settlements in the future, and as a result cash collections for the Group increased by 22.8% to £146.1 million in 2022 (2021: £119.0 million).

Credit Hire division

The Group's Credit Hire division, EDGE, saw prudent management during the year to maximise efficient use of the existing fleet and to manage overall fleet numbers to reflect revised expectations. Vehicle numbers in the first half of the year remained very high, finishing H1 on a total of 1,947. The number of vehicles on the road during the course of the year rose as a consequence by 3.2% to 1,892 (2021: 1,834). Due to the insolvency of Green Realisations 123 Limited (the underwriting subsidiary of MCE Insurance) and its resulting impact on our major motorcycle insurance contract with MCE, the decision was taken to reduce vehicle numbers substantially during the second half of the year. Consequently, the year ended with a total of 1,730 vehicles on the road, a decrease of 26.9% on the previous year (2021: 2,366), new cases funded fell from 10,265 in 2021 to 9,986 in 2022, whilst the number of hire cases settled increased by 28.0% from 6,187 in 2021 to 7,922 in 2022, supporting the increase in cash collections noted above.

Revenues within the Credit Hire division grew by 4.8% % to £74.7 million (2021: £71.3 million). The Group maintains its claims acceptance strategy of deploying its resources into the most valuable claims, thereby growing claims while preserving working capital. The Group monitors its fleet size constantly, enabling it to respond quickly to changes in demand and strategic priorities by deploying its vehicles appropriately with focus remaining firmly on McAMS, the motorcycle division.

Legal Services division

Within the Group's Legal Services division, Bond Turner, has continued its focus on cash collections and corresponding investment in staff to drive increased case settlements. This strategy has had a

significant positive impact on financial performance. Revenues within the Legal Services division, which strongly correlates to cash, increased by 35.6% to £63.6 million (2021: £46.9 million). The continued growth of the Bolton office, which has now been operational for four years, the opening of the Leeds office and the expansion of the core office in Liverpool into new ancillary premises have provided considerable opportunities for recruitment. During the pandemic, and following the implementation of the Civil Liabilities Act 2021, the Group has seen a number of personal injury solicitors withdrawing from the market and embarking on a run-off strategy. Taking advantage of these recruitment opportunities has resulted in staff numbers rising at all levels, with the ability to retrain solicitors in the fields of credit hire and housing disrepair for suitable placement within Bond Turner. At the end of December staff numbers within Bond Turner stood at 678, a 6.9% increase on the 2021 figure of 634. Of these, a total of 253 were senior fee earners, up 6.8% (2021: 237).

The average number of staff rose from 590 in 2021 (of which 201 were senior fee earners) to 646 in 2022 (including 240 senior fee earners).

Mercedes Benz Emissions Case

Having undertaken our own internal research, which has been subsequently corroborated by counsel, the Group has begun actively sourcing claims against Mercedes Benz.

In total the Group invested £4.0 million in 2022 (2021: £0.9 million) in both staffing and emission claims lead generation fees.

Housing Disrepair

The Housing Disrepair team has continued its rapid expansion during 2022. During the year we successfully settled c.2,000 claims. At the end of the year we had a portfolio of over c3,000 ongoing claims. Some £3.0 million was invested in marketing costs in 2022, all of which was expensed as incurred, and with further investment planned into 2023, the Housing Disrepair team has proven its potential to be a significant contributor to Group earnings. We look forward to further growth in this sector.

Dividends

The Board is pleased to propose a final dividend of 1.5p per share, which if approved at the Annual General Meeting to be held on 15 June 2023 will be paid on 23 June 2023 to those shareholders on the register at the close of business on 26 May 2023. The shares will become ex-dividend on 25 May 2023 (2021: total dividend 1.5p per share).

Corporate Governance

Anexo values corporate governance highly and the Board believes that effective corporate governance is integral to the delivery of the Group's corporate strategy, the generation of shareholder value and the safeguarding of our shareholders' long-term interests.

As Chairman, I am responsible for the leadership of the Board and for ensuring its effectiveness in all aspects of its role. The Board is responsible for the Group's strategic development, monitoring and achievement of its business objectives, oversight of risk and maintaining a system of effective corporate governance. I will continue to draw upon my experience to help ensure that the Board delivers maximum shareholder value.

Our employees and stakeholders

The strong performance of the Group reflects the dedication and quality of the Group's employees. We rely on the skills, experience and commitment of our team to drive the business forward. Their enthusiasm, innovation and performance remain key assets of the Group and are vital to its future success. On behalf of the Board, I would like to thank all of our employees, customers, suppliers, business partners and shareholders for their continued support over the last year.

Current Trading and Outlook

As our financial performance and KPI's have demonstrated, the Group has continued to invest in its people, particularly within the Legal Services division, supporting the growth we have reported in both the number of claims settled and the underlying level of cash receipts for the Group. Whilst this investment impacted our reported financial performance in 2022, the continued growth in headcount supporting ever increasing case settlements will continue to contribute to growth in 2023 and beyond.

Since year end the Board has conducted a Strategic Review and has concluded that the interests of the Group and its shareholders will be best served by concentrating on cash generation. To this end, the Group has continued its targeted approach to claim acquisition, being highly focussed on costs and ultimately cash flow and headroom within our facilities as well as continuing to expand the number of claims accepted within Housing Disrepair division. This approach has led to a reduction in the number of vehicles on the road since the beginning of 2023 to a level which best facilitates management of the Group's working capital requirements. As at 30 April 2023, the total number of vehicles on the road stood at 1,431. The Group remains focussed on quality claims, high service standards and high success rates.

The implementation of the Strategic Review means that profit growth for FY2023 is likely to be constrained but there will be an increased return on capital employed. If appropriate, the Group intends to emphasise the progressive dividend policy adopted at flotation. I continue to have great confidence in the Group's strategy and look to the future with continued optimism.

