

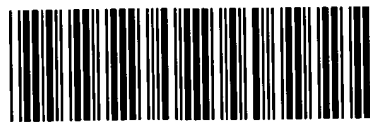
Company Number 12058753

Equivo Limited

Report and Financial Statements

30 April 2020

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REPORT AND FINANCIAL STATEMENTS
for the period ended 30 April 2020

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COMPANY INFORMATION

for the period ended 30 April 2020

Directors	John Ingram (appointed 19 June 2019) Andrew Peter Thomas (appointed 28 Feb 2021) Jonathan Alexander Chatfield (appointed 12 Mar 2021) Ann Melanie Chell (appointed 31 May 2021) Stuart Little (appointed 31 May 2021) James Marlin Taylor (appointed 31 May 2021)
Registered office	Abbots House Abbey Street Reading RG1 3BD
Company number	12058753 (England & Wales)
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	The Royal Bank of Scotland plc 48 Bishopsgate London EC2N 3AS
Solicitors	Boyes Turner LLP Abbots House Abbey Street Reading RG1 3BD

STRATEGIC REPORTfor the period ended 30 April 2020

Business overview

Equivo Limited (“the Company”) was founded in 2019 to become the UK’s leading provider of tech-enabled and fully integrated end-to-end collections, legal and enforcement services.

Principal activity

The principal activity of the company in the year under review was that of the provision of regulated financial collections and recoveries services.

Strategic objectives

The Company has identified a market opportunity for a dynamic regulated business to deliver tech-enabled and integrated outsourcing capabilities across all aspects of collections, recoveries, legal and enforcement services. The differing regulatory requirements for each of these service activities have traditionally resulted in market separation, with providers focussing on one specialism only. That silo-approach is costly and inefficient for creditors to manage. Creditor demand exists for a single-point non-performing portfolio outsourcer. The Company aims to offer unique multi-disciplinary, multi-regulator, technology-enabled, digital collections capabilities across three separate but mutually complementary service activities:

Collections and field services authorised and regulated by the Financial Conduct Authority;

Legal services regulated by the Solicitors' Regulation Authority; and

Enforcement services regulated by the Ministry of Justice and High Court Enforcement Officers Association (proposed forthcoming new regulation by the Enforcement Conduct Authority).

Business position

The Company was formed on 19 June 2019 and submitted a Regulatory Business Plan for full authorisation by the Financial Conduct Authority on 4 July 2019. The application was successful, and the business was authorised by the Financial Conduct Authority with effect 6 February 2020 to undertake certain regulated consumer credit activities under Firm Reference Number (FRN) 845356.

The company subsequently submitted an application for full authorisation by the Solicitors Regulation Authority as a multi-disciplinary practice (MDP) alternative business structure (ABS). The application was successful, and the business was authorised by the Solicitors Regulation Authority with an effective date of 1 June 2021 under firm reference number 811299.

Key developments

After launching initially into the motor finance collections vertical in February 2020, the Company was successfully awarded contractual terms with several consumer credit lender clients and quickly delivered on-target trading revenues and operating profits.

Shortly after the Company’s launch in February 2020, the COVID-19 (Coronavirus) pandemic became widespread in the UK and the first national lockdown was announced by Government the following month. From March 2020, the Company sustained an industry-wide period of Coronavirus-related trading limitations and was unable to complete a full month’s trading before the end of the financial year.

Principal risks and uncertainties

The management and execution of the business strategy is subject to a number of risks in addition to those noted in the Directors' report.

Strategic and business model risk

The Company recognises several risks contributing to strategic and business model risk including its ability to attract sufficient levels of new business during its initial planned launch phase that was impaired by a national lockdown and a challenging operating environment. However, the Company aims to mitigate these risks by creating a commercially unique business model that is built for growth and complemented by a highly scalable technology infrastructure and an operational strategy to closely control overheads during a controlled growth trajectory. The Directors consider that the Company should be a counter-cyclical beneficiary of a macro economic downturn and recession in the UK economy. The Company's strategic risk mitigation strategy aims to deliver stable and recurring revenues from a diverse range of clients spanning large banks and independent consumer lenders, commercial creditors, real estate owners and retail customers.

Competition

The Company recognises the potential risk posed by competitors and minimises this through investment in service innovations and its unique business model. The Company occupies a position of barriers to entry as a multi-disciplinary, multi-regulator business requiring significant time and capital setup investments.

