

**Anexo Group plc**  
(‘Anexo’ or the ‘Group’)

**Interim Results for the six months ended 30 June 2023**

*“Significant revenue and profit growth with unchanged outlook for the year”*

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, is pleased to report its Interim Results for the six months ended 30 June 2023 (‘H1 2023’ or the ‘period’).

**Financial Highlights**

	<b>H1 2023</b>	<b>H1 2022</b>	<b>Movement</b>
Revenue	<b>£77.8 million</b>	£68.6 million	+13.4%
Operating profit	<b>£19.3 million</b>	£16.1 million	+19.9%
Profit before tax	<b>£15.2 million</b>	£13.6 million	+11.8%
Cash collection	<b>£77.4 million</b>	£67.9 million	+14.0%
Basic EPS	<b>8.6 pence</b>	9.3 pence	-7.5%

- A significant reduction in Net Debt (including lease liabilities) was reported in the period (£11.9 million). Net Debt as at 30 June 2023 stood at £61.2 million (30 June 2022: £74.2 million, 31 December 2022: £73.1 million).
- Cash collections from settled cases increased 14% to £77.4 million (H1 2022: £67.9 million), excluding the legal fees associated with the Volkswagen AG (‘VW’) Emissions Claim.
- The Group generated £15.7 million in Net Cash from Operating Activities (H1 2022: Net Cash Used in Operating Activities: £5.1 million), a total improvement of £20.8 million.
- Revenue increased 13% to £77.8 million (H1 2022: £68.6 million), reflecting the agreement reached in the VW Emissions Claim and increased legal fee income from both Credit Hire and Housing Disrepair (“HDR”) claim settlements.
- Operating profit increased 19% to £19.3 million (H1 2022: £16.1 million) due to improved cash collections from all divisions in addition to the proceeds of the VW agreement, whilst the number of new credit hire cases has been actively managed.

**Operational Highlights**

- The Group has shown robust growth within legal services, driving the increase seen in cash collections. HDR continues to be an ever-increasing element, with revenues increasing by over 25%. The HDR division settled 884 claims in H1 2023 (H1 2022: 556) and now has a portfolio of 3,291 claims (H1 2022: 2,218).
- The results for the period include the agreement reached in the VW emissions case. The terms of the agreement are subject to confidentiality restrictions. The Group announced on 5 June 2023 that the agreement had resulted in a net positive cash position to Anexo of £7.2 million.
- The Group continued its investment in litigation concerning the Mercedes Benz Emissions Claim, with a total of over 12,000 claimants now forming part of the group action.
- Vehicle numbers continued to be carefully managed to maximise efficient use of working capital, supporting the significant reduction in Net Debt. Strong growth is forecast for H2 2023 resulting from a steady increase in vehicle numbers.
- The average number of Group vehicles on the road in H1 2023 reached 1,634, some 20% below that seen in H1 2022 (2,034). Vehicle numbers at 18 August 2023 totalled 1,795.

<b>KPIs</b>	<b>H1 2023</b>	<b>H1 2022</b>	<b>Movement</b>
Cash collections from settled cases (£'000s)	<b>77,413</b>	67,931	+14.0%
Number of hire cases settled	<b>4,369</b>	3,563	+22.6%
Number of new hire cases funded	<b>4,920</b>	5,082	-3.2%
Completed vehicle hires	<b>4,689</b>	5,501	-14.8%
Number of vehicles on hire at period end	<b>1961</b>	1947	+0.1%
Legal staff employed at period end	<b>690</b>	633	+9.0%
Number of HDR cases at period end	<b>3,291</b>	2,218	+48.4%
Number of HDR cases settled	<b>884</b>	556	+59.0%

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

“The Board has been focused on delivering a meaningful reduction in net debt and increasing cash collections during the first half of the year. The results presented here are testament to the quality of our people, the ever-increasing diversity of the Group’s activities and our commitment to investment into future growth and opportunities for the business.

“We are immensely proud to be able to offer social justice and full legal support to our clients and members of the public. Anexo provides assistance to people who find themselves in an invidious position through no fault of their own, whether through being deprived of an essential vehicle or through living in substandard housing conditions, along with the other problems which may be exacerbated by such situations. We remain committed to providing help to those who might otherwise be unable to obtain redress.

