REGISTERED NUMBER: 03578103 (England and Wales)

Annual Report and

Financial Statements

for the Year Ended 31 December 2019

for

Complete Cover Group Limited

Contents

Complete Cover Group Limited
Company Information
for the year ended 31 December 2019

Directors:	J D Braithwaite A M Darling S I Hooper T P Wills
Registered office:	Elmbrook House 18 – 19 Station Road Sunbury on Thames Surrey England TW16 6SU
Registered number:	03578103 (England and Wales)
Auditor:	PKF Littlejohn LLP 15 Westferry Circus London United Kingdom E14 4HD
Bankers:	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB

2019 Strategic review; Performance and achievements

The Directors in preparing this Strategic Report for Complete Cover Group Limited (the Company) for the year to 31 December 2019 have complied with s414C of the Companies Act 2006.

The purpose of this Strategic Report is to inform members of the Company and help assess how the Directors have performed their duty under Section 172 of the Companies Act 2006.

Review and analysis of the Company's business

The principal activity of the Company is the provision of insurance broking services to the car, van and taxi markets. The Company is a member of the Key Topco Limited group of companies (the 'Group'), an insurance broking group in the UK, with internal underwriting capacity available in Gibraltar.

2019 was another challenging year in the insurance market and a period of change for the business as it continued its programme of modernisation at the same time as supporting the sale of the Group, aimed at achieving an exit for the existing shareholders as well as finding a new shareholder with the capital and experience to support the growth ambitions of the new management team.

The company made a profit before tax of £0.2m (2018: £(9.6)m). Using another measure of profitability, the Directors report profits up on 2018, achieving an adjusted EBITDA of £1.0m (2018: £0.5m) for the year after allowing for exceptional items. Key highlights in the year include the following:

- **Successful sale process undertaken**
  The decision was made at the end of 2018 to put the Group up for sale to achieve an exit for existing shareholders and to find a new shareholder with the capital and experience to support the growth ambitions of the new management team. On 24 January 2020, following regulatory approvals, the Group was acquired by Ormiston Holdco Limited, a new holding company backed by private funds. As a result of the transaction, all existing debt facilities owed to RBS and Close Brothers were repaid and existing shareholder debt written off; this has created a capital structure in the Group that is virtually debt free and therefore more sustainable. The acquisition was a hugely positive step for the Group; the new owners will actively support the Group to achieve its goal to become the 'Go To' provider of non-standard motor insurance products and services.

- **Regulatory development - SMCR**
  In readiness for SMCR the business conducted both internal training and an external review of the 'Approved Persons' in the Company. The approved Persons register remained the same throughout 2019 having positively concluded that all the individuals were 'fit and proper'. In addition, all staff completed on line training to reinforce their understanding of the importance of the FCA Code of Conduct.

- **Continued enhancement of our customer experience**
  In 2019 the business continued to streamline its enrichment data at the point of quote with both software houses. This, improved the way enrichment data is handled from both Experian and Lexis Nexis to inform conversations with prospective customers, enhancing their journey with the business.

- **Refining our IT infrastructure**
  Over the course of 2019 the technology estate continued a journey of transformative programs with a view to improve the key areas of security, stability, value and performance. The Company completed a substantial internal server migration programme, improving both the performance and resilience of its infrastructure. Early in 2020 the business also completed a migration of all the critical hosted server and services to Silver Lining, significantly increasing both the speed and capacity of the infrastructure.

- **Continued relationship building with distribution partners**
  The broker has continued to grow its commercial relationship with the four main and smaller aggregators; audits during 2019 have once again given the business a positive report, indicating that the price comparison websites are gaining further understanding of the market sector in which the broker operates.

- **Going concern and Covid-19**
  At the time of writing the business finds itself still very much in the grip of the global pandemic which has necessitated a wholesale change in working patterns across the business – the largest difference being working remotely. During first lockdown the business was able to effectively deploy its contingency plan with colleagues working remotely resulting in limited interruption to customer services. As a consequence, the business has continued to trade effectively, and it is testament to the resilience of the business that there have been many positive improvements despite Covid-19.

Complete Cover Group Limited
Company Information
for the year ended 31 December 2019

The Directors have continued to consider the impact that Covid-19 has had and will have on the Group, which is detailed in Note 1 of the Financial Statements. Although Covid-19 developments remain fluid, trading to date has illustrated the Group's financial resilience and operating flexibility. Following the assessment of the Group's financial position and its ability to meet its obligations as and when they fall due (including the potential financial implications of the Covid-19 pandemic included in stress tests, and the wider operational consequences and ramifications of the pandemic), the Directors are not aware of any material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

The detailed results for the year and the state of the Company's affairs are presented in the attached financial statements on pages 11 to 28.

The Directors consider "Adjusted EBITDA" as a key performance indicator (KPI), being defined as Earnings before Interest, Tax, Depreciation and Amortisation, adjusted for one-off related items that do not relate to underlying trading.

The following items amounting to £133k were added back to the reported EBITDA result for 2019:

- During the year a number of one-off settlements were made to employees exiting the business totaling £31k. There was also a one-off software termination penalty of £6k.
- Project team staff spent a significant amount of time on projects which were deemed to be non-recurring in order to improve overall performance of the business; these activities were not considered to be business as usual and amounted to £96k.

In 2018 adjusted items included redundancy costs of £279k and other associated costs of £116k.

Taking these items into consideration, the Company's EBITDA would be:

		Restated*
	2019	**2018**
	£000	£000
Profit/(Loss) before tax	228	(9,651)
Net Interest	(92)	(66)
Depreciation & Amortisation of Intangibles (Note 8)	250	438
Amortisation of Goodwill and Impairment (Note 8)	499	9,387
EBITDA	885	108
Adjustment items	133	395
Adjusted EBITDA	**1,018**	**503**

In addition to Adjusted EBITDA, other KPIs used and reported by the Directors are:

- Complaints
- Retention rates
- Staff satisfaction
- Average premiums
- Conversion rates
- New business wins and losses;

The Directors review these KPIs frequently and take remedial action if necessary.

