

Protect Bidco Limited
Annual report and financial statements
for the period ended 31 December 2021

Registered number: 13393441



Protect Bidco Limited

Contents

	Pages
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 – 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 22

Protect Bidco Limited

Directors' report

The directors present their report and audited financial statements for the Company for the period ended 31 December 2021. This is the first set of financial statements for the Company and so no comparatives are presented. 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, formed to acquire the shares of Kingston Topco Limited in a management buyout backed by ECI Partners completed on 7 October 2021. The principal trading subsidiary is Avantia Insurance Limited ("Avantia"), a UK-based retailer of home insurance, which operates under its brand HomeProtect. HomeProtect is an award winning online provider of home insurance that focuses on data and technology to put it in the unique position of being able to offer an unmatched footprint that digitally quotes for 98% of the UK home insurance market.

Results & Dividends

The loss for the period, after taxation, amounted to £3.2m. There was no dividend declared in the period.

At the balance sheet date the Company had net liabilities of £0.3m.

Going concern

The financial statements have been prepared on the going concern basis 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. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Further details regarding the adoption of the going concern basis can be found in note 1, significant accounting policies, on page 12.

Impact of Ukraine/Russia conflict

In February 2022 Russia invaded Ukraine. At this early stage it is difficult to assess the full financial and macroeconomic impact of the crisis. There is a high degree of uncertainty around the eventual outcomes at this point, and there are no indications that this impacts the Company's ability to satisfy its regulatory and financial obligations. The Directors will continue to monitor the situation closely.

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. Avantia 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 terms, despite some facing difficulties from loss of work & income in the short term.

The business 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.

Protect Bidco Limited

Directors' report

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 Avantia 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, Avantia 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.

3 Governance

During the pandemic, monthly Board and trading meetings have been conducted both remotely and face to face, when convenient. Focus continues to be 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. 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 period and up to the date of signing except as noted:

- M Eastham (appointed 7 October 2021)
- S Mahmood (appointed 7 October 2021)

Directors' indemnities

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

Protect Bidco Limited

Directors' report

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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. George's Square
New Malden
KT3 4HG
United Kingdom

Protect Bidco Limited

Directors' responsibilities statement

Respective responsibilities of directors and auditor

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 period. 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 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 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.

Protect Bidco Limited

Independent auditor's report to the members of Protect Bidco Limited **For the period from 13 May 2021 to 31 December 2021**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Protect Bidco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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).

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 Financial Reporting Council's (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

Protect Bidco Limited

Independent auditor's report to the members of Protect Bidco Limited (continued)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Valuation of the investment in subsidiary includes determination of whether indicators of impairment are present and determining the recoverable amount using the discounted cash flow method. There is a risk of management bias due to significant judgements involvement in calculating the value of the underlying business. In response to these risks, our substantive testing included assessment of management's identification of impairment indicators

Protect Bidco Limited

Independent auditor's report to the members of Protect Bidco Limited (continued)

and challenged key methodology and assumptions used in determining recoverable amount. We have also performed sensitivity analysis on the cash flow calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.


We have nothing to report in respect of these matters.

Protect Bidco Limited

Independent auditor's report to the members of Protect Bidco Limited (continued)

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.

DocuSigned by:

05A7CD517E30469...

Nicholas Bowker ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25 April 2022

Protect Bidco Limited

Profit and Loss Account

For the period from 13 May 2021 to 31 December 2021

	Note	Period from 13 May 2021 to 31 December 2021 £'000
Turnover		-
Cost of sales		-
Gross profit		-
Other operating expenses		(234)
Operating loss		(234)
Loss on ordinary activities before finance charges		(234)
Finance charges	3	(2,944)
Loss on ordinary activities before taxation	4	(3,178)
Tax on loss on ordinary activities	7	-
Loss for the financial period		<u>(3,178)</u>

All amounts relate to continuing operations.

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

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

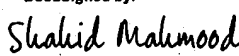
Protect Bidco Limited

Balance sheet

As at 31 December 2021

	Note	2021 £'000
Fixed assets		
Investments	8	105,051
Current assets		
Debtors: amounts due within one year	10	28
Debtors: amounts due after more than one year	10	43,072
		43,100
Creditors: amounts falling due within one year	11	(971)
Net current liabilities		42,129
Total assets less current liabilities		147,180
Creditors: amounts falling due after more than one year	12	(147,506)
Net liabilities		(326)
Capital and reserves		
Called-up share capital	14	2,852
Accumulated losses	15	(3,178)
Shareholder's deficit		(326)

The financial statements of Protect Bidco Limited (registered number 13393441) 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

Protect Bidco Limited**Statement of changes in equity**

For the period from 13 May 2021 to 31 December 2021

	Note	Called- up share capital £'000	Accumulated losses £'000	Total £'000
Balance on incorporation		-	-	-
Shares issued in the period	14	2,852	-	2,852
Loss for the financial period		-	(3,178)	(3,178)
At 31 December 2021		<u>2,852</u>	<u>(3,178)</u>	<u>(326)</u>

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

1. Significant accounting policies

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

a. General information and basis of accounting

Protect Bidco 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, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The functional currency of Protect Bidco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. There are no foreign operations.

