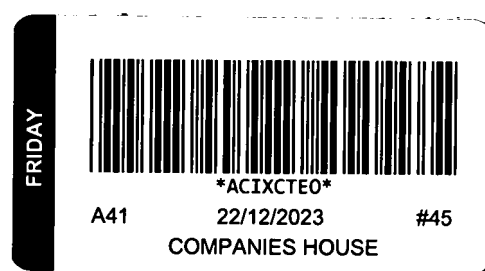


Registered number: 10261330

Project Policy Bidco Limited

Directors' report and financial statements

For the year ended 31 December 2022



DAINS

Project Policy Bidco Limited

Company Information

Directors	Jonathon Ma (resigned 27 January 2023) Patrick Quinn Charles More Johan Strydom Kevin Withington (resigned 31 August 2022) Marcus Ward (resigned 27 January 2023) Alan Whalley (resigned 30 January 2023) Siwan Lu (resigned 2 February 2023)
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Registered number	10261330
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Registered office	Prospect House Prospect Road Halesowen West Midlands B62 8DU
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Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
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Project Policy Bidco Limited

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Project Policy Bidco Limited

Group strategic report For the year ended 31 December 2022

The directors' present their Strategic Report for the year ended 31 December 2022.

Introduction

The principal activity of the Company in the year ended 31 December 2022 was that of a holding company for the My Policy Group companies, which provide insurance broker services, specialising in the provision of telematic motor insurance policies.

Business review

The group provides insurance broker and analytics services for the UK motor market, which includes a specialism within the first time driver market. Following the unprecedented impact of Covid-19 throughout the financial years 2019 to 2021. The financial year to 31 December 2022 was seen as a year of recovery with driving tests in the UK back up and running, albeit with large backlog, meaning income levels returned to Pre Covid-19 levels.

One key focus throughout the pandemic, which has put the group on a sound footing was to focus on automated customer interactions, rather than call handling. In doing so, the group has managed to reduce the overall headcount through natural attrition by not replacing leavers.

With the normalisation of income levels and the benefit of lower staff costs, the group delivered a positive result in 2022 verses an operational loss in 2021 impacted by Covid-19.

On 18th May 2021, Project Policy Bidco Limited purchased the entire share capital of Bright Box HK Limited, a Hong Kong registered company and its subsidiaries. In consideration for the acquired share capital of Bright Box HK Limited, Project Policy Bidco Limited issued 21,328 ordinary shares to the seller Zurich Insurance Company Limited who has become a minority shareholder. On the 21st May 2021, the directors of Project Policy Bidco Limited deemed that the Bright Box Group of companies was deemed not a going concern and it was agreed that the group should cease trading on the same date. A programme was immediately started to move the group companies into solvent liquidation processes, with the expectation that all companies will be in a solvent liquidation process before the 31st December 2022.

Principal risks and uncertainties

The Group is exposed to a variety of financial and non-financial risks, including liquidity risk, credit risk and regulatory risk:

Liquid risk

The group seeks to manage its liquidity risk by ensuring sufficient cash is available to meet its obligations as they fall due. To manage liquidity risk, the group continues to monitor its forecast and actual cashflow to ensure that it has sufficient cash to meet the business needs. The business also has access to additional funding from its parent company if this was required. As at the statement of financial position date the group had cash balances of £3.4m, trade receivable of £2.0m and trade creditors of £6.2m.

Long term liabilities consist of fixed rate unsecured loan notes repayable in July 2024 with interest at 12% pa. The creditors have given comfort to the board of directors and auditors that any outstanding principal or interest due will not be payable, if after payment, the company falls into a default position.

Credit risk

The credit risk arises mainly from the trade receivables in relation to insurance broking transactions. To manage credit risk, the directors have in place a range of credit control processes to ensure the timely collection of receivables to the business.

As at the statement of financial position date the business had total gross trade receivables of £2.0m, of which this amount £1.3m related to insurance broking transactions under the arrangement with the group's premium finance provide Close Premium Finance.