“Having demonstrated our ability to drive the business for cash generation, we are expecting growth in vehicle numbers, revenues and profits in the second half of the year, without the need to fund this growth from our current debt facilities. As cash collections continue to increase, we will be able to invest further and drive growth across all our divisions including HDR and emissions claims.

“The strong progress being made in HDR and group emissions litigation underpins the forecast growth in the core business. The Board remains confident of meeting market expectations for the year.”

**- Ends -**

**Results Conference Call**

An analyst conference call will be held at 09:30 BST today, 22 August 2023. Retail investors will also be able to listen to the call but will not be eligible to ask questions. A copy of the Interim Results presentation is available at the Group’s website: <https://www.anexo-group.com/>. Please contact Nick Dashwood Brown, Head of Investor Relations, at [nick@anexo-group.com](mailto:nick@anexo-group.com) if you would like to join the call.

An audio webcast of the conference call with analysts will be available after 12:00 BST today on the Company’s website: [www.anexo-group.com](http://www.anexo-group.com)

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[www.zeuscapital.co.uk](http://www.zeuscapital.co.uk)**Notes to Editors:**

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

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

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

**Executive Chairman's Statement**

On behalf of the Board, I am pleased to announce Anexo's results for the six-month period ended 30 June 2023. The Group has continued to demonstrate the effectiveness of its business model, concentrating firmly on the transition of the Group to a cash generative position and the achievement of a reduction in net debt. Vehicle numbers within the credit hire division have been actively managed, while increased case settlements within the legal services division, including HDR, have driven the rise in cash collections.

The strong performance in the first half of the year will enable the Group to continue accepting an increased number of claims in the second half leading to an improvement in both revenues and profitability without the need to increase debt.

**H1 2023 Group Performance**

Anexo has actively managed the business to attain its stated goals of reducing net debt and improving the conversion of profits to free cash. The Group has delivered a strong performance across all key financial metrics and KPIs over the first six months of the year. Having increased case settlements alongside the VW Emissions agreement, Group revenues in H1 2023 increased by 13% to £77.8 million (H1 2022: £68.6 million) and profit before tax rose by 11% to £15.2 million (H1 2022: £13.6 million).

**Legal Services Division**

*Credit Hire*

The Group remains committed to its strategy of increasing its claim settlement capacity, thereby maximising cash collections. The number of senior fee earners remained broadly unchanged during the period, standing at 243 as at 30 June 2023. The overall number of legal staff rose by 9% to 690 (H1 2022: 633).

Investment during 2022 has underpinned continued growth in cash collections, which rose 14% in H1 2023 to a total of £77.4 million (H1 2022: £67.9 million), excluding any value from the VW Emissions agreement. Revenues from the Legal Services division, which strongly converts to cash, more than doubled in the period to £43.0 million in H1 2023 (H1 2022: £21.4 million), this figure includes the proceeds from the VW agreement. Profit before taxation increased sharply from £1.2 million in H1 2022 to £11.6 million in H1 2023, reflecting an improvement in the core business activities and the VW Emissions agreement in the period.

### *Housing Disrepair*

The Group's HDR division continues to show significant growth. The number of ongoing claims currently stands at approximately 3,300. HDR is now cash generative as the value of fee income generated from settled claims exceeds the investment in staff and marketing costs for the generation of new claims. Net cash generation totalled £0.4 million in H1 2023 (H1 2022: Net cash outflow £0.3 million). The current claims portfolio is expected to contribute to an improvement in performance in the second half of the year and beyond.

With an increase in revenues, HDR reported a profit of £2.6 million in the period (H1 2022: £2.4 million) having invested £2.2 million in new claims (H1 2022: £1.7 million). These marketing costs continue to be written off as incurred.

### *Emissions Litigation*

The advocacy team reached an agreement in the claim against VW and its subsidiaries. The terms of the agreement are subject to confidentiality restrictions; the Group announced on 5 June 2023 that the agreement had resulted in a net positive cash position to Anexo of £7.2 million.

The Group continues to pursue litigation in other emissions cases, particularly in relation to Mercedes Benz. The Group currently has approximately 12,000 Mercedes cases (H1 2022: approximately 4,000 Mercedes cases).

