REGISTERED NUMBER: 03578103 (England and Wales)

Annual Report and

Financial Statements

for the Year Ended 31 December 2020

for

Complete Cover Group Limited

Contents

Complete Cover Group Limited
Company Information
for the year ended 31 December 2020

Directors	J D Braithwaite A M Darling S I Hooper R J Bence I R Sutherland
Registered office	Elmbrook House 18 – 19 Station Road Sunbury on Thames Surrey England TW16 6SU
Bankers	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus London United Kingdom E14 4HD
Company Number	03578103

Strategic report for the year ended 31 December 2020

The directors present their Strategic Report on the Company for the year ended 31 December 2020.

Review of the 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 Ormiston Holdco Limited group of companies (the 'Group'), comprising an insurance broking group in the UK and an Underwriting business in Gibraltar.

2020 was a transformational year as the Company supported the sale of the Group to a new shareholder with the capital and experience to support the growth ambitions of the new management team. Meanwhile, the impact of Covid presented a significant challenge to both the Company and the wider insurance market. The Company demonstrated its resilience throughout this period.

The Company made a profit before tax of £0.05m (2019: £0.2m). Using EBITDA as a measure of profitability, the Directors report profits up on 2019, achieving an adjusted EBITDA of £1.2m (2019: £1.0m) for the year after allowing for exceptional items. The key highlights from January 2020 to the accounts signing date are as follow;

- **Successful sale process undertaken**
  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. The acquisition was a positive step for the Group with the new shareholder very quickly introducing new capital to the underwriting business to support growth and supporting investment plans in the broker to replatform its operation . Following the recruitment of additional senior managers to augment the current team, the business is now well placed as it enters 2021 to continue to grow its market share.

- **Abacai Joint Venture**
  On 25 February 2021, the Group announced a joint venture with Abacai Holdings Ltd. Abacai will invest an initial £50m in the creation of an entirely new AI-based insurtech platform which will form part of the Ormiston Holdco Limited Group. Augmenting this platform, the Group will become an active participant in sector M&A, to expand its footprint at pace and enter additional markets. Furthermore, Abacai will benefit from the support of Munich Re as a long-term strategic partner for data analytics for underwriting/pricing and reinsurance. Digital first and customer centric, Abacai will initially address the immediate opportunity in the non-standard and prime segments of UK motor insurance market, before scaling and diversifying into other segments and geographies. The Group will leverage the synergies that exist between the current broking businesses and the new platform to develop competitive advantage at each stage in the insurance value chain, including distribution, underwriting, data analytics, investment management and capital management.

- **Acquisition of Dayinsure**
  On 8 March 2021, the Group announced the acquisition of Dayinsure. Founded in 2005, Dayinsure has grown consistently to become a leading provider of temporary motor insurance cover in the UK for car, van, motorhome and business drivers and has strengths in IT and data analytics. The Group will retain Dayinsure as a standalone go-to-market business. The acquisition will complement the existing insurance broking businesses within the Group, increasing footprint and accelerating development across broking.

Going concern and Covid-19

At the time of writing the business continues to adjust to the global pandemic which has necessitated the majority of the workforce to work remotely throughout much of 2020 and into 2021. 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
Strategic report
for the year ended 31 December 2020

The Directors have continued to consider the impact that Covid-19 has had and will have on the Group, which is detailed in Note 3 of the Financial Statements. Following the assessment of the Group's financial position and its ability to meet its obligations as and when they fall due 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 12 to 29.

The Directors consider "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 £421k were added back to the reported EBITDA result for 2020:

- During the year a number of one-off settlements were made to employees exiting the business totaling £273k.
- Costs were incurred in relation to group restructuring advice amounting to £12k
- 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 £136k.

In 2019 adjusted items included redundancy costs of £31k and other costs of £102k.