Principal risks and uncertainties

The Group has a risk committee that meets monthly which advises the Board on risk and compliance matters and monitors the risk appetite of the business. This committee reviews and challenges the output of the business and each division's risk maps.

The Directors' report details the key financial risks the Directors look to manage. These risks are also viewed as the principal risks and uncertainties faced by the business. Additional principal risks and uncertainties facing the Company are those relating to people, competition, errors and omissions.

i) Competitive risks

The Group continually enhances its value proposition to clients and holds regular meetings with aggregators and insurers to mitigate the risks associated with aggressive competitor marketing strategies.

ii) People risks

Periodic benchmarking of salaries is carried out to ensure the Group attracts and retains key people in a competitive market.

iii) Errors and omissions

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. The Company mitigates this risk through regular review of its processes and, ultimately, the taking out of the appropriate insurance cover.

iv) Regulatory risk

The Company is exposed to a range of regulatory risks including those relating to the failure of processes or controls, business continuity, information security and fraud, all of which could result in an adverse response from the relevant regulator. These risks are managed through maintaining a comprehensive internal control environment, including deploying a 'three lines of defence' model, inclusive of Internal Audit, a Risk and Compliance team and retained external consultancy supplementing the control activities of the business and management.

v) Operational risk

The interruption or loss of information and processing capabilities is a major risk to the business and could have a significant financial impact. Contingency planning is in place to mitigate this risk.

SECTION 172

The Directors have complied with their responsibilities under Section 172 of the Companies Act 2006 which requires them to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is committed to ensuring the Company's business remains sustainable, not only from the shareholders' perspective, but also for the environment, customers, suppliers and others affected by our activities. In so doing, the Board gave regard to the following matters:

(a) The likely consequences of any decision in the long term

By complying with Section 172, the Directors have had regard to the interests of stakeholders affected by the Company's activities and to the likely consequences of decisions in the long-term. The Board regularly reviews the Company's position and strategies at the Board meetings. The decisions of the Board reflect the need to consider the interests of staff and the need to continue to develop a technological advantage versus incumbents so the business is appropriately positioned to take best advantage of market conditions. The strategic priorities are cascaded down by the Executive Directors through direct communication with those responsible for putting measures in place and taking action to achieve them.

The company measures its performance based on KPI's which can be found in full on page 3 of the strategic report.

(b) Interests of the Group's employees

The importance of employees and how the company engages with them is set out in the Directors' report on page 11. Employee engagement surveys are held regularly and annual performance appraisals are conducted for all staff. Calibration sessions are held for all employee Groups to ensure that remuneration decisions are made fairly across the business. Remuneration is aligned to performance and values of the company based on the output from these appraisal sessions.

(c) Fostering business relationships with customers, suppliers and others

Insurer Management – The Insurer Relations Team engages in regular dialogue with the key insurer panel members with whom the business places its business. New insurers are taken through a comprehensive vetting process which looks at their financial rating together with a product governance process to ensure that new products are relevant to and suitable for our customer base.

In 2020, an API solution with one of the broker's largest insurers dramatically increased customer satisfaction as the buying process was significantly shortened.

Customer Engagement – The Marketing Team create blog articles on a monthly basis which highlight interesting and relevant information which customers may wish to read. During 2020, a number of these articles have been published which relate to C-19 and how that may impact customers' insurance policies or their requirement to maintain adequate insurance coverage. All new and renewing customers are surveyed within 24 hours of purchase using Reviews.co.uk. This enables customers to provide their feedback via an independent third party. The business actively reviews and acts on any expressions of dissatisfaction.

Aggregator Engagement – The broker has longstanding contractual relationships with most of the Price Comparison Websites in the UK insurance market. The effective management of these relationships is critical to ongoing trading and a dedicated resource will manage these relationships going forwards.

(d) The impact of the Company's operations on the community and the environment.

The Company continues to develop its practices with environmental considerations driving changes to its operations. Working from home as a result of Covid 19 requirements has presented numerous opportunities to the company and its staff to lower the carbon footprint of the business. Less paper, printing, waste and commuting are just some of the ways that a positive impact has been made on the environment and the company is committed to building on these initiatives long after the pandemic comes to an end.

The Company engages with the wider community through a variety of ways. In 2019, the Board agreed to sponsor a local football team in Cwmbran that had been making a significant contribution to the welfare of young people in the community. In 2020, the Board has agreed to support a company charity together with a local charity for each site. The selection of these charities will be decided following the full engagement of staff in the relevant offices.

(e) Maintaining a reputation for high standards of business conduct

The Group has the highest regard for conduct. The current product range and potential new products are reviewed regularly by the Product Governance Committee for their suitability both for the business and customers, this is done by engaging with both relevant insurers and the wider management team.

Robust governance is another important aspect of the business which ensures appropriate oversight; the respective Boards of the regulated entities meet regularly. In addition, there are a number of sub-committees whose specific functions are to review products, pricing and compliance, the outputs of which are shared with the senior staff members.

As a regulated business, the Group actively engages with both the UK's FCA and the Gibraltar regulator (GFSC) to ensure compliance with the regulatory requirements of the Group's insurance intermediaries and insurance businesses in the relevant jurisdictions.

Where required, the Group works with external experts including legal, accounting and regulatory specialists to ensure the highest standards are met. The Group believes that good conduct is the responsibility of every staff member and as such regular training modules are mandatory throughout the business and senior management hold regular forums to ensure everyone has the opportunity to contribute.

(f) Acting fairly between shareholders of the company

Following the acquisition of the Group in January 2020, the Group now has one beneficial owner who holds a significant majority shareholding. This shareholder is actively engaged in the management of the Company through their directorship held in Key Top Co Limited. Minority shareholders include members of the management team who are also actively involved in the decision making of the business through both directorships held in Group companies and their membership of sub-committees.

