For immediate release **13 August 2020**

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

Interim Results

"Increased cash collections lead to milestone of net cash generation"

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, is pleased to report Interim Results for the six months ended 30 June 2020 ('H1 2020' or the 'period'). The Board is pleased to report that the Group has attained its target of net cash generation throughout the period. This milestone has been achieved against the backdrop of the COVID-19 pandemic which, despite the Group's two core divisions remaining fully operational throughout, has inevitably affected performance in the latter part of H1 2020. In particular, the number of vehicles on the road fell sharply as the UK went into lockdown, but has since recovered to exceed recent peaks. Anexo has continued to invest in its business and the Board is confident in the outcome for FY 2020.

Financial Highlights

	H1 2020	H1 2019	Movement
Revenue	**£36.6 million**	£36.7 million	-0.3%
Adjusted operating profit[1]	**£7.8 million**	£11.8 million	-33.9%
Adjusted profit before tax[1,2]	**£6.7 million**	£10.8 million	-38.0%
Net assets	**£103.9 million**	£82.9 million	+25.4%
Cash collection	**£48.0 million**	£36.6 million	+30.9%
Basic EPS	**4.5 pence**	7.6 pence	-40.7%

- Net cash inflow from operating activities of £6.2 million (H1 2019: net cash inflow £2.5 million)
- Overall net cash inflow (excluding the recent fundraise) of £2.4 million (H1 2019: net cash outflow £7.0 million)
- Significant reduction in cash absorbed into working capital reducing from £13.0 million in H1 2019 to £4.5 million in H1 2020, supporting the cash generative nature of the Group during the period
- Overall reduction of £4.0 million in adjusted operating profit, largely as a result of investment in staff to drive settlements and cash receipts in FY 2021 (£2.6 million), investment in the VW case acquisition (£0.7 million) and office and IT costs associated with the headcount increase (£0.5 million)
- Proposed interim dividend of 0.5p per share (H1 2019: 1 penny per share)
- Net debt balance at 30 June 2020 stood at £19.6 million (30 June 2019: net debt of £23.4 million)
- The Board expects H2 2020 underlying profit before tax (before investment in VW emissions case acquisition) to recover strongly

[1] Adjusted results exclude share based payments.
[2] After expenditure of £4.0m on staff expansion, VW case acquisition and associated costs

Operational Highlights

- Anexo has attained its target of net cash generation throughout the period in line with the strategy set out at IPO
- Successful Placing in May 2020 to raise £7.0 million to expand the advocacy and specialist litigation team with specific emphasis on funding the acquisition and processing of VW emissions cases and support opening of new office in Leeds in FY 2020
- The Group raised an additional £2.1 million from a litigation funder to allow capital to continue to be deployed into client acquisition in relation to the VW emissions case without detracting from our core business. The Group has further increased its capital base with £5.0 million drawn from the Governments CBILS scheme in July 2020

- The COVID 19 impact on activity levels in the Credit Hire division was particularly evident in H1 2020 and affected revenue generation, but the number of the Group's vehicles on the road as we enter the second half of the year is ahead of our own internal targets and currently stands at 1,575 vehicles as at 12 August 2020
- As anticipated, as a result of the COVID 19 pandemic there was a reduction in settlement efficiency for the Legal Services division as staff were transitioned to working from home. This, combined with the costs associated with opening the second floor within the Bolton office and associated staff investment and recruitment, have led to both a reduction in cash receipts and fee income and an increased cost base
- As high-quality new lawyers reach case maturity and staff return to the office Anexo expects a return to previous efficiencies and increases in settlements and cash collections in H2 2020

KPIs	**H1 2020**	**H1 2019**	**Movement**
Number of vehicles on hire at the period end	**1,380**	1,571	-12.2%
Average number of vehicles on hire for the period	**1,286**	1,496	-14.0%
Completed vehicle hires	**2,953**	3,363	-12.2%
Number of hire cases settled	**2,622**	2,066	+26.9%
Cash collections from settled cases (£'000s)	**47,961**	36,628	+30.9%
Number of new cases funded	**3,025**	3,392	-10.8%
Legal staff employed at period end	**450**	344	+30.8%
Number of senior fee earners at period end	**137**	109	+25.7%
Average number of senior fee earners	**134**	98	+36.7%

Commenting on the Interim Results, Alan Sellers, Executive Chairman of Anexo Group plc, said:

"I am pleased to report that Anexo has hit its target of becoming cash generative in the period. As we set out at IPO in 2018, our strategy was to invest and expand the Group's Legal Services division in order to increase the number of cases settled and therefore boost cash collections and maximise the value from the extensive back log of cases in our portfolio. Our ability to deliver on the strategy sends a clear message about Anexo's ability to deliver results to our shareholders, and will give confidence in the Group as we look to expand our unique business model and make the most of the significant market opportunity.

