For immediate release **27 April 2021**

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

Final Results

"Continued growth in capacity underpins full year of net cash generation"

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, announces its final results for the year ended 31 December 2020 (the 'period' or 'FY 2020').

Financial Highlights

- Revenue increased by 10.5% to £86.8 million (2019: £78.5 million)
- Operating profit reported at £18.1 million (2019: £24.6 million), a reduction of 26.6% in line with market expectations
- Adjusted[1] operating profit before exceptional items in line with market expectations, declining by 25.9% to £18.7 million (2019: £25.3 million)
- Adjusted[1] operating profit margin reduced to 21.6% (2019: 32.2%)
- Profit before tax of £15.5 million (2019: £22.4 million), a reduction of 30.8%
- Adjusted[1] profit before tax and exceptional items reported at £16.1 million, (2019: £23.0 million), a decline of 29.9% after £6.5 million of investment in staff, VW case acquisition costs and IT costs associated with the headcount increase
- Adjusted[2] basic EPS at 11.4 pence (2019: 17.0 pence)
- Proposed final dividend of 1 penny per share giving a total dividend for the year of 1.5 pence per share (2019: 1.5 pence per share)
- Net assets reported at £110.4 million (2019: £91.7 million) representing an increase of 20.4%
- Reduction in net cash outflows from operating activities reporting a net cash inflow of £0.2 million in 2020 (2019: net cash outflow: £0.8 million)
- Net debt balance at 31 December 2020 was £40.5 million (31 December 2019: £36.2 million)

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

1. Adjusted operating profit and profit before tax: excludes share-based payment charges in 2019 and 2020. A reconciliation to reported (IFRS) results is included in the Financial Review.
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 2020 the Group has seen continued improvement in a number of key performance measures (detailed below). These have resulted in a transition from cash absorption to cash generation by the Group, notwithstanding the issues faced during 2020 from COVID-19. This trend is particularly pleasing with an increase in the number of new cases funded, rising from 6,959 to 7,535. This illustrates increased investment in our portfolio of cases and is supported by growth in cash collections, which rose by 16.4% in the year to reach £98.0 million in FY 2020.

- This improvement has been supported by investment in legal staff. In 2019, the number of senior fee earners grew by almost 43% to reach 127 at the year end. Further recruitment in 2020 has resulted in headcount growing by a further 18 staff (an increase of 14%) to end the year at 145 senior fee earners.

KPI's	2020	2019	% movement
Total revenues (£'000s)	86,752	78,510	10.5%
Gross profit (£'000s)	67,952	62,807	8.2%
Adjusted operating profit (£000's)	18,708	25,250	(25.9%)
Adjusted operating profit margin (%)	21.6%	32.2%	(32.9%)
Vehicles on hire at the year-end (no)	1,613	1,308	23.3%
Average vehicles on hire for the year (no)	1,515	1,454	4.2%
Number of hire cases settled	5,236	4,938	6.0%
Cash collections from settled cases (£'000s)	97,977	84,140	16.4%
New cases funded (no)	7,535	6,959	8.3%
Senior fee earners at period end (no)	145	127	14.2%
Average number of senior fee earners (no)	140	111	26.1%

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

"I am delighted to report that the Group has achieved the milestone of net cash generation throughout the Financial Year. This achievement is especially notable given the disruption we experienced throughout the year as a result of the COVID-19 pandemic.

"We continue to focus on increasing cash settlements through the expansion of our Legal Services division while using our working capital to underpin growth in our Credit Hire division. Vehicle numbers were very robust, particularly in the second half of the year, despite the pandemic.

"Both our business divisions have remained fully operational throughout the 2020 and into 2021 and the Group has demonstrated considerable resilience. Ongoing investment into our advocacy practice is forming a solid foundation for our strategy of building this into a major contributor to future revenues.

"The arrival of DBAY Advisors Limited as a significant shareholder is a major vote of confidence in the Group's strategy and management and we look forward to working closely with DBAY to ensure continued expansion of our main business divisions and to create value for all our shareholders.

"The Board remains confident of the Group's capacity for organic growth. We believe that we have proved the resilience of our business in the difficult circumstances we continue to experience. Given our strong financial position we believe that Anexo is well positioned to continue its growth trajectory and deliver profitable growth to our shareholders. The Board is pleased to propose a dividend of 1 penny."

Analyst Briefing

A conference call for analysts will be held at 9.30am today, 27 April 2021. A copy of the Final Results presentation is available at the Group's website: https://www.anexo-group.com/

An audio webcast of the conference call with analysts will be available after 12pm today: https://www.anexo-group.com/content/investors/latest-results

For further enquiries:

Anexo Group plc	+44 (0) 151 227 3008
Alan Sellers, Executive Chairman	www.anexo-group.com
Mark Bringloe, Chief Financial Officer	
Nick Dashwood Brown, Head of Investor Relations	
Arden Partners plc	
(Nominated Adviser and Joint Broker)	
John Llewellyn-Lloyd / Benjamin Cryer (Corporate)	+44 (0) 20 7614 5900
Tim Dainton (Equity sales)	www.arden-partners.co.uk
Panmure Gordon	
(Joint Broker)	+44 (0)20 7 886 2500
Daniel Norman/Dominic Morley/Alex Penney	www.panmure.com

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 performance by the Group in the face of considerable nationwide challenges. Despite the difficulties caused by the COVID-19 pandemic, the Group remained fully operational throughout both the year's national lockdowns and achieved the significant milestone of net cash generation. These results reflect our policy of increasing cash settlements through the expansion of our Legal Services division, while using our working capital to maximum effect to ensure growth in our Credit Hire division. The parallel investment in our advocacy practice will help this to become a major contributor to future revenues.

