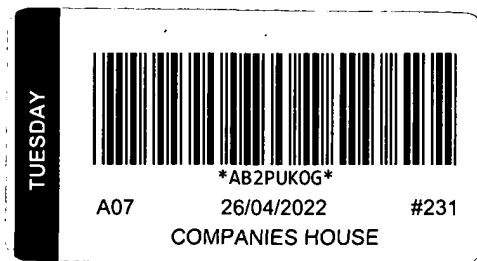


Company Number 12058753

Equivo Limited

Report and Financial Statements

30 April 2021



REPORT AND FINANCIAL STATEMENTSfor the year ended 30 April 2021

Contents	Page
Company information	1
Strategic report	2 - 7
Directors' report	8 - 9
Statement of Directors' responsibilities	10
Independent auditor's report	11 - 13
Statement of comprehensive income	14
Balance sheet	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18 - 29

COMPANY INFORMATIONfor the year ended 30 April 2021

Directors	John Ingram Andrew Peter Thomas (appointed 28 Feb 2021) Jonathan Alexander Chatfield (appointed 12 Mar 2021) Melanie Ann 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	King & King (Registered Auditors & Chartered Accountants) Watson House 54-60 Baker Street London W1U 7BU
Bankers	The Royal Bank of Scotland plc 48 Bishopsgate London EC2N 3AS
Solicitors	Boyes Turner LLP Abbots House Abbey Street Reading RG1 3BD

STRATEGIC REPORT

for the year ended 30 April 2021

The Directors present the strategic report for the year ended 30 April 2021.

Fair review of the business

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.

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:

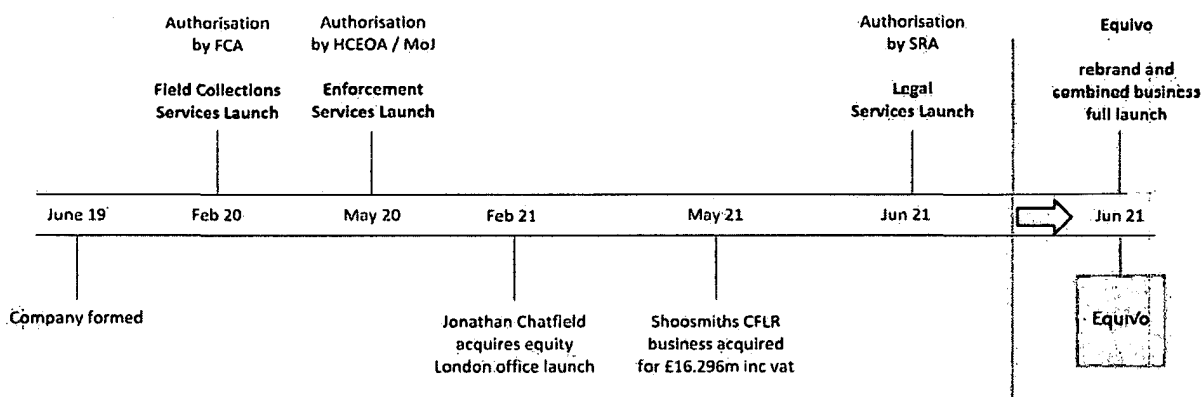
- Collections and field services authorised and regulated by the Financial Conduct Authority;
- Legal services regulated by the Solicitors' Regulation Authority; and
- Enforcement services regulated by the Ministry of Justice and High Court Enforcement Officers Association (proposed new regulation by the Enforcement Conduct Board)

Regulatory position

The Company was authorised by the Financial Conduct Authority (FCA) with effect 6 February 2020 to undertake regulated consumer credit debt collection activities under Firm Reference Number (FRN) 845356. The Company was further authorised by the FCA with effect 4 May 2021 to undertake mortgage debt recoveries services. The Company was authorised by the Solicitors Regulation Authority (SRA) as a multi-disciplinary practice (MDP) alternative business structure (ABS) with an effective date of 31 May 2021 under firm reference number 811299. The Company is recognised as an ABS and Authorised Professional Firm by the SRA. The Company is registered with the Ministry of Justice and the High Court Enforcement Officers Association as an enforcement business authorised to execute judgments and orders of the High and County Courts of England and Wales.

Company formation timeline

The activity of the Company in the year under review to 30 April 2021 comprised of the provision of regulated financial collections and recoveries alongside the provision of judicial enforcement services. Due to the Company’s unique multi-disciplinary nature, the formation of the Company has been carried out on a modular basis over a two-year period resulting in the eventual launch of the combined business in June 2021.