Subsequent Events

On 8 March 2023, the High Court handed down a judgment granting a Group Litigation Order. The application, brought by Leigh Day and Pogust Goodhead, sought permission to launch a class action lawsuit against Mercedes Benz for alleged subversion of key air pollution tests by using special software to reduce emissions of nitrous oxides under test conditions.

Following the success of this application, on 14 April 2023 the Board confirmed that the Group intends to pursue litigation against Mercedes and has already secured over 12,000 claims through

internal resources and via social media. Proceedings have been issued against Mercedes and its affiliates in the High Court, alongside more than 12,000 other claimants. The claim will be formally served on the Defendants in early summer 2023.

The Judge at the hearing set out a timetable for the progress of the claim. The Order setting out these measures needs to be confirmed by the President of the High Court King's Bench Division, an event expected in spring 2023. A steering committee has now been formed to represent the best interests of all Claimants and Bond Turner is a member of the Claimant Solicitors' Committee.

The Board remains confident that these cases have the potential to be of significant value to both the Claimants and the Group.

The claim we are litigating against VW is ongoing and we will provide further updates in due course. On 14 April 2023, Mark Fryer resigned with immediate effect as Chief Financial Officer and as a Director and left the Group. Gary Carrington was appointed to the position of Interim Chief Financial Officer on the same day and on 18 April 2023 was appointed a Director of the Group.

Annual General Meeting

The Group's Annual General Meeting will be held on 15 June 2023. The notice of the Meeting accompanies this Annual Report and Accounts.

Alan Sellers

Executive Chairman

9 May 2023

Financial Review

Basis of Preparation

As previously reported, Anexo Group Plc was incorporated on 27 March 2018, acquired its subsidiaries on 15 June 2018, and was admitted to AIM on 20 June 2018 (the 'IPO'). Further details are included within the accounting policies.

To provide comparability across reporting periods, the results within this Financial Review are presented on an "underlying" basis, adjusting for the £0.4 million charge recorded for share-based payments in 2021 and the £0.2m credit arising on vesting of the senior management incentive scheme for share-based payments in 2022.

A reconciliation between adjusted and reported results is provided at the end of this Financial Review. This Financial Review forms part of the Strategic Report of the Group.

New Accounting Standards and Amendments

There have been a number of amendments to new UK IFRS accounting standards applicable from 1 January 2022, none of which have resulted in adjustment to the way in with the Group accounts or presents its financial information.

Revenue

In 2022 Anexo successfully increased revenues across both its divisions, Credit Hire and Legal Services. Group revenues rose to £138.3 million, a 17.0% increase over the prior year (2022: £118.2 million). This growth is particularly pleasing given the fact that the Group continued to face delays in the court system during 2022 as a result of the COVID-19 pandemic.

During 2022 EDGE, the Credit Hire division, provided vehicles to 9,986 individuals (2021: 10,265), maintaining similar activity levels to those of the prior year. Our strategy, as previously reported, remains to concentrate investment within McAMS, the part of the business which supplies motorcycles.

With the number of claims remaining broadly consistent in 2022 with the prior year, the strategy of deploying capital into the most valuable claims to the Group resulted in revenues for the Credit Hire division increasing to £74.7 million in 2022, an increase of 4.8% over 2021 (£71.3 million).

With investment in staff continuing into 2022 following a significant level of recruitment during COVID when other firms made redundancies and furloughed staff, the Legal Services division reported significant revenue growth of 35.6%, with revenues rising from £46.9 million in 2021 to £63.6 million in 2022.

Expansion of headcount in Bond Turner across all its three offices has been critical to increasing both revenues and cash settlements within the Group and has provided a crucial platform for growth in both factors. During 2022, the Group continued its recruitment campaign, targeting high-quality experienced staff across all aspects of our business, credit hire, large loss, housing disrepair and class action litigation.

By the end of December 2022, we employed 678 staff in Bond Turner (December 2021: 634), of which 253 (December 2021: 237) were senior fee earners, an increase of 6.8%.

The Group has benefitted from continued investment in the Housing Disrepair team during 2022, following the implementation of the Extension of the Homes (Fitness for Human Habitation) Act 2019. Revenue increased significantly (82%), rising from £5.1 million in 2021 to £9.3 million in 2022. This revenue is reported within the data noted above for the Legal Services Division.

Recruitment is scheduled to continue throughout 2023 across all our three legal services office locations, particularly within the Housing Disrepair Team.

Gross Profits

Gross profits are reported at £105.8 million (at a margin of 76.5%) in 2022, increasing from £91.5 million in 2021 (at a margin of 77.4%). It should be noted, that staffing costs within Bond Turner are

reported within Administrative Expenses. Consequently, gross profit within Bond Turner is in effect being reported at 100%.

Operating Costs

Administrative expenses before exceptional items increased year-on-year, reaching £65.0 million in 2022 (2021: £55.1 million), an increase of £9.9 million (18.0%). This reflects the continued investment in staffing costs within Bond Turner to drive settlement of cases and cash collections. Staffing costs for Bond Turner increased to £23.1 million (2021: £20.5 million), an increase of £2.6 million (12.7%) which, together with significant investment in staff within the Credit Hire division (2022: £15.0 million, 2021: £12.4 million) to ensure we maintained our high standards of service to an increasing number of clients, accounted for a total increase of £5.2million. Following the establishment of our Housing Disrepair team in late 2020, some £3.0 million was invested in marketing costs in 2022 (2021: £1.8 million), all of which has been expensed as incurred.