2020 also saw a significant change in the ownership structure of the Group with DBAY Advisors Limited ('DBAY') agreeing to acquire a minority stake of 29.0% of the issued share capital of the Group from myself, Samantha Moss and Valentina Slater at a price of 150 pence per share. Whilst the transaction will not result in any changes operationally, the Group plans to work closely with DBAY to continue the expansion of its Credit Hire and Legal Services divisions and is committed to the creation of value for all its shareholders.

DBAY is an international asset management firm with offices in the Isle of Man and London. It set up its first investment vehicle in 2008 and now manages investments on behalf of institutional investors, family offices, pension funds, trusts and foundations in various funds. DBAY is owned by members of the firm on a partnership basis.

With this development and continuing expansion of the core business in challenging times we believe that the Group is well positioned for robust growth in 2021 and beyond.

Group Performance

Anexo delivered a strong performance during a period of sustained investment in our infrastructure. Despite the initial disruption caused by the national lockdowns in March and November, trading recovered swiftly and levels of activity across our divisions remained high. As a result, Group revenues in 2020 increased by 10.5% to £86.8 million (2019: £78.5 million). Adjusted profit before tax fell 29.9% to £16.1 million (2019: £23.0million), reflecting expenditure of £6.5 million on investment in staff, VW case acquisition and IT costs associated with the headcount increase. This adjusted figure is in line with market expectations.

The emphasis in early 2020 was on cash generation. During 2019, cash absorption reduced from £7.0 million in the first half of the year to £1.5 million in the second half. This trend continued over the first half of 2020 and at the interim stage the Group was able to report an overall net cash inflow of £2.4 million. This achievement was a milestone for the Group and one of which the Board remains very proud, particularly in light of the disruption caused by the COVID-19 pandemic.

The second half of the year saw a number of competitors withdrawing from the market and the Group took this opportunity to expand its network of introducer garages. At the same time the Group continued the expansion of staff numbers and the necessary supporting infrastructure. As a result of this ongoing investment in both divisions, the period was one of cash absorption rather than generation.

The Board is delighted to announce that, notwithstanding the impact of the two national lockdowns and the programme of investment expenditure, the Group achieved a net cash inflow for the year of £0.2 million (2019: net cash outflow: £0.8 million). This position was reached after investment in the VW Emissions case of £2.9 million (2019: £0.9 million). Excluding this expenditure, the Group's core business generated a net cash inflow from operations of £3.1 million in 2020 (2019: £0.1 million).

The Group took a series of prudent steps in the second half of the year to reinforce its balance sheet in the light of the pandemic. The placing of 6.0 million new shares at the end of June raised £6.9 million of new funds after expenses. In addition, the Group secured an investment of £2.1 million from a litigation funder to support its investment in the VW emissions class action and a further £5.0 million was drawn down from Secure Trust plc under the Government-backed CLBILS scheme. These transactions have resulted in a significant improvement in cash headroom for the Group.

Credit Hire division

The Group's Credit Hire division, EDGE, saw record performance in vehicle provision during the year. The number of new vehicle hires initially saw a sharp decline upon the implementation of the first national lockdown in March. However, a large number of EDGE customers are classed as key workers, including couriers (who have been extremely active throughout the pandemic) as well as health professionals, teachers, nursery staff, emergency workers and supermarket personnel. As a consequence, vehicle numbers recovered strongly and reached record levels prior to the announcement of the second national lockdown in October. The number of vehicles on hire at the end of 2020 rose 23.3% to 1,613 (2019: 1,308) and the average number of vehicles on hire throughout the financial year rose 4.2% to 1,515 (2019: 1,454).

Revenues within the Credit Hire division grew by 7.5% to £51.6 million (2019: £48.0 million). The Group maintains its claims acceptance strategy of deploying its resources into the most valuable claims, thereby growing claims while preserving working capital. This policy, combined with increased costs incurred as a result of COVID-19 requirements, led to a reduction of 2.3% in gross profit to £33.5 million (2019: £34.3 million). The Group monitors its fleet size constantly, enabling it to respond quickly to changes in demand and strategic priorities by deploying its vehicles appropriately. Focus remains firmly on McAMS, the motorcycle division, reflecting the fact that, on average, a motorcycle claim has the same value as a car claim with a significantly lower take-on cost.

Legal Services division

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, coupled with our conservative recognition policies, has had a significant impact on financial performance. Revenues within the Legal Services division, which strongly converts to cash, increased by 15.2% to £35.2 million (2019: £30.5 million). The continued growth of the Bolton office, which opened in December 2018, and the opening of the Leeds office scheduled for the beginning of 2021 have provided considerable opportunities for recruitment. During the pandemic, the Group has seen a number of competitors withdrawing from the market and embarking on a run-off strategy; in addition, a number of high-quality staff at competitor firms were placed on furlough. Taking advantage of these recruitment opportunities means that staff numbers have risen at all levels. At the end of December staff numbers within Bond Turner stood at 518, a 17.2% increase on the 2019 figure of 442. Of these, a total of 145 were senior fee earners, up 14.2% (2019: 127).

VW Emissions Case

The marketing campaign around the class action against Volkswagen AG ('VW') and its subsidiaries (the 'VW Emissions Case') has continued throughout 2020. A judgment announced in the High Court of Justice on 6 April 2020 found that VW had indeed subverted key air pollution tests. VW was subsequently refused permission to appeal that judgment.

Bond Turner is acting on behalf of a number of individuals who have registered claims against VW and is currently engaged on approximately 14,356 cases. The marketing campaign has been largely conducted via social media channels as well as via the use of internal customer records. The campaign is ongoing, with all marketing costs being written off as incurred.