Regulatory risk

The Company is authorised by the Financial Conduct Authority to conduct certain consumer credit activities and is authorised by the Solicitors Regulation Authority to conduct reserved legal activities. The Directors believe that the Company conducts its business in accordance with all applicable regulations and will endeavour to continue to do so. There remains a risk that the Company's regulators will find that the business has not complied fully with such regulations. In such circumstances, the impact to the Company of any regulatory fines and other costs, reputational damage and/ or loss of regulatory authorisation could be material.

Additionally, there is a risk that increased regulation or restrictions could restrict income available to the Company.

Operational

The Company manages operational risk with policy driven procedures and active oversight through effective organisational control.

Cyber/data security

The Company recognises that the risks associated with operating its business through technology platforms include, but are not limited to, cyber compromise and information data security. The Company manages these risks through a combination of technical measures, operational controls and the use of secure cloud hosted platforms.

Disaster recovery and business continuity

The Company has an understandable reliance on its technology systems and people. The loss of key components could cause temporary disruption to business processes if the Company is required to implement its established and detailed disaster recovery plan, which includes remote access facilities available for immediate use.

Key personnel and employee strategy

The Company recognises the need to both recruit and retain key personnel. The Company aims to achieve this through a flexible and engaging working environment that balances remuneration and employee benefits. To meet the demands of a fast-paced growing business the Directors have continued to recruit new employees to meet client requirements. The Directors have also continued

to invest in a combination of internal and external training. All personnel are required to attend a minimum level of ongoing training each year. As well as learning new skills the Directors feel the training programmes give personnel greater knowledge of the wider business and improve the efficiency in which they can work together.

Financial risk management

The Company has considered the potential effects of credit, liquidity and capital risk presented in the Financial Risk section in the Directors' report. The Directors continue to monitor such risks. The Company does not use derivative instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Approval

This Strategic Report was approved on behalf of the Board on 27 August 2021.

A handwritten signature in black ink, appearing to read 'John Ingram', with a horizontal line extending from the end of the signature.

John Ingram
Director

DIRECTOR'S REPORT
for the period ended 30 April 2020

The Directors present this report together with the audited financial statements for the period from incorporation on 19 June 2019 to 30 April 2020.

On the 27 May 2021 the company changed its name from Chartsbridge Group Limited to Equivo Limited.

Directors

The Director shown below served the Company during the year:

John Ingram

Dividends

There were no dividends paid during the year (no previous year).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue as a going concern for at least 12 months from the date when the financial statements are authorised for issue. The Company has been granted a working capital facility in the sum of £1 million by The Royal Bank of Scotland plc to meet its medium-term cash requirements for the period from the date when the financial statements are authorised for issue. The Company additionally enjoys the ongoing support of its majority shareholder. The Company therefore continues to prepare its financial statements on the basis of being a going concern.

Donations

The Company has not made any charitable donations during the year. The Company has not made any donations or incurred any expense to any registered UK political party or other political organisation.

Employment of disabled persons

The company gives full and fair consideration to the employment of disabled persons, having regard to their particular aptitudes and abilities. Continuing employment and training is provided wherever possible for any employee who, for any reason, becomes disabled.

Financial instrument risk

The Company's principal financial instruments consist of cash and cash equivalents.

Events following the reporting period**Enforcement services**

The Company has launched its Enforcement Team and in February 2021 completed on a new lease for London offices at 212 Strand, WC2 as the operational base of the division. The Company has appointed Jonathan Chatfield as Managing Director of the Enforcement Team based at the new London offices.

Legal services

With a view to launching its legal services division, on 31 May 2021 the Company completed a sizeable transaction with Shoosmiths LLP ("Shoosmiths") to transfer certain assets to the Company in return for an equity holding. Shoosmiths is a full-service law firm with a network of offices in the UK offering

services to commercial and consumer clients and including financial services work. Shoosmiths had an established volume asset-based lending (“ABL”) and consumer finance litigation and recoveries (“CFLR”) business and was looking for opportunities to grow that business while deriving a return on its investment to date. The transaction included the transfer of the ABL and CFLR teams to the Company including clients, senior management, personnel, premises and circa 90,000 active cases adding a debt value in excess of £804 million to the Company’s existing debt collection portfolio.

Complete outsourcing capabilities

The Shoosmiths transaction results in the Company being immediately able to offer clients complete outsourcing capabilities across all aspects of collections, recoveries, legal and enforcement services, whilst additionally enabling all business units to extend provisioning of an enhanced range of services to existing clients.

