11 May 2022

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

Final Results

"Significant growth in profits driven by increased cash collections"

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, announces its final results for the year ended 31 December 2021 (the 'period' or 'FY 2021').

Financial Highlights	**2021**	**2020**	**% movement**
Total revenues (£'000s)	118,237	86,752	+36.2%
Operating profit (£'000s)	27,350	18,050	+51.4%
Adjusted[1] operating profit before exceptional items (£'000s)	27,728	18,708	+48.1%
Adjusted[1] operating profit margin (%)	23.5	21.6	+8.8%
Profit before tax (£'000s)	23,746	15,488	+52.9%
Adjusted[1] profit before tax and exceptional items (£'000s)	24,124	16,146	+49.7%
Adjusted[2] basic EPS (pence)	16.8	11.4	+48.2%
Total dividend for the year (pence)	1.5	1.5	-
Equity attributable to the owners of the Company (£'000s)	128,224	110,438	+16.1%
Net cash flow (£'000s)	-7,300	+200	-
Net debt balance (£'000s)	62,000	40,500	+53.1%

Note: The basis of preparation of the consolidated financial statements for the current and previous year is set out in the Financial Review on page 14.

1. Adjusted operating profit and profit before tax: excludes share-based payment charges in 2020 and 2021. A reconciliation to reported (IFRS) results is included in the Financial Review on page 19.

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 2021, we saw the continued improvement in a number of key performance measures (detailed below). These have resulted in a significant improvement in financial performance for the Group during the period, notwithstanding the continuing issues faced during 2021 from COVID-19. Opportunities within the Credit Hire division have never been so strong, following the introduction of the Civil Liabilities Act 2021, and the Group has deployed increasing working capital facilities and reinvested significant levels of cash collections into the new case portfolio. Consequently, the number of new cases funded rose from 7,535 to 10,265, an increase of 36.2%. This investment is supported by growth in cash collections, which rose by 21.5% in the year to reach £119.0 million in 2021.

- Our ability to fund growth in our core business has been supported by investment in legal staff. In 2021, the number of senior fee earners grew by 45% to reach 237 at the year end. This investment has driven increased cash collections in the year despite the challenges of the reduced operation of the court system. Much of the investment will start to impact during

2022 and beyond, reflecting the life cycle of a typical credit hire claim and the time a new starter takes to reach settlement maturity.

KPI's	**2021**	**2020**	**% movement**
Total revenues (£'000s)	118,237	86,752	+36.3%
Gross profit (£'000s)	91,481	67,952	+34.6%
Adjusted operating profit (£000's)	27,728	18,708	+48.2%
Adjusted operating profit margin (%)	23.5%	21.6%	+10.9%
Vehicles on hire at the year-end (no)	2,366	1,613	+46.7%
Average vehicles on hire for the year (no)	1,834	1,515	+21.1%
Number of hire cases settled	6,187	5,236	+18.2%
Cash collections from settled cases (£'000s)	119,007	97,977	+21.5%
New cases funded (no)	10,265	7,535	+36.2%
Legal staff at the period end (no)	634	518	+22.4%
Average number of legal staff (no)	590	498	+18.5%
Total senior fee earners at period end (no)	237	163	+45.4%
Average senior fee earners (no)	201	144	+39.6%

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

"I am pleased to report that the Group has had a successful 2021, building on the achievements of 2020. The results demonstrate the resilience of the Group's business model, as we improved on last year's cash collections, whilst still facing uncertainty due to the COVID-19 pandemic. Group revenues in 2021 increased by over a third compared to the previous year.

"Opportunities within the Credit Hire division have never been so strong. As a result, the Group has focused considerable resource here and has seen the number of new cases funded rise substantially.

"The Board remains focused on long term growth, and we are confident that there are significant opportunities that exist in 2022 to build upon our successful platform. The growth of our Housing Disrepair Division throughout 2021, as well as our already resilient business model, presents an exciting outlook for the year ahead."

Analyst Briefing

A conference call for analysts will be held at 9.30am today, 11 May 2022. 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

WH Ireland Limited
(Nominated Adviser & Joint Broker)
Chris Hardie / Darshan Patel / Enzo Aliaj (Corporate) +44 (0) 20 7220 1666
Fraser Marshall / Harry Ansell (Broking) www.whirelandplc.com/capital-markets

Arden Partners plc
(Joint Broker)
John Llewellyn-Lloyd / Louisa Waddell (Corporate) +44 (0) 20 7614 5900
Tim Dainton (Equity sales) www.arden-partners.co.uk

Notes to Editors:

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

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

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

Chairman's Statement

On behalf of the Board, I am pleased to report a year of significant growth by the Group in the face of considerable ongoing nationwide challenges. These results reflect our continued focus on increasing cash settlements through the expansion of our Legal Services division, while using our working capital to maximum effect to ensure growth in our Credit Hire division. This emphasis on facilitating growth led to significant increases in both cash collections and vehicle numbers, culminating in record numbers of vehicles on the road at the end of the year. We have continued to invest in our advocacy practice, particularly through our Housing Disrepair Division, and we believe the division will become a significant contributor to future revenues.

