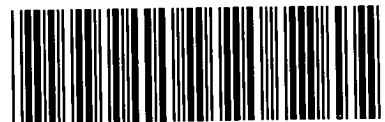


Vision Vehicle Solutions Limited
Financial Statements
31 December 2020

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Vision Vehicle Solutions Limited

Financial Statements

Year ended 31 December 2020

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Vision Vehicle Solutions Limited

Officers and Professional Advisers

The board of directors

G Humphreys
K J Barber
K R Spencer
M B Wills

Company secretary

C J Payne

Registered office

45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

Auditor

RSM UK Audit LLP
Chartered accountants
Davidson House
Forbury Square
Reading
RG1 3EU

Bankers

National Westminster Bank Plc
27 South Street
Worthing
West Sussex
BN11 3AR

Vision Vehicle Solutions Limited

Strategic Report

Year ended 31 December 2020

Fair review of the business and key performance indicators

The company is a wholly owned subsidiary of Markerstudy Holdings Ltd (MHL) and sits within Markerstudy's Group Services Division.

The company made an operating profit of £374,102 for the year (2019: £929,620). Fleet utilisation was 50% (2019: 64%). Volume of hires billed was 2,462 (2019: 3,108) and S&R invoices raised was 1,320 (2019: 2,232).

The company closely monitors its performance against a series of indices that are set as part of a rigorous budgeting process. The company's own key performance indicators ("KPIs") are Turnover, Cost of sales, Gross profit margin, Administrative expenses, operating profit and collections. Expenses, in particular cost of sales, are closely monitored against a budget to maintain a stable gross profit margin. Debt collection is monitored monthly broken down in 0-90 days, 91-180 days, 181-270 days and 271 days +. A key indicator is percentage of debt over 271 days and debtor days (the average period to recover an invoice).

	2020 £	2019 £
Turnover	8,421,608	10,617,860
Cost of sales	4,363,560	5,737,398
Gross profit	4,058,048	4,880,462
Administrative expenses	4,188,379	3,950,842
Operating profit	374,102	929,620
Collections	8,518,000	9,048,000

The 20% decrease in turnover has been caused by significant reductions to traffic volumes as a result of covid-19 government restrictions. Gross profit margin has improved from 46% in 2019 to 48% in 2020. The lower gross profit margin in 2019 was largely due to upfront investment in staff and fleet in preparation for the anticipated increase in jobs as a result of an acquisition by the parent company, MHL. In February 2019, it was announced MHL had agreed terms to acquire Co-Op's insurance arm, CIS General Insurance Limited (CISGIL). The transaction completed on 2 December 2020.

Net assets have increased from £2,281,353 to £2,379,674 due to retaining profits earned during the year.

Future developments

2020 proved to be a tough year for the business as the CISGIL acquisition delay and covid-19 pandemic had a significant impact on the business. However the business was able to utilise the government job retention scheme and payment holidays to preserve cash flow and minimise losses as the credit hire market lost 90% of its business overnight. The business continued to trade throughout the pandemic providing replacement vehicles to key workers either via credit hire or direct hire services. CISGIL referrals were being received from December 2020 which has increased work volumes but the business through 2020 has traded at c45% of pre pandemic volumes due to various lockdowns. 2021 has traded slightly better at c65% of pre pandemic volumes as workers and schools were able to return in phases. The Markerstudy Group acquired Brightside Insurance in February 2021 with hire referrals to the business to begin from December 2021. We anticipate this, alongside the continuous trade with retained work providers, will form a steady base for further growth into 2022.

The board continue to look to identify pipeline business that can be integrated with the business alongside supporting the group on any further acquisitions that will benefit the business.

Insurer relations are evolving with more protocols being agreed with insurers which will in turn favour cash flow and require less resource to administer.

Vision Vehicle Solutions Limited

Strategic Report *(continued)*

Year ended 31 December 2020

"Project Venus"

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares; £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares and third party unitranche senior debt of £92.6m. The Board of Directors are confident that this deal will enable the Markerstudy Group to satisfy all its financial obligations to QIC.