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

	2020	**2019**
	£000	£000
Profit/(Loss) before tax	53	228
Net Interest	53	(92)
Depreciation & Amortisation of Intangibles (Note 8)	199	250
Amortisation of Goodwill and Impairment (Note 8)	505	499
EBITDA	810	885
Adjustment items	421	133
Adjusted EBITDA	**1,231**	**1,018**

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 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. The business reviews risks in detail on a quarterly basis through the Risk Committee

i) **Competitive risks**
The Company 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 Company 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. The Company mitigates this risk through regular review of its processes and, ultimately, ensuring the level of insurance cover is appropriate and meets its regulatory requirements.

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 pages 6 to 8. 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 policies. 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.

(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 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 Company 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 Company actively engages with both the UK's FCA to ensure compliance with the regulatory requirements of the Company.

Where required, the Company works with external experts including legal, accounting and regulatory specialists to ensure the highest standards are met. The wider 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, there is now 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 Ormiston Holdco Limited and 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.

By Order of the Board

I R Sutherland
Director
07 May 2021

Complete Cover Group Limited
Directors' report
for the year ended 31 December 2020

The Directors present their report, together with the audited financial statements for the year ended 31 December 2020.

Directors
The Directors of the Company during the year ended 31 December 2020 were:

J D Braithwaite
A M Darling
S I Hooper
T P Wills (resigned 31 March 2021)
R J Bence (appointed 13 January 2021)
Ian Sutherland (appointed 13 January 2021)
Alan Brown (appointed 13 January 2021, resigned 31 March 2021)

Directors' Indemnity
The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Future Developments
The future developments of the business have been included in the strategic report on pages 2 to 5.

Financial Instruments
The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt and daily cash flow forecasting. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. The finance department has a policies and procedures to manage credit risk, and circumstances where it would be appropriate to use financial institutions to manage these.

Dividends
No dividends have been paid in the year ended 31 December 2020 (2019: £nil).
The Directors do not recommend payment of a final dividend on the ordinary shares for the year ended 31 December 2020. (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 3 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.

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 as they fall due. The most important components of financial risk for the Company are 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 and the Directors make use of forecasts and budgets to monitor and control working capital requirements.

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.

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. There is also further disclosure in relation to post balance sheet events in Note 26.

Political donations
During the year no donations were made to political parties (2019: £nil).

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.

Provision of Information to Auditor
So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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.

Auditor
PKF Littlejohn LLP has signified its willingness to continue in office and their re-appointment was ratified by the Board on 06 May 2021.

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.

By Order of the Board

I R Sutherland
Director
07 May 2021

Complete Cover Group Limited
Statement of Directors' responsibilities
for the year ended 31 December 2020

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:
• select suitable accounting policies and then apply them consistently.
• make judgements and accounting estimates that are reasonable and prudent; and
notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Complete Cover Group Limited
Independent auditor's report
for the year ended 31 December 2020

Opinion

We have audited the financial statements of Complete Cover Group Limited (the 'company') for the year ended 31 December 2020 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 FRS 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 2020 and of its loss 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 financial statements, the directors are responsible for assessing the 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 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.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of audit knowledge and experience of the Company.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, FRS 102 and UK taxation regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included,
    - Discussion with Management of any known, or suspected instances of non-compliance by the Company of those laws and Regulations.
    - Discussion with management of any, or suspected, incidence of fraud.
    - Review of financial statement disclosures and testing supporting documentation to assess compliance with applicable law and regulations.
    - Review of all FCA correspondence in the year as well as the breaches and complaints registers.
    - Review of minutes of the board of directors and other correspondence as deemed appropriate.
- We also identified the risks of material misstatement of the financial statements due to fraud as those arising from management override of controls. We have addressed this risk by performing audit procedures which included testing of journals, reviewing material accounting estimates for evidence of bias in relation to impairment of investments, goodwill, intercompany receivables and valuation of the bad debt provision, and evaluating the business rationale of any significant transactions that are unusual or outside normal course of business that came to our attention and preliminary and final analytical review to identify any unusual or expected financial relationships or variances.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.
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