"The COVID 19 pandemic has undoubtedly impacted the Group in the first six months of the year, but as we see activity levels for our Credit Hire division returning to normal, and the case portfolio of our expanded Legal Services division matures and case settlement efficiency improves, we are confident that both revenue generation and earnings growth should return in the second half.

"As we continue to offer dividends to our shareholders and reinstate market guidance, we look forward to the future with confidence."

- Ends -

Analyst meeting

A conference call for analysts only will be held at 09.30am today, 13 August 2020. A copy of the Interim Results presentation is available at the Group's website: https://www.anexo-group.com/ . Please contact Buchanan if you would like to join the call.

An audio webcast of the conference call with analysts will be available after 12pm today:https://webcasting.buchanan.uk.com/broadcast/5f0eccdb4c167c121579686c

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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 over 1,100 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. To subscribe to our investor alert service and receive all press releases, financial results and other key shareholder messages as soon as they become available, please visit: https://www.anexo-group.com/content/investors/alert.asp.

Executive Chairman's Statement

On behalf of the Board, I am pleased to introduce Anexo's results for the six-month period ended 30 June 2020, a period during in which the Group has achieved its target of becoming net cash generative.

As in 2019, and notwithstanding the issues associated with the COVID-19 pandemic, the Group has continued to focus on the legal services business, with efforts and investment driving settlement capacity and cash collections from the recruitment of a significant number of senior litigators across both the Liverpool and Bolton offices.

This investment has driven value from within our extensive case portfolio, and as a result the Group has reported an overall net cash inflow (excluding proceeds from the recent placing) of £2.4 million. This is a milestone for the Group and represents a significant improvement over the position in H1 2019 where £7.0 million of cash was absorbed, and that of H2 2019, where a further £1.5 million of cash was absorbed.

The most significant contributory factor to this trend remains cash collections from settled cases. Driven by the continued investment in legal staff, these reached £48.0 million in H1 2020, an increase of 30.9% on H1 2019 (£36.6 million) and a slight increase over that seen in H2 2019, which totalled £47.5 million. The cash collections figure should be viewed in the light of the impact of the COVID-19 pandemic. As previously announced, our Legal Services division has remained operational throughout the lockdown period. Many of our staff have transitioned to working from home and the court system has remained open for hearings via video conference or telephone. Notwithstanding the ability of the division to adapt, there were significant logistical challenges for our litigators, as there were for the insurers, the defence law firms and the courts, as they all battled to work through the widespread disruption of normal working practices. This inevitably had an effect on the ability of our staff to agree settlements with their counterparty representatives and to expedite the consequent collection of cash. We are encouraged by the speed with which our staff have returned to normal working practices following the end of formal lockdown.

The credit hire business has also been affected by the effects of the pandemic. The number of vehicles on the road fell sharply at the end of March 2020 as the UK went into lockdown. At the lowest point during this period our weekly levels of new business fell to around 25% of our normal expected volumes.

It has been pleasing, therefore, to see activity levels recovering quickly. This has been particularly helped by the large element of our business focussed upon the courier market, which predominantly concentrates on smaller motorcycles of 125cc and below. As a consequence, the number of vehicles on the road as we enter the second half of the year is ahead of our own post-pandemic internal targets. The initial drop-off has inevitably impacted H1 2020, with the average number of vehicles on the road falling 14% to 1,286 (H1 2019: 1,496). The number of vehicles on the road drives revenues and performance in the Credit Hire division, as do cash collections for the Legal Services division. Both of these were affected by the pandemic and further details of this impact are given below.