STRATEGIC REPORT (CONTINUED)

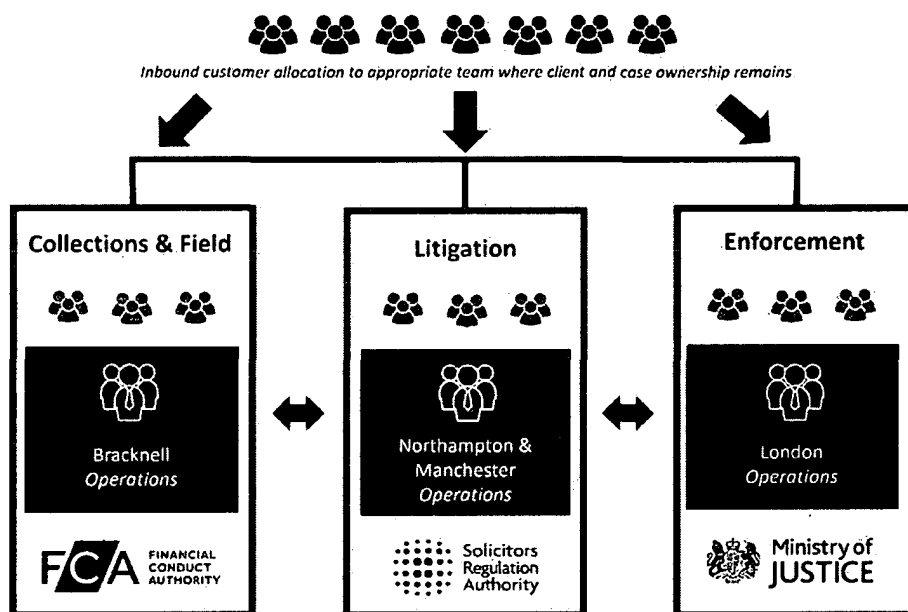
for the year ended 30 April 2021

Key milestones

With a view to launching its legal services division, on 31 May 2021 the Company completed a sizeable acquisition 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.

Launch of combined business

Following the launch of the combined business, the Company has three key divisions covering all disciplines within the debt and property recoveries lifecycle. The combined business operates from three key national locations segregating key divisional activities between London, Bracknell and Northampton with a further satellite office in Manchester.



COVID-19 (Coronavirus) pandemic

Shortly after the Company’s initial regulatory authorisation on 6 February 2020 and throughout the subsequent trading period during the year under review to 30 April 2021, the COVID-19 (Coronavirus) pandemic was widespread in the UK. From 23 March 2020 when the UK’s first lockdown announced, the Company sustained an industry-wide period of Coronavirus-related trading limitations. These limitations continued throughout the year under review, including the regional tier system that was introduced on 12 October 2020 followed by the second national lockdown that was announced on 31 October 2020 and the third national lockdown announced on 4 January 2021. The inevitable consequence of the various Government restrictions and numerous interventions by the Company’s regulators was a significantly impaired trading period for the Company.

STRATEGIC REPORT (CONTINUED)