Results and dividends

The profit for the year, after taxation, amounted to £98,321 (2019: £768,424). The directors recommended that no dividends were to be paid for the year (2019: £Nil).

Principal risks and uncertainties

Management consider that the principal risks and uncertainties during the year were integrated with those of the group and were not managed separately. The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company and the compliance team and finance department take on an important oversight role in this regard. The Board is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The key risks to the business include the volatility of the leasing market as well as the nationwide shift to more use of hybrid and electric vehicles. Demand of new vehicles is currently outweighing supply with an international shortage of semi conductor chips further heightening the issue. This in turn has an effect on acquisition costs. The 'Litigants in Person' went live on 31st May 2021. Currently, there is not much demand from the public to utilise and many are still opting to claim via CMCs and Solicitors. Should the portal grow in popularity, there will be a reduction of CMCs within the market place which could in turn affect referrals derived from this work stream into the business.

The company monitors collections and aged debt, and carries a substantial credit note provision and bad debt provision to manage the risk that third party insurers do not pay the full damages within any claim.

	2020	2019
	£	£
Trade Debtors	9,350,802	8,333,916
Credit Note Provision	1,841,846	1,943,168
Bad Debt Provision	429,271	302,451
% of debt provided	24%	26%

The Markerstudy Holdings group is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due.

(a) Credit risk - the risk that a counterpart will be unable to pay amounts in full when due. The Company manages this risk through an established credit committee which reviews and authorises credit facilities to counterparties after appropriate credit analysis has been performed.

(b) Liquidity risk - the risk that cash may not be available to pay obligations when due at a reasonable cost. The Board sets limits on the modified duration of its investments and maintains a significant proportion of its investments in liquid assets to enable any such calls to be met.

Vision Vehicle Solutions Limited

Strategic Report *(continued)*

Year ended 31 December 2020

Covid-19 Pandemic

The ongoing worldwide pandemic of Covid-19 is having a significant negative impact on the short-term performance of the company. The government restrictions and increased number of people working from home has meant roads are quieter and, as such, number of vehicle claims is significantly lower in 2020. Management are taking several steps to mitigate the impact of the reductions to turnover caused by the Covid-19 pandemic. This includes utilising the Government employee retention scheme and time to pay option with HMRC, as well as closely monitoring cash flows and making pay cuts. In addition to this, the board made the decision to resize the business and improve efficiencies, resulting in a headcount reduction of 7, effective 31 July 2020.

There is a great deal of uncertainty as to the longevity of the Covid-19 crisis. However, the directors are committed to supporting Vision Vehicle Solutions Limited. The impact of Covid-19 and parent company support for the Company is also considered in the going concern accounting policy in note 3 on pages 15 to 16.

S.172 Companies Act 2006: Statement of director's duties to stakeholders

The board of directors of Vision Vehicle Solutions Limited believe that they have acted 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 and with regard to the other matters as detailed in S.172 (a) - (f).

Long-term consequences of decisions

Management prepare annual forecasts for the 5-year period ahead, which include modelling of the impact of key decisions made within the Markerstudy Holdings Group (MHL) group, such as the impact of the CIS General Insurance Limited (CISGIL) acquisition by MHL, in order to assess their viability. The board aims to grow the company's business, creating sustainable profits by developing new opportunities for the business and our people.

Employee Engagement

The board is committed to its focus on employee's working environment and career development opportunities, which has helped the company achieve its 'Investors in People' accreditation. A number of initiatives developed including the 'Shooting Stars' programme for leaders of the future, and 'ALEX' the apprenticeship syllabus, have all contributed to the company achieving the accreditation. The company have also developed core values, 'V10', which helps maintain the culture and keeps staff attitudes to work aligned. Due to the covid-19 pandemic, the majority of the staff base are now working from home. The board is committed to enhancing the channels of communication during this time, to ensure staff are listened to and are able to continue working effectively.

Key external stakeholder engagement - customers and suppliers

The company has many long-standing and highly successful relationships with customers and suppliers. The company's ethos is to promote fairness and integrity in customer service and commit to 'putting the fun into insurance', for the benefit of our customers, employees and the community. Our customers are at the heart of everything we do, and the board is committed to treating customers fairly. The company is also committed to building strong positive relationships with a wide range of insurers, brokers, managing general agents and other distribution channels.

