Registration number: 11042250

Evolve Servicing Limited

Annual Report and Audited Financial Statements

for the Year Ended 30 April 2020

Evolve Servicing Limited

Contents

Evolve Servicing Limited

Company Information

Directors	P N Bowen
	D J Boyd
	K Froud
	L Ranson
	G E Richardson
Company secretary	Eversecretary Limited
Registered office	Eversheds House 70 Great Bridgewater Street Manchester United Kingdom M1 5ES
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Evolve Servicing Limited

Directors' Report for the Year Ended 30 April 2020

The Directors present their annual report and the audited financial statements for the year ended 30 April 2020.

The corresponding figures for the year ended 30 April 2019 are unaudited.

Principal activities and business review
The principal activity of Evolve Servicing Limited is the provision of insolvency services. The principal activity of the business is not expected to change in the foreseeable future.

The Company commenced trading on 1 July 2019. Prior to this date the Company was dormant.

The Directors consider the performance of the Company to have been satisfactory.

The Company is a wholly owned subsidiary undertaking of Eversheds Sutherland (International) LLP.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES.

Results and dividends
The profit for the year amounted to £1,247,580.

The Directors have declared a dividend of £1,247,580 for the year to be paid after the reporting date of the financial statements.

Going concern
The Company relies on Eversheds Sutherland (International) LLP to provide the necessary funds to meet its obligations. See the below going concern note regarding Eversheds Sutherland (International) LLP continued support.

Directors of the company
The directors who held office during the year and up to the date of signing the financial statements were as follows:

P N Bowen (appointed 14 May 2019)

D J Boyd (appointed 14 May 2019)

K Froud

L Ranson

G E Richardson (appointed 13 May 2019)

D C Saunders (appointed 12 August 2019 and ceased 18 November 2020)

The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' report.

Evolve Servicing Limited

Directors' Report for the Year Ended 30 April 2020

COVID-19

The COVID-19 pandemic has caused significant disruption for businesses around the world and has had a substantial impact on the global economy. The spread of the pandemic along with country-wide lockdowns resulted in the firm quickly implementing remote working for all its partners and staff across most geographical locations. The ongoing investment in IT infrastructure and the collaborative culture of its people has meant remote working has had minimal impact on the firm's ability to deliver services to clients.

A top priority for management throughout this time has been the health and wellbeing of partners and staff. The firm has put in place a number of initiatives in this regard; keeping people connected across the business both formally and informally, introducing flexible working hours, and implementing additional online support and training.

Evolve Servicing Limited has a strong balance sheet and a positive working capital cycle. After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Additionally the Company is a member of the Eversheds Sutherland (International) LLP Group. The Group's cash forecasts have been stress tested for possible changes in trading performance as a result of a deterioration in market conditions due to the impact of the pandemic on the global economy. This has included reviewing the Group's borrowing facilities against all stress tested scenarios. These demonstrate the Group has significant cash reserves to meet its obligations as they fall due, including meeting all banking covenants. Eversheds Sutherland (International) LLP is committed to providing financial support to the Company, if needed, to enable it to meet its future financial obligations for at least 12 months from the date of signing.

For these reasons it continues to adopt the going concern basis for preparing these financial statements.

Small companies provision statement

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next Board meeting.

Evolve Servicing Limited

Directors' Report for the Year Ended 30 April 2020

Statement of directors responsibilities in respect of the financial statements
The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the Directors are required to:

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

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

Approved by the Board on 26 April 2021 and signed on its behalf by:

DocuSigned by:
Lee Ranson.
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Lee Ranson
Director

Evolve Servicing Limited

Independent Auditor's Report to the Members of Evolve Servicing Limited

Opinion

We have audited the financial statements of Evolve Servicing Limited ("the Company") for the year ended 30 April 2020 which comprise the Profit and Loss account, the Balance Sheet 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 profit 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 matters

The corresponding figures for the year ended 30 April 2019 are unaudited.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited 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.

Evolve Servicing Limited

Independent Auditor's Report to the Members of Evolve Servicing Limited

Other information (continued)
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 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.

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 Directors' report.

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

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

Independent Auditor's Report to the Members of Evolve Servicing Limited

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:
BDO LLP
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Andrew Radford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 28 April 2021

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

Evolve Servicing Limited

Profit and Loss Account for the Year Ended 30 April 2020

	Note	2020 £	Unaudited 2019 £
Turnover		3,697,054	-
Staff costs	5	(1,371,671)	-
Other operating charges		(785,161)	-
Operating profit	3	1,540,222	-
Profit before tax		1,540,222	-
Tax on profit	4	(292,642)	-
Profit for the financial year		1,247,580	-

Turnover and operating profit derive wholly from continuing operations.

The Company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

Evolve Servicing Limited

(Registration number: 11042250)
Balance Sheet as at 30 April 2020

	Note	2020 £	Unaudited 2019 £
Current assets			
Debtors	6	3,038,301	500
Cash at bank and in hand		48,038	-
		3,086,339	500
Creditors: Amounts falling due within one year	7	(1,838,259)	-
Net assets		1,248,080	500
Capital and reserves			
Called up share capital	8	500	500
Profit and loss account		1,247,580	-
Shareholders' funds		1,248,080	500

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

The financial statements on pages 8 to 15 of Evolve Servicing Limited (registered number 11042250) were approved and authorised by the Board on 26 April 2021 and signed on its behalf by:

DocuSigned by:

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Lee Ranson
Director

The notes on pages 11 to 15 form an integral part of these financial statements.