On behalf of the board:

T P Wills - Director
18 Dec 2020

Complete Cover Group Limited
Directors' Report
for the year ended 31 December 2019

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2019.

Directors
The Directors who have held office during the year to 31 December 2019 and to the date of this report are as follows:

J D Braithwaite (appointed 19 March 2019)
A M Darling
S I Hooper
T P Wills

The Directors, who are eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

The Group has made qualifying third-party indemnity provisions for the benefit of Directors of all Group companies which were made during the year and remain in force at the date of this report.

Dividends
No dividends have been paid in the year ended 31 December 2019 (2019: £nil).
The Directors do not recommend payment of a final dividend on the ordinary shares for the year ended 31 December 2019. (2019: £nil).

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review which forms part of the Strategic Report. The Strategic and Directors' Reports also describe the financial position of the Company, its cash flows, liquidity risk and the Company's objectives. Policies and process for managing its capital, its financial risk, management objectives, exposure to credit and liquidity risk are in place.

The Company meets its day to day working capital requirements from corporate cash balances. The UK broking market remains extremely competitive and the Company continues to monitor the uncertainty in the current environment. The Directors are satisfied that the Company's services will continue to be attractive to its clients.

The Directors have considered the impact that Covid-19 will have on the Company, which is detailed in Note 1 of the Financial Statements. Although Covid-19 developments are fluid, the stress testing demonstrates the Company's financial resilience and operating flexibility. The assessment of the Company's financial position and its ability to meet its obligations as and when they fall due also included the potential financial implications of the Covid-19 pandemic and the wider operational consequences and ramifications of the pandemic. The Directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Accordingly, while acknowledging the current guidance on going concern, including that from the Financial Reporting Council (FRC) and its recent Covid-19 guidance, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Post Balance Sheet Events and Future developments
Details of post balance sheet events and future developments can be found in the Strategic report on pages 2 to 5 and form part of this report by cross-reference. There is also further disclosure in relation to post balance sheet events in Note 24.
Further information can be found in ultimate parent company, Key Topco Limited, financial statements Strategic report.

Financial risk management
The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk for the Group are interest rate risk, currency risk, credit risk and liquidity/cash flow risk.

i) Liquidity/cash flow risk
Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company carefully monitors levels of cash to ensure compliance with banking covenants. The Directors of the Company make use of forecasts and budgets to monitor and control cash flows and working capital requirements.

ii) Credit risk
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main areas where the Company is exposed to credit risk are amounts due from clients and insurers in respect of brokerage not yet received and cash investment holdings.

The use of premium credit with full recourse across the Company gives rise to potential debt through default by the clients with the premium credit provider.

The Company mitigates its credit risk for cash and investments by only depositing money or holding investments in entities with a sufficiently high credit rating. The credit rating required is that demanded by the ultimate parent company. In addition, the Company has investment guidelines that restrict the amount of the investment portfolio that can be placed with a single issuer, and the level of investment in a non-sovereign issue.

The Company mitigates its credit risk in respect of funded items by closely monitoring the debts created.

Brokerage and fee debtors are also monitored closely with a view reducing the collection period of these items, particularly given the current economic climate.

Disabled employees
Applications for employment by disabled persons are always fully considered. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that where appropriate reasonable adjustments are made and/or relevant training provided. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons, should, as far as possible, be identical to that of other employees.

Employees
The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. Formal and informal meetings are held to keep employees informed and for the purpose of consulting them. Information is provided through employee notices and bulletins and every opportunity is taken to ensure as far as practicable that employees are fully aware of the financial and other factors which affect the Company's performance.

Political donations
During the year no donations were made to political parties (2018: £nil).

Auditor
Each of the persons who is a Director at the date of approval of this report confirm that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PKF Littlejohn LLP has been appointed as the Company's auditor in 2020 for the year ended 31 December 2019. A resolution to reappoint, PKF Littlejohn LLP, will be proposed at the forthcoming Annual General Meeting.

Approval of reduced disclosures
The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objection has been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Key Bidco Ltd, as the immediate parent entity, or by a shareholder holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted shares in the entity not held by Key Bidco Ltd as the immediate parent.

On behalf of the board:

T P Wills - Director
18 Dec 2020

Complete Cover Group Limited
Statement of Directors' responsibilities
for the year ended 31 December 2019

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Complete Cover Group Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

John Needham (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London, E14 4HD

21 December 2020

Complete Cover Group Limited
Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 £000	Restated* 2018 £000
Turnover	3	14,146	16,172
Administrative expenses		(13,378)	(15,907)
Goodwill amortisation	10	(236)	(808)
Computer software amortisation	10	(263)	(199)
Impairment charge	2	-	(8,580)
Operating profit / (loss)		269	(9,322)
Exceptional restructuring costs	7	(133)	(494)
Exceptional HMRC settlement	7	-	99
Finance income	6	92	66
Profit/(loss) before tax	8	228	(9,651)
Tax on profit or loss	9	469	10
Profit/(loss) after tax and profit/(loss) for the financial year		697	(9,641)
Other comprehensive income			
Deferred tax movement relating to trading profit / (losses)	9	-	(343)
Profit/(loss) and total comprehensive income for the year		697	(9,984)

All operating results derive from continuing operations. The notes on pages 14 to 28 form part of these financial statements.

*See note 20.

Complete Cover Group Limited
Balance Sheet for the year ended 31 December 2019

	Note	2019	Restated* 2018
		£000	£000
Fixed assets			
Intangible assets	10	1,528	1,827
Tangible assets	11	552	765
Investments	12	5,000	4,000
		7,080	6,592
Current asset			
Debtors	13	16,310	16,591
Cash at bank and in hand	14	1,887	2,090
		18,197	18,681
Creditors			
Amounts falling due within one year	15	(19,295)	(19,942)
Net current assets		(1,098)	(1,261)
Total assets less current liabilities		5,982	5,331
Creditors: Amounts falling due after more than one year	16	(30)	(76)
Provisions for liabilities	17	(100)	(100)
Net assets		5,852	5,155
Capital and reserves			
Called up share capital	18	16,152	16,152
Profit and loss account		(10,300)	(10,997)
Shareholders' funds		5,852	5,155

*See note 20

The notes on pages 14 to 28 form part of these financial statements.

