Company No: 11042250 (England and Wales)

EVOLVE SERVICING LIMITED

Annual Report and Financial Statements
For the financial period from 01 May 2021 to 31 December 2021

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS	Peter Nigel Bowen Colin Brown Martin Paul Prigent
REGISTERED OFFICE	Bridgewater Place C/O Evolve Servicing Water Lane Leeds LS11 5DR United Kingdom
COMPANY NUMBER	11042250 (England and Wales)
AUDITOR	Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2
BANKERS	NatWest Leeds City Office 8 Park Row Leeds LS1 5HD

The directors present their annual report and the audited financial statements of the Company for the financial period ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial period was provision of insolvency services. The principal activity of the business is not expected to change in the foreseeable future.

GOING CONCERN

The Company earned a profit after taxation during the financial period totaling £309,690 (2020: £1,937,272) and had net asset at the financial year end of £2,655,026 (2020: net asset £1,937,772).

The company has sufficient cash reserves to ensure that it can meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors feel it appropriate to continue to adopt the going concern basis of accounting.

Results and dividends

The profit for the year amounted to £1,937,272.

The Directors declared a dividend of £Nil in the period ended 31/12/2021 (year ended 30th April 2021: £1,247,580). No further dividends have been declared post year end to the date of signing of these financial statements.

DIRECTORS

The directors, who served during the financial period and to the date of this report except as noted, were as follows:

Peter Nigel Bowen	
David James Boyd	(Resigned 17 December 2021)
Colin Brown	(Appointed 17 December 2021)
Keith Froud	(Resigned 17 December 2021)
Martin Paul Prigent	(Appointed 17 December 2021)
Lee Ranson	(Resigned 17 December 2021)
Graham Edward Richardson	(Resigned 17 December 2021)

AUDITOR

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

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

A resolution to reappoint Deloitte Ireland LLP will be proposed at the forthcoming Annual General Meeting.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

Colin Brown
Director

Bridgewater Place
C/O Evolve Servicing
Water Lane
Leeds
LS11 5DR
United Kingdom

14 December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under the law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless 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 for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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. The directors 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.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of Evolve Servicing Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Evolve Servicing Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Deloitte.

Independent auditor's report to the members of Evolve Servicing Limited

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

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

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

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

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

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

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

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

We discussed among the audit engagement team [including relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Deloitte.

Independent auditor's report to the members of Evolve Servicing Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in [the 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 directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.

Daniel Murray

Daniel Murray (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland

22 December 2022

EVOLVE SERVICING LIMITED

INCOME STATEMENT
FOR THE FINANCIAL PERIOD FROM 01 MAY 2021 TO 31 DECEMBER 2021

	Note	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
		£	£
Turnover		**2,315,258**	**4,776,853**
Cost of sales		(45,296)	(56,788)
Gross profit		**2,269,962**	**4,720,065**
Administrative expenses		(1,429,216)	(2,326,879)
Operating profit and profit before taxation	2	**840,746**	**2,393,186**
Tax on profit	4	(149,542)	(455,914)
Profit for the financial period/year		**691,204**	**1,937,272**

All amounts relate to continuing operations.

There were no items of other comprehensive income or losses for the current period or prior year other than those included in the Income Statement, accordingly no Statement of Comprehensive Income is presented.

The notes on pages 13 to 17 form part of these financial statements.

EVOLVE SERVICING LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31.12.2021	30.04.2021
		£	£
Current assets			
Debtors	6	2,150,267	5,276,781
Cash at bank and in hand	7	827,067	535,083
		2,977,334	**5,811,864**
Creditors			
Amounts falling due within one year	8	(348,358)	(3,874,092)
Net current assets		**2,628,976**	**1,937,772**
Total assets less current liabilities		**2,628,976**	**1,937,772**
Net assets		**2,628,976**	**1,937,772**
Capital and reserves			
Called-up share capital	9	500	500
Profit and loss account		2,628,476	1,937,272
Total shareholder's funds		**2,628,976**	**1,937,772**

The notes on pages 13 to 17 form part of these financial statements.

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

The financial statements of Evolve Servicing Limited (registered number: 11042250) were approved and authorised for issue by the Board of Directors on 14 December 2022. They were signed on its behalf by:

Colin Brown

Colin Brown
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 01 MAY 2021 TO 31 DECEMBER 2021

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 01 May 2020	**500**	**1,247,580**	**1,248,080**
Profit for the financial year	-	1,937,272	1,937,272
Total comprehensive income	**-**	**1,937,272**	**1,937,272**
Dividends paid on equity shares (note 5)	-	(1,247,580)	(1,247,580)
At 30 April 2021	**500**	**1,937,272**	**1,937,772**
At 01 May 2021	**500**	**1,937,272**	**1,937,772**
Profit for the financial period	-	691,204	691,204
Total comprehensive income	**-**	**691,204**	**691,204**
At 31 December 2021	**500**	**2,628,476**	**2,628,976**

The notes on pages 13 to 17 form part of these financial statements.