The Board continues its close monitoring of progress in our core divisions while seeking to take advantage of the significant growth opportunities which are presenting themselves as we emerge from the pandemic and believes that the Group is well positioned for further strong performance in 2022 and beyond.

Group Performance

Anexo experienced strong growth in 2021, despite the ongoing disruption caused by the ongoing COVID restrictions. Trading across our divisions has been robust and our core business has proved extremely resilient. As a result, Group revenues in 2021 increased by 36.2% to £118.2 million (2020: £86.8 million). Adjusted profit before tax rose 49.7% to £24.1 million (2020: £16.1 million), reflecting the continued investment in staff, IT and associated infrastructure costs associated with the headcount increase (investment in 2020: £6.5 million). The Group issued a trading statement on 18 January 2022 stating that profit before tax would significantly exceed market expectations.

The Group's focus on growth meant that 2021 was a period of cash absorption to take advantage of the opportunities for new contracts, as well as the ongoing withdrawal of a number of competitors from the market and the impact of the introduction of the Civil Liabilities Act, which severely curtails the ability of personal injury solicitors to recover substantial legal costs. To accommodate this growth the Group increased its available working capital facilities and continued the expansion of staff numbers and the necessary supporting infrastructure to support increased case settlements.

Credit Hire division

The Group's Credit Hire division, EDGE, saw further record performance in vehicle provision during the year. The number of new vehicle hires continued to be impacted by lockdowns in 2021. 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, and with the backdrop of a reduction in competition in the market following changes implemented by the Civil Liabilities Act 2021, vehicle numbers recovered strongly and reached record levels in the latter part of 2021. The number of vehicles on hire at the end of 2021 rose 46.7% to 2,366 (2020: 1,613) and the average number of vehicles on hire throughout the financial year rose 21.1% to 1,834 (2020: 1,515).

Revenues within the Credit Hire division grew by 38.2% to £71.3 million (2020: £51.6 million). The Group maintains its claims acceptance strategy of deploying its resources into the most valuable claims, thereby growing claims while preserving working capital. The Group monitors its fleet size constantly, enabling it to respond quickly to changes in demand and strategic priorities by deploying its vehicles appropriately with focus remaining firmly on McAMS, the motorcycle division.

Legal Services division

The Group's Legal Services division, Bond Turner, has continued its focus on cash collections and corresponding investment in staff to drive increased case settlements. This strategy has had a significant positive impact on financial performance. Revenues within the Legal Services division, which strongly correlates to cash, increased by 33.2% to £46.9 million (2020: £35.2 million). The continued growth of the Bolton office, which opened in December 2018, and the opening of the Leeds office at the beginning of 2021 have provided considerable opportunities for recruitment. During the pandemic, and following the implementation of the Civil Liabilities Act 2021, the Group has seen a number of personal injury solicitors withdrawing from the market and embarking on a run-off strategy. In addition, a number of high-quality staff at competitor firms were placed on furlough. Taking advantage of these recruitment opportunities has resulted in staff numbers rising at all levels, with the ability to retrain personal injury solicitors in the field of credit hire for suitable placement within Bond Turner. At the end of December staff numbers within Bond Turner stood at 634, a 22.4% increase on the 2020 figure of 518. Of these, a total of 237 were senior fee earners, up 46.3% (2020: 163).

MCE Insurance

Towards the end of 2021 we announced the signing of a major agreement with UK-based broker MCE Insurance ('MCE') to offer post-accident claims services to all MCE's non-fault insurance customers. This follows motor insurer Sabre Insurance Group plc signing an agreement with MCE which will see it become the exclusive underwriter of MCE's motorcycle policies.

UK-based MCE is independently owned and since its foundation in 1975 has grown to become one of the UK's largest providers of motorcycle insurance. Under the terms of the agreement, we will assume responsibility for dealing with claims from customers of MCE who are victims of non-fault accidents. Replacement motorcycles will be provided through our credit hire division, Edge, and customers will be supported in their legal claims against the at-fault insurer by its legal services division, Bond Turner. Where appropriate, claims will include personal injury and damage to possessions and equipment as well as vehicle repair or replacement. Statistics show that motorcyclists are particularly vulnerable to personal injury as a result of non-fault accidents.

The contract commenced in November 2021 and generated over 500 claims by the end of the year. We anticipate that the contract will generate an increasing level of credit hire opportunities for the Group during 2022, adding to our growth opportunities within the core business.

VW Emissions Case

The pursuit of the class action against Volkswagen AG ('VW') and its subsidiaries (the 'VW Emissions Case') has continued during 2021. 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. Time limitations for the case expired in September 2021, meaning that no more claims can be brought against VW.

A court date for the case has now been scheduled for January 2023, prior to which we will seek to negotiate settlement of the case.

Bond Turner is acting on behalf of a number of individuals who have registered claims against VW and is currently actively engaged on approximately 13,000 cases. The marketing campaign has been largely conducted via social media channels as well as via the use of internal customer records 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 2022.