Project Policy Bidco Limited

Group strategic report (continued) For the year ended 31 December 2022

Capital Management

The group's objective when managing capital is to safeguard its ability to continue as a going concern to provide returns for the shareholders and other stakeholders, and to maintain an optimal capital structure to minimise the costs of capital and to comply with the capital requirements of the Financial Conduct Authority.

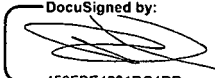
Regulatory risk

My Policy Limited (a subsidiary company) is regulated by the Financial Conduct Authority and manages the risk of not complying with regulatory requirements through management controls and a second line of defence monitoring these controls. Failing to properly manage regulatory risk could result in regulatory sanction being imposed and this could harm the group's reputation.

Financial key performance indicators

The management sees turnover and operating profit as the prime measure of the business's economic output, revenue and operating profit growth being key to measuring shareholder return and the success of our expansion strategies.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Patrick Quinn
Director

21-Dec-23 | 9:57 AM GMT

Project Policy Bidco Limited

Directors' report For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £5,604,251 (2021 - loss £4,348,973).

Dividends of £Nil (2021 - £Nil) have been paid during the year.

The consolidated turnover for the financial year to 31 December 2022 was £10.8m (2021: £7.5m) a 44% increase in income, following the lifting of restrictions in the UK in 2022.

Consolidated gross profit for Project Policy Bidco Group was £6.3m (2021: £4.6m) which equates to 58% (2021: 62%) of turnover.

Group administration expenses were £10.1m (2021: £9.9m), which consists of staff costs, analytic costs, irrecoverable VAT and amortisation.

Directors

The directors who served during the year were:

Jonathon Ma (resigned 27 January 2023)
Patrick Quinn
Charles More
Johan Strydom
Kevin Withington (resigned 31 August 2022)
Marcus Ward (resigned 27 January 2023)
Alan Whalley (resigned 30 January 2023)
Siwan Lu (resigned 2 February 2023)

Going concern

The Project Policy group's activities and recent trading performance, the significant post year end restructure, together with the factors likely to affect its future development and performance, as well as the group's approach to credit risk, cash flows and liquidity risks, are set out in the Strategic Report for the group and company.

In preparing the financial statements on a going concern basis the Directors have considered the following:

- Financial forecasts for the Group prepared to December 2025;
- The maturity profile of the group's funding facilities;
- The post year end restructure and loan note release;
- The company has a surplus over its FCA Solvency Capital requirement;
- The ability of the company to meet its banking covenants and commitments;
- The operational improvement actions that are being implemented across the group to deliver the above forecasts; and
- The current trading environment and the expected outlook for the insurance market.

The base case financial forecasts have been prepared to December 2025 recognising the current trading environment and inflationary pressures, including expected price increases from current negotiations with underwriters.

As part of the recent restructure, Inflexion have released loan notes in the Parent Company of £14.8m in addition to waiving £14.2m of accrued interest. The remaining funding facilities, being bank loans are currently due for repayment in January 2024. The directors are currently renegotiating the financial covenants and capital repayment terms associated with the bank loans although these have not yet been formally agreed. The bankers have indicated that they are supportive of the group and company and the Directors consider that discussions are currently very constructive and a short term extension of the current facilities is expected. However, it is acknowledged that such support is not committed and consequently there is a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Project Policy Bidco Limited

Directors' report (continued) For the year ended 31 December 2022

Notwithstanding the risks, for the reasons outlined above, the Directors have a reasonable expectation that the Group and Company has adequate resources to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date when these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Project Policy Bidco Limited**Directors' report (continued)
For the year ended 31 December 2022**

Post balance sheet events

Subsequent to the year end the Project Policy group underwent a restructure which resulted in a new £0.5m revolving credit facility, the waiving of certain loans and associated rolled up unpaid interest and the transfer of ownership from Inflexion (the former majority shareholder) to the Directors and certain members of the management team.

