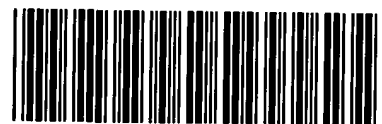


REGISTERED NUMBER: 03758951 (England and Wales)

**Annual Report and
Financial Statements
for the year ended 31 December 2022
for
Hyperformance Limited**

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Hyperformance Limited

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Hyperformance Limited
Company Information

Directors	B Bown C Love E Spencer-Churchill
Registered office	Axiom House The Centre Feltham England TW13 4AU
Bankers	NatWest 135 Bishopsgate London EC2M 3UR
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus London United Kingdom E14 4HD
Company Number	03758951

Hyperformance Limited
Directors' report
for the year ended 31 December 2022

The Directors present their report, together with the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the provision of insurance broking services to the car and van 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.

Review of the business

The results of the Company for the year to 31 December 2022 are set out in the Statement of Comprehensive Income.

The operating loss for the year ended 31 December 2022 was £367k (2021: loss of £709k). The detailed results for the year ended 31 December 2022 and the state of the Company's affairs are presented in the attached financial statements and notes on pages 9 to 22.

Directors

The Directors of the Company during the year ended 31 December 2022 were:

B Bown (appointed 9 January 2023)
C Love (appointed 24 January 2023)
E Spencer-Churchill (appointed 25 April 2023)
J Thaker (appointed 15 July 2022, resigned 25 April 2023)
C N Price (appointed 30 September 2022, resigned 9 January 2023)
S I Hooper (resigned 14 July 2022)
I R Sutherland (resigned 29 September 2022)
A M Darling (resigned 15 April 2022)

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.

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 2022 (2021: £nil).

The Directors do not recommend payment of a final dividend on the ordinary shares for the year ended 31 December 2022. (2021: £nil).

Going concern

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 taken into account the following:

- The current capital structure and liquidity of the Company and its base case and stressed cash flow forecasts.
- Regulatory capital position at 31 December 2022 and surplus available for the next 12 months
- The principal risks facing the Group, including its systems of risk management and internal control.

Following the assessment of the Company'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 Company's ability to continue as a going concern

Hyperformance Limited
Directors' report
for the year ended 31 December 2022

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.

• **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

There are no post balance sheet events at the date of this report.

Political donations

During the year no donations were made to political parties (2021: £nil).

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

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Hyperformance Limited
Directors' report
for the year ended 31 December 2022

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.

The Company also meets the definition of a small company if it was not part of an ineligible group. This Company has taken advantage of the small companies exemption under the Companies Act 2006 in preparing this report.

By Order of the Board



C Love
Director
28 June 2023

Hyperformance Limited
Statement of Directors' responsibilities
for the year ended 31 December 2022

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERFORMANCE LIMITED

Opinion

We have audited the financial statements of Hyperformance Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including 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 2022 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERFORMANCE LIMITED

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, 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, FCA regulations 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[http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-forhttps://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-\(1\).](http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-forhttps://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1).) This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERFORMANCE LIMITED

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**

28 June 2023

Hyperformance Limited
Statement of Comprehensive Income
for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	5	3,784	7,989
Administrative expenses		(4,373)	(9,023)
Operating loss		<hr/> (589)	<hr/> (1,034)
Finance income	8	222	325
Loss before tax	9	<hr/> (367)	<hr/> (709)
Tax (charge)/credit	10	15	(329)
Loss after tax and loss for the financial year		<hr/> (352)	<hr/> (1,038)
Other comprehensive income		-	-
Total comprehensive loss for the year		<hr/> (352) <hr/>	<hr/> (1,038) <hr/>

All operating results derive from continuing operations. The notes on pages 12 to 22 form part of these financial statements.

Hyperformance Limited
Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 Restated* £000
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	-	-
		-	-
Current assets			
Debtors: amounts falling due within one year	13	1,826	4,633
Cash at bank and in hand	14	1,186	577
		3,012	5,210
Creditors			
Amounts falling due within one year	15	(2,008)	(2,289)
Net current assets		1,004	2,920
Total assets less current liabilities		1,004	2,920
Provisions for liabilities	16	(35)	(100)
Net assets		968	2,820
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account		2,368	2,720
Distribution in kind	18	(1,500)	-
Shareholders' funds		968	2,820

*Please see note 23.

The notes on pages 12 to 22 form part of these financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements of Hyperformance Limited, company registration number 03758951, were approved and authorised for issue by the board of Directors on 28 June 2023. They were signed on its behalf by

Charlie Love

C F Love - Director
28 June 2023

Hyperformance Limited
Statement of Changes in Equity
for the year ended 31 December 2022

	Called-up share capital	Profit and loss account	Capital contribution	Total
	£000	£000	£000	£000
At 1 January 2021	100	3,758	-	3,858
Loss and total comprehensive loss for the year	-	(1,038)	-	(1,038)
At 31 December 2021	100	2,720	-	2,820
Loss and total comprehensive loss for the year	-	(352)	-	(352)
Capital contribution	-	-	(1,500)	(1,500)
At 31 December 2022	100	2,368	(1,500)	968

The notes on pages 12 to 22 form part of these financial statements.

