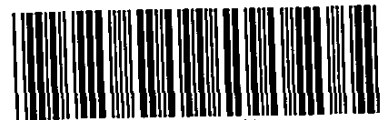


**Registered Number 02950904**

**Evolve Analytics Limited (formerly Revenue  
Assurance Services Limited)  
Annual report and financial statements  
for the year ended 30 April 2013**

FRIDAY



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# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Annual report and financial statements for the year ended 30 April 2013**

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# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Directors and advisers for the year ended 30 April 2013**

### **Directors**

CR Sharples (resigned 29 April 2013)  
D Owens  
D Cruddace  
A Duggan (appointed 29 April 2013)

### **Secretary**

D Humphreys (appointed 12 October 2012)  
L O'Sullivan (resigned 12 October 2012)

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Bankers**

HSBC Bank PLC  
Yorkshire Corporate Bank Centre  
4<sup>th</sup> Floor  
City Point  
29 King Street  
Leeds  
West Yorkshire  
LS1 2HL

### **Solicitors**

Eversheds LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
West Yorkshire  
LS11 5QR

### **Registered Office**

Hertsmere House  
Shenley Road  
Borehamwood  
Hertfordshire  
WD6 1TE

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Directors' report for the year ended 30 April 2013**

The directors present their annual report and the audited financial statements of the company for the year ended 30 April 2013

### **Consolidation exemption**

The company has not prepared consolidated accounts as permitted by Section 400 of the Companies Act 2006, as the company itself is included in the consolidated financial statements of EnServe Group Limited and Cilantro Parent Limited. Consequently the company's financial statements present information about it as an individual undertaking and not about its group.

### **Results and dividends**

The company's profit for the year is £2,168,000 (2012: loss of £24,957,000). Net assets have increased to £1,475,000 (2012: net liabilities of £693,000). The directors are unable to propose an ordinary dividend (2012: nil). Exceptional items of £17,853,000 (2012: £25,082,000) have been incurred in the year. See note 6 for further details.

### **Business review and principal activities**

The principal activity of the company is the provision of consultancy services to utility providers.

Following the acquisition of the trading assets and liabilities of its fellow group company, Morrel Consulting Limited, on 30 April 2012, the company, formerly known as Revenue Assurance Services Limited, has been rebranded as, and has changed its name to Evolve Analytics Limited, pursuant to an extraordinary general meeting on 8 November 2012.

Building from a position as a leading provider of imbalance analysis to the utilities sector, management has initiated development of further analytic offerings thereby expanding its capabilities to existing and new customers.

Performance in the year was again impacted by a shortfall in retail sales and delays in delivering revenue streams from the USA, which would have represented a new revenue stream in the year.

As a consequence of the trading performance in the year management has taken the decision to further impair the carrying value of the investment in Revenue Assurance Consulting Limited by £18,344,000 (2012: £23,452,000) and this is reflected in the income statement as exceptional operating expenses.

### **Principal risks and uncertainties**

The directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risk factors facing the company. In particular the company's performance may be affected by changes in the market and/or economic conditions and changes in legal, regulatory or tax requirement legislation. Additional risks and uncertainties not presently known to the company or that the company currently deems immaterial may also impact the business.

### **Competition (operational and quality risk)**

Certain customers generate material business levels for the company. The loss of a key customer could affect profitability.

### **Key personnel (people risks)**

The company has in place an experienced and motivated senior management team and considers its management team has strength in depth. However the loss of a significant number of key personnel could have an adverse impact on the company's operations, reputation and future prospect.

### **Intellectual property (operation and quality risks)**

The company uses proprietary software tools to analyse data. Whilst substantial efforts are made to ensure security and stability, the loss or theft of such intellectual property could affect the company's competitive position.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Directors' report for the year ended 30 April 2013 (continued)**

### **Principal risks and uncertainties (continued)**

#### **Financial, operational and management information systems (financial risks and operational risks)**

The successful operation of the company's business depends on maintaining the integrity and operation of the company's computer and communications systems. These systems incorporate disaster recovery and resilience planning but are vulnerable to damage or interruption from events which are beyond the control of the company.

#### **Future prospects**

In the future the directors expect the company to trade by providing consultancy services to the utility industry.