07 May 2021

Complete Cover Group Limited
Statement of Comprehensive Income for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	5	14,034	14,146
Administrative expenses		(13,002)	(13,378)
Goodwill amortisation	12	(236)	(236)
Computer software amortisation	12	(269)	(263)
Impairment charge	5	-	-
Operating profit		527	269
Exceptional restructuring costs	9	(421)	(133)
Finance (costs) / income	8	(53)	92
Profit/(loss) before tax	10	53	228
Tax on profit or loss	11	(244)	469
Profit/(loss) after tax and profit/(loss) for the financial year		(191)	697
Other comprehensive income			
Deferred tax movement relating to trading profit / (losses)	11	-	-
Profit/(loss) and total comprehensive income for the year		(191)	697

All operating results derive from continuing operations. The notes on pages 16 to 30 form part of these financial statements.

Complete Cover Group Limited
Balance Sheet for the year ended 31 December 2020

	Note	2020	Restated* 2019
		£000	£000
Fixed assets			
Intangible assets	12	1,455	1,528
Tangible assets	13	480	567
Investments	14	5,000	5,000
		6,935	7,095
Current asset			
Debtors	15	13,571	16,310
Cash at bank and in hand	16	2,501	1,887
		16,072	18,197
Creditors			
Amounts falling due within one year	17	(17,731)	(19,825)
Net current assets		(1,659)	(1,628)
Total assets less current liabilities		5,276	5,467
Creditors: Amounts falling due after more than one year	18	(30)	(30)
Provisions for liabilities	19	(100)	(100)
Net assets		5,146	5,337
Capital and reserves			
Called up share capital	20	16,152	16,152
Profit and loss account		(11,006)	(10,815)
Shareholders' funds		5,146	5,337

*See note 22

The notes on pages 16 to 30 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 May 2021. They were signed on its behalf by:

I R Sutherland - Director
07 May 2021

Complete Cover Group Limited
Statement of Changes in Equity
for the year ended 31 December 2020

	Note	Called-up share capital	Restated* Profit and loss account	Total
		£000	£000	£000
At 1 January 2019		16,152	(11,512)	4,640
Profit/(loss) and total comprehensive income for the year		-	697	697
At 31 December 2019		16,152	(10,815)	5,337
Profit/(loss) and total comprehensive income for the year		-	(191)	(191)
At 31 December 2020		16,152	(11,006)	5,146

*See note 22.

The Accounting Policies and Notes on pages 16 to 30 form part of these financial statements.

1. General information

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.

2. Statement of compliance

The individual financial statements of Complete Cover Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation
The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or area Company's s where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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 £1 million Development facility with Close Brothers Limited was repaid by 31 January 2021.
- 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.

Exemptions for qualifying entities under FRS 102

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.

Foreign currency

The Company's functional and presentational currency is the pound sterling.

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 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.
f) 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
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

Employee Benefits
The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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.

4. 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 2020.

Key sources of estimation uncertainty

i) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii) 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 £0.9 million (2019: £1.2 million). The carrying amount of investments at the balance sheet date is £5.0 million (2019: £5.0 million).

iii) 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 £1.4 million (2019: £1.8 million).

iv) 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 £0.9 million (2019: £0.8 million).

5. 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

	2020	2019
	£000	£000
Rendering of services	14,034	14,146
	14,034	14,146

6. Staff costs

	2020	2019
	£000	£000
Wages and salaries	10,150	10,540
Social security costs	1,125	1,071
Pension costs	349	323
	11,624	11,934

In 2020 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 £11.6m of staff costs shown above, £5.6m was recharged to Hyperformance Ltd for the work undertaken by staff employed by the Company.