National scale

The completion of the Shoosmiths transaction increased the total employed headcount across the combined new business to over 200 employed personnel at four national locations; London, Bracknell, Manchester and Northampton

Technology

The Company has made considerable post-reporting period investments in technology and personnel to support our commitment to tech-led initiatives across the business and the debt collection lifecycle. The Company is committed to innovation across digital consumer engagement, internal efficiencies and seamless integration with client technology platforms. The Company has also made a commitment to ISO27001 certification with the British Standards Institution.

COVID-19

The significant post-reporting period development of the Coronavirus (COVID-19) pandemic has had an unprecedented impact on economic activity both in the UK and worldwide. The UK economy faces a long road to recovery in the wake of the pandemic. Evidence continues to emerge demonstrating the depth of its likely lasting consequences as the UK emerges from the pandemic.

The Company utilised government backed Coronavirus (COVID-19) support through the Coronavirus Job Retention Scheme to furlough 3 staff members at various times between May 2020 and April 2021 and also received a £50,000 loan under the Bounce Back Loan Scheme (BBLs) on 21 May 2020.

A counter cyclical business

As a result of well-considered investment across service capabilities, technology, infrastructure and personnel, the Company benefits from a highly scalable business that enables a high-quality service provision to be rapidly deployed to meet the volume recoveries requirements of clients. The Company aims to achieve its broader strategic aims by delivering these services to the highest standard and behaving in a culturally transparent manner, supported by our long-term commitment to innovation, complementary technology and compliance.

Consumer and residential mortgage debt

Following the onset of the COVID-19 pandemic, the Financial Conduct Authority announced unprecedented regulatory interventions in the consumer credit sector, granting consumers until 31 March 2021 to apply for payment holidays for mortgages, personal loans, credit cards, store cards and catalogue credit, motor finance, including hire-purchase and leasing agreements, rent-to-own, buy now pay later, pawnbroking agreements and high-cost short-term credit.

According to statistics produced by The Money Charity^{*1}, since March 2020 11.1 million households have accumulated £25 billion in debt and arrears due to the pandemic, an average of £2,300 per affected household. 460,000 private sector renters were reported to be behind on their rent in January 2021, while 2.3 million households have fallen behind on their broadband bills, with internet connectivity having progressed from its previous perceived status as a luxury to an essential utility.

Although creditors continue to provide extended periods of forbearance, significant forward flow case volumes are anticipated in the consumer debt recovery sector.

Mortgage payment deferrals were among the first support measures to be introduced by the Government following the first 2020 lockdown. Some 2.75 million mortgage payment deferrals have been granted since March 2020, and UK Finance figures^{*2} show that 1.8 million borrowers had a mortgage payment deferral in place at the end of June 2020, equating to one in six borrowers. The UK Finance arrears and possessions figures for Q4 2020 showed the number of homeowners in significant mortgage arrears of 10 per cent or more of the outstanding balance rose 1,800 to 26,660. The total number of homeowner mortgages in arrears increased 3% to 77,410 compared to the previous quarter. Annually, this was a 9% increase. Buy-to-let mortgages in significant arrears of 10% or more of the outstanding balance saw a quarterly increase of 8% to 1,460. Overall, there were 5,480 buy-to-let mortgage holders in arrears in Q4 2020, up by a third from 2019.^{*3}

The Government has implemented a residential eviction ban until 31 May 2021, causing the number of residential evictions to fall in the period by an estimated 74% meaning that significant forward flow case volumes are anticipated in the mortgage arrears and residential tenant sector.

Business and commercial property debt

British businesses took on debt at more than twice the normal average growth rate since the pandemic began and are on course to have borrowed £61bn in total by the end of 2021.^{*4}

The BDO Output Index^{*4}, which measures data from the UK's main business surveys, fell to 70.44 in January, the lowest level in seven months on a scale where figures above 95 indicate economic growth. The gauge averaged 73.62 in 2020, well below the previous low of 83.28 recorded in 2009. The fortnightly BICS surveyed 8,764 UK businesses between 29 December 2020 and 10 January 2021. It revealed that 3.9% of businesses had 'no confidence' that they would survive another three months, the highest fraction ever reported in the history of the survey. A further 10.8% have 'low confidence' of survival. Significant forward flow case volumes are anticipated in the commercial debt recovery sector.^{*5}

Commercial property tenants built up rent arrears of £4.2bn between March and December 2020, according to research from Remit Consulting.^{*6} The Government has announced that the restriction on forfeiture will in fact be extended until 30 June 2021. The Government has also renewed the restriction on landlords using Commercial Rent Arrears Recovery (CRAR) until 30 June 2021. Although landlords and the Government continue to provide business extended periods of support, significant forward flow case volumes are anticipated in the commercial rent collection sector.