Mercedes Benz Emissions Case

Having undertaken our own internal research, which has been subsequently corroborated by counsel, the Group is to start actively sourcing claims against Mercedes Benz, as we have successfully done for VW. To support the case, the Group sourced an additional £3.0 million of funding in November 2021 to cover the anticipated marketing costs.

Housing Disrepair

During the latter part of 2020 we created a new team within our legal services division, Bond Turner, to deal with claims arising from housing disrepair. This team expanded rapidly during 2021. During the year we successfully settled some 500+ claims. At the end of the year, we had a portfolio of over 1,500 ongoing claims. With further investment planned into 2022, the Housing Disrepair team is expected to generate a significant contribution to earnings in 2022 and beyond.

Dividends

The Board is pleased to propose a final dividend of 1.0p per share, which if approved at the Annual General Meeting to be held on 16 June 2022 will be paid on 24 June 2022 to those shareholders on the register at the close of business on 20 May 2022. The shares will become ex-dividend on 19 May 2022. An interim dividend of 0.5p per share was paid on 22 October 2021 (2020: total dividend 1.5p per share).

Corporate Governance

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

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

Our employees and stakeholders

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

COVID-19 Update

The COVID-19 pandemic has inevitably caused some continued 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 have been increasingly active throughout the pandemic) and other customers such as doctors, nurses, schoolteachers, nursery staff, emergency workers and supermarket personnel.

The Group's core businesses continued to be fully operational following the reintroduction of a national lockdown at the end of 2020. Activity levels in the Credit Hire Division (EDGE) have remained 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. Notwithstanding the relaxation of restrictions, vehicles have continued 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 began to return to normal working practices during 2021, while remaining open for remote working. A backlog of those cases requiring physical attendance has inevitably arisen, but the Group's Legal Services division, Bond Turner, has continued to reach case settlements via telephone and online hearings where possible. The progression and settlement of cases was 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. All our staff returned to office working as quickly as practicable; social distancing guidelines have been observed in all our office locations and extensive COVID safety measures have been implemented.

EDGE, the Group's Credit Hire division, has also remained fully operational throughout 2021.

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 2021, 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 throughout the period. This impacted our reported financial performance in 2020 but these investments have resulted in the growth seen in 2021 and will continue to contribute to growth in 2022 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. As previously announced, however, since year end the Group has modified its approach to vehicle funding. We have adopted a targeted approach. This has led to a reduction in the number of vehicles on the road since the beginning of FY22 to a level which best facilitates management of the Group's working capital requirements. The Group remains focused on quality claims, high service standards and high success rates.

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.

Subsequent Events

In March 2022, the Group secured an increase in facilities from Secure Trust Bank plc, increasing the overall draw rate on the invoice discounting facility alongside an increase in the overall facility limit to £43.0 million. In addition to this increase the Group secured a loan of £7.5 million from Blazehill Capital Finance Limited. The loan, which is non amortising and is committed for a three year period was also drawn in March 2022.

Alan Sellers

Executive Chairman

11th May 2022

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 2020 and the £0.4 million charge for share-based payments in 2021.

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

New Accounting Standards

As reported on page 73 there have been a number of new UK IFRS accounting standards applicable from 1 January 2021, none of which have resulted in adjustment to the way in with the Group accounts or presents its financial information.

Revenue

In 2021, Anexo successfully increased revenues across both its divisions, Credit Hire and Legal Services, resulting in Group revenues of £118.2 million, representing a 36.2% increase over the prior year (2020: £86.8 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 2021 EDGE, the Credit Hire division, provided vehicles to 10,265 individuals (2020: 7,535) a significant increase on that seen in the prior year (36.2%). This constitutes a strong performance given the restrictions imposed during the year. 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. This investment led to the award of our first insurance contract in November 2021. The Group secured an exclusive contract with MCE to support their non fault customers with replacement vehicles.

With the number of claims rising significantly in 2021, the strategy of deploying capital into the most valuable claims to the Group resulted in revenues for the Credit Hire division increasing to £71.3 million in 2021, an increase of 38.2% over 2020 (£51.6 million).

With investment in staff continuing as other firms made redundancies and furloughed staff, the Legal Services division reported significant revenue growth of 30.6%, with revenues rising from £35.9 million in 2020 to £46.9 million in 2021.

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 2021, the Group continued its recruitment campaign, as a number of high-quality staff became available 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 2021, we employed 634 staff in Bond Turner (December 2020: 518), of which 237 (December 2020: 163) were senior fee earners, an increase of 31.6%.

Investment in this new department, following the implementation of the Extension of the Homes (Fitness for Human Habitation) Act 2019, expanded significantly in 2021. With £1.7 million being invested in marketing for the generation of new claims, we secured c 2,000 new claims in 2021, settling c 500 in an average of 180 to 200 days, significantly less than the working capital cycle of an average Credit Hire claim. As such, and following the significant investment in staff in 2021, further recruitment is planned into 2022 to enhance performance and improve cash flow for the Group as a whole.

With the signing of the lease for the Leeds office, recruitment and associated training has continued and as at the end of 2021 the office held 24 staff. Recruitment is scheduled to continue throughout 2022 across all of our three office locations.