Average monthly number of employees during the year

	2020	2019
	Number	Number
Sales	140	142
Administration	220	214
	340	356

	2020	2019
	£000	£000
Employment termination benefits	545	52

In 2020 the Company paid £545k 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 2020.

7. Directors' remuneration

	2020	2019
	£000	£000
Emoluments	760	565
Pension contributions to money purchase schemes	45	33
	805	598

	Number	Number
Number of Directors to whom retirement benefits were accruing	4	5

Highest paid Director:

	2020	2019
	£000	£000
Emoluments	367	263
Pension contributions to money purchase schemes	21	15

	2020	2019
	£000	£000
Compensation to past directors on gardening leave	211	0

The Directors, J D Braithwaite, A M Darling, S I Hooper, A D C Brown, R J Bence and I R Sutherland 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 D C Brown, R J Bence and I R Sutherland, were appointed on 13 January 2021.

8. Finance income

	2020	2019
	£000	£000
Interest payable and similar charges:		
Finance leases and hire purchase contracts	(36)	(18)
Payable to group companies	(678)	(802)
	(714)	(820)
Interest receivable and similar income:		
Receivable from group companies	661	912
	661	912
Net interest receivable	(53)	92

9. Exceptional items

The following items amounting to £421k were added back to the reported EBITDA result for 2020:

Exceptional restructuring costs

- During the year, a number of one-off settlements were made to employees exiting the business totaling £273k.
- Costs were incurred in relation to pre-acquisition restructuring advice amounting to £12k.
- 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 £136k.

In 2019 adjusted items included redundancy costs of £31k, software termination penalty of £6k, and project team time spent on non-business as usual activities amounted to £96k.

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

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

	2020	2019
	£000	£000
Depreciation – tangible fixed assets (note 11)	199	250
Amortisation – intangible fixed assets - software (note 10)	269	263
Amortisation of goodwill (note 10)	236	236
Impairment of investment & goodwill	-	-
Operating lease rentals	657	660
Impairment of trade receivables	2066	2,130

	2020	2019
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	66
Total audit fees	66	66
- Other assurance services	-	-
- The audit of the company's annual accounts previous auditor	-	-
Total non-audit fees	-	-

11. Taxation

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

	2020	2019
	£000	£000
Current taxation:		
Credit adjustment in respect of prior years	-	-
Total current tax charge/(credit) for the year	-	-
Deferred taxation:		
Origination and reversal of timing differences	93	(524)
Adjustment in respect of previous periods	184	-
Effect of changes in tax rates	(33)	55
Total deferred tax	244	(469)
Total tax charge /(credit) on profit on ordinary activities	244	(469)

UK corporation tax has been charged at 19.0% (2019: 19.0%).

Tax rate reconciliation

The tax assessed for 2020 is lower than (2019: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£000	£000
Profit/(loss) on ordinary activities before tax	53	228
Tax at standard UK corporation tax rate 19.0% (2019: 19.0%)	10	43
Effect of:		
Expenses not deductible for tax purposes	80	59
Group relief/other reliefs	-	(234)
Tax rate changes	(33)	55
Prior year adjustment	184	101
Deferred tax not recognised	-	(493)
Fixed assets balancing amount	3	
Total tax charge/ (credit) for the year	244	(469)

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 2020 continue to be measured at 19%. In the March 2021 budget the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As this was not substantially enacted by the balance sheet date, deferred tax balances as at 31 December 2020 continue to be measured at 19%.