Management believes there is a significant continued opportunity for investment in emissions claims against specific vehicle manufacturers. Accordingly, the Group has earmarked a continued ongoing level of investment for the second half of the year and beyond. Investment for the current year is being funded from an additional £2.8 million, provided to the Group in part by certain of the principal shareholders and directors of the Group.

### **Credit Hire Division**

Whilst demand for vehicles has remained strong throughout the period, the Group has actively managed the number of new claims accepted to levels which maximise the conversion of profitability to operating cash flow whilst supporting funding into other group activities such as HDR and emissions. This also provides a strong and diverse platform for future opportunities including credit hire opportunities.

Having increased cash collections month on month to new record levels, the Group has increased the number of claims funded throughout H1 2023; vehicle numbers increased to 1,961 at 30 June 2023, some 20% above the average levels seen in the first half. Vehicle numbers are fundamental to managing revenues and profits, and this increase supports the Group's expectation of strong growth in the second half of the year.

Against the backdrop of strong demand, the considered careful management of the fleet has seen a consequent decline in Credit Hire revenue, reported at £28.9 million in H1 2023 (H1 2022: £42.5 million), and a resultant reduction in profit before tax to £2.2 million. Completed vehicle hires reduced to 4,689 in H1 2023 (H1 2022: 5,501) but with vehicle numbers now approaching 2,000, the expectation is that activity levels will rise driving a significant improvement in performance for the Credit Hire Division in the second half of the year.

### **Dividend**

The Group continues to invest heavily in future opportunities including HDR and Emissions and the Board has therefore resolved that the interests of the Group and its shareholders would be best served by considering the position with regards to payment of a dividend following the preparation of the Group's full year results.

### **Outlook**

The focus in the first half of 2023 has been firmly on the conversion of profits to operating cash flows. The Group has shown robust growth during the period and plans to continue to optimise cash generation in the second half, whilst increasing activity levels within the Credit Hire division to levels previously seen in the first half of 2022.

Growth in cash collections allows the Group to increase activity, including continued investment in HDR and additional emissions claims, without the need for increases in net debt. The focus for the second half is to ensure this investment is self-funded. Management has confidence in meeting market expectations for the year.

**Alan Sellers**  
**Executive Chairman**  
22 August 2023

**Consolidated Statement of Comprehensive Income  
For the unaudited period ended 30 June 2023**

		<b>Unaudited Half year ended 30-Jun-23 £'000s</b>	<b>Unaudited Half year ended 30-Jun-22 £'000s</b>	<b>Audited Year ended 31-Dec-22 £'000s</b>
	<b>Note</b>			
Revenue	2	<b>77,772</b>	68,610	138,329
Cost of sales		<b>(14,712)</b>	(16,253)	(32,553)
<b>Gross profit</b>		<b>63,060</b>	52,357	105,776
Depreciation & profit / loss on disposal		<b>(4,574)</b>	(5,561)	(10,436)
Amortisation		<b>(37)</b>	(74)	(117)
Administrative expenses		<b>(39,176)</b>	(30,759)	(64,982)
<b>Operating profit before exceptional items</b>		<b>19,273</b>	15,963	30,241
Share based payment credit		-	175	175
<b>Operating profit</b>		<b>19,273</b>	16,138	30,416
<b>Net financing expense</b>		<b>(4,085)</b>	(2,500)	(6,323)
<b>Profit before tax</b>		<b>15,188</b>	13,638	24,093
Taxation		<b>(5,110)</b>	(2,734)	(4,616)
<b>Profit and total comprehensive income for the year attributable to the owners of the company</b>		<b>10,078</b>	10,904	19,477
<b>Earnings per share</b>				
Basic earnings per share (pence)		<b>8.6</b>	9.3	16.6
Diluted earnings per share (pence)		<b>8.6</b>	9.3	16.6

The above results were derived from continuing operations.