Gross Profits

Gross profits are reported at £91.5 million (at a margin of 77.4%) in 2021, increasing from £68.0 million in 2020 (at a margin of 78.3%). 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%.

Operating Costs

Administrative expenses before exceptional items increased year-on-year, reaching £55.1 million in 2021 (2020: £42.6 million), an increase of £12.5 million (29.3%). 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 £20.5 million (2020: £16.6 million), an increase of £3.9 million (23.5%) which, together with significant investment in staff within the Credit Hire division (2021: £12.4 million, 2020: £8.1 million) to ensure we maintained our high standards of service to an increasing number of clients, accounted for a total increase of £8.2 million. Following the establishment of our Housing Disrepair team in late 2020, some £1.7 million was invested in marketing costs in 2021 (2020: £0.1 million), all of which has been expensed as incurred. The balance of the increase reflects the investment in marketing and infrastructure to allow the Group to meet its growth aspirations.

Profit Before Tax

Adjusted profit before tax reached £24.1 million in 2021, increasing significantly from £16.1 million in 2020 (49.7%). To provide a better guide to underlying business performance, adjusted profit before tax excludes share-based payments charged to profit and loss.

The GAAP measure of the profit before tax was £23.7 million (2020: £15.5 million) reflecting the non-cash share-based payment charge of £0.4 million (2020: £0.7 million). Where we have provided adjusted figures, they are after the add-back of this item and a reconciliation of the adjusted and reported results is included on page 19 of the Annual Report.

Finance Costs

Finance costs reached £3.6 million in 2021, increasing from £2.6 million in 2020 (38.5%), reflecting the increased level of financing facilities held within the Group to support its growth strategy.

EPS and Dividend

Statutory basic EPS is 16.5 pence (2020: 10.8 pence). Statutory diluted EPS is 16.2 pence (2020: 10.6 pence). The adjusted EPS is 16.8 pence (2020: 11.4 pence). The adjusted diluted EPS is 16.5 pence (2020: 11.2 pence). The adjusted figures exclude the effect of share-based payments. The detailed calculation in support of the EPS data provided above is included within Note 12 of the financial statements of the annual report.

The Board is pleased to propose a final dividend of 1.0p per share, which if approved at the Annual General Meeting to be held on 16 June 2022 will be paid on 24 June 2022 to those shareholders on the register at the close of business on 20 May 2022. The shares will become ex-dividend on 19 May 2022. An interim dividend of 0.5p per share was paid on 22 October 2021 (2020: total dividend 1.0p per share).

Group Statement of Financial Position

The Group's net assets position is dominated by the balances held within trade and other receivables. These balances include credit hire and credit repair debtors, together with disbursements paid in advance which support the portfolio of ongoing claims. The gross claim value of trade receivables totalled £325.3 million in 2021, rising from £262.6 million in 2020. In accordance with our income recognition policies, a provision is made to reduce the carrying value to recoverable amounts, the net balance increasing to £146.4 million (2020: £119.6 million). 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 2021 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 rise in cash collections seen year on year as well as additional facilities secured from our two principal working capital funders.

In addition, the Group has a total of £39.4 million reported as accrued income (2020: £27.1 million) which represents the value attributed to those ongoing hires and claims at the year end, the number of vehicles on the road in particular increasing significantly during the year.

The increases in both trade receivables and accrued income reflect an increase in net volume of new cases funded which increased to 4,078 in 2021 (having funded 10,265 hire cases and settled 6,187 in the year) from 2,299 in 2020 (having funded 7,535 hire cases and settled 5,236 in that year).

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 2021 into the motorcycle fleet so as to meet the demand from our significant pool of introducers. Total fixed asset additions totalled £13.1 million in 2021 (2020: £11.2 million), the fleet continues to be largely externally financed.

Trade and other payables, including tax and social security increased to £12.6 million compared to £9.5 million at 31 December 2020, the Group utilising additional cash availability to reduce the balance over and above the general increase in trading activity.

Net assets at 31 December 2021 reached £128.2 million (2020: £110.4 million).

Net Debt, Cash and Financing

Net debt increased to £62.0 million at 31 December 2021 (31 December 2020: £40.5 million) and comprised cash balances at 31 December 2021 of £7.6 million (2020: £8.2 million), plus borrowings which increased during the year to fund the additional working capital investment in the Group's portfolio of claims, support the investment by the Group in the VW and Mercedes Benz emissions claims and facilitate expansion of the vehicle fleet.

The total debt balance rose from £48.7 million in 2020 to £69.6 million at the end of 2021; these balances include lease liabilities recognised in line with IFRS16. The Group has a number of funding relationships and facilities to support its working capital and investment requirements, including an invoice discounting facility within Direct Accident Management Limited (secured on the credit hire and repair receivables), lease facilities to support the acquisition of the fleet and a revolving credit facility within Bond Turner Limited.

Subsequent to the year end, the group secured an increase in facilities from Secure Trust Bank plc alongside a loan of £7.5 million from Blazehill Capital Finance Limited. Secured Trust Bank plc increased both the overall draw rate on the invoice discounting facility as well as the overall facility limit to £43.0 million. The loan from Blazehill Capital Finance Limited is non amortising and committed for a three year period; both were available to be drawn from March 2022.