Profit Before Tax

Adjusted profit before tax reached £23.9 million in 2022, remaining broadly in line with 2021, when it was reported at £24.1 million. This reflects the investment in staff and marketing costs noted above. To provide a better guide to underlying business performance, adjusted profit before tax excludes share-based payments charged to profit and loss.

The GAAP measure of the profit before tax was £24.1 million in 2022 (2021: £23.7 million), reflecting the non-cash share-based payment credit of £0.2 million in that year (2021: charge of £0.4 million). Where we have provided adjusted figures, they are after the add-back of this item and a reconciliation of the adjusted and reported results is included on page 18 of the Annual Report.

Finance Costs

Finance costs reached £6.3 million in 2022, increasing from £3.6 million in 2021 (75.0%), reflecting the additional facilities secured in the year from Blazehill Capital Finance Limited (£15.0 million) to support the continued investment into the Housing Disrepair Team and our investment in the VW and Mercedes Benz emissions claims.

EPS and Dividend

Statutory basic EPS is 16.9 pence (2021: 16.5 pence). Statutory diluted EPS is 16.9 pence (2021: 16.2 pence). The adjusted EPS is 16.8 pence (2021: 16.8 pence). The adjusted diluted EPS is 16.8 pence (2021: 16.5 pence). The adjusted figures exclude the effect of share-based payments. The detailed calculation in support of the EPS data provided above is included within Note 12 of the financial statements of the annual report.

The Board is pleased to propose a final dividend of 1.5p per share, which if approved at the Annual General Meeting to be held on 15 June 2023 will be paid on 23 June 2023 to those shareholders on the register at the close of business on 26 May 2023. The shares will become ex-dividend on 25 May 2023 (2021: total dividend 1.5p per share).

Group Statement of Financial Position

The Group's net assets position is dominated by the balances held within trade and other receivables. These balances include credit hire and credit repair debtors, together with disbursements paid in advance which support the portfolio of ongoing claims. The gross claim value of trade receivables totalled £393.6 million in 2022, rising from £325.3 million in 2021. In accordance with our income recognition policies, a provision is made to reduce the carrying value to recoverable amounts, the net balance increasing to £165.4 million (2021: £146.4 million). This increase reflects the recent trading activity and strategy of the Group and is in line with management expectations given that the Group continued to be impacted during 2022 by delays in capacity within the court system, albeit this continues to improve. The increase has been primarily funded from the significant rise in cash collections seen year on year as well as additional facilities secured from Blazehill Capital Finance Limited.

In addition, the Group has a total of £54.7 million reported as accrued income (2021: £39.4 million) which represents the value attributed to those ongoing hires and claims at the year end, alongside growth in the number of ongoing claims within the Housing Disrepair Team.

The increases in both trade receivables and accrued income reflect an increase in the volume of claims that remain ongoing together with an increase in the number of claims ongoing where we have identified and secured an admission of liability.

During 2021 and into the early part of 2022, significant investment was made into the motorcycle fleet to support the current and expected volumes generated from the insurance contract with MCE announced in November 2021. In an unexpected development, MCE's underwriter, Green Realisations 123 Ltd, went into administration and all outstanding Green Realisation 123 Ltd policies were disclaimed from 1 February 2022. As a consequence, the number of claims generated reduced significantly, resulting in a period in which utilisation and hence profitability of the Group was impacted. Total fixed asset additions totalled £7.7 million in 2022 (2021: £13.1 million). The fleet continues to be largely externally financed.

Trade and other payables, including tax and social security increased to £13.1 million compared to £12.6 million at 31 December 2021.

Net assets at 31 December 2022 reached £146.3 million (2021: £128.2 million).

Net Debt, Cash and Financing

Net debt increased to £73.1 million at 31 December 2022 (31 December 2021: £62.0 million) and comprised cash balances at 31 December 2021 of £9.0 million (2021: £7.6 million), plus borrowings which increased during the year to fund additional working capital investment in the Group's

portfolio of claims, support the investment by the Group in the VW and Mercedes Benz emissions claims and facilitate expansion of the vehicle fleet.

The total debt balance rose from £69.6 million in 2021 to £82.2 million at the end of 2022; these balances include lease liabilities recognised in line with IFRS16. The Group has a number of funding relationships and facilities to support its working capital and investment requirements, including an invoice discounting facility within Direct Accident Management Limited (secured on the credit hire and repair receivables), lease facilities to support the acquisition of the fleet and a revolving credit facility within Bond Turner Limited.

In addition, the Group secured a loan of £15.0 million from Blazehill Capital Finance Limited during 2022. The loan is non amortising and committed for a three year period.

Having considered the Group's current trading performance, cash flows and headroom within our current debt facilities, maturity of those facilities, the Directors have concluded that it is appropriate to prepare the Group and the Company's financial statements on a going concern basis.

Cash Flow

Notwithstanding the continued impact of COVID-19 on the court system and the Business (further details provided earlier), we have continued to invest in talent and grow our settlement capacity throughout Bond Turner. The number of senior fee earners increased from 237 to 253 during 2022 (an increase of 6.8%) and continues to rise across each of our three offices. More recently this investment has sought to diversity the activities of the Group and headcount with the Housing Disrepair Team, the number of senior fee earners increasing in number from 30 at 31 December 2021 to 44 at 31 December 2022 (an increase of 46.7%).

Cash collections for the Group (and excluding settlements for our clients), a key metric for the Group, increased from £119.0 million in 2021 to £146.1 million in 2022, an increase of 22.8%, underlining the Group's successful evolution in the post pandemic period.