The Board believes that, in the event of a settlement, the percentage of potential damages and associated costs accruing to Anexo would have a significant positive impact on the Group's expectations for profits and cash flow for the relevant accounting period. There 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 a potential settlement is also unclear and no assumptions as to revenue have been included in the Board's internal forecasts for FY 2021.

Dividends

The Board is pleased to propose a final dividend of 1.0 pence per share which, if approved at the Annual General Meeting to be held on 16 June 2021, will be paid on 20 July 2021 to those shareholders on the register at the close of business on 25 June 2021. The shares will become ex-dividend on 24 June 2021. An interim dividend of 0.5 pence per share was paid on 23 September 2020 and that combined with the final dividend takes the total dividend for the year to 1.5 pence per share (2019: 1.5 pence 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.

COVID-19 Update

The advent of the COVID-19 pandemic inevitably caused some disruption to the Group's operations. The Group's operations are, however, categorised as essential businesses and as such have been exempted throughout from government restrictions. Its businesses supply and service a broad range of customers who are involved in a non-fault accident and who would otherwise be unable to access the mobility they need. Among these, the Group provides replacement vehicles to many key workers, including couriers (who are increasingly active during the current circumstances) and other customers such as doctors, nurses, schoolteachers, nursery staff, emergency workers and supermarket personnel.

The Group's core businesses have continued to be fully operational following the reintroduction of a national lockdown. Activity levels in the Credit Hire Division (EDGE) continue to be high. The COVID-19 pandemic has led to a number of the Group's competitors withdrawing from the market and, as a result, Anexo has been approached by a number of high-quality introducer garages looking for new partnerships. The Group has taken advantage of this unprecedented opportunity to expand its introducer network. Vehicles continue to be delivered and collected by staff who are protected in line with government guidelines. All returned vehicles are valeted as a matter of course before being allocated to a new customer and comprehensive cleaning procedures are being rigorously enforced.

The courts remain open, as they have done throughout the year, and notwithstanding a decline in court listings as a result of COVID, the Group's Legal Services division, Bond Turner, has continued to reach case settlements via telephone and online hearings where necessary. The progression and settlement of cases has been aided by moves from the Ministry of Justice (MoJ), supported by the Judiciary, to allow the remote operation of courts through online and telephone hearings. Many staff have returned to office working while observing social distancing guidelines and extensive COVID safety measures have been implemented. The Bond Turner offices have remained accessible 24 hours a day during recent months and the division has remained fully operational at all times.

EDGE, the Group's Credit Hire division, has also remained fully operational throughout 2020. Following the lifting of the first lockdown, the majority of the Group's introducer garages returned to normal working practices and any existing backlog of repair work was cleared. Some introducer garages have once again suspended work as a result of the second lockdown but fewer delays to repair work are being experienced.

Due to the unprecedented global impacts of Covid-19, the Company has continually re-assessed and analysed its business strategy with the key focus being minimising the impact on critical work streams, ensuring business continuity and conserving cash flows. As such, increased stakeholder engagement and open communication have become increasingly important in decision making for the Board.

While the Covid-19 crisis has interrupted our regular physical face to face interactions with various stakeholders internally and externally, we do consider them to be important in maintaining open communications and team cohesion and will be reintroducing these gradually provided it is safe to do so in line with Government guidelines and the needs of individual attendees. In the meantime, we have taken advantage of various video conferencing platforms where appropriate.

Current Trading and Outlook

As our financial performance and KPI's have demonstrated, the Group has continued to perform throughout a period of significant uncertainly, improving vehicle numbers and cash collections to record levels during 2020, demonstrating the strength and resilience of the Group during the current COVID-19 crisis. Whilst others have made redundancies, furloughed staff and withdrawn from the credit hire market, we have continued recruitment. This has impacted our reported financial performance in 2020 but these investments have been made to support continued growth into 2021 and beyond.

As a Board we developed a plan for managing the Group during this ever-changing year and continue to react to take advantage of opportunities as they arise. The expansion of the national vaccination programme and the relaxation of national lockdown from April 2021 has resulted in an increase in opportunities and vehicles on the road, consistent with the trends seen in 2020.

While uncertainties remain given the current environment, I continue to have great confidence in the strategy post COVID and look to the future with continued optimism.

Alan Sellers

Executive Chairman

27th April 2021

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 £0.7 million charge recorded for share-based payments in 2019 and the £0.7m charge for share-based payments in 2020.

A reconciliation between underlying 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

There have been a number of new UK IFRS accounting standards applicable from 1 January 2020, none of which have resulted in adjustment to the way in with the Group accounts or presents its financial information.

Revenue

In 2020 Anexo successfully increased revenues across both its divisions, Credit Hire and Legal Services, resulting in Group revenues of £86.8 million, representing an 10.5% increase over the prior year (2019: £78.5 million). This growth is particularly pleasing given the fact that we have all been operating under restrictions imposed by the Government to limit the impact of the COVID-19 pandemic.

During 2020 EDGE, the Credit Hire division, provided vehicles to 7,230 individuals (2019: 7,182) a slight increase on that seen in the prior year. This constitutes a strong performance given the restriction imposed during the year. As part of our continued investment in the motorcycle community, our sponsorship of the McAMS Yamaha team in the British Superbike Championship continued into 2020. The season was curtailed but our engagement with the team was buoyed with an outstanding second place for Jason O'Halloran in the Championship. Our strategy remains, as previously reported, to focus investment within the McAMS business. This reflects the fact that, on average, a motorcycle claim has a similar value to that of a car with a take-on cost significantly less, allowing the Group to deploy its resources into the most valuable claims, thereby growing revenues whilst preserving working capital.

