

Avantia Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered number: 03821497



Avantia Limited

Contents

	Pages
Directors' report	1 - 3
Directors' responsibilities statement	4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 – 12

Avantia Limited

Directors' report

The directors present their report and unaudited financial statements for the Company for the year ended 31 December 2021. The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal Activities

The Company is an intermediate holding company of the two principal trading entities - Avantia Insurance Limited (a UK regulated provider of home insurance trading under the brand HomeProtect) and Avantia Assistance Limited (a UK provider of a concierge home emergency service). The Company's immediate parent company is Kingston Bidco Limited and its ultimate parent company is Protect Topco Limited, in which the results of the group are consolidated.

Results & Dividends

The loss for the year, after taxation, amounted to £2,500 (2020: £12,005).

There was no dividend declared in the year (2020: £nil).

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 1, significant accounting policies, on page 8.

Impact of Covid-19

There is no doubt that Covid-19 has had a very significant impact on UK citizens and the economy.

The Company is insulated from the worst of the economic and consumer impact given it is a holding company for a subsidiary whose focus is on home insurance. HomeProtect is not in the front line of consumer discretionary spend. Homeowners and renters desire to protect their most valuable assets is unlikely to fundamentally change in the medium/long-term, despite some facing difficulties from loss of work & income in the short-term.

The Group has stress tested its financial position and is confident that it can continue trading well in excess of 12 months, using only its existing cash balance, under a modelled "extreme" case scenario.

The Company has strong business continuity mitigation measures in place and Management focus includes these critical areas:

1 Liquidity & Working Capital

The Company is supported by subsidiaries that have significant cash resources and strong cash generation activities, with low existing leverage and this puts the HomeProtect Group in a strong position to be able to access capital if needed.

The majority of HomeProtect customers transact online at new business, and at renewal either auto renew or continue with their direct debit loan facility. Therefore, HomeProtect is not heavily reliant on its contact centre to maintain the majority of its trading capability.

2 Minimising operational disruption.

Significant focus is given to ensure staff have home working capability across all sites. HomeProtect has successfully implemented home working across its head office, contact centre and claims operation. Therefore, HomeProtect is in a good position to minimise impact from a full lockdown that prevents office working.

Avantia Limited

Directors' report (continued)

3 Governance

At the start of the pandemic, HomeProtect operated a "COBR (Cabinet Office Briefing Rooms)" style daily management, briefing and control forum comprised of all heads of department. Activities have now reverted back to business as usual, with monthly Board and trading meetings conducted remotely. Focus continues on daily trading & operational indicators as part of normal business activity.

4 Stress Testing

The business did not see a severe impact to its trading and operational activities and therefore has shown resilience over a very difficult period. The business has undergone a stress test review as part of its annual Investment impairment review. Based on these projections the directors believe that the Company is well placed to manage its business risks successfully and that the Company should be able to continue in operational existence for the foreseeable future.

Directors

The directors, who served throughout the year and up to the date of signing, except as noted, were as follows:

- M Eastham
- S Mahmood

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Avantia Limited

Directors' report (continued)

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

1E9017A844B84F8...

S Mahmood

Director

Date 25 April 2022

14th Floor
CI Tower
St. Georges Square
New Malden
KT3 4HG
United Kingdom

Avantia Limited

Directors' responsibilities statement

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

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

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

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

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

Avantia Limited

Profit and loss account

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover		-	-
Cost of sales		-	-
Gross result		-	-
Other operating expenses		(3)	(12)
Operating loss		(3)	(12)
Loss on ordinary activities before taxation	3	(3)	(12)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(3)	(12)

All amounts relate to continuing operations.

There are no recognised gains or losses other than the loss for each year. Accordingly, a statement of comprehensive income has not been prepared.

The notes on pages 8 to 12 form part of these financial statements.

Avantia Limited

Balance sheet

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	6	7,100	7,100
		<u>7,100</u>	<u>7,100</u>
Current assets			
Debtors	7	14,008	14,008
		<u>14,008</u>	<u>14,008</u>
Creditors: amounts falling due within one year	8	(14,245)	(14,242)
Net current liabilities		<u>(237)</u>	<u>(234)</u>
Total assets less current liabilities		<u>6,863</u>	<u>6,866</u>
Capital and reserves			
Called-up share capital	10	2	2
Share premium account	11	7,432	7,432
Profit and loss account	11	(571)	(568)
Shareholder's funds		<u>6,863</u>	<u>6,866</u>

Audit exemption statement

- For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies.
- No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of Avantia Limited (registered number: 03821497) were approved by the board of directors and authorised for issue on 25 April 2022. They were signed on its behalf by:

DocuSigned by:

 1E9017A844B84F8

S Mahmood
 Director

Avantia Limited

Statement of changes in equity For the year ended 31 December 2021

	Called- up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2020	2	7,432	(556)	6,878
Loss for the financial year	-	-	(12)	(12)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	2	7,432	(568)	6,866
Loss for the financial year	-	-	(3)	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	<hr/>	<hr/>	<hr/>	<hr/>
	2	7,432	(571)	6,863

Avantia Limited

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Avantia Limited is a company incorporated and registered in the United Kingdom, England, under the Companies Act. The address of the registered office is given on page 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

Avantia 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, which are presented alongside the consolidated financial statements.