H1 2020 Group performance

Anexo delivered a strong performance across all key financial metrics and KPIs in 2019 and that trend broadly continued into H1 2020. Nevertheless, the reported results for the full six months have been impacted at both a profit and cash perspective by the COVID-19 pandemic. Whilst revenues at a Group level were in line with those reported in H1 2019, reaching £36.6 million, they were 12.3% below H2 2019 (£41.8 million) as both the number of cases funded reduced and the investment in legal staff continued. The unavoidable reduction in settlement efficiency as staff were transitioned to working from home inevitably meant that the division, despite its increased staffing levels, did not enjoy a corresponding increase in cash receipts and fee income in the short term. Overall wages and salary costs within the Legal Services division, which are expensed as incurred, increased from £6.0 million in H1 2019 to £8.0 million in H2 2019 to £8.8 million in H1 2020. As a result of this and combined with £0.4 million of VW marketing costs, which have also been expensed as incurred, alongside an increased investment in office and IT costs (£0.5 million), adjusted operating profit reduced in H1 2020 to £7.8 million from £11.8 million in H1 2019 (H2 2019: £13.4 million). This illustrates the impact which the COVID-19 pandemic has had on the Group trading performance but equally shows the division's success in attracting high-quality staff and the commensurate prospects for increased cash collections as settlement efficiencies return and the new recruits reach case maturity.

Credit Hire division

As previously reported in 2019, Anexo has continued to carefully manage growth in the Credit Hire division so as to focus investment on increasing settlement capacity within the Legal Services division. This strategy, alongside the impact of the COVID-19 pandemic, has resulted in a decline in activity levels between H1 2019 and H1 2020. The number of completed vehicle hires reduced from 3,363 to 2,953 respectively during this period and the impact of the COVID-19 pandemic is particularly apparent between H2 2019 (completed hires: 3,819) and H1 2020 where activity fell by 23.0%.

Whilst the average number of vehicles on the road declined by 14.0% period to period to 1,286 in H1 2020 (H1 2019: 1,496), it reached 1,380 at the end of H1 2020, reflecting the sharp recovery in activity levels. The number of vehicles on the road now exceeds the Group's own post COVID-19 expectations, reflecting our strong offering to the market and increased market share due to a number of our competitors reducing or ceasing activity in the sector.

This decline in activity impacted the trading performance of the division with revenues declining by 10.7% to £20.7 million in H1 2020 (H1 2019: £23.2 million), and profit before tax declining from £8.3 million in H1 2019 to £6.8 million in H1 2020. However, we have continued to see improvements in the value of each claim taken on as our sales team remains focused on generating the best possible opportunities for us to deploy working capital. We expect this policy and trend to continue as competition reduces.

Legal Services division

As noted above, effort remains focused on growing the claim settlement capacity of the Group and recruitment has continued throughout H1 2020 with the number of senior fee earners rising from 106 at the end of H1 2019 to 127 at the end of FY 2019 to 137 at the end of H1 2020. We have continued to recruit staff during this period and the fact that many of our peers have been making redundancies has provided opportunities for the Group to add to its pool of specialist litigators. It is also worth noting that the Group did not furlough any staff during the period.

This investment continues to drive growth in cash collections, despite the impact on growth levels caused by transitioning our staff to work from home and the impact of the COVID-19 pandemic on the insurers, their legal representatives and the courts. Cash collections increased by £11.3 million or 30.9% between H1 2019 and H1 2020, rising to £48.0 million from £36.6 million. The figure for H1 2020 was slightly above that seen in H2 2019 (£47.5 million) and, while positive in itself, this demonstrates the impact of the COVID-19 pandemic on our ability to settle cases and generate cash for the Group.

With our offices remaining open throughout the period, a large proportion of our staff have now returned to their office locations. We have introduced a fully flexible 24-hour working day alongside measures to ensure our staff are operating in as safe an office environment as they can. These measures are expected to result in a return to previous efficiencies and increases in settlements and cash collections into H2 2020.

Revenues for the Legal Services division, which strongly converts to cash, showed an increase of 17.8%, reaching £15.9 million in H1 2020 (H1 2019: £13.5 million). Profit before taxation declined to £0.6 million (H1 2019: £2.3 million), reflecting the significant investment in the new Bolton office and associated staff recruitment costs. As noted above, staffing costs within the Legal Services division increased from £6.0 million in H1 2019 to £8.8 million in H1 2020. As a result of the slowdown caused by the COVID-19 pandemic, the full effect of this investment has yet to be seen. Nevertheless, the number and quality of the senior staff we now have as well as our existing backlog of quality cases, puts the Group in a strong position to benefit as we return to more normal times. Noting the working capital cycle of a typical case and the timeline for settlement inherent in the court process, an experienced litigator will not reach capacity from a settlement and cash collection position for at least nine to twelve months, a period which has been extended in some cases due to COVID-19. Consequently, the considerable benefits to cash collections from the Group's investment in FY2019, initially expected in early FY2020, are expected to be seen later in the cycle.