Whilst the number of claims rose only slightly in 2020, the strategy of deploying capital into the most valuable claims to the Group resulted in revenues for the Credit Hire division increasing to £51.6 million in 2020, an increase of 7.5% over 2019 (£48.0 million).

As a result of spending the majority of 2020 operating within the ongoing COVID restrictions, we have again been focused on cash collections and maintaining headroom within our working capital facilities, whilst maintaining investment for growth in 2021. Given our conservative income recognition policies, investment within the Legal Services division in senior staff and property has had a significant impact on the financial performance of the division. Revenue growth within the Legal Services division in 2020 reached 15.2%, with revenues rising from £30.5 million in 2019 to £35.2 million.

Expansion of headcount in Bond Turner has been critical to increasing both revenues and cash settlements within the Group and the continued growth of the Bolton office, supported by expansion into Leeds, has provided a crucial platform for growth in both factors. During 2020, the Group continued its recruitment campaign, seeing some high-quality staff in the market as a result of competitor firms either entering a run-off plan or simply furloughing staff to remain viable. We have taken advantage of these opportunities, taking the decision to continue to recruit throughout the year, thereby investing in the future settlement capacity of the Group and consequently driving cash collections and the number of new cases we can fund without the need for additional working capital facilities. By the end of December 2020, we employed 518 staff in Bond Turner (December 2019: 442), of which 145 (December 2019: 127) were senior fee earners, an increase of 14.2%. With the signing of the lease for the Leeds office, recruitment and associated training has commenced and as at 14 April 2021 we had secured 14 staff, of which 9 are senior fee earners. Recruitment is scheduled to continue throughout 2021 across all of our three office locations.

Gross Profits

Gross profits are reported at £68.0 million (at a margin of 78.3%) in 2020, increasing from £62.8 million in 2019 (at a margin of 80.4%). It should be noted, furthermore, that staffing costs within Bond Turner are reported within Administrative Expenses. Consequently, gross profit within Bond Turner is in effect being reported at 100%.

Gross profits for the Credit Hire division reached £33.5 million in 2020 (at a margin of 64.9%) falling from £34.3 million in 2019 (at a margin of 71.4%). The reduction reflects both our strategy for claims acceptance which seeks to maximise value from our available working capital facilities, as well as certain additional costs which were incurred as COVID impacted utilisation within the fleet.

Operating Costs

Administrative expenses before exceptional items increased year-on-year, reaching £42.6 million in 2020 (2019: £31.0 million), an increase of £11.6 million (37.4%). 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 £16.6 million (2019: £13.5 million), an increase of £3.2 million (23.5%). Investment in the VW Emissions class action (£2.9 million) has been expensed against Group profits in the year (2019: £0.9 million), much of this expenditure being marketing costs. The balance of the increase reflects the investment in marketing, staff and infrastructure to allow the Group to meet its growth aspirations, as well as its requirements and responsibilities as a PLC.

EBITDA

Adjusted EBITDA reached £25.4million in 2020, reduced from £31.8million in 2019 (20.0%). To provide a better guide to underlying business performance, adjusted EBITDA excludes share-based payments charged to profit and loss along with depreciation, amortisation, interest and tax from the measure of profit.

The GAAP measure of the profit before interest and tax was £18.1 million (2019: £24.6 million) reflecting the non-cash share-based payment charge of £0.7 million (2019: £0.7 million). Where we have provided adjusted figures, they are after the add-back of this item and a reconciliation of the underlying and reported results is included on page 16 of the Annual Report.

EPS and Dividend

Statutory basic EPS is 10.8 pence (2019: 16.4 pence). Statutory diluted EPS is 10.6 pence (2019: 16.0 pence). The adjusted EPS is 11.4 pence (2019: 17.0 pence). The adjusted diluted EPS is 11.2 pence (2019: 16.6 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 4.

A final dividend of 1 penny per share has been recommended by the Board (2019: 0.5 pence) giving a total dividend for 2020 of 1.5 pence, having paid a dividend of 0.5 pence on 23 September 2020. This dividend, if approved at the Annual General Meeting to be held on 16 June 2021, will be paid on 20 July 2021 to those shareholders on the Register at the close of business on 25 June 2021.

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 value of the receivables totalled £262.6 million in 2020, rising from £220.5 million in 2019. In accordance with our income recognition policies, provision is made to reduce the carrying value to recoverable amounts reflecting an initial settlement adjustment, being £126.4 million and £100.8 million respectively, an increase of 25.4%. This increase reflects the recent trading activity and strategy of the Group and is in line with management expectations given that throughout the majority of 2020 the legal services teams have been operating within COVID-19 restrictions and there have been periods when capacity within the court system has been significantly hampered. The increase has been primarily funded from the significant increase in cash collections seen year on year.

In addition, the Group has a total of £27.1 million reported as accrued income (2019: £24.4 million) which represents the value attributed to those ongoing hires and claims.

Whilst activity levels have risen and fallen in line with the local and national lockdowns, impacting the number of vehicles on the road and hence opportunities for new claims for the Group, further investment has been required and made in 2020 into the motorcycle fleet so as to meet the demand from our significant pool of introducers. Total fixed asset additions totalled £11.2 million in 2020 (2019: £15.1 million); the fleet continues to be largely leased.

Trade and other payables, including tax and social security increased to £9.5 million compared to £7.9 million at 31 December 2019, an increase of 20.0%, reflecting the timing of certain payments to HMRC in line with the provisions associated with COVID-19.

Net assets at 31 December 2020 reached £110.4 million (2019: £91.7 million).