The financial statements of Complete Cover Group Limited, company registration number 03578103, were approved and authorised for issue by the Board of Directors on 18 December 2020. They were signed on its behalf by:

T P Wills - Director
18 December 2020

Complete Cover Group Limited
Statement of Changes in Equity
for the year ended 31 December 2019

	Note	Called-up share capital	Restated* Profit and loss account	Total
		£000	£000	£000
At 1 January 2018		16,152	(1,013)	15,139
Profit/(loss) and total comprehensive income for the year		-	(9,984)	(9,984)
At 31 December 2018		16,152	(10,997)	5,155
Profit/(loss) and total comprehensive income for the year		-	697	697
At 31 December 2019		16,152	(10,300)	5,852

*See note 20.

The notes on pages 14 to 28 form part of these financial statements.

1. Accounting policies

The principal accounting policies adopted by the Company are set out below. The Directors have reviewed the accounting policies and concluded that they are appropriate. They have been applied consistently throughout the year and to the preceding year in the preparation of the financial statements.

General information and basis of accounting
Complete Cover Group Limited is a company incorporated in England & Wales under the Companies Act. The Company is a private Company limited by shares and is registered in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 5.

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value, and are in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Complete Cover Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Complete Cover Group Limited is consolidated in the financial statements of its ultimate parent, Key Topco Ltd, copies of which may be obtained at Elmbrook House, 18–19 Station Road, Sunbury-on-Thames, Surrey, TW16 6SU. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party disclosures.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the business review which forms part of the Strategic Report. The Strategic and Directors' reports also describe the financial position of the Company, its cash flows, liquidity risk and the Company's objectives. Policies and process for managing its capital, its financial risk, management objectives, exposure to credit and liquidity risk are in place.

The Company meets its day to day working capital requirements from corporate cash balances. The UK broking market remains extremely competitive and the Company continues to monitor the uncertainty in the current environment. The Directors are satisfied that the Company's services will continue to be attractive to its clients.

The Directors consider the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the Directors have considered the following:

- The current capital structure and liquidity of the Company and its cash flow forecasts over the calendar years 2020 and 2021.
- The principal risks facing the Group, including the potential financial and operational impacts of Covid-19, and its systems of risk management and internal control.

Key assumptions that the Directors have made in preparing the base case cash flow forecasts are that:

- The recently agreed £1 million Development facility with Close Brothers Limited is fully drawn down within the Retail Broker.
- The Company will rely on the use of some of the Covid-19 business support measures announced by the Government.
- Client retention and renewal rates are expected to be robust, despite the likely economic downturn.

The Directors have continued to stress test the business plans and forecasts in order to quantify the impact of any sustained shortfalls in revenue as a result of a deterioration in new business sales, increases in cancellations and future renewal retention. Mitigating actions such as a reduction in discretionary spend, delayed spend and headcount reductions are considered. The financial impact on the Broker's solvency and liquidity is considered in all stress cases.

The Directors have also considered the wider operational consequences and ramifications of the Covid-19 pandemic. Business Continuity Plans are in place across each of the Retail Broker's operating segments, with measures to manage employee home working for our entire employee base. These are working effectively. Leadership teams and working groups led by senior managers are in place to support operational resilience and taking common sense precautions with a view to ensuring the wellbeing of colleagues. The Company continues to review this approach daily in line with latest global developments and government guidance.

Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. The Company operates in a mandatory class of business and is not materially exposed to a single carrier, customer, or market segment. Although Covid-19 developments are fluid, the stress testing demonstrates the Company's financial resilience and operating flexibility. The assessment of the Company's financial position and its ability to meet its obligations as and when they fall due includes the potential financial implications of the Covid-19 and the wider operational consequences and ramifications of the pandemic. The Directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of various businesses in 2005, is being amortised evenly over its estimated useful life of twenty years. The Company has elected not to apply section 19 of FRS 102 to business combinations acquired before the date of transition of 1 January 2015 and goodwill will continue to be amortised over its existing estimated useful life of 20 years. The Company considers that the goodwill will renew in the normal course of business. The goodwill is subject to an annual impairment review by reference to the expected future cash flows of the business, discounted by a risk adjustment market interest rate that the Directors consider to be appropriate to the Company. Goodwill is written down in value if the review indicates that the discounted future cash flow does not support the carrying value of goodwill in the balance sheet.

Intangible assets – computer software
Computer software is included at cost and amortised in equal annual instalments over a period of 3 – 5 years which is its estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets
Tangible assets are stated at cost less accumulated depreciation and any impairment losses. Costs include expenditure that is directly attributable to the acquisition of the assets.

Depreciation
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Short leasehold buildings	- straight-line over the term of the lease
Fixtures, fittings & equipment	- straight-line over 5 years
Computer equipment	- straight-line over 3 – 5 years

Provision is made for any impairment.