12. Intangible fixed assets

	Goodwill	Software	Total
Cost	£000	£000	£000
At 1 January 2020	1,417	1,783	3,200
Intangible assets under development	-	134	134
Additions	-	298	298
At 31 December 2020	1,417	2,215	3,632
Amortisation			
At 1 January 2020	236	1,436	1,672
Amortisation for year	236	269	505
At 31 December 2020	472	1,705	2,177
Net book value			
31 December 2020	945	510	1,455
1 January 2020	1,181	347	1,528

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

	2020	2019	2020	2019
	Remaining amortisation		Remaining amortisation	
	Years	Years	£000	£000
Intangible assets under developments	-	-	134	-
Buy-on-line CDL and Access group HR software	-	1	-	26
Financial and management reporting systems	1	2	191	321
Process automation and accounting software	3	-	185	-

13. Tangible fixed assets

	Short-term leasehold improvements	Fixtures, fittings & equipment	Computer equipment*	Total
Cost	£000	£000	£000	£000
At 1 January 2020	550	528	473	1,551
Additions	-	-	113	113
Disposal	-	-	(4)	(4)
At 31 December 2020	550	528	582	1,660
Depreciation				
At 1 January 2020	194	367	422	983
Charge for year	55	96	48	199
Disposal	-	-	(2)	(2)
At 31 December 2020	249	463	468	1,180
Net book value				
31 December 2020	301	65	114	480
1 January 2020	356	161	35	552

Leased assets included above
Net book value

31 December 2020	247	65	-	312
1 January 2020	211	161	-	372

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.

*See Note 22 for information concerning a prior year adjustment affecting opening and closing depreciation on certain computer hardware.

14. Fixed asset investments

	Shares in Group undertaking
Cost	£000
At 1 January 2020	10,150
Investment	-
At 31 December 2020	10,150
Impairment provision	
At 31 December 2020	(5,150)
Net book value	
At 31 December 2020	5,000
At 1 January 2020	5,000

The Company holds investments in the undertakings listed below:

Name	Country of incorporation	Principal activity	Share holding	% owned 2020	% owned 2019
Mulsanne Holdings (Gibraltar) Limited	Gibraltar	Holding company	Ordinary	98.15	100
Mulsanne Insurance Company Limited[1]	Gibraltar	Insurance underwriter	Ordinary	46.24	100

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

On 14 and 30 April 2020, Mulsanne Holdings (Gibraltar) Limited issued 700 preference shares to a related party of the Company which reduced the Company's direct investment in its subsidiary by 1.85%.

On 31 December 2020, an investment was made by the Company's ultimate holding company, Ormiston Holdco Limited directly in Mulsanne Insurance Company Limited which changed indirect ownership from 98.15% to 46.24%.

Notwithstanding the reduction in shareholding, Mulsanne Insurance Company limited continues to be classed as an indirect subsidiary of the Company on the basis that control is exercised by the KeyTopco Limited Board.

On 31 March 2021, a further investment by Ormiston Holdco Limited in Mulsanne Insurance Company Limited has further reduced the Company's shareholding in Mulsanne Insurance Company to 43.34%.

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.

15. Debtors

	2020	2019
	£000	£000
Trade debtors	1,725	2,401
Amounts owed by group undertakings	10,979	12,955
Other debtors	446	341
Deferred tax	225	469
Prepayments and accrued income	196	144
	13,571	16,310

*See note 22.

Trade debtors are stated after provisions for impairment of £1,221,218 (2019: £1,119,076).

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 2020 £10.9m was owed by the parent company, Key Bidco Limited.

Deferred tax asset

	£000	£000
1 January 2020 and 31 December 2020	225	469

Deferred tax balance consists of:	2020	2019
	£000	£000
Fixed asset timing differences	90	76
Short term timing difference – trading	106	83
Losses	29	310
	225	469

There is no expiry date on timing differences.

16. Cash at bank and in hand

	2020	2019
	£000	£000
Bank balances	798	283
Insurance cash balances	1,703	1,604
	2,501	1,887

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.

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	4,715	4,893
Obligations under finance leases and hire purchase contracts	-	46
Amounts owed to group undertakings	9,719	12,396
Other taxation and social security	997	447
Other creditors	94	41
Accruals and deferred income	2,206	1,472
	17,731	19,295

*See note 22.