Cash Flow

During 2018, the Group utilised the funds raised from the AIM listing, alongside increases in debt facilities, to take advantage of the opportunities in the market and increase the number of vehicles on the road. 2019 saw a shift in focus to cash generation, as the Group held back on growth within the Credit Hire division and focussed investment on the Legal Services division where we saw a significant investment in the number of senior staff engaged to settle cases and recover cash for the Group. This trend continued into 2020, notwithstanding the impact of COVID-19 on the Business (further details provided earlier). The number of senior fee earners increased from 127 to 145 during 2020 (an increase of 14.2%) and continues to rise across each of our offices, the third of which opened in Leeds in February 2021. The Group's success in recruiting high quality staff continues, particularly while other firms are seen to be reducing headcount and utilising the Government's Furlough Scheme. Recruitment has continued throughout 2020 and into 2021, thereby investing in case settlement for the future.

Cash collections for the Group (and excluding settlements for our clients), a key metric for the Group, increased from £84.1 million in 2019 to £98.0 million in 2020, an increase of 16.4%. This is a significant improvement, given the fact that many of the new recruits will not reach settlement maturity until late 2021/early 2022. Furthermore, with settlements impacted by the capacity within the court system arising from the impact of COVID, this growth is testament to the quality of staff within the Group.

Having strategically managed vehicle numbers during 2019 so as to preserve working capital, and with the focus being on securing the most attractive and profitable claims for the Group whilst minimising take-on costs, the number of vehicles on the road fell during 2019 from 1,531 to 1,308. During 2020, we have seen a number of competitors furlough staff and withdraw from the market leading to increases in market opportunities; we have sought to take advantage of this and increase market share. Despite the noticeable decline in road traffic, with the overall number of vehicles on the road visibly lower than in a typical year and many people working from home, we have actually seen the average number of vehicles on the road rise in 2020, reaching 1,515 (2019: 1,454). This contributed to the strong revenue performance of the Credit Hire division. This growth correspondingly impacted cash flows in the second half of the year. As we came out of the national lockdown in the summer of 2020, vehicles numbers on the road peaked in excess of 1,900, before dropping back to 1,613 at the end of the year as further restrictions were imposed at a regional and subsequently a national level.

Whilst conscious of investing for the future in 2020, the requirement to monitor our cash position and the headroom within our working capital facilities meant that focus remained on driving settlements and cash collections. This balance assures that growth within the core business is not at such a level as to impact headroom significantly. Moreover, investment in the generation of claims within the VW Emissions class action case has been made in the context of the specific facility drawn down during the year (contributing funds of £2.1 million) alongside the overall capacity within our facilities.

The Group reported a further improvement in the conversion of profits to cash flows from operating activities, reducing a cash outflow of £0.8 million in 2019 to a cash inflow of £0.2 million in 2020. This position was reached after investment in the VW Emissions case of £2.9 million (2019: £0.9 million). Excluding this expenditure, the Group's core business generated a net cash inflow from operations of £3.1 million in 2020 (2019: £0.1 million). Notwithstanding a decline in case settlements as a result of COVID-19, we have continued to invest in new cases and increase market share across both the Credit Hire and Legal Services divisions. This investment absorbed a net £20.7 million of funds in 2020 (2019: £26.3 million); however, this year on year increase has been countered by the increased level of cash collections.

With a net cash inflow of £4.9 million resulting from financing activities, reflecting the fund raise in May-20 where £6.9 million was raised after expenses, (2019: net cash outflow of £1.8 million), the Group reported a net cash inflow in 2020 of £6.0 million (2019: net cash outflow of £3.3 million). This constitutes a significant improvement on that seen in 2019, particularly given the challenging operating circumstances in 2020.

Net Debt, Cash and Financing

Cash balances improved during 2020 and at 31 December 2020 reached £8.2 million (2019: £2.3 million). This figure reflects the funds raised from the placing in May-20 (£6.9 million after expenses) as well as the improvement in cash collections year on year. These increased by £13.8 million (16.4%) although they were countered by the continued investment into the Group case portfolio and settlement capacity.

Borrowings increased during the year to fund the additional working capital investment in the Group's portfolio of claims and support the investment by the Group in the VW emissions claim and expansion of the vehicle fleet. The total balance rose from £38.5 million in 2019 to £48.7 million at the end of

2020. 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, during 2020 the Group secured £2.1 million of additional funding from a litigation funder to support the Group's own investment into the VW emissions litigation as well as an additional £5.0 million of funding from Secure Trust Bank Plc under the government backed CLBILS scheme to further enhance headroom.

Having weathered what is hoped to be the worst of the COVID-19 pandemic the Group now has a significant increase in the availability of capital to deploy and drive growth across both the core business and other niche opportunities that may arise.

Having considered the Group's current trading performance, cash flows and headroom within our current debt facilities and the 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.

Reconciliation of Underlying and Reported IFRS Results

In establishing the underlying operating profit, the costs adjusted include £0.7 million of costs related to share-based payments (2019: £0.7 million).