#### **Key performance indicators**

The Directors of EnServe Group Limited manage the group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of the group, applicable to all divisions of EnServe Group Limited, which includes the Company, are noted in the Directors' report of the group's annual report, which does not form part of this report.

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

#### **Third party indemnity provision**

A qualifying third party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the directors and the company secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained throughout the financial year.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Directors' report for the year ended 30 April 2013 (continued)**

### **Statement of Directors' Responsibilities (continued)**

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.

### **Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operating existence for the foreseeable future and meet its liabilities as they fall due.

At the balance sheet date the company had net assets of £1,475,000 including balances due to other group undertakings of £3,640,000, all of which are included as current liabilities.

The directors have prepared forecasts and budgets to April 2016, showing that the company will generate operating profits and cash. The company also has cash balances of £1,344,000 at the balance sheet date.

### **Disclosure of information to auditors**

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that the Directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Independent auditors**

A resolution was passed to appoint PricewaterhouseCoopers LLP as independent auditors to the company at a meeting on 23 April 2013.

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



**A Duggan**  
Director  
4 November 2013

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Independent auditors' report to the members of Evolve Analytics Limited**

We have audited the financial statements of Evolve Analytics Limited for the year ended 30 April 2013 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement, the accounting policies, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

### **Independent auditors' report to the members of Evolve Analytics Limited**

#### **Matters on which we are required to report by exception**

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, or



**N W E Boden (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
5 November 2013



# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Income statement for the year ended 30 April 2013**

	Note	2013 £'000	2012 £'000
<b>Revenue</b>		<b>1,256</b>	<b>1,441</b>
Operating expenses		(1,488)	(2,112)
Operating loss before exceptional items		(232)	(671)
Exceptional items	6	(17,853)	(25,082)
<b>Operating loss</b>	4	<b>(18,085)</b>	<b>(25,753)</b>
Interest	7	3	-
Dividend income	7	17,500	636
<b>Loss on ordinary activities before taxation</b>		<b>(582)</b>	<b>(25,117)</b>
Tax on loss on ordinary activities	8	2,750	160
<b>Profit/(loss) for the financial year</b>	17	<b>2,168</b>	<b>(24,957)</b>

All items dealt with in arriving at the profit/ (loss) above relate to continuing activities

The company has not prepared a separate statement of comprehensive income as there are no other recognised gains or losses other than those included in the results above

# Evolve Analytics Limited (formerly Revenue Assurance Services Limited)

## Balance sheet at 30 April 2013

	Note	2013 £'000	2012 £'000
<b>Assets</b>			
Non-current assets			
Plant and equipment	9	148	152
Investments	10	5,000	23,344
Deferred tax assets	11	24	12
		<b>5,172</b>	<b>23,508</b>
Current assets			
Trade and other receivables	12	502	1,500
Cash and cash equivalents		1,344	560
		<b>1,846</b>	<b>2,060</b>
<b>Total assets</b>		<b>7,018</b>	<b>25,568</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	13	(5,543)	(24,575)
Current tax liabilities		-	(1,686)
<b>Total liabilities</b>		<b>(5,543)</b>	<b>(26,261)</b>
<b>Net assets/(liabilities)</b>		<b>1,475</b>	<b>(693)</b>
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	15	12,491	12,491
Share premium	16	3,173	3,173
Accumulated losses	17	(14,189)	(16,357)
<b>Total equity</b>		<b>1,475</b>	<b>(693)</b>

These financial statements on pages 7 to 28 were approved by the Board of Directors and authorised for issue on 4 November 2013

Signed on behalf of the Board of Directors



**A Duggan**  
Director

Company registered number 02950904

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Statement of changes in equity for the year ended 30 April 2013**

	Share capital	Share premium	Retained earnings/ (accumulated losses)	Total
Attributable to the owners of the parent	£'000	£'000	£'000	£'000
Balance at 1 May 2011	12,491	3,173	8,600	24,264
Loss for the year	-	-	(24,957)	(24,957)
Balance at 1 May 2012	12,491	3,173	(16,357)	(693)
Profit for the year	-	-	2,168	2,168
<b>Balance at 30 April 2013</b>	<b>12,491</b>	<b>3,173</b>	<b>(14,189)</b>	<b>1,475</b>

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Cash flow statement for the year ended 30 April 2013**