Having secured the contract from MCE to secure their non fault road traffic accident opportunities in late 2021, investment was made in the fleet and infrastructure to support this significant increase in demand, which led to record vehicle numbers at the end of 2021, reaching 2,366. However, the situation with Green Realisations Ltd described above resulted in the number of opportunities reducing sharply and hence the Group operated with a suboptimal cost base in the first part of 2022. Because activity levels did not increase from MCE as expected, management implemented actions to maintain headroom and reduce costs to reflect a revised level of forecast activity. Despite this, and reflecting the number of claims generated from MCE in the early part of 2022, we have actually seen the average number of vehicles on the road rise in 2022, reaching 1,892 (2021: 1,834). This contributed to the strong revenue performance of the Credit Hire division. Notwithstanding this, as we have previously reported, growth in the Credit Hire Division results in an absorption of cash. During the year, management worked to manage expenditure and consequent absorption of cash and actively reduced the number of claims accepted. Vehicle numbers fell accordingly to 1,730 at 31 December 2022.

Having anticipated continued growth from MCE, the Board secured an increase in availability from Secure Trust Bank plc (£1.3 million) and Blazehill Capital Finance Limited (£15.0 million) in 2022, to take advantage of these opportunities, whilst ensuring the relationship between the number of new claims taken on within EDGE is balanced with the settlement capacity of Bond Turner. In addition to this, the Group has continued to draw funds from approved hire purchase facilities to support reinvestment of the motorcycle fleet as well as other facilities as necessary to support group headroom. The total amount of new borrowings in the year reached £24.4 million.

Whilst the Group operated for a period at suboptimal levels, the significant improvement in cash collections resulted in the Group reporting a reduction in the level of cash outflows from operating activities of £3.1 million (2021: cash outflow of £7.3 million).

With a net cash inflow of £4.2 million resulting from financing activities, having secured additional facilities from both Secure Trust Bank Plc and Blazehill Capital Finance Limited (2021: net cash inflow of £7.2 million), the Group reported a net cash inflow in 2022 of £1.5 million (2021: net cash outflow of £0.7 million).

Reconciliation of Adjusted and Reported IFRS Results

In establishing the adjusted operating profit, the costs adjusted include a credit of £0.2 million related to share-based payments (2021: costs of £0.4 million).

A reconciliation between adjusted and reported results is provided below:

	Year to December 2022		
	Adjusted £'000s	**Share-based payment £'000s**	**Reported £'000s**
Revenue	138,329	-	138,329
Gross profit	105,776	-	105,776
Other operating costs (net)	(75,535)	175	(75,360)
Operating profit	30,241	175	30,416
Finance costs (net)	(6,323)	-	(6,323)
Profit before tax	23,918	175	24,093

	Year to December 2021		
	Adjusted £'000s	**Share-based payment £'000s**	**Reported £'000s**
Revenue	118,237	-	118,237

Gross profit	91,481	-	91,481
Other operating costs (net)	(63,753)	(378)	(64,131)
Operating profit	27,728	(378)	27,350
Finance costs (net)	(3,604)	-	(3,604)
Profit before tax	24,124	(378)	23,746

By order of the Board

Gary Carrington

Interim Chief Financial Officer

9 May 2023

Consolidated Statement of Total Comprehensive Income
for year ended 31 December 2022

	Note	2022 £'000s	2021 £'000s
Revenue		138,329	118,237
Cost of sales		(32,553)	(26,756)
Gross profit		105,776	91,481
Depreciation & profit / loss on disposal	4	(10,436)	(8,504)
Amortisation	4	(117)	(137)
Administrative expenses before share based payments	4	(64,982)	(55,112)
Operating profit before share based payments	4	30,241	27,728
Share based payment credit / (charge)	4	175	(378)
Operating profit	4	30,416	27,350
Finance costs		(6,323)	(3,604)
Profit before tax		24,093	23,746
Taxation		(4,616)	(4,598)
Profit and total comprehensive income for the year attributable to the owners of the company		19,477	19,148
Earnings per share			
Basic earnings per share (pence)	5	16.6	16.5
Diluted earnings per share (pence)	5	16.6	16.2

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
as at 31 December 2022

		2022	2021
Assets	**Note**	**£'000s**	**£'000s**
Non-current assets			
Property, plant and equipment	6	2,072	2,071
Right of use assets	6	12,657	16,896
Intangible assets	7	71	188
Deferred tax assets		112	112
		14,912	19,267
Current assets			
Trade and other receivables	8	222,272	188,134
Corporation tax receivable		606	-
Cash and cash equivalents		9,049	7,562
		231,927	195,696
Total assets		246,839	214,963
Equity and liabilities			
Equity			
Share capital		59	58
Share premium		16,161	16,161
Share based payments reserve		-	2,077
Retained earnings		130,127	109,928
Equity attributable to the owners of the Company		146,347	128,224
Non-current liabilities			
Other interest-bearing loans and borrowings	9	25,000	13,814
Lease liabilities	9	7,176	8,430
Deferred tax liabilities		32	32

		32,208	22,276
Current liabilities			
Other interest-bearing loans and borrowings	9	43,594	38,499
Lease liabilities	9	6,403	8,833
Trade and other payables		13,225	12,635
Corporation tax liability		5,062	4,496
		68,284	64,463
Total liabilities		100,492	86,739
Total equity and liabilities		246,839	214,963

The financial statements were approved by the Board of Directors and authorised for issue on 9 May 2023. They were signed on its behalf by:

Gary Carrington

Interim Chief Financial Officer

9 May 2023

Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

	Share Capital	Share Premium	Merger Reserve	Share Based Payments Reserve	Retained Earnings	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2021	58	16,161	-	1,699	92,520	110,438
Profit for the year and total comprehensive income	-	-	-	-	19,148	19,148
Share based payment charge	-	-	-	378	-	378
Dividends	-	-	-	-	(1,740)	(1,740)
At 31 December 2021	58	16,161	-	2,077	109,928	128,224
Profit for the year and total comprehensive income	-	-	-	-	19,477	19,477
Issue of share capital	1	-	-	-	-	1
Share based payment credit	-	-	-	(175)	-	(175)
Transfer of share based payment reserve	-	-	-	(1,902)	1,902	-
Dividends	-	-	-	-	(1,180)	(1,180)
At 31 December 2022	59	16,161	-	-	130,127	146,347