Vision Vehicle Solutions Limited

Strategic Report *(continued)*

Year ended 31 December 2020

Impact on the community and the environment

The board considers the company's impact on the wider community and environment. The 'motiv8' initiative supports staff in their community and charity fundraising activities. The board also aims to encourage green initiatives to reduce our carbon footprint, as well as promoting safe driving for the next generation.

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:



K J Barber
Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

Vision Vehicle Solutions Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Principal activities

The principal activity of the company during the year was that of non-fault motor vehicle insurance claims management and vehicle hire.

Directors

The directors who served the company during the year and up to the date of signature of the financial statements were as follows:

G Humphreys
K J Barber
K R Spencer
M B Wills (appointed 3 November 2021)

Dividends

The directors do not recommend payment of a dividend.

Events after the end of the reporting period

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares; and third party unitranche senior debt of £92.6m.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to and accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure, with Venus Topco Limited the new ultimate parent company.

As a result of the above, the new controlling party of the Markerstudy Group are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

On 13 September 2021 the Company entered into a Unlimited Multilateral Guarantee in respect of borrowings of Venus Bidco Limited and its associated undertakings; Markerstudy Insurance Services Limited, Insurance Factory Limited, Markerstudy Direct Limited, Markerstudy Limited, Brightside Group Limited, Brightside Insurance Services Limited and Auto Windscreens Services Limited.

The security on this guarantee is a fixed and floating charge over the assets of the above companies.

Disclosure of information in the strategic report

Matters required by Schedule 7 of the large and medium sized Companies and Groups (Accounts and Report) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414c(11) of the Companies Act 2006.

Vision Vehicle Solutions Limited

Directors' Report *(continued)*

Year ended 31 December 2020

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:



K J Barber
Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

Vision Vehicle Solutions Limited

Directors' Responsibilities Statement

Year ended 31 December 2020

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION VEHICLE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Vision Vehicle Solutions Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the statement of financial position 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION VEHICLE SOLUTIONS LIMITED

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, 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 set out on page 8, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION VEHICLE SOLUTIONS LIMITED

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations, and the Coronavirus Job Retention Scheme (CJRS) regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors. In respect of CJRS, we reviewed and tested a sample of claims submitted in the period and corroborated grant income received in the period in accordance with the scheme.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations. We inspected compliance documentation, including but not limited to, internal procedures' manuals, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the regulatory conditions for authorisation and other regulatory obligations.

The audit engagement team identified the risk of management override of controls and revenue cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and reviewing a sample of transactions recognised either side of the year end to ensure that revenue has been recognised in the correct accounting period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION VEHICLE SOLUTIONS
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.

Perry Linton

Perry Linton FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading, RG1 3EU
15 December 2021
Date

Vision Vehicle Solutions Limited
Statement of Income and Retained Earnings
Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	8,421,608	10,617,860
Cost of sales		(4,363,560)	(5,737,398)
Gross profit		4,058,048	4,880,462
Administrative expenses		(4,188,379)	(3,950,842)
Other operating income	5	504,433	—
Operating profit	6	374,102	929,620
Interest payable	9	(230,160)	(223,462)
Profit before taxation		143,942	706,158
Taxation on ordinary activities	10	(45,621)	62,266
Profit for the financial year and total comprehensive income		98,321	768,424
Retained earnings at the start of the year		2,261,353	1,492,929
Retained earnings at the end of the year		2,359,674	2,261,353

• All the activities of the company are from continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