Having considered the Group's current trading performance, cash flows and headroom within our current debt facilities, maturity of those facilities, the Directors have concluded that it is appropriate to prepare the Group and the Company's financial statements on a going concern basis. Further details are included on page 73 of the financial statements.

Cash Flow

Notwithstanding the impact of COVID-19 on the Business (further details provided earlier), whilst other businesses have furloughed staff and made redundancies, particularly within the personal injury legal market, we have continued to invest in talent and grow our settlement capacity throughout Bond Turner. The number of senior fee earners increased from 163 to 237 during 2021 (an increase of 45.4%) and continues to rise across each of our offices, the third of which opened in Leeds in February 2021.

Cash collections for the Group (and excluding settlements for our clients), a key metric for the Group, increased from £98.0 million in 2020 to £119.0 million in 2021, an increase of 21.4%. This is a significant improvement, given the fact that many of the new recruits will not reach settlement maturity until 2022. Furthermore, with settlements impacted by the reduction in capacity within the court system arising from the impact of COVID, this growth is testament to the quality of staff within the Group. During 2020 and 2021, 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 during the various periods of lockdown, 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 2021, reaching 1,834 (2020: 1,515). 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 with vehicle numbers peaking at over 2,500 in the later part of the year, culminating in the award of our first insurance contract with MCE (further details have been provided above).

With such a raft of growth opportunities, the Board approved an increase in availability of approximately £11.1 million of new debt, provided by an increase in facilities from Secure Trust Bank plc (£3.6 million) and Blazehill Capital Finance Limited (£7.5 million), to take advantage of these opportunities, whilst ensuring the relationship between the number of new claims taken on within EDGE is balanced with the settlement capacity of Bond Turner. These additional facilities were secured in March 2022.

As growth opportunities within the Credit Hire division expanded significantly during 2021, the Group reported an outflow from operating activities of £7.3 million (2020: cash inflow of £0.2 million), this position being impacted not only from the significant increase in hire cases funded (which increased by 2,730 (36.2%) to 10,265) but continued delays and adjournments within the court system. However, we successfully reduced the average working capital cycle from c520 days in 2020 to c460 days in 2021 as the level of claims processed under protocol type arrangements with a number of at fault insurers increased to cover approximately 15% of our claims taken.

With a net cash inflow of £7.2 million resulting from financing activities, having secured additional facilities from our two primary funders (Secure Trust Bank Plc and HSBC Bank Plc) alongside an additional £3.0 million to fund the Mercedes Benz emissions claim, (2020: net cash inflow of £4.9 million), the Group reported a net cash outflow in 2021 of £0.7 million (2020: net cash inflow of £6.0 million).

Reconciliation of Adjusted and Reported IFRS Results

In establishing the adjusted operating profit, the costs adjusted include £0.4 million of costs related to share-based payments (2020: £0.7 million).

A reconciliation between adjusted and reported results is provided below:

	Year to December 2021		
	Adjusted £'000s	**Share-based payment £'000s**	**Reported £'000s**
Revenue	118,237	-	118,237
Gross profit	91,481	-	91,481
Other operating costs (net)	(63,149)	(378)	(63,527)
Operating profit	27,728	(378)	27,350
Finance costs (net)	(3,604)	-	(3,604)
Profit before tax	24,124	(378)	23,746

	Year to December 2020		
	Adjusted £'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

By order of the board

Mark Bringloe

Chief Financial Officer

11 May 2022

Consolidated Statement of Total Comprehensive Income
for year ended 31 December 2021

	Note	2021 £'000s	2020 £'000s
Revenue	3	118,237	86,752
Cost of sales		(26,756)	(18,800)
Gross profit		91,481	67,952
Depreciation & profit / loss on disposal	4	(8,504)	(6,571)
Amortisation	4	(137)	(92)
Administrative expenses before share based payments	4	(55,112)	(42,581)
Operating profit before share based payments	4	27,728	18,708
Share based payment charge	4	(378)	(658)
Operating profit	4	27,350	18,050
Finance costs		(3,604)	(2,562)
Profit before tax		23,746	15,488
Taxation		(4,598)	(3,173)
Profit and total comprehensive income for the year attributable to the owners of the company		19,148	12,315
Earnings per share			
Basic earnings per share (pence)	5	16.5	10.8

Diluted earnings per share (pence)	5	16.2	10.6

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
as at 31 December 2021

		2021	2020
Assets	**Note**	**£'000s**	**£'000s**
Non-current assets			
Property, plant and equipment	6	2,071	2,187
Right of use assets	6	16,896	13,081
Intangible assets	7	188	234
Deferred tax assets	7	112	112
		19,267	15,614
Current assets			
Trade and other receivables	8	188,134	147,931
Corporation tax receivable		-	439
Cash and cash equivalents		7,562	8,220
		195,696	156,590
Total assets		214,963	172,204
Equity and liabilities			
Equity			
Share capital		58	58
Share premium		16,161	16,161
Share based payments reserve		2,077	1,699
Retained earnings		109,928	92,520
Equity attributable to the owners of the Company		128,224	110,438