Impairment
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

i) **Non-financial assets**
An asset is impaired where there is objective evidence that, as a result of one or more events that have occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a carrying amount higher than the carrying value had no impairment been recognised.

ii) **Financial assets**
For financial assets carried at amortised cost, the amount of an impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

i) **Financial assets and liabilities**
All financial assets and liabilities are initially measured at transaction price, including transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value, which is normally excluding transaction costs, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

a) The contractual return to the holder is (i) a fixed amount; or (ii) a positive fixed rate of return or a positive variable rate; or a combination of a positive or a negative fixed rate and a positive variable rate.
b) The contract may provide for repayments of the principal or return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit

f) deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
g) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet these conditions above are measured at cost (which maybe nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial assets expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise the ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged cancelled or expires.

ii) **Cash and cash equivalents**
Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii) **Investments**
a) Investment in subsidiaries
- Investment in subsidiaries, are measured at cost less impairment.

b) Current asset investments
- Debt securities and other fixed income securities are stated at current market value at the balance sheet date.
- Realised gains and losses on investments are calculated as the difference between sales proceeds and purchase price.
- Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their valuation at the previous balance sheet date, or purchase price, if acquired during the period, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

iv) **Fair value measurement**
The best evidence of fair value is a quoted price of an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

v) **Bad debt policy**
The Company continually manages its bad debt exposures. It provides for potential bad debts based on an estimate of the likely cancellation rate of policies and estimated level of bad debt created per cancelled policy. Profit and loss estimates are based on historical experience and are reassessed periodically. The estimated bad debt per policy is provided for at the date of sale of the policy.

vi) **Insurance broking debtors and creditors**
The Company acts as an agent in broking insurable risks of its clients and generally is not liable as a principal for premiums due to underwriters or for claims payable to clients.

In accordance with generally accepted accounting practice the Company has shown debtors and creditors balances relating to insurance broking business as assets and liabilities, unless there is a contractual right of set-off. Premium instalments due from the Company's outsourced premium finance provider are shown only to the extent that the premium finance provider has not yet settled premiums due at the balance sheet date. The remaining instalments that have already been financed to the Company are not included on the balance sheet. Whilst these remaining instalments are subject to clawback by the premium finance provider in the event of customer default, the Company holds provision at the balance sheet date for the credit risk associated with any shortfall in return premium from the respective insurers that is unable to cover the clawback taken by the premium finance provider.

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and liabilities are offset only where there is a legally enforceable right to set off the amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred taxation
Deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of items of gains and losses in taxation assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are not discounted.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The Company holds provisions for property dilapidations.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking in to account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are translated into sterling at the rates of exchange at the dates the transactions occurred. All gains and losses arising from foreign exchange transactions are recognised in the profit and loss account.

Leases

i) **Finance leases and hire purchase contracts**
Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over their estimated useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant periodic rate of interest on the remaining balance of the liability.

ii) **Operating leases**
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred. Benefits received or receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Revenue recognition
Turnover relating to insurance broking represents net fees and commissions derived from premiums invoiced to clients. The Company recognises fee and commission income on completion of the associated service. This is when the Directors consider that the right to consideration from clients has been achieved. Turnover is subject to a reduction in revenue in respect of amounts likely to be repayable on cancellation of policies on a best estimate basis. Estimates are based on historical experience and are reassessed periodically. Turnover is stated net of VAT where applicable.

Pension costs and other post-retirement benefits
The Company operates a money purchase pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

Interest and investment income
Interest income is recognised on an accrual basis. Dividends from subsidiary undertakings are accounted for when received.

Errors and omissions and other claims
The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. The Company mitigates this risk through regular review of its processes and, ultimately, the taking out of the appropriate insurance cover.

2. **Critical judgements and key sources of estimation uncertainty**
In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 the revision and future periods if the revision affects both current and future periods.

The Company's principal activities are wholly operated within the United Kingdom, the directors consider the business is not sensitive to Brexit and exposed to minimum adverse impact of the no deal scenario.

The Directors have considered the impact that Covid-19 will have on the Company and key sources of estimation uncertainty. The Directors consider there is no impact on the carrying amount of assets and liabilities for the year end 31 December 2019.

Key sources of estimation uncertainty

i) Impairment of goodwill & investment
Following the successful completion of the change of ownership on 24 January 2020, the Company has re-assessed its valuation to align with the sale price. In accordance with section 27 of FRS102, the difference between the carrying amount (adjusted net asset value + goodwill carrying amount) and the recoverable amount (fair value less costs to sell) was impaired in 2018. As a result, £5.1m impairment loss on investment and £3.4m impairment loss on goodwill have been recognized in 2018. The carrying amount of goodwill at the balance sheet date is £1.2 million (2018: £1.4 million). The carrying amount of investments at the balance sheet date is £5.0 million (2018: £4.0 million).

ii) Impairment of debtors
The Company continually manages its bad debt exposures. It provides for potential bad debts based on an estimate of the likely cancellation rate of policies and estimated level of bad debt created per cancelled policy. Profit and loss estimates are based on historical experience and are reassessed every quarter. The estimated bad debt per policy is provided for at the date of sale of the policy, the year-end balance held was £1.8 million (2018: £1.7 million).

iii) Cancellation of insurance policies
The Company is subject to a reduction in revenue in respect of amounts likely to be repayable on cancellation of policies. Management's best estimate is based on historical experience that is reassessed periodically; the year-end balance held was £0.8 million (2018: £0.5million).

3. Turnover

a) Turnover is derived from the Company's principal activity as an insurance intermediary and is wholly from the United Kingdom. As such, no segmental analysis of the Company's turnover has been presented.

b) Revenue

	2019	2018
	£000	£000
Rendering of services	14,146	16,172
	14,146	16,172

4. Staff costs

	2019	2018
	£000	£000
Wages and salaries	10,540	8,458
Social security costs	1,071	811
Pension costs	323	221
	11,934	9,490

In 2019 all of the employees of fellow Group subsidiary, Hyperformance Ltd, were transferred to the Company. The increase of staff costs reflects this change. Of the £11.9m of staff costs shown above, £5.0m was recharged to Hyperformance Ltd for the work undertaken by staff employed by the Company.

Average monthly number of employees during the year

	2019	2018
	Number	Number
Sales	142	131
Administration	214	137
	356	268

	2019	2018
	£000	£000
Employment termination benefits	52	203

In 2019 the Company paid £52k cash to the past employees for the termination of employment, the accounting treatment of the costs was adopted from the guidelines of FRS 102 Section 28. The directors confirm that there are no further obligations to past employees as at 31 December 2019.