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022 £'000s	2021 £'000s
Cash flows from operating activities			
Profit for the year	4	19,477	19,148
Adjustments for:			
Depreciation and profit / loss on disposal	4	10,436	8,504
Amortisation	4	117	137
Financial expense		6,323	3,604
Share based payment (credit) / charge	4	(175)	378
Taxation		4,616	4,598
		40,794	36,369
Working capital adjustments			
Increase in trade and other receivables		(34,138)	(40,224)
Increase in trade and other payables		590	3,131
Cash generated from / (used in) operations		7,246	(724)
Interest paid		(5,722)	(3,364)
Tax paid		(4,656)	(3,219)

Net cash used in operating activities	(3,132)	(7,307)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,579	941
Acquisition of property, plant and equipment	(1,186)	(1,439)
Investment in intangible fixed assets	-	(91)
Net cash from / (used in) investing activities	393	(589)
Cash flows from financing activities		
Net proceeds from the issue of share capital	-	-
Proceeds from new loans	24,430	25,039
Repayment of borrowings	(8,749)	(7,951)
Lease payments	(10,275)	(8,110)
Dividends paid	(1,180)	(1,740)
Net cash from financing activities	4,226	7,238
Net increase/(decrease) in cash and cash equivalents	1,487	(658)
Cash and cash equivalents at 1 January	7,562	8,220
Cash and cash equivalents at 31 December	9,049	7,562

Notes to the Consolidated Financial Statements

for the year ended 31 December 2022

1. Basis of Preparation and Principal Activities

Whilst the financial information included in this preliminary announcement has been prepared on the basis of the requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and effective as at 31 December 2022, this announcement does not itself contain sufficient information to comply with International Accounting Standards.

The financial information set out in this preliminary announcement does not constitute the group's statutory financial statements for the years ended 31 December 2022 or 2021 but is derived from those financial statements.

Statutory financial statements for 2021 have been delivered to the registrar of companies and those for 2022 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial statements are presented in Pounds Sterling, being the presentation currency of the Group, generally rounded to the nearest thousand. Pounds Sterling is also the functional currency for each of the Group entities.

The annual financial statements have been prepared on the historical cost basis.

The principal activities of the Group are the provision of credit hire and associated legal services.

The Company is a public company limited by shares, which is listed on the Alternative Investment Market of the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered address office is 5th Floor, The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ.

Going concern

As previously noted, the Group ended 2021 with record numbers of vehicles on the road, driven both by an increase in activity following the general lifting of Covid-19 restrictions and also investment in both fleet and infrastructure in response to the major contract with MCE Insurance announced in November 2021. Vehicle numbers at the end of 2021 stood at 2,366. As a consequence of the insolvency of MCE's underwriter, Green Realisations 123 Limited, the anticipated activity levels deriving from the MCE contract were not sustained and the Group undertook a series of measures to reduce the size of the fleet and associated infrastructure costs to reflect a revised level of forecast activity, the Group therefore operated in a sub-optional manner for periods in 2022 reflecting the fixed nature of certain costs.

Despite this, healthy general demand and a positive contribution from MCE in the early part of the year has ensured that the average number of vehicles on the road during 2022 actually rose marginally from 1,834 to 1,892. This underlines the robust health of the core credit hire business and the continued demand for non-fault claims.

Focus remains on motorcycle claims and the Housing Disrepair division, an area with significant capacity for growth during 2023 and beyond, the Directors actively managing the Group's activities to ensure the efficient use of working capital. In addition, the Directors implemented a strategy to actively limit the number of credit hire claims accepted during 2022 thereby reducing the overall level of spend whilst cash collections have reached record levels, returning the Group to a cash positive position in the latter part of that year, this process continues, the target to drive a reduction in net debt from an improvement in cash flows of the Group into 2023.

The Group has secured funding from a number of funders, the most significant being Secure Trust Bank plc, HSBC Bank Plc and Blazehill Capital Finance Limited. Following receipt of additional funding of £15.0 million from Blazehill Capital Limited in 2022, the Group has a strong balance sheet with a conservative gearing level and good liquidity with headroom within its funding facilities and associated covenants.

The Group's current facilities include a revolving credit facility of £10.0 million with HSBC Bank plc (due for repayment in October 2024), an invoice discounting facility of £40.0 million with Secure Trust Bank plc (due for renewal in December 2024) and a loan facility of £15.0 million from Blazehill Capital Finance Limited.

Each of the Group's banking arrangements are subject to monitoring through financial performance measures or covenants. During the year, certain of these measures and covenants within the Secure Trust facility came under pressure and required action by the Group which included a regular dialogue between all parties to ensure that the reasons behind the breaches were fully understood, agreed and ultimately waived. All the required waivers were fully in place post year end. The performance measures incorporated within the Secure Trust facility are there for monitoring purposes and aid as a guide for the Group to engage on a regular basis around general financial performance and headroom, both from a cash and operational perspective, certain of which are measured monthly and can be prone to breach due to seasonality, outlying transactions from the norm or other isolated incidents. In each case the breach was discussed with Secure Trust and in each instance, formal waiver provided and if the expectation was for future instances, the performance measure varied to provide further headroom and reduce the risk of future incident. Those most important, surround the relationship of overall cash collections against funds drawn, no such breaches were reported during 2022. Whilst we have reported a number of breaches to Secure Trust during 2022, they have both increased facility limits (rising from £30.0 million to £40.0 million during the year) as well as increasing the overall funding rate provided, supporting the growth of the Group and continued investment, both highlighting the positive relationship between the parties and their view of our strength. All covenants were met during 2022 and to date in 2023 within both the Blazehill Capital and HSBC facilities. Further details are included in note 20.