Non-current liabilities			
Other interest-bearing loans and borrowings	9	13,814	3,681
Lease liabilities	9	8,430	8,945
Deferred tax liabilities		32	32
		22,276	12,658
Current liabilities			
Other interest-bearing loans and borrowings	9	38,499	31,294
Lease liabilities	9	8,833	4,753
Trade and other payables		12,635	9,505
Corporation tax liability		4,496	3,556
		64,463	49,108
Total liabilities		86,739	61,766
Total equity and liabilities		214,963	172,204

The financial statements were approved by the Board of Directors and authorised for issue on 10 May 2022. They were signed on its behalf by:

Mark Bringloe

Chief Financial Officer

11 May 2022

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

	Share Capital	Share Premium	Merger Reserve	Share Based Payments Reserve	Retained Earnings	Total

	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2020	55	9,235	-	1,041	81,365	91,696
Profit for the year and total comprehensive income	-	-	-	-	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
Profit for the year and total comprehensive income	-	-	-	-	19,148	19,148
Share based payment charge	-	-	-	378	-	378
Dividends	-	-	-	-	(1,740)	(1,740)
At 31 December 2021	58	16,161	-	2,077	109,928	128,224

Consolidated Statement of Cash Flows
for the year ended 31 December 2021

		2021	2020
	Note	£'000s	£'000s

Cash flows from operating activities			
Profit for the year		19,148	12,315
Adjustments for:			
Depreciation and profit / loss on disposal	4	8,504	6,571
Amortisation	4	137	92
Financial expense		3,604	2,562
Share based payment charge	4	378	658
Taxation		4,598	3,173
		36,369	25,371
Working capital adjustments			
Increase in trade and other receivables		(40,224)	(20,686)
Increase in trade and other payables		3,131	1,588
Cash generated from operations		(724)	6,273
Interest paid		(3,364)	(2,422)
Tax paid		(3,219)	(3,646)
Net cash from operating activities		(7,307)	205
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		941	853
Acquisition of property, plant and equipment		(1,439)	(223)
Investment in intangible fixed assets		(91)	(150)
Receipt of directors loan receivable		-	415
Net cash from investing activities		(589)	895
Cash flows from financing activities			
Net proceeds from the issue of share capital		-	6,929
Proceeds from new loans		25,039	12,924
Repayment of borrowings		(7,951)	(6,257)

Lease payments	(8,110)	(7,586)
Dividends paid	(1,740)	(1,160)
Net cash from financing activities	7,238	4,850
Net (decrease)/increase in cash and cash equivalents	(658)	5,950
Cash and cash equivalents at 1 January	8,220	2,270
Cash and cash equivalents at 31 December	7,562	8,220

Notes to the Consolidated Financial Statements
for the year ended 31 December 2021

1. Basis of Preparation and Principal Activities

Whilst the financial information included in this preliminary announcement has been prepared on the basis of the requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and effective as at 31 December 2021, 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 2021 or 2020 but is derived from those financial statements.

Statutory financial statements for 2020 have been delivered to the registrar of companies and those for 2021 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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

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

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

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

Going concern

Throughout the year, ensuring the health and wellbeing of our people and clients was paramount, and steps were 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.

During 2021, the vast majority of staff within Bond Turner, the Group's Legal Services division, operated from within the office under certain measures detailed within the Group's COVID-19 risk assessment which included certain office adaptations. Progress continues to be made for the transition from virtual to face to face court hearings, supporting an ever-improving level of case settlements and cash collections for the Group.

Within EDGE, the Group's Credit Hire division, vehicles have been delivered and collected by staff who are protected in line with government guidelines. our need for vehicle delivery increased during the pandemic and the trend towards increasing opportunities within our motorcycle business also expanded during 2021 as many courier and motorcycle delivery businesses recruited thousands of new riders to keep up with public demand. The number of vehicles on the road reached record levels in the autumn of 2021, coinciding with the award of the contract from MCE. Vehicle numbers are now returning to lower levels in order to manage growth within EDGE and remain within the capacity of Bond Turner.

The reported results for 2021 demonstrate the resilience shown by the Group, our business model and our employees. The introduction of the Housing Disrepair division supported a shortening of our working capital cycle, an area with significant capacity for growth during 2022 and beyond. The pandemic and the changes in the Civil Liabilities Act have created opportunities for the Group to both grow market share within the core business, including the opportunity to secure our first insurance contract with MCE, and to take advantage of opportunities as they arise in other areas within the legal services arena.

Following the recent announcement of additional facilities from Secure Trust Bank plc and Blazehill Capital Finance Limited, which are expected to provide additional funding of £15.0 million into 2022, the Group has a strong balance sheet with a conservative gearing level and good liquidity with headroom within its funding facilities and associated covenants, which include a revolving credit facility of £10.0 million with HSBC Bank plc (due for repayment in October 2024), an invoice discounting facility of £40.0 million with Secure Trust Bank plc (due for renewal in December 2023) and a loan facility of £7.5 million from Blazehill Capital Finance Limited.