With Bolton out-performing management's expectations, property negotiations continue to ensure the Leeds office is open and operational in FY 2020.

As previously outlined, Bond Turner also operates an in-house advocacy and specialist litigation team which handles complex professional and clinical negligence claims. Many of these constitute high value and high profile cases, some of which have been ongoing for many years; one example is the class action concerning historic abuse at Aston Hall psychiatric hospital. The case was settled for the clients in 2019 and negotiations regarding our associated legal fees continue.

More recently the advocacy team commenced action on behalf of a number of individuals who have registered their intention to pursue a claim against Volkswagen AG ("VW") and its subsidiaries (the "VW Emissions case"). The Group is currently actively engaged on approximately 10,700 cases following a limited marketing campaign in late 2019 and mid 2020 which was predominantly conducted through social media channels, the costs of which have been expensed as incurred. Approximately £935,000 was invested and expensed in H2 2019 in marketing, IT and staffing costs, with an additional £689,000 being invested in H1 2020 to drive additional claimants to the Group.

The Board notes the decision by the Court of Appeal, announced on 7 August 2020, to refuse Volkswagen permission to appeal against the High Court judgement of 6 April 2020. This decision reinforces the Board's belief that a settlement is both desirable and necessary. In the event of any settlement, the percentage of potential damages and associated costs accruing to the Group would have a significant positive impact on the Group's expectations for profits and cash flow for the relevant accounting period. Any revenue from a settlement would be unlikely to accrue until FY 2021 at the earliest. There is no certainty that a settlement in favour of the Group's clients will be reached, nor is there any guarantee that such a settlement would include financial compensation.

However, the current state of the proposed litigation process has led the Group to raise £2.1 million from a litigation funder to provide capital for further client acquisition without detracting from our core business. As explained in note 2 to the accounts, we have expanded our segmental reporting disclosures to provide transparency into the underlying level of performance of the core business and areas of investment.

Dividend

The Board is pleased to propose an interim dividend of 0.5p per share which will be paid on 23 September 2020 to those shareholders on the register at the close of business on 28 August 2020. The shares will become ex-dividend on 27 August 2020. The Board intends to maintain its progressive dividend policy over the full year but with a greater weighting towards the second half.

Trading Outlook

Having seen a decline in activity levels and cash collections in H1 2020 as a result of the global pandemic, recent activity levels indicate a strong second half performance for the Credit Hire division. The outlook for the Legal Services division is also positive with recruitment continuing as the market remains challenging for many competing legal businesses. Recovery to the levels originally envisaged in cash collections is expected to be somewhat slower to recover than credit hire activity; however, the return of our staff to the office and recent trends indicate positive momentum in what is traditionally a slower period during the summer months.

The recent fundraise, generating £7.0 million of funds after expenses, alongside the £2.1 million secured to support the investment in VW and £5.0 million drawn from Secure Trust Bank Plc in July 2020, under the Government backed CBILS scheme, has resulted in a significant improvement in cash headroom for the Group. This will allow us to continue to take advantage of growth opportunities in the market whilst pursuing our core strategy of increasing cash generation from the Group's significant case portfolio.

Anexo has weathered the unprecedented storm of the COVID-19 pandemic extremely well and the Board is very proud of the fact that both its core divisions remained operational throughout. The Board is confident of the Group's ability to continue on its growth trajectory and, mindful of the significant possible opportunities which may arise from the current disruption, looks to the future with considerable optimism.

While uncertainty remains on the future economic impacts of the COVID-19 pandemic, with seven months of trading completed the Board is pleased to provide the following guidance to the market.