A reconciliation between underlying and reported results is provided below:

	Year to December 2020		
	Underlying £'000s	**Share-based payment £'000s**	**Reported £'000s**
Revenue	86,752	-	86,752
Gross profit	67,952	-	67,952
Other operating costs (net)	(49,244)	(658)	(49,902)
Operating profit	18,708	(658)	18,050
Finance costs (net)	(2,562)	-	(2,562)
Profit before tax	16,146	(658)	15,488
Depreciation & Amortisation	6,663	-	6,663

	Year to December 2019		
	Underlying £'000s	**Share-based payment £'000s**	**Reported £'000s**
Revenue	78,510	-	78,510
Gross profit	62,807	-	62,807
Other operating costs (net)	(37,557)	(657)	(38,214)
Operating profit	25,250	(657)	24,593

Finance costs (net)	(2,202)	-	(2,202)
Profit before tax	23,048	(657)	22,391
Depreciation & Amortisation	6,582	-	6,582

By order of the board

Mark Bringloe

Chief Financial Officer

27th April 2021

Consolidated Statement of Total Comprehensive Income
for year ended 31 December 2020

			Restated
		2020	**2019**
	Note	**£'000s**	**£'000s**
Revenue	3	86,752	78,510
Cost of sales		(18,800)	(15,703)
Gross profit		67,952	62,807
Depreciation & profit / loss on disposal		(6,571)	(6,547)
Amortisation		(92)	(35)
Administrative expenses before share based payments		(42,581)	(30,975)
Operating profit before share based payments	4	18,708	25,250
Share based payment charge		(658)	(657)
Operating profit	4	18,050	24,593
Net financing expense		(2,562)	(2,202)
Profit before tax		15,488	22,391
Taxation		(3,173)	(4,403)

Profit and total comprehensive income for the year attributable to the owners of the company		12,315	17,988
Earnings per share			
Basic earnings per share (pence)	5	10.8	16.4
Diluted earnings per share (pence)	5	10.6	16.0

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
as at 31 December 2020

			Restated
		2020	**2019**
Assets	**Note**	**£'000s**	**£'000s**
Non-current assets			
Property, plant and equipment	6	2,187	1,637
Right of use assets	6	13,081	9,857
Intangible assets	6	234	175
Deferred tax assets		112	112
		15,614	11,781
Current assets			
Trade and other receivables	8	147,931	127,656
Corporation tax receivable		439	-
Cash and cash equivalents		8,220	2,270
		156,590	129,926
Total assets		172,204	141,707
Equity and liabilities			
Equity			
Share capital		58	55
Share premium		16,161	9,235
Share based payments reserve		1,699	1,041

Retained earnings		92,520	81,365
Equity attributable to the owners of the Company		110,438	91,696
Non-current liabilities			
Other interest-bearing loans and borrowings	9	3,681	-
Lease liabilities	9	8,945	5,422
Deferred tax liabilities		32	32
		12,658	5,454
Current liabilities			
Other interest-bearing loans and borrowings	9	31,294	28,167
Lease liabilities	9	4,753	4,885
Trade and other payables		9,505	7,915
Corporation tax liability		3,556	3,590
		49,108	44,557
Total liabilities		61,766	50,011
Total equity and liabilities		172,204	141,707

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021. They were signed on its behalf by:

Mark Bringloe

Chief Financial Officer

27th April 2021

Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Share Capital £'000s	Share Premium £'000s	Merger Reserve £'000s	Share Based Payments Reserve £'000s	Retained Earnings £'000s	Total £'000s

At 1 January 2019	55	9,235	-	384	66,127	75,801
Profit for the year and total comprehensive income	-	-	-	-	17,988	17,988
Issue of share capital	-	-	-	-	-	-
Increase in share premium	-	-	-	-	-	-
Share based payment charge	-	-	-	657	-	657
Dividends	-	-	-	-	(2,750)	(2,750)
At 31 December 2019	55	9,235	-	1,041	81,365	91,696
Profit for the year and total comprehensive income	-	-	-	-	12,315	12,315
Issue of share capital	3	-	-	-	-	3
Increase in share premium	-	6,926	-	-	-	6,926
Share based payment charge	-	-	-	658	-	658
Dividends	-	-	-	-	(1,160)	(1,160)
At 31 December 2020	58	16,161	-	1,699	92,520	110,438

Consolidated Statement of Cash Flows
for the year ended 31 December 2020

			Restated
		2020	**2019**
	Note	**£'000s**	**£'000s**
Cash flows from operating activities			
Profit for the year		12,315	17,988
Adjustments for:			
Depreciation and profit / loss on disposal	6	6,571	6,547
Amortisation		92	35
Financial expense		2,562	2,202
Share based payment charge		658	657
Taxation		3,173	4,403
		25,371	31,832

Working capital adjustments		
Increase in trade and other receivables	(20,686)	(26,294)
Increase in trade and other payables	1,588	694
Cash generated from operations	6,273	6,232
Interest paid	(2,422)	(1,797)
Tax paid	(3,646)	(5,230)
Net cash from operating activities	205	(795)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	853	374
Acquisition of property, plant and equipment	(223)	(802)
Investment in intangible fixed assets	(150)	(210)
Receipt of directors loan receivable	415	
Net cash from investing activities	895	(638)
Cash flows from financing activities		
Net proceeds from the issue of share capital	6,929	-
Proceeds from new loans	12,924	18,355
Repayment of borrowings	(6,257)	(10,920)
Lease payments	(7,586)	(6,514)
Dividends paid	(1,160)	(2,750)
Net cash from financing activities	4,850	(1,829)
Net increase/(decrease) in cash and cash equivalents	5,950	(3,262)
Cash and cash equivalents at 1 January	2,270	5,532
Cash and cash equivalents at 31 December	8,220	2,270

Notes to the Consolidated Financial Statement

1. Basis of Preparation and Principal Activity

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 at 31 December 2020, 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 2020 or 2019 but is derived from those financial statements.

Statutory financial statements for 2019 have been delivered to the registrar of companies and those for 2020 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 functional currency of the Group, generally rounded to the nearest thousand.

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

The principal activity of the Group is the provision of credit hire and associated legal services.

The Company is a public limited company, 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

The health and wellbeing of our people and clients is paramount, and steps have been taken to allow our staff to be able to work on an agile basis in order to follow social distancing, lockdown and self-isolation measures and to mitigate the impact on client service.