Protect Bidco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. The Company has taken advantage of the following FRS102 disclosure exemptions:

- FRS102 1.12(b): the requirements of Section 7 Statement of Cash flows 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 Kingston 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 period of £3.1m and net liabilities of £0.3m, 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. 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.

d. Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

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.

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

1. Significant accounting policies (continued)

g. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The debt instruments held by the Company provide a fixed rate of return over the life of the instrument and there is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods. These instruments are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in subsidiaries

Investments in subsidiaries are measured at cost less provision for impairment. A subsidiary is an entity in which the Group has more than one-half of the voting rights or otherwise is able to demonstrate the power to exercise control over its operations.

(iii) Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's significant accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk to causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investments

The Company reviews on an annual basis of the valuation of its investments of £105m, taking into account a number of key factors and estimations including:

- a) Projected cash flows estimated at the balance sheet date;
- b) Actual and estimated profit margins;
- c) Renewal book retention rates giving rise to an accurate assessment of the number of years the existing business remains in force;
- d) Market conditions and how this impacts the business model;
- e) Business reputation; and
- f) Operations infrastructure mixed with the experience and knowledge retention of the key staff.

As a result of this assessment, the Company has determined that no impairment to the value of its investments is required at the Balance Sheet date.

3. Finance charges

	Period from 13 May 2021 to 31 December 2021 £'000
Bank loans and overdrafts	682
Other loans	2,262
	<hr/> 2,944 <hr/>

4. Loss on ordinary activities before taxation

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

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

	Period from 13 May 2021 to 31 December 2021 £'000
Fees payable to company's auditor for audit of company's annual financial statements	27
Total audit fees	27
Taxation compliance services	4
Total non-audit fees	4

5. Directors' remuneration and transactions

Staff costs

The average monthly number of employees (including executive directors) was:

	2021 Number
Administration	4
	4

The aggregate remuneration comprised:

	2021 £'000
Wages and salaries	162
Social security costs	20
Other pension costs (see note 20)	7
	189

'Other pension costs' includes only those items included within operating costs.

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

6. Directors' remuneration and transactions

	2021 £'000
Directors' remuneration	
Emoluments	92
Pension Contributions	4
	<hr/> 96 <hr/>
	2021 Number
The number of directors who:	
are members of a money purchase pension scheme	<hr/> 2 <hr/>
	2021 £'000
Remuneration of the highest paid director:	
Emoluments	51
Pension Contributions	2
	<hr/> 53 <hr/>

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

7. Tax on loss on ordinary activities

The tax charge comprises:

	Period from 13 May 2021 to 31 December 2021 £'000
Current tax	
UK corporation tax	-
Deferred tax	
UK corporation tax	-
	<hr/>
Total tax on loss on ordinary activities	<hr/> <hr/> -

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

	Period from 13 May 2021 to 31 December 2021 £'000
Loss on ordinary activities before tax	(3,178)
	<hr/>
Tax on loss on ordinary activities at standard UK corporation tax rate of 19%	(604)
Effects of:	
Group relief surrendered for no consideration	604
	<hr/>
Total tax charge	<hr/> <hr/> -

8. Investments

	2021 £'000
Subsidiary undertakings	
Kingston Topco Limited	105,051
	<hr/>
Total investments	<hr/> <hr/> 105,051

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

8. Investments (continued)

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	%
Kingston Topco Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Holding Co	Ordinary shares	100
Kingston Midco Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Holding Co	Ordinary shares	100
Kingston Bidco Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Holding Co	Ordinary shares	100
Avantia Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Holding Co	Ordinary shares	100
Avantia Insurance Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Insurance & financial services	A, B and C Ordinary shares	100
Avantia Assistance Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Insurance & financial services	A, B and C Ordinary shares	100
Affinity 2000 Limited	14 th Floor, CI Tower, St Georges Square, New Malden, England, United Kingdom	Dormant	A, B and C Ordinary shares	100

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

9. Acquisition of subsidiary undertaking

On 7 October 2021 the Company acquired 100 per cent of the issued share capital of Kingston Topco Limited for consideration of £105.1m. In accordance with section 615 of the Companies Act 2006, the Company has taken no account of any premium on the shares issued and has recorded the cost of the investment at the nominal value of the shares issued plus the fair value of the other consideration.