- Despite a challenging H1 2020, the Board notes the rebound in vehicle numbers within the Credit Hire division and is confident that H2 2020 should recover strongly.
- The Group is anticipating significantly increased planned investment in staff and marketing in relation to the VW emissions case of circa £4.0 million for H2 2020. The Group takes the prudent accounting approach of expensing all these costs in full at the time of spend.
- This investment, which will be separately disclosed by the Group going forward, will be funded through both a portion of the funds raised in May 2020 and the newly agreed facility of £2.1 million from a litigation funder.
- While this investment will impact overall cash flow, the Board expects the core credit hire and legal services business to continue to be cash generative in H2 2020.

Alan Sellers
Executive Chairman
13 August 2020

Consolidated Statement of Comprehensive Income
For the unaudited period ended 30 June 2020

	Note	Unaudited Half year ended 30-Jun-20 £'000s	Unaudited Half year ended 30-Jun-19 £'000s	Audited Year ended 31-Dec-19 £'000s
Revenue		**36,625**	36,717	78,510
Cost of sales		**(7,560)**	(7,225)	(15,703)
Gross profit		**29,065**	29,492	62,807
Depreciation & gain on sale of fixed assets		**(1,122)**	(1,192)	(2,327)
Depreciation on right of use assets		**(2,041)**	(2,849)	(4,220)
Amortisation		**(44)**	-	(35)
Administrative expenses		**(18,044)**	(13,638)	(30,975)
Operating profit before exceptional items		**7,814**	11,813	25,250
Share based payment charges		**(329)**	(329)	(657)
Non-recurring administrative expenses		**-**	-	-
Operating profit		**7,485**	11,484	24,593
Finance costs		**(965)**	(762)	(1,801)
Lease finance costs		**(176)**	(292)	(401)
Total finance costs		**(1,141)**	(1,054)	(2,202)
Profit before tax		**6,344**	10,430	22,391
Taxation		**(1,374)**	(2,045)	(4,403)
Profit and total comprehensive income for the year attributable to the owners of the company		**4,970**	8,385	17,988
Earnings per share				
Basic earnings per share (pence)		**4.5**	7.6	16.4
Diluted earnings per share (pence)		**4.4**	7.4	16.0

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
Unaudited at 30 June 2020

		Unaudited	Unaudited	Audited
		30-Jun-20	30-Jun-19	31-Dec-19
Assets	Note	£'000s	£'000s	£'000s
Non-current assets				
Property, plant and equipment		**4,056**	3,233	3,673
Right-of-use assets		**7,129**	9,815	7,821
Intangible assets		**191**	-	175
		11,376	13,048	11,669
Current assets				
Trade and other receivables		**132,379**	116,841	127,768
Cash and cash equivalents		**11,211**	491	2,270
		143,590	117,332	130,038
Total assets		**154,966**	130,380	141,707
Equity and liabilities				
Equity				
Share capital		**58**	55	55
Share premium		**16,180**	9,235	9,235
Share based payment reserve		**1,370**	713	1,041
Retained earnings		**86,334**	72,862	81,365
Equity attributable to the owners of the Group		**103,942**	82,865	91,696
Non-current liabilities				
Other interest-bearing loans and borrowings		**2,712**	-	393
Lease liabilities		**4,885**	5,150	5,029
Deferred tax liabilities		**-**	20	32
		7,597	5,170	5,454
Current liabilities				
Bank overdraft		**17,320**	14,532	17,784
Other interest-bearing loans and borrowings		**10,813**	9,382	12,144
Lease liabilities		**2,599**	4,927	3,124
Trade and other payables		**7,726**	9,118	7,915
Corporation tax liability		**4,969**	4,386	3,590
		43,427	42,345	44,557
Total liabilities		**51,024**	47,515	50,011
Total equity and liabilities		**154,966**	130,380	141,707

Consolidated Statement of Changes in Equity
For the unaudited period ended 30 June 2020

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
At 1 January 2020	55	9,235	1,041	81,365	91,696
Profit for the year and total comprehensive income	-	-	-	4,970	4,970
Issue of share capital	3	6,944	-	-	6,947
Share based payments	-	-	329	-	329
Dividends	-	-	-	-	-
At 30 June 2020	**58**	**16,179**	**1,370**	**86,335**	**103,942**
At 1 January 2019	55	9,235	384	66,127	75,801
Profit for the year and total comprehensive income	-	-	-	8,385	8,385
Share based payments	-	-	329	-	329
Dividends	-	-	-	(1,650)	(1,650)
At 30 June 2019	55	9,235	713	72,862	82,865
Profit for the year and total comprehensive income	-	-	-	9,603	9,603
Creation of share based payments reserve	-	-	328	-	328
Dividends	-	-	-	(1,100)	(1,100)
At 31 December 2019	55	9,235	1,041	81,365	91,696