Measures implemented to maintain a stable relationship between EDGE and Bond Turner, alongside the additional headroom created from the recent refinancing, means that the Board remains confident that the Group is in a strong financial position and is well placed to trade into 2023.

The Directors have prepared trading and cash flow forecasts for the period ended December 2024, against which the impact of various sensitivities have been considered covering the level of cash receipts (we have sensitised cash collections by 5% and 10% with and without management intervention which included a reduction in the volume of work taken on). We note earlier that here is no certainty that a settlement in favour of Bond Turner's clients will be reached, nor is there any guarantee that such a settlement would include financial compensation. The timeline for progress towards conclusion of the litigation is also unclear and no assumptions as to revenue have been included in the Board's internal forecasts for 2023.

Working capital management is considered to be the most critical aspect of the Group's assessment. The Group has the ability to improve cash flow and headroom from a number of factors that are within the direct control of management, examples of which could be by limiting the level of new business within EDGE, managing the level of investment in people and property within Bond Turner or by limiting the investment in the Mercedes Benz emissions case. These factors allow management to balance any potential shortfall in cash receipts and headroom against forecast levels, something the Directors have been doing for many years, such that the Group maintains adequate headroom within its facilities. It is in that context that the Directors have a reasonable expectation that the Group will have adequate cash headroom.

The Group continues to trade profitably and early indications for growth in the current year are positive. Accordingly, the directors continue to adopt the going concern basis in preparing the consolidated and the company financial statements.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 revision and prior periods if the revision affects both current and prior periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Credit Hire

Due to the nature of the business, there are high levels of trade receivables and accrued income at the year end, and therefore a risk that some of these balances may be impaired or irrecoverable. The Group applies its policy for accounting for impairment of these trade receivables as well as expected credit losses whereby debts are assessed and provided against when the recoverability of these balances is considered to be uncertain. This requires the use of estimates based on historical claim and settlement information.

Revenue is accrued on a daily basis, after adjustment on a portfolio basis for an estimation of the recovery of credit hire charges based on historical settlement rates. While historical settlement rates form the basis, these are then considered in light of expected settlement activity. It has been assumed that there will be continued improvement in settlement rates as courts increasingly return to normal business. The assumption of improved settlement rate is a significant judgment. This policy also assumes that claims which have settled historically are representative of the trade receivables and accrued income in the balance sheet. This assumption represents a significant judgement. The overall settlement adjustment is made to ensure that revenue is only recognised to the extent that it is highly probable that a significant reversal of revenue will not occur upon settlement of a customer’s claim. Revenue recognised is updated on settlement once the amount of the claim recovered is known.

Due the factors described above, determining the settlement adjustment to revenue, accrued income and trade receivables involves a high degree of estimation uncertainty which could result in a range of values of adjustment which vary by multiples of materiality. The settlement percentages are sensitive to these estimates. If the settlement percentages applied in calculating revenue were reduced by 1% it would reduce credit hire revenue and trade receivables and accrued income (£74.7 million and £144.1 million respectively) by £2.7 million. (2021: by £2.3 million, credit hire revenue being £71.3 million and trade receivables and accrued income £127.2 million). The Board consider that these estimates are subject to variation which may vary from between 1% and 6% (at 6% credit

hire revenue and trade receivables and accrued income would reduce by £16.2 million). A 6% reduction is an approximation that is consistent with the period over the pandemic where settlements were lower due to courts being closed. This is considered to be a cautious downside based on more recent settlement experience and operational changes to the business to facilitate improvements in settlement rates and period.

Legal Services

The Group carries an element of accrued income for legal costs, the valuation of which reflects the estimated level of recovery on successful settlement by reference to the lowest level of fees payable by reference to the stage of completion of those credit hire cases. Where we have not had an admission of liability no value is attributed to those case files.

Accrued income is also recognised in respect of serious injury and housing disrepair claims, only where we have an admission of liability and by reference to the work undertaken in pursuing a settlement for our clients, taking into account the risk associated with the individual claim and expected future value of fees from those claims on a claim by claim basis.

For both credit hire and legal services, the historical settlement rates used in determining the carrying value may differ from the rates at which claims ultimately settle. This represents an area of key estimation uncertainty for the Group.

3. Segmental Reporting

The Group's reportable segments are as follows:

- the provision of credit hire vehicles to individuals who have had a non-fault accident, and
- associated legal services in the support of the individual provided with a vehicle by the Group and other legal service activities.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

Year ended 31 December 2022

	Credit Hire	Other Legal Services *	Housing Disrepair *	Group & Central Costs	Consolidated
	£'000s	£'000s	£'000s	£'000s	£'000s
Revenues					
Third party	74,681	54,311	9,337	-	138,329
Total revenues	74,681	54,311	9,337	-	138,329

Profit before taxation	8,887	15,400	4,694	(4,888)	24,093
Net cash (used in) / from operations	(2,310)	3,390	258	(4,470)	(3,132)
Depreciation, amortisation and gain on disposal of property, plant and equipment	9,271	1,282	-	-	10,553
Segment assets	174,503	58,562	8,084	5,690	246,839
Capital expenditure	980	206	-	-	1,186
Segment liabilities	66,507	33,985	-	-	100,492

* Other Legal Services and Housing Disrepair, are subsets of Legal Services. We have however, distinguished the performance of Housing Disrepair from within Legal Services as this division of the Legal Services segment is an area where the Group is investing heavily, is a focus for the Group at present and into the future and allows readers of the financial statements to understand the contribution Housing Disrepair has to the overall Group performance. The Housing Disrepair division continues to grow and as the results become more significant to the overall Group performance this division may well become a segment in its own right, this could be reported in the 2023 financial statements.