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approval

This Director's Report was approved on behalf of the Board on 27 August 2021.



John Ingram
Director

(*1) Source: The Money Charity
(*3) Source: mortgagesolutions.co.uk
(*5) Source: London School of Economics

(*2) Source: UK Finance
(*4) Source Ernst & Young LLP
(*6) Source: Financial Times

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
for the period ended 30 April 2020

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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 company will continue in business.

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

INDEPENDENT AUDITOR'S REPORTfor the period ended 30 April 2020

Opinion

We have audited the financial statements of Equivo Limited ("the Company") for the period ended 30 April 2020 which comprise The Income Statement, The Statement of Comprehensive Income, The Statement of Financial Position and The Statement of Changes in Equity, and the notes to the financial statements, 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 Company's affairs as at 30 April 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Other - Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made;
- 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.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibility, 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 Financial Reporting Council's website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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:

Andrew Barclay

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Andrew Barclay (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
27 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INCOME STATEMENT
for the period ended 30 April 2020

	Notes	2020 £
Turnover	2	72,360
Cost of sales		(72,255)
Gross profit		<u>105</u>
Administrative expenses		(196,873)
Operating loss	3	<u>(196,768)</u>
Interest payable	5	(13)
Loss on ordinary activities before taxation		<u>(196,781)</u>
Tax on loss on ordinary activities	6	-
Loss for the period		<u>(196,781)</u>

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 April 2020

	Notes	2020 £
Loss for the period		(196,781)
Other comprehensive income		
Total comprehensive income for the period		<u>(196,781)</u>

STATEMENT OF FINANCIAL POSITION

as at 30 April 2020

	Notes	April 2020 £
Fixed assets		
Intangible assets	7	1,288
Tangible assets	8	<u>13,784</u>
		15,072
Current assets		
Debtors	9	114,898
Cash at bank and in hand		<u>819</u>
		115,717
Creditors: amounts falling due within one year	10	<u>(327,569)</u>
Net current liabilities		<u>(211,852)</u>
Net liabilities		<u>(196,780)</u>
Capital and reserves		
Called up share capital	11	1
Profit and loss account	12	<u>(196,781)</u>
Total equity		<u>(196,780)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27 August 2021.

They were signed on its behalf by:



John Ingram
Director

Approved on behalf of the Board on 27 August 2021

The notes on pages 18 to 24 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 April 2020

	Share Capital	Share Premium	Other Reserves	Profit and loss account	Total
	£	£	£	£	£
At 19 June 2019	-	-	-	-	-
Loss for the period				(196,781)	(196,781)
Shares issued	1	-			1
At 30 April 2020	<u>1</u>	<u>-</u>	<u>-</u>	<u>(196,781)</u>	<u>(196,780)</u>

NOTES TO THE ACCOUNTS
for the period ended 30 April 2020

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 1A, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statement in conformity with FRS 102 requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors, which are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying the value of assets and liabilities which are not apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of FRS 102 which have a significant impact on the Financial Statements and estimates with a significant risk of material adjustment within the next financial year are provided below.

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.”

- the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a) (iv);
- the requirements of Section 7 Statement of Cash Flows ;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) ;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b, c,e,f) 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c)
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b)

Going concern

Management have considered the base and stress scenarios which included assumptions about the potential finance impact on revenue, cash and the covenant position of prolonged trading restrictions imposed by government and the Company’s regulators due to COVID-19 (Coronavirus) for at least 12 months from the date when the financial statements are authorised for issue. The Directors have reasonable expectation that the Company has adequate resources to continue as a going concern for at least 12 months from the date when the financial statements are authorised for issue. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to raising of invoices on completion of provision of a service.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 3 years
Office equipment	over 3 years

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Trademarks	over 3 years
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Cash and 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 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The company 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 non-puttable 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 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, up 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 financial transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported is the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Judgements in applying accounting policies and key sources of uncertainty

The company makes certain judgements, estimates and assumptions that effect the application policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are continually evaluated based on historical experience and various other factors which are not apparent from other sources. Actual results may differ from these estimates.