Bond Turner, the Group's Legal Services division, initially moved most of its staff to remote working whilst remaining fully operational, most staff returning to the office in July 2020 having undertaken and implemented the Group's COVID-19 risk assessment and office adaptations. The progression and settlement of cases being aided by moves from the Ministry of Justice (MoJ), supported by the Judiciary, to allow the remote operation of courts through online and telephone hearings, albeit we initially saw reductions in cash collections against our original forecasts pre COVID, however, these reductions have not been as significant as first envisaged and remain significantly ahead of the same period last year.

Within EDGE, the Group's Credit Hire division, vehicles continue to be delivered and collected by staff who are protected in line with government guidelines, and whilst the Group saw a sharp fall in new business activity immediately post lockdown, levels have subsequently increased, as the number of vehicles on the road has risen, reaching record levels in the summer and autumn of 2020. Thereafter, vehicle numbers have declined as further regional and national measures have been implemented by the Government, impacting activity levels, albeit a reduction in competition during 2020 has led to an increase in our introducer base which is expected to generate additional opportunities for the Group into 2021.

Group trading for FY-2021 continues to be impacted by the effects of COVID-19 as the number of vehicles on the road declines during a period of lockdown and cash collections have yet to return to the level we would expect in normal circumstances given the investment made in our legal services business. However, the expansion of the vaccination programme and release of national lockdown in April 2021 has resulted in an increase in opportunities and vehicles on the road, consistent with the trends seen in 2020. Nonetheless, there must remain uncertainty as to the eventual impact over an extended period of time. Whilst there will inevitably be fewer vehicles on the road whilst government restrictions remain in place, key workers (who form a significant proportion of the Group's customers) and other road users will continue to require the services of the Group. The Group's policy of driving cash generation remains a key focus and the progression of its significant caseload portfolio by litigators within Bond Turner is being fully maintained following the successful transition to remote working.

The current situation is unprecedented and the overall economic impact is currently unknown. While the Board is encouraged by the resilience shown by the Group and its employees to date, the impact on FY-2021 cannot as yet be fully assessed. However, these uncertain times are resulting in opportunities for the Group to both grow market share within the core business and take advantage of opportunities as they arise in other areas within the legal services arena.

The Group has a strong balance sheet with a conservative gearing level and good liquidity with headroom within its funding facilities, which include a revolving credit facility of £8.0 million with HSBC Bank plc (due for repayment in September 2022) and an invoice discounting facility of £18.5 million with Secure Trust Bank plc (due for renewal in December 2022).

The refinancing activities and placing in the year described in the Financial Review within the Strategic Report, alongside the core business being cash generative, means that the Board remains confident that the Group is in a strong financial position and is well placed to weather the current worldwide uncertainty and to take advantage of further opportunities in a more stable future environment.

The Directors have prepared trading and cash flow forecasts for the period ended December 2022, against which the impact of various sensitivities have been considered covering the level of cash receipts and the volume of work taken on. 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 VW 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 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 at the year end, and therefore a risk that some of these balances may be irrecoverable. A review of the Group's policy for accounting for impairment of these trade receivables as well as expected credit losses is carried out where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain.

Revenue is accrued on a daily basis, after adjustment on a portfolio basis for an estimation of the recovery of those credit hire charges based on historical settlement rates and the age of the debt. This 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 fees that will be recovered is known.

The settlement percentages applied and expected credit loss provisions are judgemental and revenue and trade receivables are sensitive to these judgements. If the settlement percentages applied in calculating revenue were reduced by 1% it would reduce credit hire revenue and receivables (£51.6 million and £91.8 million respectively) by £1.9 million.

Legal Services

The Group carries an element of accrued income, the valuation of which reflects the estimated level of recovery on successful settlement by reference to historical recovery rates or 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 2020

	Credit Hire	**Legal Services**	**VW Class Action**	**Group and Central Costs**	**Consolidated**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Revenues					
Third party	51,591	35,161	-	-	86,752
Total revenues	51,591	35,161	-	-	86,752
Profit before taxation	17,892	2,817	(2,906)	(2,314)	15,488
Net cash from operations	(15)	3,287	(2,906)	(161)	205
Depreciation, amortisation and gain on disposal of property, plant and equipment	5,492	1,173	-	-	6,665
Segment assets	125,055	45,789	-	1,360	172,204
Capital expenditure	4,238	900	-	-	5,138
Segment liabilities	39,521	16,886	2,251	3,108	61,766

Year ended 31 December 2019

	Credit Hire	**Legal Services**	**VW Class Action**	**Group and Central Costs**	**Consolidated**

	£'000s	£'000s	£'000s	£'000s	£'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)	1,227	(935)	273	(795)
Depreciation, amortisation and gain on disposal of property, plant and equipment	5,767	815	-	-	6,582
Segment assets	97,177	44,351	-	179	141,707
Capital expenditure	2,527	1,175	-	-	3,702
Segment liabilities	30,765	18,935	-	311	50,011

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

4. Operating Profit

Operating profit is arrived at after charging:

	2020	2019
	£'000s	£'000s
Depreciation on owned assets	474	267
Depreciation on right of use assets	6,333	6,388
Amortisation	91	35
Share based payments	658	657
Gain on disposal of property, plant and equipment	(236)	(108)

There were no non-recurring costs in the year ended 31 December 2020 or 2019.