for the year ended 30 April 2021

Outlook

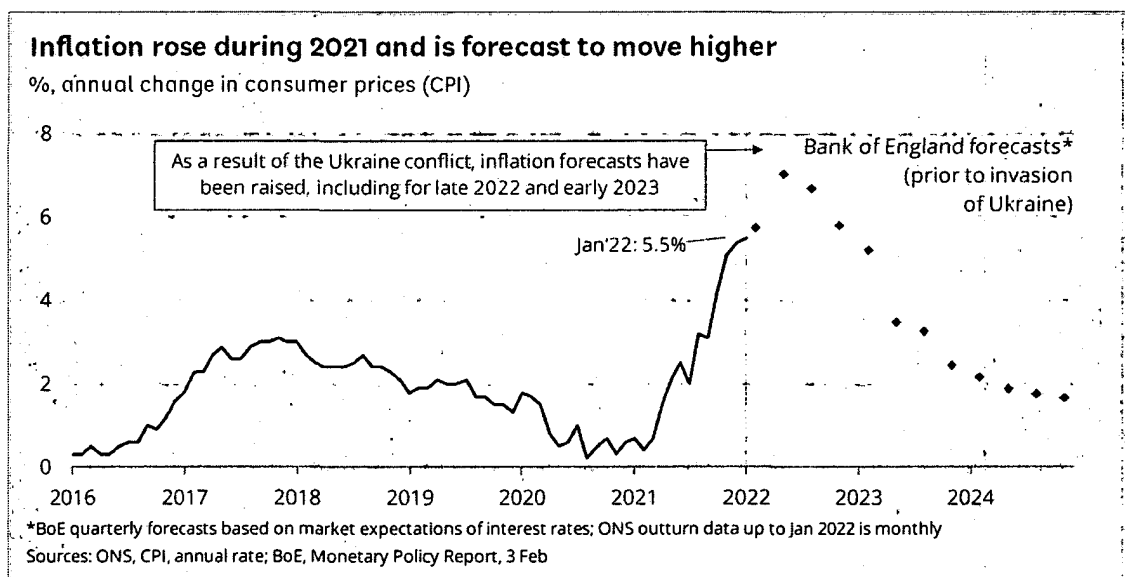
As a result of well-considered investment across service capabilities, technology, infrastructure and personnel, the Company benefits from a highly scalable business that enables a high-quality service provision to be rapidly deployed to meet the volume recoveries requirements of clients. The Company 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

Counter cyclical business model

The Company has a counter cyclical business model and is strategically well-positioned to benefit from an economic downturn, the medium-term fall-out of the easing of Government support measures and the reversal of restrictions on consumer and commercial debt recovery. These factors suppressed activity industry wide during the period under review to 30 April 2021, with significant volume and caseloads expected to return and exceed pre-pandemic levels during 2022 and 2023.

Rising cost of living in the UK

The cost of living has been increasing across the UK since early 2021 and in January 2022, inflation reached its highest recorded level since 1992, affecting the affordability of goods and services for households.



Household debt peaked in Q2 2008 at 151.5% of household disposable income. It then declined to 128.4% by late 2015. Growth in household debt levels accelerated from early 2016, so that the debt-to-income ratio rose again to 133.4% by mid-2017. In Q2 2021 it was 132.2% (*2). Facing the sharpest decline in living standards since records began, people in the UK are already leaning into credit and debt to meet the everyday challenges of the cost of living crisis in Q1 2022 (*3).

Strategic positioning

The Company considers that it is strategically well-positioned to benefit from an upturn in debt collection activity levels that may result from an increase in consumer and commercial defaults during the forthcoming economic environment as forecast by macro indicators. The Company considers that it is also well-positioned to scale rapidly, having invested in its technology infrastructure and having established service capabilities across all aspects of collections, recoveries, legal and enforcement.

STRATEGIC REPORT (CONTINUED)for the year ended 30 April 2021

Enforcement Conduct Board

The civil enforcement sector is currently subject to a proposal for the introduction of a formal regulator for the sector, namely the Enforcement Conduct Board ("ECB"). The ECB is a new independent oversight body for the civil enforcement sector and will act to drive up standards, improve the effectiveness of enforcement and provide better protection to people struggling with debt. It has been created through a partnership between the civil enforcement sector and leading debt advice charities. The introduction of the ECB is anticipated to cause a significant consolidation of the enforcement services market, in a similar manner to the impact caused in the consumer credit debt collection market in the period after 2014 following the coming into force of the FCA. A market consolidation is likely to cause a smaller number of larger operators to dominate the market, with smaller businesses exiting following the significant operating cost and complexities that will require economies of scale to achieve a viable business model in the sector. The Company considers that it is well-placed to benefit from this expected large scale market consolidation

Project Pegasus

The Company has conducted a strategic improvement project and restructuring exercise ("Project Pegasus") which management began in August 2021 following the acquisition of the of the ABL and CFLR teams from Shoosmiths, and together now comprising the Company's Legal Services team. The Project Pegasus team identified several areas in the Company, and in particular the Legal Services team, that would benefit from automation and digitisation. The Company believes the potential cost savings and synergistic benefits of implementing the changes will result in savings of circa £1.5m per annum. The Company's management has already commenced implementing the changes highlighted and believes it will be able to realise the full benefit of all these changes with delivery forecast during 2022.

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 established a road map to implement technology to facilitate high levels of digital engagement and better customer outcomes.

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 business to support its overheads and establish profitable trading levels. 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, law firms 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 also enjoys a position of having significant barriers to entry from any new competitors being a multi-disciplinary, multi-regulator business requiring significant time and capital setup investments.