Anexo Group Plc
Consolidated Statement of Cash Flows
For the unaudited period ended 30 June 2020

	Unaudited Half year ended 30-Jun-20 £'000s	Unaudited Half year ended 30-Jun-19 £'000s	Audited Year ended 31-Dec-19 £'000s
Cash flows from operating activities			
Profit for the year	**4,970**	8,385	17,988
Adjustments for:			
Depreciation and amortisation	**3,163**	4,041	6,574
Amortisation	**44**	-	35
Financial expense	**1,141**	1,054	2,202
Taxation	**1,374**	2,045	4,403
	10,692	15,525	31,175
Working capital adjustments			
Increase in trade and other receivables	**(4,611)**	(15,211)	(26,294)
Increase in trade and other payables	**137**	2,225	1,351
Cash generated from operations	**6,218**	2,539	6,232
Interest paid	**(965)**	(762)	(1,797)
Tax paid	**(27)**	(2,240)	(5,230)
Net cash from operating activities	**5,226**	(463)	(795)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**476**	195	374
Acquisition of property, plant and equipment	**(1,981)**	(1,349)	(3,104)
Investment in intangible fixed assets	**(59)**	-	(210)
Net cash from investing activities	**(1,564)**	(1,154)	(2,940)
Cash flows from financing activities			
Net proceeds from the issue of share capital	**6,947**	-	-
Proceeds from new loan	**3,324**	-	13,107
Dividends	**-**	(1,650)	(2,750)
Repayment of borrowings	**(2,706)**	(210)	(10,920)
Lease payments	**(2,193)**	(2,879)	(4,289)
Payment of finance lease liabilities	**(1,098)**	(681)	(2,225)
New finance lease arrangements	**1,469**	-	2,302
Net cash from financing activities	**5,743**	(5,420)	(4,775)
Net increase / (decrease) in cash and cash equivalents	**9,405**	(7,037)	(8,510)
Cash and cash equivalents at 1 January	**(15,514)**	(7,004)	(7,004)
Cash and cash equivalents at period end	**(6,109)**	(14,041)	(15,514)

Anexo Group Plc
Notes to the Interim Statements
For the unaudited period ended 30 June 2020

1. Basis of preparation and significant accounting policies

The condensed consolidated financial statements are prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard ('IAS') 34, 'Interim Financial Reporting'.

The information for the year ended 31 December 2019 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on these accounts was not qualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The condensed unaudited financial statements for the six months to 30 June 2020 have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

The condensed consolidated financial statements have been prepared under the going concern assumption.

The Directors have assessed the future funding requirement of the Group, and have compared them to the levels of available cash and funding resources. The assessment included a review of current financial projections to December 2021. Having undertaken this work, the Directors are of the opinion that the Group has adequate resources to finance its operations for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the Interim Report.

2. 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, and
- investment in the Volkswagen class action, and
- Group and central costs.

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

	Half year ended 30 June 2020				
	Credit Hire £'000s	**Legal Services £'000s**	**VW Class Action £'000s**	**Group and Central Costs £'000s**	**Consolidated £'000s**
Revenues					
Third party	20,702	15,923	-	-	36,625
Total revenues	20,702	15,923	-	-	36,625
Profit before taxation	6,812	**837**	**(689)**	(616)	6,344
Net cash from operations	4,553	**1,931**	**(689)**	(569)	5,226
Depreciation	2,802	361	-	-	3,163
Segment assets	107,511	44,363	-	3,092	154,966
Capital expenditure	1,657	324	-	-	1,981
Segment liabilities	29,905	18,813	2,022	284	51,024

Half year ended 30 June 2019	Credit Hire £'000s	Legal Services £'000s	VW Class Action £'000s	Group and Central Costs £'000s	Consolidated £'000s
Revenues					
Third party	23,197	13,520	-	-	36,717
Total revenues	23,197	13,520	-	-	36,717
Profit before taxation	8,348	2,322	-	(240)	10,430
Net cash from operations	(405)	287	-	(345)	(463)
Depreciation	3,693	348	-	-	4,041
Segment assets	89,785	40,498	-	97	130,380
Capital expenditure	1,007	342	-	-	1,349
Segment liabilities	31,940	15,295	-	280	47,515