On 17 November 2023 as part of the restructure Inflexion has agreed to waive their outstanding loans of £14.8m together with £14.2m of accrued interest as at 31 December 2022. This releases will be recorded in the profit and loss account in the year ended 31 December 2023.

The restructure reduces the debt in the group, improves cash liquidity, reduces ongoing interest expense and strengthens the group's financial position. For illustration purposes, had this occurred at the balance sheet date, the effect on reported net liabilities and shareholders funds would be as follows:

Reported net liabilities and shareholders' funds in the group's financial statements

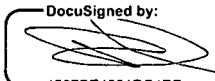
As at 31 December 2022	£(63.6)m
Waiver of loan notes	£ 14.8 m
Waiver of accrued interest	£ 14.2 m
Revised net liabilities and shareholders funds	£(34.6)m

On 17 November 2023 a non controlling interest transferred their shareholding in Project Policy Bidco Limited to Project Policy Midco Limited, fully exiting the group. On the same day, as part of the restructure Inflexion transferred their shares and voting rights in Project Policy Topco Limited to the Directors. The Directors are now the majority shareholders in the company.

Auditors

During the year BDO LLP resigned as auditors and Dains Audit Limited were appointed to fill the resulting casual vacancy. Dains Audit Limited have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Patrick Quinn
Director

21-Dec-23 | 9:57 AM GMT

Project Policy Bidco Limited

Independent auditors' report to the members of Project Policy Bidco Limited

Opinion

We have audited the financial statements of Project Policy Bidco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Income statement, the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements, which indicates that there is the potential that economic conditions could impact the ability of the group to achieve its forecasts, together with the fact that renegotiations of the groups financial covenants and capital repayment terms are not yet finalised. As stated in note 2.3, these events and conditions, along with the other matters as set out in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included reviewing the Group's budgets and forecasts to conclude that the Group will continue to operate for 12 months from the signing of the financial statements.

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

Project Policy Bidco Limited

Independent auditors' report to the members of Project Policy Bidco Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 4, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Project Policy Bidco Limited

Independent auditors' report to the members of Project Policy Bidco Limited (continued)

Auditors' 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 Auditors' 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 Group 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Project Policy Bidco Limited

Independent auditors' report to the members of Project Policy Bidco Limited (continued)

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

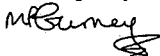
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Other matters

The financial statements for the year ended 31 December 2021 were audited by BDO LLP who expressed an unmodified opinion on those financial statements on 29 September 2022.

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 Auditors' 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.

DocuSigned by:

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Mark Gurney FCCA (Senior Statutory Auditor)

For and on behalf of

Dains Audit Limited

Senior Statutory Auditor
Chartered Accountants

Birmingham

21-Dec-23 | 10:12 AM GMT

Project Policy Bidco Limited**Consolidated income statement
For the year ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	4	10,770,041	7,539,270
Cost of sales		(4,515,094)	(2,909,557)
Gross profit		6,254,947	4,629,713
Administrative expenses		(10,101,068)	(9,911,136)
Operating loss	5	(3,846,121)	(5,281,423)
Amounts written off investments		(2,297,345)	(2,359,615)
Interest receivable and similar income		3,680	551
Interest payable and similar expenses		(695,696)	(741,665)
Loss before tax		(6,835,482)	(8,382,152)
Tax on loss	11	(113,892)	134,420
Loss for the financial year		(6,949,374)	(8,247,732)
Loss for the year attributable to:			
Non-controlling interests		(1,345,123)	(3,898,759)
Owners of the parent		(5,604,251)	(4,348,973)
		(6,949,374)	(8,247,732)

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited**Consolidated statement of comprehensive income
For the year ended 31 December 2022**

	2022	2021
	£	£
Loss for the financial year	(6,949,374)	(8,247,732)
Total comprehensive income for the year	(6,949,374)	(8,247,732)
Loss for the year attributable to:		
Non-controlling interest	(1,345,123)	(3,898,759)
Owners of the parent Company	(5,604,251)	(4,348,973)
	(6,949,374)	(8,247,732)