STRATEGIC REPORT (CONTINUED)for the year ended 30 April 2021

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.

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.

In mitigation of identified cyber and data security risks, on 18 August 2021, the Company was certificated by BSI as operating an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013. In further mitigation, on 27 January 2022, the Company was certificated by BSI as complying with the requirements of the Cyber Essentials Plus scheme, meaning that the Company's ICT defences have been assessed as meeting satisfactory standards against commodity based cyber attack.

Operational risk

The Company manages operational risk with policy driven procedures and active oversight through effective organisational control. On 24 February 2022, the Company was certificated by BSI as operating a Quality Management System which complies with the requirements of ISO 9001:2015.

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 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.

The Company has aligned with Real Living Wage from 1 May 2022. The Real Living Wage is the only UK wage rate that is voluntarily paid by almost 9,000 UK businesses who believe their personnel deserve a wage which meets everyday needs.

STRATEGIC REPORT (CONTINUED)
for the year ended 30 April 2021

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 25 April 2022.

A handwritten signature in black ink, appearing to read 'John Ingram', with a long horizontal flourish extending to the right.

John Ingram
Director

DIRECTORS' REPORTfor the year ended 30 April 2021

The Directors present their annual report and financial statements for the year ended 30 April 2021.

Principal activities

The principal activity of the Company in the year under review continued to be that of the provision of collections and recoveries services.

Results and dividends

The results for the year are set out on page 14. No ordinary dividends were paid. The Directors do not recommend payment of a final dividend (2020:NIL).

Directors

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

John Ingram	
Andrew Peter Thomas	(appointed 28 Feb 2021)
Jonathan Alexander Chatfield	(appointed 12 Mar 2021)
Melanie Ann Chell	(appointed 31 May 2021)
Stuart Little	(appointed 31 May 2021)
James Marlin Taylor	(appointed 31 May 2021)

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Political donations

The Company has not made any charitable donations during the year (2020:NIL). The Company has not made any donations or incurred any expense to any registered UK political party or other political organisation.

Financial instruments

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

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

The auditor, King & King, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (CONTINUED)for the year ended 30 April 2021

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 £1.5 million by The Royal Bank of Scotland plc to meet its short-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, Shoosmiths LLP. The Company therefore continues to prepare its financial statements on the basis of being a going concern.

Approval

This Directors' Report was approved on behalf of the Board on 25 April 2022.



John Ingram
Director

STATEMENT OF DIRECTOR'S RESPONSIBILITIESfor the year ended 30 April 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 year ended 30 April 2021

Opinion

We have audited the financial statements of Equivo Limited ("the Company") for the year ended 30 April 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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 our assessment, we concluded that the assumptions used by the management were reasonable overall and the disclosures made within the financial statements were 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 section 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 misstatements, we are required to determine whether this

INDEPENDENT AUDITOR'S REPORT (CONTINUED)for the year ended 30 April 2021

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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.

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

for the year ended 30 April 2021

Identifying and assessing potential risks related to irregularities

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing compliance register and risk register of the Company.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available 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.

**Diwakar Kafle (Senior Statutory Auditor)****For and on behalf of King & King****Chartered Accountants****Statutory Auditor**

London

25 April 2022

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 April 2021

	Notes	2021 £	2020 £
Turnover	3	1,978,430	72,360
Cost of sales		(1,303,006)	(72,255)
Gross profit		675,424	105
Administrative expenses		(813,444)	(196,873)
Other operating income		77,660	-
Operating loss	4	(60,360)	(196,768)
Interest payable and similar expenses	7	-	(13)
Loss before taxation		(60,360)	(196,781)
Tax on loss	8	-	-
Loss for the financial year		(60,360)	(196,781)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	9		5,784		1,288
Tangible assets	10		26,519		13,784
			<u>32,303</u>		<u>15,072</u>
Current assets					
Debtors	11	624,898		114,898	
Cash at bank and in hand		139,792		819	
		<u>764,690</u>		<u>115,717</u>	
Creditors: amounts falling due within one year	12	<u>(1,008,514)</u>		<u>(327,569)</u>	
Net current liabilities			<u>(243,824)</u>		<u>(211,852)</u>
Total assets less current liabilities			<u>(211,521)</u>		<u>(196,780)</u>
Creditors: amounts falling due after more than one year	13		<u>(45,260)</u>		<u>-</u>
Net liabilities			<u>(256,781)</u>		<u>(196,780)</u>
Capital and reserves					
Called up share capital	16		360		1
Profit and loss reserves			<u>(257,141)</u>		<u>(196,781)</u>
Total equity			<u>(256,781)</u>		<u>(196,780)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2022.