5. Directors' remuneration

	2019	2018
	£000	£000
Emoluments	565	463
Pension contributions to money purchase schemes	33	25
	598	489

	Number	Number
Number of Directors to whom retirement benefits were accruing	5	5

Highest paid Director:

	2019	2018
	£000	£000
Emoluments	263	233
Pension contributions to money purchase schemes	15	14

	2019	2018
	£000	£000
Compensation to past directors on gardening leave	0	157

The Directors, J D Braithwaite, A M Darling, S I Hooper and T P Wills are employees of Complete Cover Group Limited and were remunerated by the Company for their services to the Group as a whole and received no remuneration for their services as Directors of other companies. The Directors, A M Darling and T P Wills, were appointed on 12 March 2018; S I Hooper, was appointed on 16 April 2018; J D Braithwaite, was appointed on 19 March 2019.

6. Finance income

	2019	2018
	£000	£000
Interest payable and similar charges:		
Finance leases and hire purchase contracts	(18)	(28)
Other	-	(1)
Payable to group companies	(802)	(784)
	(820)	(813)
Interest receivable and similar income:		
Other	-	-
Receivable from group companies	912	879
	912	879
Net interest receivable	92	66

7. Exceptional items

The following items amounting to £133k were added back to the reported EBITDA result for 2019:

Exceptional restructuring costs

- During the year a number of one-off settlements were made to employees exiting the business totaling £31k. There was also a one-off software termination penalty of £6k.
- Project team staff spent a significant amount of time on projects which were deemed to be non-recurring in order to improve overall performance of the business; these activities were not considered to be business as usual and amounted to £96k.

In 2018 adjusted items included redundancy costs of £279k, other associated costs of £215k, and a provision release of a HMRC settlement over employee benefit trust of £99k.

8. Profit / (loss) on ordinary activities before taxation

(Profit / (loss) on ordinary activities is stated after charging:

	2019	2018
	£000	£000
Depreciation – tangible fixed assets (note 11)	250	238
Amortisation – intangible fixed assets - software (note 10)	263	199
Amortisation of goodwill (note 10)	236	808
Impairment of investment & goodwill	-	6,464
Operating lease rentals	660	514
Impairment of trade receivables	2,130	2,786

The analysis of the auditor's remuneration is as follows:

- Fees payable to the company's current auditor and their associates for the audit of the company's annual accounts:		
The audit of the company's annual accounts	66	-
Total audit fees	66	-
- Other assurance services	-	19
- The audit of the company's annual accounts previous auditor	-	149
Total non-audit fees	-	168

9. Taxation

The tax charge on the loss on ordinary activities for the year was as follows:

	2019	2018
	£000	£000
Current taxation:		
Credit adjustment in respect of prior years	-	(10)
Total current tax charge/(credit) for the year	-	(10)
Deferred taxation:		
Origination and reversal of timing differences	(524)	378
Adjustment in respect of previous periods	-	5
Effect of changes in tax rates	55	(40)
Total deferred tax	(469)	343
Total tax charge /(credit) on profit on ordinary activities	(469)	333

UK corporation tax has been charged at 19.0% (2018: 19.0%).

Tax rate reconciliation

The tax assessed for 2019 is lower than (2018: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£000	£000
Profit/(loss) on ordinary activities before tax	228	(7,535)
Tax at standard UK corporation tax rate 19.0% (2019: 19.0%)	43	(1,431)
Effect of:		
Expenses not deductible for tax purposes	59	1,401
Group relief/other reliefs	(234)	
Tax rate changes	55	(40)
Prior year adjustment	101	(5)
Deferred tax not recognised	(493)	408
Total tax credit for the year	(469)	333

The UK corporation tax expense within these financial statements has been provided for at the rate of 19.0% (2018: 19.0%). The Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the cut in the tax rate to 17% will now not occur and the UK Corporation Tax Rate will instead remain at 19%. As this was not substantially enacted by the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at 17%.

10. Intangible fixed assets

	Goodwill	Software	Total
Cost	£000	£000	£000
At 1 January 2019	1,417	1,583	3,200
Additions	-	200	200
At 31 December 2019	1,417	1,783	3,200
Amortisation			
At 1 January 2019	-	1,173	1,173
Amortisation for year	236	263	499
At 31 December 2019	236	1,436	1,672
Net book value			
31 December 2019	1,181	347	1,528
1 January 2019	1,416	410	3,943

Software intangible assets include developments created by external development firms and include the following individual material items:

	2019	2018	2019	2018
	Remaining amortisation		Remaining amortisation	
	Years	Years	£000	£000
Insurance brokering systems	-	1	-	61
Telephone system	-	1	-	23
Website developments	-	1	-	10
Buy-on-line CDL and Access group HR software	1	2	26	52
Financial and management reporting systems	2	3	321	264

11. Tangible fixed assets

	Short-term leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
Cost	£000	£000	£000	£000
At 1 January 2019	550	528	436	1,514
Additions	-	-	37	37
At 31 December 2019	550	528	473	1,551
Depreciation				
At 1 January 2019	140	261	348	749
Charge for year	54	106	90	250
At 31 December 2019	194	367	438	999
Net book value				
31 December 2019	356	161	35	552
1 January 2019	410	267	88	765
Leased assets included above				
Net book value				
31 December 2019	211	161	-	372
1 January 2019	227	200	-	427

Assets held under finance lease

The Company obtained finance lease and hire purchase finance to fund improvements to its new leasehold offices acquired under a short-term lease of 10 years. The Company considers the terms of these agreements to meet the definition of finance leases and are accounted for accordingly.

12. Fixed asset investments

	Shares in Group undertaking
Cost	£000
At 1 January 2019	9,150
Investment	1,000
At 31 December 2019	10,150
Impairment provision	
At 31 December 2019	(5,150)
Net book value	
At 31 December 2019	5,000
At 1 January 2019	4,000

Complete Cover Group Limited
Statement of Changes in Equity
for the year ended 31 December 2019

The Company holds investments in the subsidiary undertakings listed below:

Name	Country of incorporation	Principal activity	Share holding	% owned 2019	% owned 2019
Mulsanne Holdings (Gibraltar) Limited	Gibraltar	Holding company	Ordinary	100	100
Mulsanne Insurance Company Limited[1]	Gibraltar	Insurance underwriter	Ordinary	100	100

[1]Indirectly owned through Mulsanne Holdings (Gibraltar) Limited.