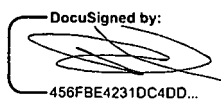
The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited
Registered number:10261330

Consolidated balance sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	10,353,425	14,719,525
Tangible assets	13	465,327	530,918
		<u>10,818,752</u>	<u>15,250,443</u>
Current assets			
Stocks	15	-	199,962
Debtors: amounts falling due after more than one year	16	8,769	-
Debtors: amounts falling due within one year	16	6,204,432	5,640,168
Cash at bank and in hand	17	3,372,911	2,776,469
		<u>9,586,112</u>	<u>8,616,599</u>
Creditors: amounts falling due within one year	18	(9,540,609)	(6,751,517)
Net current assets		<u>45,503</u>	<u>1,865,082</u>
Total assets less current liabilities		<u>10,864,255</u>	<u>17,115,525</u>
Creditors: amounts falling due after more than one year	19	(41,565,511)	(40,981,299)
Provisions for liabilities			
Deferred tax	21	(222,000)	(108,108)
Other provisions	22	(15,000)	(15,000)
Net liabilities		<u>(30,938,256)</u>	<u>(23,988,882)</u>
Capital and reserves			
Called up share capital	23	106,693	106,693
Share premium account	24	7,113,772	7,113,772
Non-controlling interests		(5,222,554)	(3,877,431)
Profit and loss account	24	(32,936,167)	(27,331,916)
		<u>(30,938,256)</u>	<u>(23,988,882)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Patrick Quinn
Director
21-Dec-23 | 9:57 AM GMT

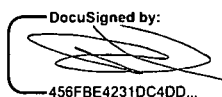
Project Policy Bidco Limited
Registered number:10261330

Company balance sheet
As at 31 December 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Investments	14	8,598,952	8,598,952
Current assets			
Debtors: amounts falling due after more than one year	16	4,436,463	5,143,935
Debtors: amounts falling due within one year	16	14,833	728
Cash at bank and in hand	17	98,121	60,685
		<u>4,549,417</u>	<u>5,205,348</u>
Creditors: amounts falling due within one year	18	(529,826)	(719,629)
Net current assets		<u>4,019,591</u>	<u>4,485,719</u>
Total assets less current liabilities		<u>12,618,543</u>	<u>13,084,671</u>
Creditors: amounts falling due after more than one year	19	(29,442,691)	(28,845,245)
Net liabilities		<u>(16,824,148)</u>	<u>(15,760,574)</u>
Capital and reserves			
Called up share capital	23	106,693	106,693
Share premium account	24	7,156,428	7,156,428
Profit and loss account		(24,087,269)	(23,023,695)
		<u>(16,824,148)</u>	<u>(15,760,574)</u>

As permitted by Section 408 of the Companies Act 2006, the Parent Company has not presented its own Income Statement. Its loss for the year was £1,063,574 (2021: £3,815,522).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Patrick Quinn
 Director

21-Dec-23 | 9:57 AM GMT

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited

Consolidated statement of changes in equity
For the year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2022	106,693	7,113,772	(27,331,916)	(20,111,451)	(3,877,431)	(23,988,882)
Comprehensive income for the year						
Comprehensive loss for the year	-	-	(5,604,251)	(5,604,251)	(1,345,123)	(6,949,374)
Total comprehensive income for the year	-	-	(5,604,251)	(5,604,251)	(1,345,123)	(6,949,374)
Total transactions with owners	-	-	-	-	-	-
At 31 December 2022	106,693	7,113,772	(32,936,167)	(25,715,702)	(5,222,554)	(30,938,256)