Measures implemented to maintain a stable relationship between EDGE and Bond Turner, alongside the additional headroom created from the recent refinancing, means that the Board remains confident that the Group is in a strong financial position and is well placed to 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 2023, against which the impact of various sensitivities have been considered covering the level of cash receipts and the volume of work taken on. Working capital management is considered to be the most critical aspect of the Group's assessment. The Group has the ability to improve cash flow and headroom from a number of factors that are within the direct control of management, examples of which could be by limiting the level of new business within EDGE, managing the level of investment in people and property within Bond Turner or by limiting the investment in the Mercedes Benz emissions case. These factors allow management to balance any potential shortfall in cash receipts and headroom against forecast levels, something the Directors have been doing for many years, such that the Group maintains adequate headroom within its facilities.

It is in that context that the Directors have a reasonable expectation that the Group will have adequate cash headroom. The Group continues to trade profitably and early indications for growth in the current year are positive. Accordingly, the directors continue to adopt the going concern basis in preparing the consolidated and the company financial statements.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and prior periods if the revision affects both current and prior periods.

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

Credit Hire

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

Revenue is accrued on a daily basis, after adjustment on a portfolio basis for an estimation of the recovery of those credit hire charges based on historical settlement rates. 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 based on historical settlement information, revenue, accrued income and trade receivables are sensitive to these estimates. This assumes that claims which have settled historically are representative of the trade receivables and accrued income in the balance sheet. This assumption represents a significant judgement. If the settlement percentages applied in calculating revenue were reduced by 1% it would reduce credit hire revenue and trade receivables and accrued income (£71.3 million and £143.0 million respectively) by £2.3 million. (2020: by £1.9 million, credit hire revenue being £51.0 million and trade receivables and accrued income £110.9 million).

Legal Services

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

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

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

3. Segmental Reporting

The Group's reportable segments are as follows:

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

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

Year ended 31 December 2021

	Credit Hire	Legal Services	Housing Disrepair	VW Class Action	Group & Central Costs	Consolidated
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Revenues						
Third party	71,338	41,823	5,076	-	-	118,237
Total revenues	71,338	41,823	5,076	-	-	118,237
Profit before taxation	19,811	4,423	2,592	(819)	(2,261)	23,746
Net cash from operations	(10,654)	5,637	(568)	(819)	(903)	(7,307)
Depreciation, amortisation and gain on disposal of property, plant and equipment	7,205	1,436	-	-	-	8,641
Segment assets	161,578	49,545	3,648	-	192	214,963

Capital expenditure	998	441	-	-	-	1,439
Segment liabilities	55,415	25,413	-	5,501	410	86,739

Year ended 31 December 2020

	Credit Hire	Legal Services	Housing Disrepair	VW Class Action	Group & Central Costs	Consolidated
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Revenues						
Third party	51,591	34,419	742	-	-	86,752
Total revenues	51,591	34,419	742	-	-	86,752
Profit before taxation	17,891	2,476	341	(2,906)	(2,314)	15,488
Net cash from operations	(15)	3,455	(168)	(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	45,280	509	-	1,360	172,204
Capital expenditure	4,238	900	-	-	-	5,138
Segment liabilities	39,521	16,886	-	2,251	3,108	61,766

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

4. Operating Profit

Operating profit is arrived at after charging:

	2021	2020
	£'000s	**£'000s**
Depreciation on owned assets	653	474
Depreciation on right of use assets	8,039	6,333
Amortisation	137	91
Share based payments	378	658
Gain on disposal of property, plant and equipment	(188)	(236)

There were no non-recurring costs in the year ended 31 December 2021 or 2020.

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

	2021	2020
	£'000s	**£'000s**
Audit services		
Audit of the Company and the consolidated financial statements	50	40
Audit of the Company's subsidiaries	120	89
Total audit fees	170	129
All other services	-	-
Total fees payable to the Company's auditor	170	129

5. Earnings Per Share

Number of shares:	2021 No.	2020 No.
Weighted number of ordinary shares outstanding	116,000,000	113,550,685
Effect of dilutive options	2,200,000	2,200,000
Weighted number of ordinary shares outstanding – diluted	118,200,000	115,750,685

Earnings:	£'000s	£'000s
Profit basic and diluted	19,148	12,315
Profit adjusted and diluted	19,526	12,973

Earnings per share:	Pence	Pence
Basic earnings per share	16.5	10.8
Adjusted earnings per share	16.8	11.4
Diluted earnings per share	16.2	10.6
Adjusted diluted earnings per share	16.5	11.2

The adjusted profit after tax for 2021 and adjusted earnings per share are shown before share-based payment charges of £0.4 million (2020: £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	Property improvements	Fixtures, fittings & Equipment	Office equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 1 January 2020	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
Additions	12,607	2	450	85	13,144
Disposals	(7,656)	-	-	(334)	(7,990)
At 31 December 2021	29,644	494	3,125	629	33,892
Depreciation					
At 1 January 2020	7,319	273	460	651	8,703
Charge for 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
Charge for the year	8,039	25	559	69	8,692
Eliminated on disposal	(6,903)	-	-	(334)	(7,237)
At 31 December 2021	12,748	322	1,418	437	14,925
Carrying amount					
At 31 December 2021	16,896	172	1,707	192	18,967
At 31 December 2020	13,081	195	1,816	176	15,268