The registered office address for companies incorporated in Gibraltar is Grand Ocean Plaza, Ocean Village, Gibraltar.

Subsidiary undertakings have not been consolidated by the Company as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of Key Topco Limited.

13. Debtors

	2019 £000	Restated* 2018 £000
Trade debtors	2,401	2,083
Amounts owed by group undertakings	12,955	13,829
Other debtors	341	422
Deferred tax	469	-
Prepayments and accrued income	144	257
	16,310	16,591

*See note 20.

Trade debtors are stated after provisions for impairment of £1,119,076 (2018: £1,710,732).

Amounts owed by fellow group undertakings consist of trade balances that are unsecured, interest free and are receivable in accordance with normal trading arrangements. Balances that arise from inter-group financing, receive interest at a variable rate of base rate + 6%, are unsecured and are recoverable on demand. At year-end 2019 £12.9m was owed by the parent company, Key Bidco Limited.

Deferred tax asset

	£000	£000
1 January 2019 and 31 December 2019	469	-

Deferred tax balance consists of:	2019 £000	2018 £000
Provision for deferred tax comprises:		
Deferred tax charge to income statement for the period	469	-
	469	-

There is no expiry date on timing differences.

14. Cash at bank and in hand

	2019 £000	2018 £000
Bank balances	283	235
Insurance cash balances	1,604	1,855
	1,887	2,090

Monies relating to the payment of insurer premiums are held in separate bank accounts and are not used as part of the working capital of the business.

15. Creditors: Amounts falling due within one year

	2019	Restated* 2018
	£000	£000
Trade creditors	4,893	4,985
Obligations under finance leases and hire purchase contracts	46	105
Amounts owed to group undertakings	12,396	13,229
Other taxation and social security	447	433
Other creditors	41	28
Accruals and deferred income	1,472	1,162
	19,295	19,942

*See note 20.

Amounts owed to fellow group undertakings consist of trade balances that are unsecured, interest free and are payable in accordance with normal trading arrangements. On balances that arise from inter-group transactions interest is payable at a variable rate of base rate + 6%, are unsecured and are repayable on demand. At year-end 2019, £4.8m was owed to Hyperformance Limited, £4.9m owed to holding company Key Midco Limited, £2.4m loan owed to holding company Key Bidco Limited and £0.1m owed to fellow company, Key Claims Administrative Services Limited.

16. Creditors: Amounts due after more than one year

	2019	2018
	£000	£000
Obligations under finance leases and hire purchase contracts	30	76

Finance and hire purchase contracts

	£000	£000
Between one and two years	30	47
Between two and five years	-	30
	30	77
Within one year	46	105
	76	182

17. Provisions for liabilities

	Property dilapidations £000
1 January 2019 and 31 December 2019	100

The Directors have reviewed the need to provide for property dilapidations on leasehold properties, where there is an obligation on the termination of the lease to make good the property and these obligations can be estimated with reasonable accuracy. The business reviewed and decided to continue holding £100k provision on its main office building of Elmbrook House in Sunbury-on-Thames. The provision is considered sufficient to cover the obligation which the business has with its landlord should the lease end in June 2026 as outlined in the lease agreement.

18. Called up share capital and reserves

Allotted, called-up and fully paid

Number	Description	2019 £000	2018 £000
14,232,562	Ordinary A shares of £1 each	14,233	14,233
1,919,344	Ordinary B shares of £1 each	1,919	1,919
		16,152	16,152

The A, B and C ordinary shares carry voting and distribution rights in the proportions of 78%, 12% and 10% respectively.

The profit and loss reserve represent cumulative profits or losses, net of dividends paid and other adjustments.

19. Commitments

Operating leases
Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
Land and buildings	£000	£000
Expiring:		
Within one year	530	595
Between one and five years	1,939	1,992
After 5 years	716	1,193
	3,185	3,780

Financial
The group has contractual annual commitments under non-cancellable agreements expiring as follows:

	2019	2018
Expiring:	£000	£000
Within one year	229	423
Between one and five years	699	910
After 5 years	-	19
	928	1,352

20. Prior year adjustments

Following the signing and approval of the Company's 2018 statutory accounts, a further impairment of goodwill of £2,116k was identified prior to the signing of the Group's consolidated accounts (Key TopCo Limited). This was deemed an error and accordingly, the impairment loss has been included in these financial statements as a prior year adjustment. The adjustment is summarized in the table below showing the impact on the Company's statement of comprehensive income and financial position.

During the year, the Company found an error in its previously reported financial position in relation to a creditor held with a counterparty since 2016. This balance should have been recognised as income for the Company in previous years. The correction of this error has resulted in a prior period credit to the opening and closing reserves at 1 January 2018 and 31 December 2018 of £529k. The adjustment has no impact on profit or loss for 2018 and 2019. The impact of the adjustment is shown in the statement of financial position below.

The Company also reviewed its accounting treatment in relation to insurance receivables and payables from its premium finance provider Close Brothers. Historically, the Company included an equal amount within debtors and creditors representing the total value of all insurance premium instalments that remain outstanding and to be collected at the balance sheet date; the rationale being that in the event of default by a customer, these instalments would be subject to clawback by the premium finance business, leaving the insurance broker subject to the credit risk of collecting the remaining premium. In the event of customer default, the insurance broker will cancel the insurance policy and obtain a return premium from the insurer. The broker holds provision at the balance sheet date for the credit risk associated with any shortfall in return premium from the respective insurer. As a result, the Directors consider the presentation of Premium Finance Instalments outstanding to be a misleading material balance that should not be held on the balance sheet of the Company. The impact of the adjustment is shown in the statement of financial position below.