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited

Consolidated statement of changes in equity
For the year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2021	85,365	-	(22,982,943)	(22,897,578)	-	(22,897,578)
Comprehensive income for the year						
Comprehensive loss for the year	-	-	(4,348,973)	(4,348,973)	(3,898,759)	(8,247,732)
Total comprehensive income for the year	-	-	(4,348,973)	(4,348,973)	(3,898,759)	(8,247,732)
Contributions by and distributions to owners						
Shares issued during the year	21,328	7,113,772	-	7,135,100	-	7,135,100
Shares issued during the year	-	-	-	-	21,328	21,328
Total transactions with owners	21,328	7,113,772	-	7,135,100	21,328	7,156,428
At 31 December 2021	106,693	7,113,772	(27,331,916)	(20,111,451)	(3,877,431)	(23,988,882)

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited**Company statement of changes in equity
For the year ended 31 December 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	106,693	7,156,428	(23,023,695)	(15,760,574)
Comprehensive income for the year				
Loss for the year	-	-	(1,063,574)	(1,063,574)
Total comprehensive income for the year	-	-	(1,063,574)	(1,063,574)
Total transactions with owners	-	-	-	-
At 31 December 2022	106,693	7,156,428	(24,087,269)	(16,824,148)

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited**Company statement of changes in equity
For the year ended 31 December 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	85,365	-	(19,208,173)	(19,122,808)
Comprehensive income for the year				
Loss for the year	-	-	(3,815,522)	(3,815,522)
Total comprehensive income for the year	-	-	(3,815,522)	(3,815,522)
Contributions by and distributions to owners				
Shares issued during the year	21,328	7,156,428	-	7,177,756
Total transactions with owners	21,328	7,156,428	-	7,177,756
At 31 December 2021	106,693	7,156,428	(23,023,695)	(15,760,574)

The notes on pages 18 to 38 form part of these financial statements.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

1. General information

Project Policy Bidco Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of cash flows has been presented for the parent *Company*;
- Disclosures in respect of the parent *Company's* financial instruments have not been presented as equivalent disclosures have been provided in respect of the *Company* as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the *Company* as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the *Company* and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Going concern

The Project Policy group's activities and recent trading performance, the significant post year end restructure, together with the factors likely to affect its future development and performance, as well as the group's approach to credit risk, cash flows and liquidity risks, are set out in the Strategic Report for the group and company.

In preparing the financial statements on a going concern basis the Directors have considered the following:

- Financial forecasts for the Group prepared to December 2025;
- The maturity profile of the group's funding facilities;
- The post year end restructure and loan note release;
- The company has a surplus over its FCA Solvency Capital requirement;
- The ability of the company to meet its banking covenants and commitments;
- The operational improvement actions that are being implemented across the group to deliver the above forecasts; and
- The current trading environment and the expected outlook for the insurance market.

The base case financial forecasts have been prepared to December 2025 recognising the current trading environment and inflationary pressures, including expected price increases from current negotiations with underwriters.

As part of the recent restructure, Inflexion have released loan notes in the Parent Company of £14.8m in addition to waiving £14.2m of accrued interest. The remaining funding facilities, being bank loans are currently due for repayment in January 2024. The directors are currently renegotiating the financial covenants and capital repayment terms associated with the bank loans although these have not yet been formally agreed. The bankers have indicated that they are supportive of the group and company and the Directors consider that discussions are currently very constructive and a short term extension of the current facilities is expected. However, it is acknowledged that such support is not committed and consequently there is a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Notwithstanding the risks, for the reasons outlined above, the Directors have a reasonable expectation that the Group and Company has adequate resources to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date when these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and the financial statements are rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Turnover relates to commission and fees and is recognised on the transaction date a policy is purchased or service is provided and alterations in commissions arising from returns and additional premiums are recorded on the transaction date of such alterations.

Turnover earned in relation to premium finance income is recognised on an accruals basis.

The group also receives performance related income from its panel of underwriters under profit share agreements. This income is treated on a cash basis which reflects the earliest point at which a reliable estimate of the amount concerned can be made.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated income statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	3	years
Goodwill	-	10	years

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property	-	25%
Fixtures and fittings	-	25%
Office equipment	-	25%
IT Infrastructure and development	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022**

2. Accounting policies (continued)**2.15 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

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

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short-term 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 cost using the effective interest method.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the group 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.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Impairment of investments

Investments are assessed for evidence of impairment on an annual basis. Management assess the future budgets and forecasts of the Group to calculate the estimated net present value of the investments held and impair the carrying value of the investments on the balance sheet where necessary.