Hyperformance Limited
Notes to the financial statements
for the year ended 31 December 2022

1. General information

Hyperformance 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 directors' report on page 2.

2. Statement of compliance

The individual financial statements of Hyperformance 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 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 Directors' Report. The Directors' Report 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 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 taken into account the following:

- The current capital structure and liquidity of the Company and its base case and stressed cash flow forecasts.
- Regulatory capital position at 31 December 2022 and surplus available for the next 12 months
- The principal risks facing the Group, including its systems of risk management and internal control.

Following the assessment of the Company'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 Company's ability to continue as a going concern.

Hyperformance Limited
Notes to the financial statements
for the year ended 31 December 2022

Exemptions for qualifying entities under FRS 102

Hyperformance 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. Hyperformance Limited is consolidated in the financial statements of its ultimate parent, Ormiston Holdco Limited, copies of which may be obtained at 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB. 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 pound sterling.

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 asset's 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.

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.

Hyperformance Limited
Notes to the financial statements
for the year ended 31 December 2022

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 the transaction price 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, here 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 as mentioned above are measured at cost (which maybe nil) less impairment.

Financial assets are de-recognised when and only when a) the contractual rights to the cash flows from the financial assets expire or are settled; b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or c) the Company, despite having retained some, but not all, 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 de-recognised only when the obligation specified in the contract is discharged cancelled or expires.

Hyperformance Limited
Notes to the financial statements
for the year ended 31 December 2022

- ii) **Cash and cash equivalents**
Cash and cash equivalents comprise cash on 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) **Bad debts**
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.

Hyperformance Limited
Notes to the financial statements
for the year ended 31 December 2022

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.

Pensions

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 a provision 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).

Revenue recognition

Turnover relating to insurance broking represents net fees and commissions derived from premiums invoiced to clients. The Company recognises fees 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.

Interest and investment income

Interest and investment income is recognised on an accruals basis.

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.

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4. Critical judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, 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 management has made no specific significant judgements in accounting policies.

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 2022.

Key source of estimation uncertainty

i) **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 as seen fit. The estimated bad debt per policy is provided for at the date of sale of the policy, the year-end balance held was £0.7 million (2021: £1.0 million).

ii) **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 £ 0.2 million (2021: £0.4 million).

5. Turnover and revenue

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.

Revenue

	2022	2021
	£000	£000
Insurance intermediary revenue	3,784	7,989
	<u>3,784</u>	<u>7,989</u>

6. Staff costs

All the Company's staff costs are paid by a fellow Group subsidiary, Complete Cover Group Ltd. Staff costs of £1.4m (2021: £4.8m) were recharged by Complete Cover Group Ltd to the Company for the work undertaken by staff employed by Complete Cover Group Ltd in the period.

7. Directors' remuneration

The Directors are employees of Complete Cover Group Ltd and were remunerated by the Complete Cover Group Ltd for their services to the Group as a whole and received no remuneration for their services as Directors of other companies.

Hyperformance Limited
Notes to the financial statements
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8. Finance costs

	2022	2021
	£000	£000
Interest receivable		
Interest receivable from fellow group companies	224	325
	<u>224</u>	<u>325</u>
Interest payable		
Other interest payable	(2)	-
	<u>(2)</u>	<u>-</u>
Net interest receivable	<u>222</u>	<u>325</u>

9. Loss on ordinary activities before taxation

		2022	2021
		£000	£000
Amortisation of intangible fixed asset	12	-	6
Depreciation – tangible fixed assets	13	-	7
Impairment of trade debtors		353	1,555

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

Fees payable to the Company's current auditor for the audit of the Company's annual accounts	25	42
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10. Taxation

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

	2022	2021
	£000	£000
Current UK corporation taxation:		
Charge adjustment in respect of prior years	-	-
Total current tax charge for the year	<u>-</u>	<u>-</u>
Deferred taxation:		
Origination and reversal of timing differences	(15)	334
Adjustments in respect of prior periods	-	(5)
Total deferred tax credit for the year	<u>(15)</u>	<u>329</u>
Total tax charge/(credit) on profit on ordinary activities	<u>(15)</u>	<u>329</u>

Hyperformance Limited
Notes to the financial statements
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Tax rate reconciliation

The tax assessed for 2022 is explained below:

	2022 £000	2021 £000
(Loss)/Profit on ordinary activities before tax	(367)	(709)
Tax at standard UK corporation tax rate of 19.0% (2021: 19.0%)	(70)	(135)
Effect of:		
Expenses not deductible for tax purposes	-	1
Group relief/other reliefs	390	-
Adjustments from prior periods	-	(5)
Tax rate changes	-	-
Deferred Tax not recognised	(335)	468
Current tax charge/(credit)	(15)	329

In the Spring 2022 UK Budget on 3 March 2022 it was announced that the UK Corporation Tax rate would increase to 25% with effect from 1 April 2023 which was substantively enacted on 24 May 2022. As the 25% Corporation Tax rate was substantively enacted by the balance sheet date, deferred tax balances as at 31 December 2022 are calculated at 25%.