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

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

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

At 1 January 2020	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
Depreciation charge for the year	(950)	(7,089)	(8,039)
Additions to right-of-use assets	-	12,607	12,607
Disposals of right-of-use assets	-	(753)	(753)
At 31 December 2021	4,150	12,746	16,896

7. Intangibles

Intangible Assets

	Software licences £'000s
Cost	
At 1 January 2020	210
Additions	151
At 31 December 2020	361
Additions	91
At 31 December 2021	452
Amortisation	
At 1 January 2020	35
Charge for year	92
At 31 December 2020	127
Charge for the year	137
At 31 December 2021	264

Carrying amount

At 31 December 2021	188
At 31 December 2020	234

8. Trade and Other Receivables

	2021	2020
	£'000s	£'000s
Gross claim value	325,260	262,575
Settlement adjustment on initial recognition	(151,507)	(121,967)
Trade receivables before impairment provision	173,753	140,608
Provision for impairment of trade receivables	(27,360)	(21,016)
Net trade receivables	146,393	119,592
Accrued income	39,431	27,100
Prepayments	1,849	596
Other debtors	461	643
	188,134	147,931

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

Average gross debtor days calculated on a count back basis were 432 at 31 December 2021 and 428 at 31 December 2020.

Age of net trade receivables

	2021	2020
	£'000s	£'000s
Within 1 year	83,166	67,361
1 to 2 years	34,931	32,049
2 to 3 years	19,716	12,791
3 to 4 years	7,524	6,709
Over 4 years	1,056	682
	146,393	119,592
Average age (days)	432	428

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

Movement in provision for impairment of trade receivables

	2021	2020
	£'000s	£'000s
Opening balance	21,016	19,478
Increase in provision	10,635	6,448
Utilised in the year	(4,291)	(4,910)
	27,360	21,016

9. Borrowings

	2021	2020
	£'000s	£'000s

Non-current loans and borrowings		
Lease liabilities	8,430	8,945
Revolving credit facility	10,000	-
Other borrowings	3,814	3,681
	22,244	12,626
Current loans and borrowings		
Revolving credit facility	-	8,000
Lease liabilities	8,833	4,753
Invoice discounting facility	29,258	16,341
Other borrowings	9,241	6,953
	47,332	36,047

Direct Accident Management Limited uses an invoice discounting facility which is secured on the trade receivables of that company. Security held in relation to the facility includes a debenture over all assets of Direct Accident Management Limited dated 11 October 2016, extended to cover the assets of Anexo Group Plc and Edge Vehicles Rentals Group Limited from 20 June 2018 and 28 June 2018 respectively, as well as a cross corporate guarantee with Professional and Legal Services Limited dated 21 February 2018. At the end of December 2021, Direct Accident Management Limited has availability within the invoice discounting facility of £1.3 million (2020: £2.2 million).

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

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

The revolving credit facility is secured by way of a fixed charge dated 26 September 2019, over all present and future property, assets and rights (including uncalled capital) of Bond Turner Limited. The loan is structured as a revolving credit facility which is committed for a three-year period, until 13 October 2024, with no associated repayments due before that date. Interest is charged at 3.25% over the Respective Rate. The facility increased in the year from £8.0 million to £10.0 million and was fully drawn down as at 31 December 2021 and 2020.

The Group's banking arrangements are subject to monitoring through financial performance measures or covenants. During the COVID 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. A facility from Secure Trust (£29.3 million as at 31 December 2021) was 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 three years from the date of receipt of cunding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group.

In November 2021 a further £3.0 million loan was sourced from certain of the principal shareholders and directors of the Group to support the investment in 2022 of the Mercedes Benz emissions claim. The terms of the loan are that interest accrues at the rate of 10% per annum, with maturity two years from the date of receipt of funding with an option to repay early without charge. In addition to the interest charges the loan attracts a share of the proceeds to be determined by reference to the level of fees generated for the Group.

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.

Changes in liabilities arising from financing activities

	Invoice discounting facility £'000s	**Lease liabilities £'000s**	**Other borrowings £'000s**
Balance at 1 January 2020	17,784	10,307	10,383
Cash flows			
Proceeds from new loans	-	-	12,924
Repayment of borrowings	(1,443)	-	(4,814)
Lease payments	-	(7,585)	-
Non-cash changes *	-	10,976	141
Balance at 31 December 2020	**16,341**	**13,698**	**18,634**
Cash flows			
Proceeds from new loans	12,917	-	12,122
Repayment of borrowings	-	-	(7,971)
Lease payments	-	(8,110)	-
Non-cash changes *	-	11,675	270
Balance at 31 December 2021	**29,258**	**17,263**	**23,055**

***** This balance includes £11.7 million (2020: £11.0 million) of new leases entered into during the year.