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 2020, £4.4m was owed to Hyperformance Limited, £5.2m owed to holding company Key Midco Limited, £0.1m owed to fellow company, Key Claims Administrative Services Limited.

18. Creditors: Amounts due after more than one year

	2020	2019
	£000	£000
Obligations under finance leases and hire purchase contracts	-	30

Finance and hire purchase contracts

	£000	£000
Between one and two years	-	30
Between two and five years	-	-
	-	30
Within one year	30	46
	30	76

19. Provisions for liabilities

	Property dilapidations
	£000
1 January 2020 and 31 December 2020	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.

20. Called up share capital and reserves

Allotted, called-up and fully paid

		2020	2019
Number	Description	£000	£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.

21. Commitments

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

	2020	2019
Land and buildings	£000	£000
Expiring:		
Within one year	508	530
Between one and five years	1,909	1,939
After 5 years	239	716
	2,656	3,185

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

	2020	2019
Expiring:	£000	£000
Within one year	281	229
Between one and five years	585	699
	866	928

22. Prior year adjustments

During the year, an error was identified relating to a certain counterparty debtor confirmation that supported a trade creditor balance held at the 31 December 2019. The confirmation resulted in a prior year adjustment being incorrectly reflected in the 31 December 2019 statement of opening and closing financial position. As a result, a prior year adjustment has been made in these financial statements at 31 December 2020 in order to correct this error. This has resulted in a prior period debit to the opening and closing reserves at 1 January 2019 and 31 December 2019 of £530k. The adjustment has no impact on profit or loss for 2020. The impact of the adjustment is shown in the statement of financial position below.

Depreciation for computer hardware in prior years was overcharged by £15k, this resulted in a restatement of net book value of tangible assets in the 31 December 2019 statement of opening and closing financial position. The adjustment has no impact on profit or loss for 2020. The impact of the adjustment is shown in the statement of financial position below.

Balance sheet

	As reported 2019 £000	Adjustments 2019 £000	As restated 2019 £000
Fixed assets			
Intangible assets	1,528	-	1,528
Tangible assets	552	15	567
Investments	5,000	-	5,000
	7,080	15	7,095
Current assets			
Debtors	16,310	-	16,310
Cash at bank and in hand	1,887	-	1,887
Creditors	(19,295)	(530)	(19,825)
Net current assets	(1,098)	(530)	(1,628)
Total assets less current liabilities	5,982	(515)	5,467
Amount falling due after more than one year	(30)	-	(30)
Provisions for liabilities	(100)	-	(100)
Net assets	5,852	(515)	5,337
Called up share capital	16,152	-	16,152
Profit and loss account as at 01.01.19	(10,997)	(515)	(11,512)
Profit for the year	697	-	697
Shareholders' funds	5,852	(515)	5,337

23. Related party transactions

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.

24. 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 the Company 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 2020, 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 Group in which the results of Complete Cover Group Limited are consolidated is that headed by Ormiston Holdco Limited. Copies of the consolidated financial statements of Ormiston Holdco Limited may be obtained from 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB. The smallest Group in which the results of Complete Cover Group Limited are consolidated is that headed by Key Topco Limited. 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.

25. Contingent liabilities and guarantees

A floating charge was created on 16 April 2021 in favour of GLAS Trust Corporation Limited over the Company's office bank account. This forms part of a charge over the Group's office bank accounts in connection with the debt financing arrangements of the Group in April 2021.

A fixed charge over the Company was created on 20 January 2020 as part of the sale process in favour of the ultimate shareholder of the Group.

The Royal Bank of Scotland plc previously held 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 2020, amounted to £nil (2019: £2,289,826).

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 2020 amounted to £nil (2019: £2,413,672).

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.

26. Post balance sheet events

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 3 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.

On 31 March 2021, a further investment by Ormiston Holdco Limited in Mulsanne Insurance Company Limited has further reduced the Company's shareholding in Mulsanne Insurance Company to 43.34% at 31 March 2021.