John Ingram

Director

Approved on behalf of the Board on 25 April 2022

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2021

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 May 2019	1	-	1
Year ended 30 April 2020:			
Loss and total comprehensive income for the year	-	(196,781)	(196,781)
Balance at 30 April 2020	1	(196,781)	(196,780)
Year ended 30 April 2021:			
Loss and total comprehensive income for the year	-	(60,360)	(60,360)
Issue of share capital	16 359	-	359
Balance at 30 April 2021	360	(257,141)	(256,781)

STATEMENT OF CASH FLOWS
for the year ended 30 April 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21	117,446		18,712	
Interest paid		-		(13)	
Net cash inflow from operating activities		<u>117,446</u>		<u>18,699</u>	
Investing activities					
Purchase of intangible assets		(4,660)		(1,458)	
Purchase of tangible fixed assets		<u>(24,411)</u>		<u>(16,422)</u>	
Net cash used in investing activities			(29,071)		(17,880)
Financing activities					
Proceeds from issue of shares		359		-	
Bank loans obtained		<u>50,000</u>		<u>-</u>	
Net cash generated from/(used in) financing activities			50,359		-
Net increase in cash and cash equivalents			138,734		819
Cash and cash equivalents at beginning of year			819		-
Cash and cash equivalents at end of year			<u>139,553</u>		<u>819</u>
Relating to:					
Cash at bank and in hand			139,792		819
Bank overdrafts included in creditors payable within one year			<u>(239)</u>		<u>-</u>

NOTES TO THE FINANCIAL STATEMENTSfor the year ended 30 April 2021

1 Accounting policies**Company information**

Equivio Limited is a private Company limited by shares incorporated in England and Wales. The registered office is Abbots House, Abbey Street, Reading RG1 3BD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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 £1.5 million by The Royal Bank of Scotland plc to meet its short-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, Shoosmiths LLP. The Company therefore continues to prepare its financial statements on the basis of being a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue is recognised in the accounting period in which the performance obligation as per contract with customer is satisfied.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks	over 10 years
------------	---------------

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	over 3 years
Office equipment	over 3 years

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)for the year ended 30 April 2021

1 Accounting policies**1.6 Impairment of fixed assets**

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)for the year ended 30 April 2021

1 Accounting policies***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)for the year ended 30 April 2021

1 Accounting policies***Current tax***

The tax currently 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

1 Accounting policies**1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Motor Finance	1,160,939	72,360
Enforcement services	817,491	-
	<u>1,978,430</u>	<u>72,360</u>
	2021 £	2020 £
Turnover analysed by geographical market		
Revenue within UK	<u>1,978,430</u>	<u>72,360</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	15,000	35,000
Depreciation of owned tangible fixed assets	11,676	2,638
Amortisation of intangible assets	164	170
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	2021 Number	2020 Number
Administrative staffs	<u> </u> 7	<u> </u> 2

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	355,458	36,894
Social security costs	35,408	2,957
Pension costs	8,710	338
	<u> </u>	<u> </u>
	399,576	40,189
	<u> </u>	<u> </u>

6 Directors' remuneration

No remuneration was paid to the Directors.

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2020 - 0).

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u> </u> -	<u> </u> 13
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	<u>(60,360)</u>	<u>(196,781)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(11,468)	(37,388)
Unutilised tax losses carried forward	13,856	39,976
Other non-reversing timing differences	<u>(2,388)</u>	<u>(2,588)</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

9 Intangible fixed assets

	Trademarks £
Cost	
At 1 May 2020	1,458
Additions	<u>4,660</u>
At 30 April 2021	<u>6,118</u>
Amortisation and impairment	
At 1 May 2020	170
Amortisation charged for the year	<u>164</u>
At 30 April 2021	<u>334</u>
Carrying amount	
At 30 April 2021	<u>5,784</u>
At 30 April 2020	<u>1,288</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