**Consolidated Statement of Financial Position**  
**Unaudited at 30 June 2023**

		Unaudited 30-Jun-23 £'000s	Unaudited 30-Jun-22 £'000s	Audited 31-Dec-22 £'000s
<b>Assets</b>	Note			
<b>Non-current assets</b>				
Property, plant and equipment	3	1,927	2,323	2,072
Right-of-use assets		10,216	16,816	12,657
Intangible assets		66	112	71
Deferred tax assets		112	112	112
		<b>12,321</b>	19,363	14,912
<b>Current assets</b>				
Trade and other receivables	4	233,501	209,817	222,272
Corporation tax receivable		1,161	-	606
Cash and cash equivalents		7,362	1,247	9,049
		<b>242,024</b>	211,176	231,927
<b>Total assets</b>		<b>254,345</b>	230,427	246,839
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		59	59	59
Share premium		16,161	16,161	16,161
Retained earnings		138,435	121,554	130,127
<b>Equity attributable to the owners of the Group</b>		<b>154,655</b>	137,774	146,347
<b>Non-current liabilities</b>				
Other interest-bearing loans and borrowings	5	27,760	20,710	25,000
Lease liabilities		5,842	8,462	7,176
Deferred tax liabilities		-	-	32
		<b>33,602</b>	29,172	32,208
<b>Current liabilities</b>				
Other interest-bearing loans and borrowings	5	30,074	37,235	43,594
Lease liabilities		4,857	9,018	6,403
Trade and other payables		20,398	9,966	13,225
Corporation tax liability		10,759	7,262	5,062
		<b>66,088</b>	63,481	68,284
<b>Total liabilities</b>		<b>99,690</b>	92,653	100,492
<b>Total equity and liabilities</b>		<b>254,345</b>	230,427	246,839

**Consolidated Statement of Changes in Equity**  
**For the unaudited period ended 30 June 2023**

	Share capital £'000s	Share premium £'000s	Share based payment reserve £'000s	Retained earnings £'000s	Total £'000s
At 1 January 2023	59	16,161	-	130,127	146,347
Profit for the period and total comprehensive income	-	-	-	10,078	10,078
Dividends	-	-	-	(1,770)	(1,770)
<b>At 30 June 2023</b>	<b>59</b>	<b>16,161</b>	<b>-</b>	<b>138,435</b>	<b>154,655</b>
At 1 January 2022	58	16,161	2,077	109,928	128,224
Profit for the period and total comprehensive income		-	-	10,904	10,904
Issue of share capital	1	-	-	-	1
Transfer of share based payment reserve	-	-	(1,902)	1,902	-
Share based payment charge	-	-	(175)	-	(175)
Dividends	-	-	-	(1,180)	(1,180)
<b>At 30 June 2022</b>	<b>59</b>	<b>16,161</b>	<b>-</b>	<b>121,554</b>	<b>137,774</b>
Profit for the period and total comprehensive income	-	-	-	8,573	8,573
At 31 December 2022	59	16,161	-	130,127	146,347

**Anexo Group Plc**  
**Consolidated Statement of Cash Flows**  
**For the unaudited period ended 30 June 2023**

	Unaudited Half year ended 30-Jun-23 £'000s	Unaudited Half year ended 30-Jun-22 £'000s	Audited Year ended 31-Dec-22 £'000s
<b>Cash flows from operating activities</b>			
Profit for the year	10,078	10,904	19,477
Adjustments for:			
Depreciation and profit / loss on disposal	4,574	5,561	10,436
Amortisation	37	74	117
Financial expense	4,085	2,500	6,323
Share based payment credit	-	(175)	(175)
Taxation	5,110	2,734	4,616
	<b>23,884</b>	21,598	40,794
<b>Working capital adjustments</b>			
Increase in trade and other receivables (Decrease) / increase in trade and other payables	<b>(11,229)</b>	(21,682)	(34,138)
	<b>7,173</b>	(2,667)	590
Cash generated from operations	<b>19,828</b>	(2,751)	7,246
Interest paid	<b>(4,085)</b>	(2,380)	(5,722)
Tax paid	-	-	(4,656)
Net cash from / (used) in operating activities	<b>15,743</b>	(5,131)	(3,132)
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	531	722	1,579
Acquisition of property, plant and equipment	<b>(717)</b>	(1,285)	(1,186)
Investment in intangible fixed assets	<b>(31)</b>	-	-
Net cash (used in) / from investing activities	<b>(217)</b>	(563)	393
<b>Cash flows from financing activities</b>			
Proceeds from new loans	8,946	10,265	24,430
Dividends paid	<b>(1,770)</b>	(1,180)	(1,180)
Repayment of borrowings	<b>(19,117)</b>	(4,753)	(8,749)
Lease payments	<b>(5,272)</b>	(4,953)	(10,275)
Net cash from financing activities	<b>(17,213)</b>	(621)	4,226
Net (decrease) / increase in cash and cash equivalents	<b>(1,687)</b>	(6,315)	1,487
<b>Cash and cash equivalents at 1 January</b>	<b>9,049</b>	7,562	7,562
<b>Cash and cash equivalents at period end</b>	<b>7,362</b>	1,247	9,049

**Anexo Group Plc**  
**Notes to the Interim Statements**  
**For the unaudited period ended 30 June 2023**

**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 2022 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 2023 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 2024. 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.