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial period and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Evolve Servicing Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Bridgewater Place, C/O Evolve Servicing, Water Lane, Leeds, LS11 5DR, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have assessed the Statement of Financial Position and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reporting period length

In the current year the entity changed it's year-end from 30/04/2021 to 31/12/2021 as the entity was acquired by the Aryza Group and determined to conform its year-end to that of the group. Therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Income Statement in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Taxation

Current tax
Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Income Statement, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Operating profit and profit before taxation

For the year ended 30 April 2021, audit fees were borne by the previous parent undertaking, Eversheds Sutherland (International), LLP and not recharged. There were no non-audit services. Also, no directors received any emoluments in respect of the services provided to the Company.

For the year ended 31 December 2021 audit fees were borne by a fellow group entity.

3. Staff number and costs

	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
	Number	**Number**
The average monthly number of employees (including directors) was:		
Legal Advisors	26	26
Administration and support	24	14
	50	**40**

Their aggregate remuneration comprised:

	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
	£	£
Wages and salaries	1,057,603	1,352,683
Social security costs	-	139,577
Other retirement benefit costs	-	62,041
	1,057,603	1,554,301

4. Tax on profit

	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
	£	£
Current tax on profit		
UK corporation tax	149,542	455,914
Total current tax	**149,542**	**455,914**
Total tax on profit	**149,542**	**455,914**

On 17 March 2020, the Provisional Collection of Taxes Act was used to substantively enact a 19% tax rate and accordingly, the deferred tax balances were re-calculated from 17% to 19% at 30 April 2021.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023 as well as introducing a small profits rate of 19%. These rates were substantively enacted via the Finance Bill 2021 on 24 May 2021.

At the Balance Sheet date, it was estimated that the Company's future profits will be applicable to the small profits rate and therefore deferred tax balances as at 31 December 2021 continue to be measured at 19%.

Tax reconciliation

The tax assessed for the period is lower than (2021: higher than) the standard rate of corporation tax in the UK:

	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
	£	£
Profit before taxation	**840,746**	**2,393,186**
Tax on profit at standard UK corporation tax rate of 19.00% (2021: 19.00%)	159,742	454,705
Total tax charge for period/year	**159,742**	**454,705**

5. Dividends on equity shares

	Period from 01.05.2021 to 31.12.2021	Year ended 30.04.2021
	£	£
Amounts recognised as distributions to equity holders in the financial period:		
Final dividend for the financial period ended 31 December 2021 of £Nil (30.04.2021: £2,495.16) per ordinary share	-	1,247,580

6. Debtors

	31.12.2021	30.04.2021
	£	£
Trade debtors	478,711	538,304
Amounts owed by Group undertakings (note 10)	1,500,000	4,730,355
Other debtors	171,556	8,122
	2,150,267	5,276,781

Amounts owed by Group undertakings are repayable on demand and do not bear interest.

7. Cash and cash equivalents

	31.12.2021	30.04.2021
	£	£
Cash at bank and in hand	827,067	535,083

8. Creditors: amounts falling due within one year

	31.12.2021	30.04.2021
	£	£
Trade creditors	195,443	730
Amounts owed to Group undertakings (note 10)	-	3,482,348
Corporation tax	28,976	235,691
Other taxation and social security	64,461	61,871
Other creditors	59,478	93,452
	348,358	3,874,092

Amounts owed to Group undertakings are repayable on demand and do not bear interest.

Other taxation and social security balance is made up of VAT payable £64,461 (30 April 2021: £61,871).

9. Called-up share capital and reserves

	31.12.2021	30.04.2021
	£	£
Allotted, called-up and fully-paid		
500 Ordinary shares of £1.00 each	500	500
Presented as follows:		
Called-up share capital presented as equity	500	500

No director or the secretary had an interest in the share capital of the Company at any time during the year. The company has one class of shares which carry no right to fixed income.

10. Related party transactions

The Company has availed of the exemption provided in FRS 102 Section 33 Related Party Disclosures not to disclose transactions entered into with fellow group companies that are wholly owned within the group of companies of which the Company is a wholly owned member.

11. Events after the Balance Sheet date

There have been no events after the balance sheet date affecting the Company since the financial period.

12. Ultimate controlling party

As at the balance sheet date of 31/12/2021 the company regards Aryza Holdings Limited as its immediate parent company as well as the ultimate controlling party. The largest and smallest group in which the results of the company are consolidated as at balance sheet date is that headed by Aryza Holdings Limited, a company incorporated in the United Kingdom and whose consolidated financial statements are available from Companies House in the United Kingdom.

Post the balance sheet date due to the purchase of the group by Atlas Topco 1 Limited the company's ultimate parent undertaking is Atlas Topco 1 Limited, a company incorporated in the United Kingdom. The address of Atlas Topco 1 Limited is Ropemaker Place, 28 Ropemaker Street, London, England, EC2Y 9HD.