Vision Vehicle Solutions Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	1,796,496	2,293,684
Current assets			
Debtors	12	9,037,732	8,743,710
Cash at bank and in hand		21,529	71,697
		<u>9,059,261</u>	<u>8,815,407</u>
Creditors: amounts falling due within one year	13	<u>(7,958,003)</u>	<u>(8,104,936)</u>
Net current assets		<u>1,101,258</u>	<u>710,471</u>
Total assets less current liabilities		<u>2,897,754</u>	<u>3,004,155</u>
Creditors: amounts falling due after more than one year	14	<u>(518,080)</u>	<u>(722,802)</u>
Net assets		<u>2,379,674</u>	<u>2,281,353</u>
Capital and reserves			
Called up share capital	18	20,000	20,000
Profit and loss account	19	2,359,674	2,261,353
Shareholders funds		<u>2,379,674</u>	<u>2,281,353</u>

These financial statements were approved by the board of directors and authorised for issue on 14 December 2021, and are signed on behalf of the board by:



K J Barber
Director

Company registration number: 03019250

Vision Vehicle Solutions Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, incorporated and registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The group of companies headed by Markerstudy Holdings Limited during the year (the 'Markerstudy Group') and Vision Vehicle Solutions Limited (the 'Company') are expected to generate positive cash flows for a period of at least 12 months from the date of approval of these financial statements.

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares; £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares and third party unitranche senior debt of £92.6m. The Board of Directors are confident that this deal will enable the Markerstudy Group to satisfy all its financial obligations to QIC.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to any accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure, with Venus Topco Limited the new ultimate parent company.

Venus Topco Limited has provided a letter of support confirming that its current intention is to continue to provide financial support to the Company such that it will continue to be able to meet its obligations as they fall due for a period of at least 18 months from the date of approval of these financial statements.

The directors have considered the effect of the ongoing worldwide pandemic of Covid-19, which is having an impact on the short term performance of the Company as detailed in the Strategic Report on pages 2 to 5. Should the economic impacts be longer lasting and result in widespread corporate failure across the economy then the risk to the business and the ability of the Group and Company to generate positive cash flows will be heightened.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Going concern *(continued)*

However Markerstudy Group Management have taken, and continue to take, several steps to mitigate the impacts being caused by the Covid-19 pandemic. This includes utilising the Government employee retention scheme, VAT payment deferral option and time to pay option with HMRC, agreeing a freeze on some business rates for 12 months, as well as closely monitoring cash flows. Markerstudy Group Management have also reviewed its cost base and IT and system efficiencies to generate additional cost savings including headcount savings through a redundancy programme which completed on 31 July 2020. Management also took the step of making pay reductions from April 2020, but strengthening results alongside other cost saving initiatives during the pandemic has seen full pay reinstated at the start of September 2020 (which was earlier than management had originally anticipated).

Given the unpredictable nature and impact of the outbreak, and how rapidly the responses by the Government to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures.

However, due to the completion of the capital injection deal led by PSC in 2021 and the strengthening results of the Group and its subsidiaries since the easing of lockdown restrictions in 2021, the Directors are confident that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of Markerstudy Holdings Limited. Details of how to obtain these financial statements can be found in note 22. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Employee benefits

The company recognises short-term employee benefits as an expense to the profit and loss account.

Revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable for the provision of services in the ordinary nature of the business. Turnover includes income for the provision of vehicle hire and also income from third parties in respect of referral leads. Turnover is shown net of Value Added Tax.

Revenue in respect of vehicle hire and storage services is recognised over the period in which the service is rendered, and with reference to the stage reached in the negotiation of the considerations with the insurance company. Revenue in respect of referral commission and vehicle recovery is recognised when earned or on the date that the vehicle is recovered.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all 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 in the future 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 gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance
Computer Equipment	- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts

The amount capitalised is the fair value of the leased asset or if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of income and retained earnings so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Treatment of leases

Whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Fixed asset – indicators of impairment

Whether there are indicators of impairment of the company's motor vehicles, tangible fixed assets held under finance leases or hire purchase contracts. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

Debtors recoverability

The directors make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the age of the debt, the stage of negotiations, and historical experience of the outcome of recoveries. See note 12 for the net carrying amount of trade and other debtors, and associated impairment provision.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Turnover

Turnover arises from:

	2020 £	2019 £
Rendering of services	8,421,608	10,617,860

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grant income	504,433	—

6. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible assets	604,768	513,072
(Gains) on disposal of tangible assets	(112,389)	(48,768)
Impairment of trade debtors	174,678	133,734
Operating lease costs - Land and buildings	117,106	93,691
Operating lease costs - Plant and equipment	1,358,337	1,334,633

7. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	22,000	22,000
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	7,500	7,000

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020 No.	2019 No.
Distribution staff	55	41
Administrative staff	59	56
	<u>114</u>	<u>97</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	2,079,741	2,088,891
Social security costs	160,767	134,023
Other pension costs	32,259	32,813
	<u>2,272,767</u>	<u>2,255,727</u>

Included within amounts shown above is £2,128 (2019: £10,181) relating to the apprenticeship levy.

Not included in the amounts disclosed above is an amount of £523,427 (2019: £459,257) of staff costs recharged from fellow Markerstudy Holdings group companies.

No directors received any remuneration during the year (2019: £Nil), and no pension contributions were made on their behalf (2019: £Nil).

9. Interest payable

	2020 £	2019 £
Interest on banks loans and overdrafts	81	34
Interest on obligations under finance leases and hire purchase contracts	64,160	39,678
Interest due to group undertakings	165,919	183,750
	<u>230,160</u>	<u>223,462</u>

Vision Vehicle Solutions Limited
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

10. Taxation on ordinary activities

Major components of tax expense/(income)

	2020 £	2019 £
Current tax:		
UK current tax expense	116,820	–
Adjustments in respect of prior periods	–	(55,274)
Total current tax	<u>116,820</u>	<u>(55,274)</u>
Deferred tax:		
Origination and reversal of timing differences	(71,199)	(6,992)
Taxation on ordinary activities	<u>45,621</u>	<u>(62,266)</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	143,942	706,158
Profit on ordinary activities by rate of tax	27,349	134,170
Effect of expenses not deductible for tax purposes	26,752	41,110
Transfer pricing adjustments	3,267	2,683
Group relief surrendered/(claimed)	–	(185,778)
Remeasurement of deferred tax for changes in tax rates	(11,745)	–
Adjustments in respect of prior periods	–	(55,274)
Other adjustments	(2)	823
Tax on profit	<u>45,621</u>	<u>(62,266)</u>

11. Tangible assets

	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost				
At 1 January 2020	87,304	3,843,607	85,570	4,016,481
Additions	–	400,227	–	400,227
Disposals	–	(754,398)	–	(754,398)
At 31 December 2020	<u>87,304</u>	<u>3,489,436</u>	<u>85,570</u>	<u>3,662,310</u>
Depreciation				
At 1 January 2020	45,775	1,609,430	67,592	1,722,797
Charge for the year	6,230	593,538	5,000	604,768
Disposals	–	(461,751)	–	(461,751)
At 31 December 2020	<u>52,005</u>	<u>1,741,217</u>	<u>72,592</u>	<u>1,865,814</u>
Carrying amount				
At 31 December 2020	<u>35,299</u>	<u>1,748,219</u>	<u>12,978</u>	<u>1,796,496</u>
At 31 December 2019	<u>41,529</u>	<u>2,234,177</u>	<u>17,978</u>	<u>2,293,684</u>

The depreciation charged to the financial statements in the year relating to assets held under hire purchase agreements amounted to £316,789 (2019: £256,327).

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor Vehicles £
At 31 December 2020	981,688
At 31 December 2019	1,391,764

12. Debtors

	2020 £	2019 £
Trade debtors	7,225,823	6,788,440
Amounts owed by group undertakings	–	17,624
Deferred tax asset	171,033	99,834
Prepayments and accrued income	1,014,085	1,259,565
Other debtors	626,791	578,247
	<u>9,037,732</u>	<u>8,743,710</u>

Trade debtors are stated after provisions for impairment of £2,271,118 (2019: £2,245,616).

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	176,238	340,068
Amounts owed to group undertakings	5,606,383	6,322,218
Corporation tax	116,825	–
Social security and other taxes	882,616	182,156
Obligations under finance leases and hire purchase contracts	429,662	397,577
Other creditors	746,279	862,917
	<u>7,958,003</u>	<u>8,104,936</u>

Included within amounts due to group undertakings is loan interest payable of £464,901 (2019: £183,750) relating to a loan of £3,500,000 (2019: £3,500,000) due to Markerstudy Holdings Limited. An interest rate of Bank of England base rate plus 4.5% per annum is being charged on this loan.

14. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	518,080	722,802

Obligations under finance lease and hire purchase agreements are secured by related assets and bear finance charges of 9%.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020 £	2019 £
Not later than 1 year	476,653	453,471
Later than 1 year and not later than 5 years	522,730	759,260
	<u>999,383</u>	<u>1,212,731</u>
Less: future finance charges	(51,641)	(92,352)
Present value of minimum lease payments	<u>947,742</u>	<u>1,120,379</u>

The average length of finance leases used in the acquisition of motor vehicles is 3 years. Ownership of motor vehicles do not pass to the company until the company has made all payments in accordance with the finance agreements.

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020 £	2019 £
Included in debtors (note 12)	<u>171,033</u>	<u>99,834</u>

Reconciliation of deferred tax

Deferred tax:		
Opening balance	(99,834)	(92,842)
Deferred tax charged to the profit and loss account	(71,199)	(6,992)
Deferred tax (asset)	<u>(171,033)</u>	<u>(99,834)</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £34,672 (2019: £32,813).

18. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

19. Reserves

Profit and loss account - retained earnings and accumulated losses, less equity dividends paid.

20. Commitments under operating leases

Property

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

	2020	2019
	£	£
Not later than 1 year	106,069	106,069
Later than 1 year and not later than 5 years	481,587	481,587
Later than 5 years	374,437	480,506
	<u>962,093</u>	<u>1,068,162</u>

Motor Vehicles

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

	2020	2019
	£	£
Not later than 1 year	510,438	1,009,261
Later than 1 year and not later than 5 years	46,317	242,370
	<u>556,755</u>	<u>1,251,631</u>

21. Related party transactions

Transactions between the Company and its related parties are disclosed below:

Other related parties

	2020	2019
	£	£
Other staff costs	269	310
Property service charges	7,164	33,176
Other premises expenses	6,762	8,810
Telephone expenses	2,141	243
Computer expenses	–	10,637
Accommodation	–	60

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties

	2020	2019
	£	£
Other related parties	3,095	12,214

Other related parties comprise companies in the group headed by Armature Limited and are related by virtue of common control. K R Spencer is a director and shareholder of Armature Limited.

Vision Vehicle Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

22. Controlling party

During the year the immediate parent undertaking was Markerstudy (International) Holdings Limited, a company registered in Gibraltar. The ultimate parent company was Markerstudy Holding Limited, a company registered in Gibraltar. Copies of the ultimate parent company's consolidated financial statements may be obtained from 846-848 Europort, Gibraltar. The group was controlled by K R Spencer during the year.

Subsequent to the year end, the Markerstudy Group has been restructured. Details of this can be found in note 24 below. The new immediate parent undertaking is Markerstudy Group Limited, a company registered in the United Kingdom. The new ultimate holding company is Venus Topco Limited, a company registered in Jersey.

The new ultimate parent undertaking is PSC Nominee 4 Limited, as nominee for PSC IV LP, PSC IV B LP and PSC IV (C) SCSp. The Company's ultimate controlling party are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

23. Charge over assets

Hire purchase agreements of £41,655 (2019: £75,072) are secured against three of the Company's motor vehicle assets.

24. Post balance sheet events

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares; £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares; and third party unitranche senior debt of £92.6m.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to and accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure, with Venus Topco Limited the new ultimate parent company.

As a result of the above, the new controlling party of the Markerstudy Group are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

On 13 September 2021 the Company entered into a Unlimited Multilateral Guarantee in respect of borrowings of Venus Bidco Limited and its associated undertakings; Markerstudy Insurance Services Limited, Insurance Factory Limited, Markerstudy Direct Limited, Markerstudy Limited, Brightside Group Limited, Brightside Insurance Services Limited and Auto Windscreens Services Limited.

The security on this guarantee is a fixed and floating charge over the assets of the above companies.