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

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

### Half year ended 30 June 2023

	Credit Hire £'000s	Other Legal Services £'000s	Housing Disrepair £'000s	Group and Central Costs £'000s	Consolidated £'000s
<b>Revenues</b>					
Third party	28,858	42,968	5,946	-	77,772
<b>Total revenues</b>	<b>28,858</b>	<b>42,968</b>	<b>5,946</b>	<b>-</b>	<b>77,772</b>
<b>Profit before taxation</b>	<b>2,233</b>	<b>11,578</b>	<b>2,639</b>	<b>(1,262)</b>	<b>15,188</b>
<b>Net cash from operations</b>	<b>4,153</b>	<b>12,233</b>	<b>372</b>	<b>(1,015)</b>	<b>15,743</b>
<b>Depreciation</b>	<b>3,995</b>	<b>616</b>	<b>-</b>	<b>-</b>	<b>4,611</b>
<b>Segment assets</b>	<b>170,295</b>	<b>71,814</b>	<b>10,872</b>	<b>1,364</b>	<b>254,345</b>
<b>Capital expenditure</b>	<b>420</b>	<b>297</b>	<b>-</b>	<b>-</b>	<b>717</b>
<b>Segment liabilities</b>	<b>56,339</b>	<b>42,887</b>	<b>-</b>	<b>464</b>	<b>99,690</b>

Half year ended 30 June 2022

	Credit Hire £'000s	Other Legal Services £'000s	Housing Disrepair £'000s	Group and Central Costs £'000s	Consolidated £'000s
<b>Revenues</b>					
Third party	42,503	21,392	4,715	-	68,610
<b>Total revenues</b>	42,503	21,392	4,715	-	68,610
<b>Profit before taxation</b>	10,941	1,249	2,353	(905)	13,638
<b>Net cash from operations</b>	(3,990)	950	(257)	(1,834)	(5,131)
<b>Depreciation</b>	4,990	645	-	-	5,635
<b>Segment assets</b>	176,822	46,927	6,358	320	230,427
<b>Capital expenditure</b>	1,198	87	-	-	1,285
<b>Segment liabilities</b>	61,320	31,079	-	254	92,653

Year ended 31 December 2022

	Credit Hire £'000s	Other Legal Services £'000s	Housing Disrepair £'000s	Group and Central Costs £'000s	Consolidated £'000s
<b>Revenues</b>					
Third party	74,681	54,311	9,337	-	138,329
<b>Total revenues</b>	74,681	54,311	9,337	-	138,329
<b>Profit before taxation</b>	8,887	15,400	4,694	(4,888)	24,093
<b>Net cash from operations</b>	(2,310)	3,390	258	(4,470)	(3,132)
<b>Depreciation</b>	9,271	1,282	-	-	10,553
<b>Segment assets</b>	174,503	58,562	8,084	5,690	246,839
<b>Capital expenditure</b>	980	206	-	-	1,186
<b>Segment liabilities</b>	66,507	33,985	-	-	100,492