In the financial statements for the year ended 31 December 2021, we separated the results for the VW Class Action case; this now forms part of the analysis presented for Other Legal Services and the analysis for 2021 below has been restated. The operating segments are identified based on the way in which financial information is organised and reported to the Board. Those currently reported are based on the nature of the business activities and the revenue streams; the costs associated with the VW Class Action case are hence now reported within Other Legal Services.

	Year ended 31 December 2021 (as restated)				
	Credit Hire	**Other Legal Services ***	**Housing Disrepair ***	**Group & Central Costs**	**Consolidated**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Revenues					

Third party	71,338	41,823	5,076	-	118,237
Total revenues	71,338	41,823	5,076	-	118,237
Profit before taxation	19,811	3,604	2,592	(2,261)	23,746
Net cash from operations	(10,654)	4,818	(568)	(903)	(7,307)
Depreciation, amortisation and gain on disposal of property, plant and equipment	7,205	1,436	-	-	8,641
Segment assets	161,578	49,545	3,648	192	214,963
Capital expenditure	998	441	-	-	1,439
Segment liabilities	55,415	31,324	-	-	86,739

Interest income/expense and income tax are not measured on a segment basis

4. Operating Profit

Operating profit is arrived at after charging:

	2022	**2021**
	£'000s	**£'000s**
Depreciation on owned assets	750	653
Depreciation on right of use assets	9,981	8,039
Amortisation	117	137
Share based payment (credit) / charge	(175)	378
Gain on disposal of property, plant and equipment	(295)	(188)

There were no non-recurring costs in the year ended 31 December 2022 or 2021.

Included in the above are the costs associated with the following services provided by the Company's auditor:

	2022	2021
	£'000s	£'000s
Audit services		
Audit of the Company and the consolidated financial statements	70	50
Audit of the Company's subsidiaries	170	120
Total audit fees	240	170
All other services	-	-
Total fees payable to the Company's auditor	240	170

5. Earnings Per Share

	2022	2021
Number of shares:	**No.**	**No.**
Weighted number of ordinary shares outstanding	117,492,721	116,000,000
Effect of dilutive options	-	2,200,000
Weighted number of ordinary shares outstanding – diluted	117,492,721	118,200,000

Earnings:	**£'000s**	**£'000s**
Profit basic and diluted	19,477	19,148
Profit adjusted and diluted	19,302	19,526

Earnings per share:	**Pence**	**Pence**
Basic earnings per share	16.6	16.5
Adjusted earnings per share	16.5	16.8
Diluted earnings per share	16.6	16.2
Adjusted diluted earnings per share	16.5	16.5

The adjusted profit after tax for 2022 and adjusted earnings per share are shown before share-based payment credit of £0.2 million (2021: Charge of £0.4 million). The Directors believe that the adjusted profit after tax and the adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally. The adjusted profit after tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

6. Property, Plant and Equipment

	Right of use assets	Property improvements	Fixtures, fittings & Equipment	Office equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 1 January 2021	24,693	492	2,675	878	28,738
Additions	12,607	2	450	85	13,144
Disposals	(7,656)	-	-	(334)	(7,990)
At 31 December 2021	29,644	494	3,125	629	33,892
Additions	7,026	143	319	289	7,777
Disposals	(8,684)	-	-	-	(8,684)
At 31 December 2022	27,986	637	3,444	918	32,985
Depreciation					
At 1 January 2021	11,612	297	859	702	13,470
Charge for year	8,039	25	559	69	8,692
Eliminated on disposal	(6,903)	-	-	(334)	(7,237)
At 31 December 2021	12,748	322	1,418	437	14,925
Charge for the year	9,981	35	596	119	10,731
Eliminated on disposal	(7,400)	-	-	-	(7,400)
At 31 December 2022	15,329	357	2,014	556	18,256
Carrying amount					
At 31 December 2022	12,657	280	1,430	362	14,729
At 31 December 2021	16,896	172	1,707	192	18,967

Motor Vehicles are all financed and as such are included in the right of use assets column above.

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

	Land and Buildings £000	Motor vehicles £000	Total £000
Right-of-use assets			

At 1 January 2021	5,100	7,981	13,081
Depreciation charge for the year	(950)	(7,089)	(8,039)
Additions to right-of use assets	-	12,607	12,607
Disposals of right-of-use assets	-	(753)	(753)
At 31 December 2021	4,150	12,746	16,896
Depreciation charge for the year	(820)	(9,161)	(9,981)
Additions to right-of-use assets	-	7,026	7,026
Disposals of right-of-use assets	-	(1,284)	(1,284)
At 31 December 2022	3,330	9,327	12,657

7. Intangibles

Intangible Assets

	Software licences
	£'000s
Cost	
At 1 January 2021	361
Additions	91
At 31 December 2021	452
Additions	-
At 31 December 2022	452
Amortisation	
At 1 January 2021	127
Charge for year	137
At 31 December 2021	264
Charge for the year	117
At 31 December 2022	381
Carrying amount	
At 31 December 2022	71
At 31 December 2021	188

Software licence assets relate to investments made in third-party software packages, and directly attributable external personnel costs in implementing those platforms.

The amortisation charge is recognised in administration costs in the income statement.