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

	2020	2019
	£'000s	£'000s
Audit services		
Audit of the Company and the consolidated financial statements	40	30
Audit of the Company's subsidiaries	89	78
Total audit fees	129	108
All other services	-	16
Total fees payable to the Company's auditor	129	124

5. Earnings Per Share

	2020	2019
Number of shares:	**No.**	**No.**
Weighted number of ordinary shares outstanding	113,550,685	110,000,000
Effect of dilutive options	2,200,000	2,200,000
Weighted number of ordinary shares outstanding – diluted	115,750,685	112,200,000

Earnings:	**£'000s**	**£'000s**
Profit basic and diluted	12,315	17,988
Profit adjusted and diluted	12,975	18,645

Earnings per share:	**Pence**	**Pence**
Basic earnings per share	10.8	16.4
Adjusted earnings per share	11.4	17.0
Diluted earnings per share	10.6	16.0
Adjusted diluted earnings per share	11.2	16.6

The adjusted profit after tax for 2020 and adjusted earnings per share are shown before share-based payment charges of £0.7 million (2019: £0.7 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 £'000s	Property improvements £'000s	Fixtures, fittings & equipment £'000s	Office equipment £'000s	Total £'000s
Cost					
At 1 January 2019	4,457	341	794	731	6,323
Additions	13,962	112	987	85	15,146
Disposals	(1,243)	-	-	(29)	(1,272)
At 31 December 2019	17,176	453	1,781	787	20,197
Additions	10,176	39	894	91	11,200
Disposals	(2,659)	-	-	-	(2,659)
At 31 December 2020	24,693	492	2,675	878	28,738
Depreciation					

At 1 January 2019	1,907	258	246	642	3,053
Charge for year	6,388	15	214	38	6,655
Eliminated on disposal	(976)	-	-	(29)	(1,005)
At 31 December 2019	7,319	273	460	651	8,703
Charge for the year	6,333	24	399	51	6,807
Eliminated on disposal	(2,040)	-	-	-	(2,040)
At 31 December 2020	11,612	297	859	702	13,470
Carrying amount					
At 31 December 2020	13,081	195	1,816	176	15,268
At 31 December 2019	9,857	180	1,321	136	11,494

Amounts previously categorised within Motor Vehicles are all financed and as such have been recategorized and are included in the right of use assets column above.

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

Right-of-use assets	**Land and buildings £000**	**Motor vehicles £000**	**Total £000**
At 1 January 2019	-	2,550	2,550
Depreciation charge for the year	(728)	(5,660)	(6,388)
Additions to right-of use assets	5,547	8,415	13,962
Disposals of right-of-use assets	-	(267)	(267)
At 31 December 2019	4,819	5,038	9,857
Depreciation charge for the year	(920)	(5,413)	(6,333)
Additions to right-of-use assets	1,201	8,975	10,176
Disposals of right-of-use assets	-	(619)	(619)
At 31 December 2020	5,100	7,981	13,081

7. Intangibles

Intangible Assets

	Software licenses £'000s
Cost	
At 1 January 2019	-
Additions	210
At 31 December 2019	210
Additions	151
At 31 December 2020	361
Amortisation	
At 1 January 2019	-
Charge for year	35
At 31 December 2019	35
Charge for the year	92
At 31 December 2020	127
Carrying amount	
At 31 December 2020	234
At 31 December 2019	175

8. Trade and Other Receivables

	2020 £'000s	2019 £'000s
Trade receivables - gross claim value	262,575	220,463

Settlement adjustment on initial recognition	(121,967)	(100,001)
Provision for impairment of trade receivables	(21,016)	(19,478)
Net trade receivables	119,592	100,984
Accrued income	27,100	24,416
Prepayments	596	842
Directors loan account	-	415
Other debtors	643	999
	147,931	127,656

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. Average gross debtor days calculated on a count back basis were 428 at 31 December 2020 and 408 at 31 December 2019.

Age of net trade receivables

	2020	**2019**
	£'000s	**£'000s**
Within 1 year	67,361	62,508
1 to 2 years	32,049	22,422
2 to 3 years	12,791	9,564
3 to 4 years	6,709	5,972
Over 4 years	682	518
	119,592	100,984
Average age (days)	428	408

The provision for impairment of trade receivable 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

	2020	2019
	£'000s	£'000s
Opening balance	19,478	17,669
Increase in provision at gross value	6,448	5,129
Utilised in the year	(4,910)	(3,320)
	21,016	19,478

9. Borrowings

	2020	Restated 2019
	£'000s	£'000s
Non-current loans and borrowings		
Lease liabilities	8,945	5,422
Other borrowings	3,681	-
	12,626	5,422
Current loans and borrowings		
Revolving credit facility	8,000	8,000
Lease liabilities	4,753	4,885
Invoice discounting facility	16,341	17,784
Other borrowings	6,953	2,383
	36,047	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 other borrowings. 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 2020, Direct Accident Management Limited has availability within the invoice discounting facility of £2.2 million (2019: £0.7 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, £2.0 million of which was to be paid as a final instalment.

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. 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. The facility is fully drawn down as at 31 December 2020 and 2019.

The Group's banking arrangements are subject to monitoring through financial performance measures or covenants. During the COVOD pandemic, certain of these measures and covenants 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. As a result the revolving credit facility (£8.0 million as at 31 December 2020) is classified as being repayable on demand. A facility from Secure Trust (£16.3 million as at 31 December 2020) is already classified as repayable on demand so was not impacted.

In July 2020 Anexo Group Plc secured a loan of £2.1m 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 at the earlier of settlement of the claim and receipt of the proceeds or three years from the date of receipt of funding. 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.

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.

10. Restatement of Disclosures

There are a number of classification and disclosure restatements for the comparative period which are explained more fully in the Annual Report and Financial Statements. These adjustments affect the presentation and classification of amounts disclosed and do not result in a net adjustment to either profit or total equity.