### 3. Property, Plant and Equipment

	Property Improvement £'000s	Fixtures Fittings & Equipment £'000s	Right of Use assets £'000s	Office Equipment £'000s	Total £'000s
<b>Cost or valuation</b>					
At 1 January 2022	494	3,125	29,644	629	33,892
Additions	152	193	5,845	266	6,456
Disposals	-	-	(3,976)	-	(3,976)
At 30 June 2022	646	3,318	31,513	895	36,372
Additions	-	126	1,181	23	1,330
Disposals	(9)	-	(4,708)	-	(4,717)
At 31 December 2022	637	3,444	27,986	918	32,985
Additions	-	294	2,654	2	2,950
Disposals	(274)	(160)	(8,268)	(291)	(8,993)
At 30 June 2023	363	3,578	22,370	629	26,942
<b>Depreciation</b>					
At 1 January 2022	322	1,418	12,748	437	14,925
Charge for year	16	288	5,300	55	5,659
Eliminated on disposal	-	-	(3,351)	-	(3,351)
At 30 June 2022	338	1,706	14,697	492	17,233
Charge for the year	19	308	4,681	64	5,072
Disposals	-	-	(4,049)	-	(4,049)
At 31 December 2022	357	2,014	15,329	556	18,256
Charge for the year	20	314	3,969	60	4,363
Disposals	(261)	(121)	(7,147)	(291)	(7,820)
At 30 June 2023	116	2,207	12,151	325	14,799
<b>Carrying amount</b>					
<b>At 30 June 2023</b>	<b>247</b>	<b>1,371</b>	<b>10,221</b>	<b>304</b>	<b>12,143</b>
At 31 December 2022	280	1,430	12,657	362	14,729
At 30 June 2022	308	1,612	16,816	403	19,139

#### 4. Trade and Other Receivables

	<b>Jun-23</b>	<b>Jun-22</b>	<b>Dec-22</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Trade receivables - gross claim value	<b>370,711</b>	370,433	393,560
Settlement adjustment on initial recognition	<b>(174,644)</b>	(179,759)	(203,518)
Provision for impairment of trade receivables	<b>(27,654)</b>	(26,207)	(24,674)
Net trade receivables	<b>168,413</b>	164,467	165,368
Accrued income	<b>59,861</b>	44,177	54,778
Prepayments	<b>6,311</b>	821	1,603
Other debtors	<b>885</b>	352	523
	<b>233,501</b>	209,817	222,272

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-23	Jun-22	Dec-22
	£'000s	£'000s	£'000s
<b>Non-current loans and borrowings</b>			
Revolving credit facility	10,000	10,000	10,000
Other borrowings	17,760	10,710	15,000
Lease liabilities	5,842	8,462	7,176
	<b>33,602</b>	<b>29,172</b>	<b>32,176</b>
<b>Current loans and borrowings</b>			
Invoice discounting facility	24,598	31,364	30,562
Other borrowings	5,476	5,871	13,032
Lease liabilities	4,857	9,018	6,403
	<b>34,931</b>	<b>46,253</b>	<b>49,997</b>
<b>Total Borrowings</b>	<b>68,533</b>	<b>75,425</b>	<b>82,173</b>

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

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, this loan was fully repaid by 30 June 2023.

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

The revolving credit facility is secured by way of a fixed charge dated 26 September 2019, over all present and future property, assets and rights (including uncalled capital) of Bond Turner Limited, with a cross company guarantee provided by Anexo Group Plc. The loan is structured as a revolving credit facility which is committed for a three-year period, until 13 October 2024, with no associated repayments due before that date. Interest is charged at 3.25% over the Respective Rate.

In July 2020 Anexo Group Plc secured a loan of £2.1 million from a specialist funder to support the investment in marketing costs associated with the VW Emissions Class Action. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity three years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group. Having reached agreement in the VW Emissions Class Action, this loan was fully repaid in the period to 30 June 2023.

In November 2021 a further £3.0 million loan was sourced from certain of the principal shareholders and directors of the Group to support the marketing investment in 2022 in the Mercedes Benz Emissions Claim. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity two years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group. Having reached an agreement in the VW Emissions Class Action, this loan was partially repaid in the period to 30 June 2023 with any residual amount due upon successful conclusion of the Mercedes Benz Emissions Claim.

In March 2022 the Group secured a loan of £7.5 million from Blaze Hill Capital Finance Limited, with an additional £7.5 million drawn in September 2022, the total balance drawn at 30 June 2023 was £15.0 million. The loan is non amortising and committed for a three year period. Interest is charged and paid monthly at 13% above the central bank rate. The facility is secured by way of a fixed charge dated 29 March 2022, over all present and future property, assets and rights (including uncalled capital) of Direct Accident Management Limited, with a cross company guarantee provided by Anexo Group Plc.

In June 2023 a loan of £2.8 million was sourced from certain of the principal shareholders and directors of the Group to support further marketing in the Mercedes Benz Emissions Claim and other emissions opportunities. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity two years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds generated for the Group from the Mercedes Benz Emissions Claim.

**- Ends -**