Intangible fixed assets

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Goodwill is amortised over 10 years and is reviewed for evidence of impairment on an annual basis.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	10,770,041	7,539,270
	<u>10,770,041</u>	<u>7,539,270</u>

All of the turnover is derived from the Group's principal activity.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****5. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	118,431	149,045
Amortisation of intangible fixed assets	4,834,202	4,601,966
Amortisation of negative goodwill	-	(16,315,503)
Impairment of fixed asset investments	-	699,061
Impairment of other debtors	-	1,711,614
Other operating lease rentals	90,662	78,714
Defined contribution pension costs	204,601	230,127
	<u>118,431</u>	<u>149,045</u>

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	35,000	50,734
	<u>35,000</u>	<u>50,734</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	8,500	6,600
	<u>8,500</u>	<u>6,600</u>

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £
Wages and salaries	2,388,186	2,220,476
Social security costs	238,384	247,830
Cost of defined contribution scheme	204,601	230,127
	<u>2,831,171</u>	<u>2,698,433</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Operations	46	49
Administration	41	37
	<u>87</u>	<u>86</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	272,769	468,790
Group contributions to defined contribution pension schemes	33,013	40,500
	<u>305,782</u>	<u>509,290</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £134,258 (2021 - £141,467).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,500 (2021 - £19,500).

Project Policy Bidco Limited

**Notes to the financial statements
For the year ended 31 December 2022**

9. Interest receivable

	2022	2021
	£	£
Other interest receivable	3,680	551
	<u>3,680</u>	<u>551</u>

10. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	695,696	741,665
	<u>695,696</u>	<u>741,665</u>

11. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	(33,138)
Total current tax	<u>-</u>	<u>(33,138)</u>
Deferred tax		
Origination and reversal of timing differences	113,892	108,108
Adjustments in respect of prior years	-	(209,390)
Total deferred tax	<u>113,892</u>	<u>(101,282)</u>
Tax on loss	<u>113,892</u>	<u>(134,420)</u>

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss before tax	(6,835,482)	(8,382,152)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,298,742)	(1,592,609)
Effects of:		
Fixed asset timing differences	424,761	293
Expenses not deductible for tax purposes	72,760	1,363,558
R&D tax credits	9,023	-
Adjustments to tax charge in respect of prior periods	-	(23,316)
Deferred tax not recognised	178,456	196,563
Other timing differences	850,574	(106,533)
Group relief	142,593	54,454
Transfer pricing adjustments	(265,533)	(26,830)
Total tax charge for the year	113,892	(134,420)

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% had been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****12. Intangible assets****Group**

	Development expenditure £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 January 2022	1,506,905	42,582,399	(16,315,503)	27,773,801
Additions - internal	468,102	-	-	468,102
At 31 December 2022	1,975,007	42,582,399	(16,315,503)	28,241,903
Amortisation				
At 1 January 2022	565,930	28,803,849	(16,315,503)	13,054,276
Charge for the year on owned assets	406,142	4,428,060	-	4,834,202
At 31 December 2022	972,072	33,231,909	(16,315,503)	17,888,478
Net book value				
At 31 December 2022	1,002,935	9,350,490	-	10,353,425
At 31 December 2021	940,975	13,778,550	-	14,719,525

At the balance sheet date, the directors reviewed the carrying value of the goodwill in line with FRS 102.

With the cessation of trade in the Bright Box group of companies on 21st May 2021, the negative goodwill related to the original transaction date of 18th May 2021 has been impaired in full as acquired companies are not deemed a going concern.