Acquisitions are accounted for under the acquisition method.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value £'000	Fair value Adjustments £'000	Fair value £'000
Fixed assets			
Intangible	1,357	36,697	38,054
Tangible	448		448
Current assets			
Debtors	22,750		22,750
Cash	10,617		10,617
Total assets	35,172	36,697	71,869
Creditors			
Trade creditors	26,683		26,683
Accruals	2,321		2,321
Other	288		288
Provisions	713		713
Taxation	468	8,512	8,980
Total liabilities	30,473	8,512	38,985
Net assets	4,699	28,185	32,884
Satisfied by			
Proceeds of shares issued in Protect Topco Limited			
719,217 A ordinary shares of £1 each			719
65,783 B ordinary shares of £1 each			66
186,825 C ordinary shares of £1 each			187
84,056,726 preference shares of £1 each			84,057
Loan notes issued in Protect Midco 1 Limited			14,979
Bank Debt issued in Protect Bidco Limited			47,981
Cash			5,351
			153,340
Less			
Loan notes settled in Kingston Midco Limited			(38,978)
Bank debt settled in Kingston Bidco Limited			(9,311)
Acquisition of share capital in Kingston Topco Limited			105,051
Revenue			7,317
Profits			2,420

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

10. Debtors

	2021 £'000
Amounts due within one year:	
Prepayments	28
	<hr/>
Amounts due after more than one year:	
Amounts owed by Group undertakings	43,072
	<hr/>

Amounts owed by Group undertakings are non-interest bearing, unsecured and have no set repayments terms.

11. Creditors: amounts falling due within one year

	2021 £'000
Other creditors	18
Accruals and deferred income	859
Amounts owed to Group undertakings	94
	<hr/>
	971
	<hr/>

Amounts owed to group undertakings include loans of £99,383,744 that attracts a 10% interest rate and is unsecured and repayable on demand. The remaining balance are non- interest bearing, unsecured and have no set repayments terms

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

	2021 £'000
Amounts owed to Group undertakings	99,384
Bank loans	50,000
Less: Issue costs	(1,878)
	<hr/>
	147,506
	<hr/>

Amounts owed to group undertakings include loans of £99,383,744 that attracts a 10% interest rate and is unsecured and repayable on demand. No repayment terms have been set.

	2021 £'000
Borrowings are repayable as follows:	
Bank loans	
Between one and two years	-
Between two and five years	-
Greater than five years	50,000
	<hr/>
	50,000
	<hr/>
On demand or within one year	-
	<hr/>
	50,000
	<hr/>

The Facility B loan attracts an interest rate of SONIA plus 5.0%. The bank loan is secured against the assets of Protect Bidco Limited and is repayable in October 2028.

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

13. Financial instruments

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

	2021 £'000
Financial assets	
Measured at undiscounted amount receivable	
- Trade and other debtors (see note 8)	28
	<u>28</u>
Financial liabilities	
Measured at amortised cost	
- Loans payable (see note 9, 10)	48,122
Measured at undiscounted amount payable	
- Trade and other creditors (see note 9)	100,355
	<u>148,477</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	Period from 13 May 2021 to 31 December 2021 £'000
Interest income and expense	
Total interest expense for financial liabilities at amortised cost	<u>2,944</u>

14. Called-up share capital

	2021 £'000
Allotted, called-up and fully-paid	
2,852,001 ordinary shares of £1 each	<u>2,852</u>

Protect Bidco Limited

Notes to the financial statements For the period 13 May 2021 to 31 December 2021

15. Reserves

	Profit and loss account £'000
Company	
Balance on incorporation	-
Loss for the financial period	(3,178)
	<hr/>
At 31 December 2021	(3,178)
	<hr/> <hr/>

16. Related party transactions

The company has taken advantage of the exemption 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.

17. Controlling party

The company, Limited by shares, was formed as part of the acquisition by ECI Partners LLP on 13 May 2021 through two private equity funds, ECII1A LP and ECII1B LP, which it manages and is the controlling party.

The company is a subsidiary of Protect Midco 2 Limited, a company incorporated in the United Kingdom. Protect Topco Limited (Registered office: CI Tower, New Malden, UK) is the ultimate parent company in which the results of the group are consolidated. The group consolidated financial statements can be obtained from Companies House.