Year ended 31 December 2019	Credit Hire £'000s	Legal Services £'000s	VW Class Action £'000s	Group and Central Costs £'000s	Consolidated £'000s
Revenues					
Third party	47,981	30,529	-	-	78,510
Total revenues	47,981	30,529	-	-	78,510
Profit before taxation	17,915	6,857	(935)	(1,446)	22,391
Net cash from operations	(1,360)	2,427	(935)	(927)	(795)
Depreciation	5,767	780	-	-	6,547
Segment assets	97,177	44,351	-	179	141,707
Capital expenditure	2,131	973	-	-	3,104
Segment liabilities	30,765	18,935	-	311	50,011

3. Property, Plant and Equipment

	Property improvement £'000s	Fixtures fittings & equipment £'000s	Motor vehicles £'000s	Office equipment £'000s	Total £'000s
Cost or valuation					
At 1 January 2019	341	794	4,457	731	6,323
Additions	-	338	983	28	1,349
Disposals	-	-	(751)	(30)	(781)
At 30 June 2019	341	1,132	4,689	729	6,891
Additions	112	649	938	58	1,757
Adjustment / Disposals	-	-	(492)	-	(492)
At 31 December 2019	453	1,781	5,135	787	8,156
Additions	23	289	1,633	52	1,997
Disposals	-	-	(1,571)	-	(1,571)
At 30 June 2020	476	2,070	5,197	839	8,582
Depreciation					
At 1 January 2019	258	246	1,907	642	3,053
Charge for year	5	84	1,086	17	1,192
Eliminated on disposal	-	-	(559)	(28)	(587)
At 30 June 2019	263	330	2,434	631	3,658
Charge for the year	10	130	1,082	20	1,242
Adjustment / disposals	-	-	(417)	-	(417)
At 31 December 2019	273	460	3,099	651	4,483
Charge for the year	16	177	1,044	20	1,257
Adjustment / disposals	-	-	(1,214)	-	(1,214)
At 30 June 2020	289	637	2,929	671	4,526
Carrying amount					
At 30 June 2020	**187**	**1,433**	**2,268**	**168**	**4,056**
At 31 December 2019	180	1,321	2,036	136	3,673
At 30 June 2019	78	802	2,255	98	3,233

4. Trade and Other Receivables

	Jun-20	Jun-19	Dec-19
	£'000s	£'000s	£'000s
Trade receivables	**241,395**	193,971	220,463
Provision for impairment of trade receivables	**(127,291)**	(104,039)	(119,479)
Net trade receivables	**114,104**	89,932	100,984
Prepayments and accrued income	**17,347**	24,868	24,948
Other debtors	**816**	2,041	1,414
Deferred taxation	**112**	-	112
	132,379	116,841	127,768

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.

Trade receivables stated above include amounts due at the end of the reporting period for which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there has been no significant change in credit quality.

5. Borrowings

	Jun-20	Jun-19	Dec-19
	£'000s	**£'000s**	**£'000s**
Non-current loans and borrowings			
Bank loans and overdrafts	**-**	-	-
Obligations under finance lease and hire purchase contracts	**691**	-	393
Other borrowings	**2,021**	-	-
Lease liabilities	**4,885**	5,150	5,029
	7,597	5,150	5,422
Current loans and borrowings			
Bank loans and overdrafts	**17,320**	14,532	17,784
Revolving credit facility	**8,000**	5,000	8,000
Obligations under finance lease and hire purchase contracts	**1,605**	2,337	1,761
Other borrowings	**1,208**	2,045	2,383
Lease liabilities	**2,599**	4,927	3,124
	30,732	28,841	33,052

Direct Accident Management Limited uses an invoice discounting facility which is secured on the trade receivables of that company, the balance outstanding being reported within bank loans and overdrafts. 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. Direct Accident Management Limited is also party to the number of finance 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. The loan is structured as a revolving credit facility which is committed for a three-year period, until 27 September 2022, with no associated repayments due before that date. Interest is charged at 3.25% over LIBOR.

- Ends -