Project Policy Bidco Limited

**Notes to the financial statements
For the year ended 31 December 2022**

13. Tangible fixed assets

Group

	Leasehold property £	Fixtures & Fittings £	Office equipment £	IT Infrastructure and development £	Total £
Cost or valuation					
At 1 January 2022	110,861	87,515	564,219	745,553	1,508,148
Additions	4,918	-	9,962	37,960	52,840
At 31 December 2022	115,779	87,515	574,181	783,513	1,560,988
Depreciation					
At 1 January 2022	80,057	72,133	394,391	430,649	977,230
Charge for the year on owned assets	6,571	3,076	37,158	71,626	118,431
At 31 December 2022	86,628	75,209	431,549	502,275	1,095,661
Net book value					
At 31 December 2022	29,151	12,306	142,632	281,238	465,327
At 31 December 2021	30,804	15,382	169,828	314,904	530,918

Included within tangible fixed assets is £193 (2021: £2,949) which relates to discontinued activities.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****14. Fixed asset investments****Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	23,736,532
At 31 December 2022	23,736,532
Impairment	
At 1 January 2022	15,137,580
At 31 December 2022	15,137,580
Net book value	
At 31 December 2022	8,598,952
At 31 December 2021	8,598,952

On 18th May 2021 the entire share capital of Bright Box HK Limited was purchased by Project Policy Bidco Limited. On the same date, 21,328 ordinary shares were issued as consideration in relation to this transaction.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
My Policy Limited	United Kingdom	Insurance broker	100%
Minerva.Science Limited	United Kingdom	Telematic services and data analytics	100%
Bright Box HK Limited	Hong Kong	Telematic services	100%

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****15. Stocks**

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	-	199,962
	<u>-</u>	<u>199,962</u>

Included within stock is £Nil (2021: £199,962) which relates to discontinued activities.

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Amounts owed by group undertakings	8,769	-	4,436,463	5,143,935
	<u>8,769</u>	<u>-</u>	<u>4,436,463</u>	<u>5,143,935</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	2,014,836	1,701,726	-	-
Amounts owed by group undertakings	3,458,243	3,369,759	-	-
Other debtors	138,608	87,296	14,833	-
Prepayments and accrued income	592,745	481,387	-	728
	<u>6,204,432</u>	<u>5,640,168</u>	<u>14,833</u>	<u>728</u>

A provision of £Nil (2021: £1.7m) has been made in the company balance sheet in relation to amounts due from related undertakings.

Included within debtors is £15,470 (2021: £265,570) which relates to discontinued activities.

Amounts due from related undertakings are repayable on demand and interest free.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****17. Cash and cash equivalents**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Restricted cash	3,092,062	2,440,650	-	-
Other cash	280,849	335,819	98,121	60,685
	<u>3,372,911</u>	<u>2,776,469</u>	<u>98,121</u>	<u>60,685</u>

The group holds restricted cash balances in trust in respect of its insurance activities, held principally in respect of insurance trade creditors.

Included within cash is £19,067 (2021: £50,507) which relates to discontinued activities.

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	6,183,618	5,054,023	483,321	624,059
Corporation tax	-	14,297	-	-
Other taxation and social security	133,839	254,095	14,712	40,573
Other creditors	1,950,963	334,276	1,625	2,750
Accruals and deferred income	1,272,189	1,094,826	30,168	52,247
	<u>9,540,609</u>	<u>6,751,517</u>	<u>529,826</u>	<u>719,629</u>

All amounts shown under creditors fall due for payment within one year except for unamortised lease incentives for the group of £8,009 (2021: £11,109) and the company of £Nil (2021: £Nil).

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	9,970,111	9,422,764	9,970,111	9,422,764
Amounts owed to group undertakings	31,595,400	31,558,535	19,472,580	19,422,481
	<u>41,565,511</u>	<u>40,981,299</u>	<u>29,442,691</u>	<u>28,845,245</u>

Bank loans are repayable on 18 January 2024.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

20. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due 1-2 years				
Bank loans	9,970,111	9,422,764	9,970,111	9,422,764
	9,970,111	9,422,764	9,970,111	9,422,764

Bank loans are repayable on 18 January 2024.

21. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(108,108)	(209,390)
Credited to profit or loss	(113,892)	101,282
At end of year	(222,000)	(108,108)
	Group 2022 £	Group 2021 £
Accelerated capital allowances	(394,000)	(108,108)
Losses and other deductions	172,000	-
	(222,000)	(108,108)

The Group has tax losses amounting to £2,505,471 (Company: £1,472,221) to be used against future years.

The net reversal of deferred tax assets from the Group expected in 2022 is £222,000 (Company: £Nil). This is expected to arise because depreciation is anticipated to be higher than the available capital allowances.

Project Policy Bidco Limited**Notes to the financial statements
For the year ended 31 December 2022****22. Provisions****Group**

	Dilapidation provision £
At 1 January 2022	15,000
At 31 December 2022	15,000

23. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
106,693 (2021 - 106,693) Ordinary shares of £1.00 each	106,693	106,693

24. Reserves**Share premium account**

The share premium account represents the premium paid on the issue of shares net of associated costs.

Profit and loss account

The profit and loss account represents accumulated profits less accumulated losses.

25. Pension commitments

A money purchase pension scheme is operated by the Group. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £204,601 (2021 - £230,127). Contributions totalling £1,625 (2021 - £2,750) were payable to the fund at year end.

Project Policy Bidco Limited

Notes to the financial statements For the year ended 31 December 2022

26. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	43,088	44,069
Later than 1 year and not later than 5 years	63,675	86,511
	<u>106,763</u>	<u>130,580</u>

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

27. Related party transactions

The Company is an indirect subsidiary of Project Policy Topco Limited and its results are included in the financial statements of that Company, which are publicly available. Consequently, the company has taken advantage of the exemption relating to wholly owned subsidiary undertakings under the Financial Reporting Standard 102 "Related Party Disclosures", not to disclosure transactions with entities that are part of the Project Policy Topco Group.

During the year, the company paid a total of £21,122 rent (2021:£8,167) to Standard Life Trustee Company Limited, the pension fund of which one director is a beneficiary.

28. Post balance sheet events

Subsequent to the year end the Project Policy group underwent a restructure which resulted in a new £0.5m revolving credit facility, the waiving of certain loans and associated rolled up unpaid interest and the transfer of ownership from Inflexion (the former majority shareholder) to the Directors and certain members of the management team.

On 17 November 2023 as part of the restructure Inflexion has agreed to waive their outstanding loans of £14.8m together with £14.2m of accrued interest as at 31 December 2022. This releases will be recorded in the profit and loss account in the year ended 31 December 2023.

The restructure reduces the debt in the group, improves cash liquidity, reduces ongoing interest expense and strengthens the group's financial position. For illustration purposes, had this occurred at the balance sheet date, the effect on reported net liabilities and shareholders funds would be as follows:

Reported net liabilities and shareholders' funds in the group's financial statements

As at 31 December 2022	£(63.6)m
Waiver of loan notes	£ 14.8 m
Waiver of accrued interest	£ 14.2 m
Revised net liabilities and shareholders funds	£(34.6)m

On 17 November 2023 a non controlling interest transferred their shareholding in Project Policy Bidco Limited to Project Policy Midco Limited, fully exiting the group. On the same day, as part of the restructure Inflexion transferred their shares and voting rights in Project Policy Topco Limited to the Directors. The Directors are now the majority shareholders in the company.

Project Policy Bidco Limited

**Notes to the financial statements
For the year ended 31 December 2022**

29. Controlling Party

At 31 December 2022, the immediate parent undertaking is Project Policy Midco Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the financial statements for Project Policy Midco Limited can be obtained from its registered office, Prospect House, Prospect Road, Halesowen, West Midlands, B62 8DU.

At 31 December 2022, the ultimate parent undertaking is Project Policy Topco Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The immediate beneficiary of Project Policy Topco Limited is Inflexion Enterprise Fund IV (No1) L.P. There is no single controlling beneficial owner of Inflexion Enterprise IV (No1) L.P.