Statement of Comprehensive income

	As reported 2018	Adjustments 2018	As restated 2018
	£000	£000	£000
Turnover	16,172	-	16,172
Administrative expenses	(15,907)	-	(15,907)
Goodwill amortization	(808)	-	(808)
Computer software amortization	(199)	-	(199)
Impairment loss	(6,464)	(2,116)	(8,580)
Operating loss	(7,206)	(2,116)	(9,322)
Exceptional restructuring costs	(494)	-	(494)
Exceptional HMRC settlement	99	-	99

Complete Cover Group Limited
Statement of Changes in Equity
for the year ended 31 December 2019

Finance income	66	-	66
Profit/(loss) before tax	(7,535)	(2,116)	(9,651)
Tax on profit or loss	10	-	10
Profit/(loss) after tax and profit/(loss) for the financial year	(7,525)	(2,116)	(9,641)
Deferred comprehensive income	(343)	-	(343)
Profit/(loss) and total comprehensive income for the year	(7,868)	(2,116)	(9,984)

Statement of financial position

	As reported 2018 £000	Adjustments 2018 £000	As restated 2018 £000
Fixed assets			
Intangible assets	3,943	(2,116)	1,827
Tangible assets	765	-	765
Investments	4,000	-	4,000
	8,708	(2,116)	6,592
Current assets			
Debtors	48,218	(31,627)	16,591
Cash at bank and in hand	2,090	-	2,090
Creditors	(52,099)	32,157	(19,942)
Net current assets	(1,791)	530	(1,261)
Total assets less current liabilities	6,917	(1,586)	5,331
Amount falling due after more than one year	(76)	-	(76)
Provisions for liabilities	(100)	-	(100)
Net assets	6,741	(1,586)	5,155
Called up share capital	16,152	-	16,152
Profit and loss account as at 01.01.18	(1,543)	530	(1,013)
Loss for the year	(7,868)	(2,116)	(9,984)
Shareholders' funds	(6,741)	(1,586)	5,155

21. Related party disclosures

The Company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102, section 33.1A, not to disclose related party transactions with wholly owned subsidiaries within the Group.

22. Ultimate controlling party

Following the successful completion of the change of the ownership on 24 January 2020, the Directors consider the ultimate controlling party of Key Topco Limited to be Ormiston Holdco Limited, a limited company registered in Jersey. Prior to the sale completion, the ultimate controlling party was Darwin Private Equity LLP, a limited liability partnership registered in England and Wales.

For the year ended 31 December 2019, the Company's ultimate parent company is Key Topco Limited and its immediate parent Company is Key Bidco Limited, both incorporated in England & Wales.

The largest and smallest group in which the results of Complete Cover Group Limited are consolidated is that headed by Key Topco Limited. The registered office address is the same for the largest and smallest group undertaking. Copies of the consolidated financial statements of Key Topco Limited may be obtained from Elmbrook House, 18-19 Station Road, Sunbury-on-Thames, Surrey, England, TW16 6SU.

23. Contingent liabilities and guarantees

The Royal Bank of Scotland plc had a fixed and floating charge over all property and assets of Key Topco Limited and its subsidiary companies, the Company and Hyperformance Ltd. Secured borrowings at 31 December 2019, amounted to £2,289,826 (2018: £2,514,826).

Close Brothers Limited trading as Close Brothers Premium Finance had a fixed and floating charge over all property and assets of Key Midco Limited and its subsidiary companies, Key Bidco Limited, Complete Cover Group Limited and Hyperformance Limited. This charge was subordinate to the fixed and floating charge held by The Royal Bank of Scotland and subordinate debt to Close Brothers Limited. Secured borrowings at 31 December 2019 amounted to £2,413,672 (2018: £2,461,453).

Guarantees had been given against the Company's assets in respect of the New Investor Loan Notes and New Manager Loan Notes issued by the Company's intermediate holding company, Key Midco Limited. These guarantees were subordinate to the fixed and floating charge held by The Royal Bank of Scotland.

The Company is a member of the Key Bidco Limited UK VAT group registration and as such has a joint and several liabilities for any VAT owed by Group to HM Revenue and Customs.

All the above loans were settled on 24 January 2020 by the Group ultimate controlling party, Ormiston Holdco Limited. The Company confirms nil loan and loan interest liabilities to the Royal Bank of Scotland and Close Brothers Limited after 24 January 2020.

24. Post balance sheet events

On 24th January 2020, following the receipt of the necessary regulatory approvals, the Key Topco Group, of which the Company is a subsidiary, was acquired by a new holding company, Ormiston Holdco Limited from Darwin Private Equity. All new investor loans were written off on 24 January 2020 following the completion of the sale process, and all external, secured loans repaid.

On 6th May 2020, Key Bidco Limited has also raised an additional £1 million from Close Brothers in the form of a new Development Loan facility. This was agreed as part of wider renegotiation of the Group's strategic partnership with Close Brothers. A guarantee for the facility has been provided by Complete Cover Group Limited and Hyperformance Limited.

The Directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (Covid-19) and have treated this as a non-adjusting subsequent event in these financial statements (see Strategic report and Note 1 Basis of preparation for further details in relation to potential expected impact from scenarios). The Directors note that whilst a full range of potential expected scenarios have been considered, the full impact of Covid-19 cannot yet be estimated.

The Directors note while the Company is in an unaudited overall net asset position of £5.8 million at the end of October 2020 (2019: £5.9million), it is in a net current liability position with current liabilities exceeding current assets by £2.3 million at the end of October 2020 (2019: net current liability £1.1 million). In estimating the net asset position at October 2020, the Directors have considered any potential further impairment of the investment in Mulsanne Insurance Company Limited. Following a significant recapitalisation of Mulsanne Insurance Company Limited of £7 million in April 2020, the Directors consider there to be no indication of further impairment.