The Company has taken advantage of the following FRS102 disclosure exemptions:

- FRS102 1.12(b): the requirements of Section 7 Statement of Cashflows and Section 3 Financial Statement Presentation paragraph 3.17 (d); and
- FRS102 1.12(e): the requirements of Section 33 Related Party Disclosures paragraph 33.1 for transactions between members of the group and Section 33.7 in respect of remuneration of key management personnel.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 as it is a wholly owned indirect subsidiary of Protect Topco Limited and its results are included in the consolidated financial statements of that company. These financial statements therefore present information about the Company as an individual entity alone.

b. Going concern

The financial statements have been prepared on the going concern basis, notwithstanding a loss for the year of £2,500 (2020: £12,005) and net current liabilities of £236,852 (2020: £234,352), which the directors believe to be appropriate for the following reason. The company has received an undertaking from the parent company, Protect Topco Limited, that it is their present intention, for at least 12 months from the date of the approval of these financial statements, to provide the necessary support to ensure the company has received sufficient funding to cover such eventualities. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

c. Investments

Fixed asset investments, including shares in group undertakings, are carried at cost less any accumulated allowance for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the subsidiary may not be fully recoverable.

d. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

e. Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

f. Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest method.

Avantia Limited

Notes to the financial statements

For the year ended 31 December 2021

2. Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements or key sources of estimation uncertainty requiring disclosure.

3. Loss on ordinary activities before taxation

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

	2021 £000	2020 £000
Fees payable to company's auditor for audit of company's annual financial statements	-	9
Total audit fees	-	9
Taxation compliance services	3	3
Total non-audit fees	3	3

4. Directors' remuneration and transactions

The directors working for the company are employed and remunerated by a subsidiary undertaking, with no part of their remuneration allocated to the company. As such no disclosure of their remuneration has been made.

5. Tax on loss on ordinary activities

The tax charge comprises:

	2021 £'000	2020 £'000
Current tax		
UK corporation tax	-	-
Deferred tax		
UK corporation tax	-	-
Total tax on loss on ordinary activities	-	-

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(3)	(12)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19% (2020: 19%)	(1)	(2)
Effects of:		
Group relief surrendered for no consideration	1	2
Total tax charge	-	-

Avantia Limited

Notes to the financial statements For the year ended 31 December 2021

6. Investments

	2021 £'000	2020 £'000
Subsidiary undertakings	7,100	7,100
	<u>7,100</u>	<u>7,100</u>

The Company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary undertakings	Country of incorporation, registered office and principal business address	Principal activity	Holding	%
Avantia Insurance Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Insurance & financial services	Ordinary shares	100
Avantia Assistance Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Insurance & financial services	Ordinary shares	79.3
Affinity 2000 Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Dormant	Ordinary shares	100

7. Debtors

	2021 £'000	2020 £'000
Amounts owed by Group undertakings	14,008	14,008
	<u>14,008</u>	<u>14,008</u>

All amounts are due within one year.

Amounts owed by group undertakings are non-interest bearing, unsecured and repayable on demand.

8. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to Group undertakings	14,236	14,235
Accruals and deferred income	9	7
	<u>14,245</u>	<u>14,242</u>

Amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

Avantia Limited

Notes to the financial statements

For the year ended 31 December 2021

9. Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2021 £'000	2020 £'000
Financial assets		
Measured at undiscounted amount receivable		
- Trade and other debtors (see note 7)	14,008	14,008
	<u>14,008</u>	<u>14,008</u>
Financial liabilities		
Measured at undiscounted amount payable		
- Trade and other creditors (see note 8)	14,245	14,242
	<u>14,245</u>	<u>14,242</u>

10. Called-up share capital

	2021 £	2020 £
Allotted, called-up and fully-paid		
Nil (2020: 12,222) B ordinary shares of £0.10 each	-	1,222
Nil (2020: 1,520) C ordinary shares of £0.10 each	-	152
Nil (2020: 749) D ordinary shares of £0.10 each	-	75
Nil (2020: 2,000) E ordinary shares of £0.10 each	-	200
Nil (2020: 80) F ordinary shares of £0.10 each	-	8
16,571 (2020: Nil) ordinary shares of £0.10 each	1,657	-
	<u>1,657</u>	<u>1,657</u>

On 7 October 2021, the 12,222 B Ordinary shares, 1,520 C Ordinary shares, 749 D Ordinary shares, 2,000 E Ordinary shares and 80 F Ordinary shares, all of £0.10 each in the capital of the Company were redesignated into 16,571 Ordinary shares of £0.10 each in the capital of the Company.

The rights of the shares are as follows:

- The Ordinary shares entitle the holders to receive dividends and other distributions.
- The ordinary shares shall rank equally upon any return of capital or winding up of the company.
- The ordinary shares shall carry one voting right per share.
- The ordinary shares are not redeemable.

Avantia Limited

Notes to the financial statements

For the year ended 31 December 2021

11. Reserves

	Profit and loss account £'000	Share Premium £'000	Total £'000
At 1 January 2021	(568)	7,432	6,864
Loss for the financial year	(3)	-	(3)
At 31 December 2021	(571)	7,432	6,861

12. Related party transactions

The company has taken the advantage of the exemptions in FRS 102 Section 33.1(A), which exempts the disclosure of transactions between group companies in the financial statements of companies that are wholly owned within the group. Transactions with group companies relate to payments or receipts for treasury transfers between fellow group companies. There are no other transactions requiring disclosure.

13. Controlling party

The Company, Limited by shares, is a subsidiary of Kingston Bidco Limited, a company incorporated in the United Kingdom. Kingston Bidco Limited is owned by ECI 11 Nominees Ltd and management backed by ECI Partners LLP through three private equity funds, ECI 11 LP, ECI 11D LP and ECI Co-Investment Partnership LP, which it manages and is therefore the controlling party. Protect Topco Limited (Registered office: CI Tower, New Malden, UK) is the ultimate parent company, where the results of the group are consolidated. The group consolidated financial statements can be obtained from Companies House.