11. Intangible fixed assets

	Software £000
Cost	
At 1 January 2022	43
Disposals	(43)
At 31 December 2022	-
Amortisation	
At 1 January 2022	43
Disposals	(43)
Charge for the year	-
At 31 December 2022	-
Net book value	
31 December 2022	-
1 January 2022	-

Software intangible assets created by external development firms were for the improvement of insurance broking systems.

Hyperformance Limited
Notes to the financial statements
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12. Tangible fixed assets

	Short leasehold £000	Fixtures, fittings & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2022	5	24	15	44
Disposals	(5)	(24)	(15)	(44)
31 December 2022	-	-	-	-
Depreciation				
At 1 January 2022	5	24	15	44
Charge for year	(5)	(24)	(15)	(44)
At 31 December 2022	-	-	-	-
Net book value				
31 December 2022	-	-	-	-
1 January 2022	-	-	-	-

13. Debtors

	2022 £000	*2021 Restated £000
Trade debtors	253	416
Amounts owed by group undertakings	1,531	4,184
Deferred tax	15	-
Other debtors	27	33
Prepayments and accrued income	-	-
	<u>1,826</u>	<u>4,633</u>

*Please see note 23.

Trade debtors are stated after provisions for impairment of £0.853m (2021: £1.396m).

Amounts owed by fellow group undertakings consist of trade balances and balances that arise from inter-group financing. They accrue interest at 8% (2021 8%), are unsecured and are recoverable on demand. At year-end 2022, £1.15m was owed by fellow subsidiary Complete Cover Group Limited and £382k was owed by holding company Key Bideo Limited. During the year the company wrote off £1.5m of intercompany debtors with Complete Cover Group Limited.

Deferred tax asset

	2022 £000	2021 £000
As at start of the period	-	329
Deferred tax charge to income statement in the period	15	(329)
Fixed asset timing differences	-	-
Losses	-	-
At end of the period	<u>15</u>	<u>-</u>

Hyperformance Limited
Notes to the financial statements
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14. Cash at bank and in hand

	2022	2021
	£000	£000
Bank balances	6	-
Insurance cash balances	1,180	577
	<u>1,186</u>	<u>577</u>

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

	2022	*2021 Restated
	£000	£000
Trade creditors	1,722	1,898
Other creditors	-	-
Amounts owed to group undertakings	96	15
Social security and other taxes	7	9
Accrued and deferred income	183	368
	<u>2,008</u>	<u>2,289</u>

*Please see note 23.

16. Provisions for liabilities

	Property dilapidations £000
31 December 2021	<u>100</u>
31 December 2022	<u>35</u>

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 £35k provision on its main office buildings in Cumbran. The provision is considered sufficient to cover the obligation which the business has with its landlords now that the lease has ended as outlined in the lease agreement.

17. Called up share capital and reserves

Allotted, called-up and fully paid

	2022	2021
Number Description	£000	£000
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry no right to fixed income

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

18. Capital contribution

During the year, the group undertook an exercise to restructure its intercompany balances to recapitalise certain subsidiaries. As part of this restructure, the Company forgave a loan of £1,500,000 due from Complete Cover Group Ltd. This transaction was deemed to be capital in nature and accordingly, has been accounted for as a distribution in kind to Key Bidco Ltd, the Company's and Complete Cover Group Ltd's parent undertaking. The Directors have satisfied themselves that sufficient distributable profits existed in the Company when approving this transaction.

Hyperformance Limited
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19. Commitments

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

	2022 £000	2021 £000
Land and buildings		
Expiring:		
Within one year	-	86
Between one and five years	-	-
	<u>-</u>	<u>86</u>

20. Ultimate controlling party

The Directors consider the ultimate controlling party of the Company to be Lord Edward Spencer Churchill.

For the year ended 31 December 2022, the Company's ultimate parent company is Ormiston Holdco Limited, a Company incorporated in Jersey and its immediate parent Company is Key Topco Limited, a Company incorporated in England & Wales.

The largest Group in which the results of Hyperformance 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 Hyperformance Limited are consolidated is that headed by Key Topco Limited. Copies of the consolidated financial statements of Key Topco Limited may be obtained from Axiom House, The Centre, Feltham, England, TW13 4AU.

21. Related party disclosures

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

22. Contingent liabilities

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.

23. Prior year restatement

A prior year restatement has been made to 2021 to reflect a reclassification between debtors and creditors. This has reduced debtors on the Balance Sheet and trade debtors in note 14 by £1,413k and reduced creditors in the balance sheet and trade creditors in note 16 by an equal and offsetting amount. This has no impact on net assets.