There are no key sources of estimation that have a significant impact on the Carrying value of assets and liabilities.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the

reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Holiday Pay

The Company accrues for short term employee benefits including holiday pay on the basis of unused paid annual leave. It is expected to be settled wholly before 12 months after the end of the reporting period.

2	Analysis of turnover	2020 £
	Services rendered	<u>72,360</u>
	By geographical market:	
	UK	<u>72,360</u>
3	Operating profit	2020 £
	This is stated after charging:	
	Depreciation of owned fixed assets	2,638
	Amortisation of trademarks	170
	Auditors' remuneration for audit services	30,000
	Auditors' remuneration for other services	<u>6,000</u>
	<i>Fees payable to the Company's auditor included above are for tax compliance services £6,000 (PY Nil)</i>	
4	Staff costs	2020 £
	Wages and salaries	36,895
	Social security costs	2,957
	Other pension costs	<u>338</u>
		<u>40,190</u>
	Average number of employees during the year	Number
	Administration	<u>2</u>
		<u>2</u>

5	Interest payable	2020 £
	Other loans	<u>13</u>

6	Taxation	2020 £
	Analysis of charge in period	
	Tax on profit on ordinary activities	<u>-</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020 £
Loss on ordinary activities before tax	<u>(196,781)</u>
Standard rate of corporation tax in the UK	19%
	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(37,388)
Effects of:	
Expenses not deductible for tax purposes	37,388
Current tax charge for period	<u>-</u>

Factors that may affect future tax charges

No deferred tax asset has been provided for due to the change in ownership 31 May 2021

7	Intangible fixed assets	£
	Cost	
	Additions	<u>1,458</u>
	At 30 April 2020	<u>1,458</u>
	Amortisation	
	Provided during the period	<u>170</u>
	At 30 April 2020	<u>170</u>
	Carrying amount	
	At 30 April 2020	<u>1,288</u>

Trademarks are being written off in equal annual instalments over its estimated economic life of 10 years.

8	Tangible fixed assets		Plant and machinery
			£
	Cost or valuation		
	Additions		<u>16,422</u>
	At 30 April 2020		<u>16,422</u>
	Depreciation		
	Charge for the period		<u>2,638</u>
	At 30 April 2020		<u>2,638</u>
	Carrying amount		
	At 30 April 2020		<u>13,784</u>
9	Debtors		2020 £
	Trade debtors		55,046
	Other debtors		12,500
	Prepayments and accrued income		<u>47,352</u>
			<u>114,898</u>
10	Creditors: amounts falling due within one year		2020 £
	Trade creditors		103,012
	Other taxes and social security costs		16,251
	Directors Loan		144,000
	Accruals and deferred income		<u>64,306</u>
			<u>327,569</u>
11	Share capital	Nominal Value	2020 £
	Allotted, called up and fully paid:		
	Ordinary shares	£1 each	<u>1</u>
12	Profit and loss account		2020 £
	At 19 June		-
	Loss for the period		<u>(196,781)</u>
	At 30 April		<u>(196,781)</u>

13 Other financial commitments

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

	Land and buildings 2020 £	Other 2020 £
Falling due:		
within one year	25,000	49,676
within two to five years	35,137	80,078
in over five years	-	-
	<u>60,137</u>	<u>129,754</u>

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

Equivo Limited is registered in England & Wales company registration number 12058753 and has its registered office at Abbots House, Abbey Street, Reading RG1 3BD.

16 Related party transactions

During the year the company entered into the following transactions with related parties:

- a) John Ingram provided a loan to the company in the sum of £144,000
No interest was accrued or paid in respect of this loan during the period.
- b) Consultancy fees of £37,317 were payable during the period to Andrew Peter Thomas in respect of services supplied to the company

17 Subsequent events

With a view to launching its legal services division, the Company purchased certain assets from Shoosmiths LLP ("Shoosmiths") for a majority shareholding in the Company. The transaction was completed on the 31 May 2021. The assessment of the accounting treatment of the transaction in line with FRS 102 is ongoing.

18 Ultimate Parent Company

The ultimate parent company is Shoosmiths LLP, a limited liability partnership incorporated in England and Wales under registered number OC374987 and with its registered office address at 100 Avebury Boulevard, Milton Keynes MK9 1FH.