8. Trade and Other Receivables

	2022	2021
	£'000s	£'000s

Gross claim value	393,560	325,260
Settlement adjustment on initial recognition	(203,518)	(151,507)
Trade receivables before impairment provision	190,042	173,753
Provision for impairment of trade receivables	(24,674)	(27,360)
Net trade receivables	165,368	146,393
Accrued income	54,778	39,431
Prepayments	1,603	1,849
Other debtors	523	461
	222,272	188,134

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment of financial assets note. Whilst credit risk is considered to be low, the market risks inherent in the business pertaining to the nature of legal and court cases and ageing thereof is a significant factor in the valuation of trade receivables.

Average gross debtor days calculated on a count back basis were 464 at 31 December 2022 and 432 at 31 December 2021.

Age of net trade receivables

	2022	**2021**
	£'000s	**£'000s**
Within 1 year	92,497	83,166
1 to 2 years	39,606	34,931
2 to 3 years	18,259	19,716
3 to 4 years	12,251	7,524
Over 4 years	2,755	1,056
	165,368	146,393

Average age (days)	464	432

The provision for impairment of trade receivables is the difference between the carrying value and the present value of the expected proceeds. The Directors consider that the fair value of trade and other receivables is not materially different from the carrying value.

Movement in provision for impairment of trade receivables

	2022	**2021**
	£'000s	**£'000s**
Opening balance	27,360	21,016
Increase in provision	5,422	10,635
Utilised in the year	(8,108)	(4,291)
	24,674	27,360

9. Borrowings

	2022	2021
	£'000s	£'000s
Non-current loans and borrowings		
Lease liabilities	7,176	8,430
Revolving credit facility	10,000	10,000
Other borrowings	15,000	3,814
	32,176	22,244
Current loans and borrowings		
Lease liabilities	6,403	8,833
Invoice discounting facility	30,562	29,258
Other borrowings	13,032	9,241
	49,997	47,332

Direct Accident Management Limited uses an invoice discounting facility which is secured on the trade receivables of that company. Security held in relation to the facility includes a debenture over all assets of Direct Accident Management Limited dated 11 October 2016, extended to cover the assets of Anexo Group Plc and Edge Vehicles Rentals Group Limited from 20 June 2018 and 28 June 2018 respectively, as well as a cross corporate guarantee with Professional and Legal Services Limited dated 21 February 2018. At the end of December 2022, Direct Accident Management Limited has availability within the invoice discounting facility of £0.9 million (2021: £1.3 million).

In July 2020 Direct Accident Management Limited secured a £5.0 million loan facility from Secure Trust Bank Plc, under the Government's CLBILS scheme. The loan was secured on a repayment basis over the three year period, with a three month capital repayment holiday.

Direct Accident Management Limited is also party to a number of leases which are secured over the respective assets funded.

The revolving credit facility is secured by way of a fixed charge dated 26 September 2019, over all present and future property, assets and rights (including uncalled capital) of Bond Turner Limited, with a cross company guarantee provided by Anexo Group Plc. The loan is structured as a revolving credit facility which is committed for a three-year period, until 13 October 2024, with no associated

repayments due before that date. Interest is charged at 3.25% over the Respective Rate. The facility was fully drawn down as at 31 December 2022 and 2021.

In July 2020 Anexo Group Plc secured a loan of £2.1 million from a specialist litigation funder to support the investment in marketing costs associated with the VW Emissions Class Action. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity three years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group.

In November 2021 a further £3.0 million loan was sourced from certain of the principal shareholders and directors of the Group to support the investment in 2022 of the Mercedes Benz emissions claim. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity two years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group. There has been no adjustment to increase the liability for either of these loans for the share of proceeds as no settlement has yet been reached.

In March 2022 the group secured a loan of £7.5 million from Blazehill Capital Finance Limited, with an additional £7.5 million drawn in September 2022, the total balance drawn at 31 December 2022 was £15.0 million. The loan is non amortising and committed for a three year period. Interest is charged and paid monthly at 13% above the central bank rate. The facility is secured by way of a fixed charge dated 29 March 2022, over all present and future property, assets and rights (including uncalled capital) of Direct Accident Management Limited, with a cross company guarantee provided by Anexo Group Plc.

In October 2022, the Group secured a loan of £4.7 million from Premium Credit, the loan is unsecured and amortising over a 12 month period.

The loans and borrowings are classified as financial instruments and are disclosed in the financial instruments note.

The Group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment of financial assets note.

The Group’s banking arrangements provided by Secure Trust Bank Plc, HSBC Bank Plc and Blazehill Capital Limited are subject to monitoring through financial performance measures or covenants.

The Secure Trust facility include the following covenants, all of which are tested monthly:

- A number of individual measures focussed on the relationship between cash collections and funding levels
- Settlement rates
- Hire periods
- Disbursement spending

- Vehicle numbers and utilisation

The Blazehill facility includes the following covenants, all of which are tested monthly:

- Group EBITDA to be not less than 80% of forecast
- Cash collections to be not less than 80% of forecast
- Investment in group capex to not exceed 120% of forecast (testing over a rolling three months)
- Minimum group liquidity to exceed £2.8 million at any time

The HSBC facility includes the following covenants, which are tested quarterly for a rolling 12 month period on the results for Bond Turner Limited:

- Interest cover (the relationship between EBITDA and finance charges) to exceed 4 times
- Leverage (being the relationship between EBITDA and net debt) to exceed 2 times

During the year, certain of the measures and covenants within the Secure Trust facility came under pressure and required action by the Group which included a regular dialogue between all parties to ensure that the reasons behind the breaches were fully understood, agreed and ultimately waived, certain of which varied during the year based on our discussions with Secure Trust. All the required waivers were fully in place post year end. A facility from Secure Trust of £40.0 million at 31 December 2022 (£29.3 million as at 31 December 2021) was already classified as repayable on demand so was not impacted.

There we no such breaches within either of the Blazehill or HSBC facilities, all such covenants being met during the year.