10 Tangible fixed assets

	Plant and equipment £	Office equipment £	Total £
Cost			
At 1 May 2020	-	16,422	16,422
Additions	12,606	11,805	24,411
At 30 April 2021	<u>12,606</u>	<u>28,227</u>	<u>40,833</u>
Depreciation and impairment			
At 1 May 2020	-	2,638	2,638
Depreciation charged in the year	3,300	8,376	11,676
At 30 April 2021	<u>3,300</u>	<u>11,014</u>	<u>14,314</u>
Carrying amount			
At 30 April 2021	<u>9,306</u>	<u>17,213</u>	<u>26,519</u>
At 30 April 2020	<u>-</u>	<u>13,784</u>	<u>13,784</u>

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	298,373	55,046
Prepayments and accrued income	304,198	47,352
	<u>602,571</u>	<u>102,398</u>
Amounts falling due after more than one year:		
Other debtors	<u>22,327</u>	<u>12,500</u>
Total debtors	<u>624,898</u>	<u>114,898</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

12 Creditors: amounts falling due within one year	Notes	2021 £	2020 £
Bank loans and overdrafts	14	4,979	-
Trade creditors		714,998	103,012
Taxation and social security		86,944	16,251
Other creditors		125,121	144,000
Accruals and deferred income		76,472	64,306
		<u>1,008,514</u>	<u>327,569</u>

13 Creditors: amounts falling due after more than one year	Notes	2021 £	2020 £
Bank loans and overdrafts	14	45,260	-

14 Loans and overdrafts	2021 £	2020 £
Bank loans	50,000	-
Bank overdrafts	239	-
	<u>50,239</u>	<u>-</u>
Payable within one year	4,979	-
Payable after one year	45,260	-

The bounce back bank loan is obtained for general working capital which are repayable over 60 equal monthly instalments commencing from December 2021 and carries an interest rate of 2.5% p.a.

15 Retirement benefit schemes	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>8,710</u>	<u>338</u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.1p each	360,000	1,000	360	1

There are no special rights attached to the shares. The shares rank pari passu in all respects including as regards voting and rights to participate in dividends or any other distribution, whether of income or capital.

17 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	195,562	110,676
Between two and five years	344,014	286,225
	<u>539,576</u>	<u>396,901</u>

18 Events after the reporting date

Except for the followings, there were no events or transactions that occurred that require adjustments or disclosure in the financial statements.

- The name of the Company was changed from Chartsbridge Group Limited to Equivo Limited with effect from 27 May 2021.
- Shares in the Company were acquired by Shoosmiths LLP on 31 May 2021 by way of acquisition of assets in exchange for shares issued in Equivo Limited resulting in Shoosmiths LLP becoming the majority shareholder with 54% of issued shares in the Company.
- The Company entered into a working capital banking overdraft facility with a limit of £1.5m with Royal Bank of Scotland plc on 22 October 2021.
- The Company was authorised by the Solicitors Regulation Authority (SRA) to undertake reserved legal activities with effect from 31 May 2021.
- The followings Directors were appointed to the board of Directors of the Company on 31 May 2021; Melanie Ann Chell, Stuart Little and James Marlin Taylor.

19 Related party transactions**Transactions with related parties**

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

Name of related party	Nature of relationship
Key management personnel	Directors / Shareholders

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2021

19 Related party transactions

	Description of transaction	Loans Received		Loan Payments	
		2021 £	2020 £	2021 £	2020 £
Key management personnel	Loan given to Company	25,000	190,000	102,760	46,000

Balances with related parties

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £	2020 £	2021 £	2020 £
Key management personnel	-	-	66,240	144,000

20 Ultimate controlling party

As at the balance sheet date the company was jointly controlled by John Ingram and Jonathan Chatfield.

21 Cash generated from operations

	2021 £	2020 £
Loss for the year after tax	(60,360)	(196,781)
Adjustments for:		
Finance costs	-	13
Amortisation and impairment of intangible assets	164	170
Depreciation and impairment of tangible fixed assets	11,676	2,638
Movements in working capital:		
Increase in debtors	(510,000)	(114,897)
Increase in creditors	675,966	327,569
Cash generated from operations	<u>117,446</u>	<u>18,712</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 30 April 2021**22 Analysis of changes in net funds**

	1 May 2020	Cash flows	30 April 2021
	£	£	£
Cash at bank and in hand	819	138,973	139,792
Bank overdrafts	-	(239)	(239)
	<u>819</u>	<u>138,734</u>	<u>139,553</u>
Borrowings excluding overdrafts	-	(50,000)	(50,000)
	<u>819</u>	<u>88,734</u>	<u>89,553</u>