Evolve Servicing Limited

Statement of Changes in Equity for the Year Ended 30 April 2020

	Unaudited Share capital £	Unaudited Profit and loss account £	Unaudited Total shareholders' funds £
At 1 May 2018	500	-	500
At 30 April 2019	500	-	500

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 May 2019	500	-	500
Profit for the year	-	1,247,580	1,247,580
At 30 April 2020	500	1,247,580	1,248,080

1 General information

Evolve Servicing Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Directors' report. These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

2 Accounting policies

Basis of preparation
The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"("FRS 102") and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. In preparing these financial statements, the Directors have made the following estimates:

- Determine the fair value of amounts recoverable on contracts. Factors taken into consideration in reaching such amounts include reviewing historic performance, any foreseeable losses on ongoing contracts and any impact on trade sectors considered to be materially affected by COVID-19;
- Determine the provision required for recoverability of trade debtors. Factors taken into consideration in reaching such amounts include ageing at year end, historical information and post year end settlements and write offs; and
- Determine the bonus provision payable in relation to services provided in the year, after the year end. This provision is based on management's best estimate aligned to the Company's performance.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by the Directors.

The Company has taken advantage of the following disclosure exemptions available to qualifying entities:

- No cash flow statement has been presented for the Company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company;
- No disclosure has been given of related party transactions with other wholly owned members of the same group; and
- No disclosure has been given for the financial instruments of the Company.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The COVID-19 pandemic has caused significant disruption for businesses around the world and has had a substantial impact on the global economy. The spread of the pandemic along with country-wide lockdowns resulted in the firm quickly implementing remote working for all its partners and staff across most geographical locations. The ongoing investment in IT infrastructure and the collaborative culture of its people has meant remote working has had minimal impact on the firm's ability to deliver services to clients.

A top priority for management throughout this time has been the health and wellbeing of partners and staff. The firm has put in place a number of initiatives in this regard; keeping people connected across the business both formally and informally, introducing flexible working hours, and implementing additional online support and training.

Evolve Servicing Limited has a strong balance sheet and a positive working capital cycle. After reviewing the Company's forecasts and projections, the members have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Additionally the Company is a member of the Eversheds Sutherland (International) LLP Group. The Group's cash forecasts have been stress tested for possible changes in trading performance as a result of a deterioration in market conditions due to the impact of the pandemic on the global economy. This has included reviewing the Group's borrowing facilities against all stress tested scenarios. These demonstrate the Group has significant cash reserves to meet its obligations as they fall due, including meeting all banking covenants. Eversheds Sutherland (International) LLP is committed to providing financial support to the Company, if needed, to enable it to meet its future financial obligations for at least 12 months from the date of signing.

For these reasons it continues to adopt the going concern basis for preparing these financial statements.

Turnover

Turnover is the total amount receivable by the Company for the services provided excluding value added tax. Included within this figure is the fair value of amounts recoverable on contracts where it is probable that the economic benefits will flow to the company and the turnover can be reliably measured.

Tax

The tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Amounts recoverable on contracts

Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Where the substance of a contract is such that a right to consideration does not arise until the occurrence of a critical event that is outside of the control of Company, the asset and revenue are valued at nil.

Contract balances included in debtors are stated after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Provision is made for losses on all contracts as soon as they are foreseen.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Defined contribution pension scheme

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the profit and loss account when they fall due.

3 Operating Profit

Audit fees of £7,000 were borne by the parent undertaking, Eversheds Sutherland (International) LLP, and not recharged. There were no non-audit services.

During the year, no Director received any emoluments in respect of services provided to this Company.

4 Taxation

Tax charged in the profit and loss account:

	2020 £	Unaudited 2019 £
Current taxation		
Current tax on profits in year	292,642	-

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK of 19%.

5 Staff costs

Amounts relating to staff costs are recognised as an expense in the profit or loss account as incurred.

Staff costs during the year were as follows:

	2020 £	Unaudited 2019 £
Wages and salaries	1,212,973	-
Social security costs	105,332	-
Other pension costs	53,366	-
	1,371,671	-

5 Staff costs (continued)

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

	2020 Number	Unaudited 2019 Number
Legal advisors	34	3
Administration and support	3	-
	37	3

The Directors of the Company are members of Eversheds Sutherland (International) LLP.

6 Debtors

	2020 £	Unaudited 2019 £
Trade debtors	737,803	-
Amounts recoverable on contracts	25,196	-
Amounts owed by group undertakings	2,215,172	500
Other debtors	60,130	-
	3,038,301	500

Amounts owed by group undertakings are unsecured and repayable on demand.

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debtors was £14,277.

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	Unaudited 2019 £
Due within one year			
Trade creditors		3,609	-
Amounts owed to group undertakings	9	1,480,266	-
Other taxation		61,742	-
Corporation tax		292,642	-
		1,838,259	-

Amounts owed to group undertakings are unsecured, and repayable on demand.

8 Share capital

	2020 £	Unaudited 2019 £
500 Ordinary shares of £1 each	500	500
	500	500

9 Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A in Financial Reporting Standard No. 102 "Related Party Disclosures" and has not disclosed transactions with other companies in the same group on the grounds that it is a wholly owned subsidiary undertaking of Eversheds Sutherland (International) LLP, whose financial statements are publicly available.

10 Parent and ultimate parent undertaking

The immediate parent undertaking, ultimate parent undertaking and controlling party is Eversheds Sutherland (International) LLP, a limited liability partnership incorporated in England. Eversheds Sutherland (International) LLP is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 April 2020. The consolidated financial statements of Eversheds Sutherland (International) LLP are available from its registered office at One Wood Street, London, EC2V 7WS.