	Note	2013 £'000	Restated 2012 £'000
<b>Operating activities</b>			
Net cash (used in)/generated from operations	18	(190)	15
Tax		1,052	-
<b>Net cash generated from operating activities</b>		<b>862</b>	<b>15</b>
<b>Investing activities</b>			
Purchase of plant and equipment	9	(81)	(55)
Proceeds from sale of investment		-	2,020
Overdraft transferred on hive up		-	(69)
<b>Net cash (used in)/generated from investing activities</b>		<b>(81)</b>	<b>1,896</b>
<b>Financing activities</b>			
Interest received	7	3	-
Dividends received	7	-	636
<b>Net cash generated from financing activities</b>		<b>3</b>	<b>636</b>
<b>Net increase in cash and cash equivalents</b>		<b>784</b>	<b>2,547</b>
Cash and cash equivalents at the beginning of the year		560	(1,987)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,344</b>	<b>560</b>

In the current and the prior year, cash and cash equivalents represents the net balance of cash

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **1 General information**

Evolve Analytics Limited (formerly Revenue Assurance Services Limited) is a private limited company incorporated and domiciled in the United Kingdom (UK) under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out in the directors' report.

The address of the registered office is Hertsmere House, Shenley Road, Borehamwood, Hertfordshire, WD6 1TE. The registered number of the Company is 02950904.

The company's financial statements are presented in sterling and rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The principal significant accounting policies adopted by the company are set out in note 2. These policies have been consistently applied in all years presented unless otherwise stated.

### **2 Significant accounting policies**

#### **Basis of preparation**

The financial statements of Evolve Analytics Limited (formerly Revenue Assurance Services Limited) have been presented under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 May 2012 that would be expected to have a material impact on the Company. At the date of the authorisation of these consolidated financial statements, the following IFRSs and International Accounting Standards (IAS) have been issued but are not effective for the Company.

<b>International Accounting Standards (IAS/IFRSs)</b>	<b>Effective date</b>
IFRS 7 Amendments - Financial Instruments: Asset and liability offsetting	1 January 2013
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 1 Amendments - Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 12 Amendments - Income taxes	1 January 2013
IAS 19 Amendments - Employee Benefits	1 January 2013
IAS 27 Separate Financial Statements	1 January 2013
IAS 28 Investments in Associates and Joint Ventures	1 January 2013
IAS 32 Amendment - Offsetting Financial Assets and Financial Liabilities	1 January 2014

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **2 Significant accounting policies (continued)**

#### **Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operating existence for the foreseeable future and meet its liabilities as they fall due

At the balance sheet date the company had net assets of £1,475,000 including balances due to other group undertakings of £3,640,000, all of which are included as current liabilities

The directors have prepared forecasts and budgets to April 2016, showing that the company will generate operating profits and cash. The company also has cash balances of £1,344,000 at the balance sheet date

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union

#### **Consolidation exemption**

The company is a wholly-owned subsidiary of EnServe Group Limited and is included in the consolidated financial statements of EnServe Group Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Chapter 4 of part 16 of the Companies Act 2006

#### **Revenue**

Revenue is recognised and accrued at the point there is confirmation from a third party, either customer or market intermediary, that in all likelihood revenue has been earned. The amount recorded is the expected amount receivable until the final commission amount is known. At this point, the commission is billed and the accrued income becomes a debtor of the company for settlement under the agreed payment terms

#### **Pension costs**

The Group operates a number of defined contribution pension schemes. Contributions to defined contribution pension schemes are expensed to the profit and loss account in the year which they relate. The assets of the scheme are held separately from those of the Group in an independently administered fund

#### **Taxation**

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

The tax recoverable is based on the taxable loss for the period. Taxable losses differs from net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items of income or expense that are never taxable or deductible

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **2 Significant accounting policies (continued)**

#### **Taxation (continued)**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit as reported in the income statement.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with as an addition or reduction to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

#### **Exceptional items**

Items that are both material and non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the financial statements are referred to as exceptional costs. Items that may give rise to classification as exceptional costs include, but are not limited to, significant and material restructuring closures and reorganisation programmes, asset impairments and profits or losses on the disposal of businesses. Such items are disclosed separately within the financial statements.

#### **Plant and equipment**

Plant and equipment are stated at historic cost less accumulated depreciation and any recognised impairment loss. Historic cost includes the expenditure that is directly attributable to the acquisition of related assets.

Depreciation is charged so as to write off the cost or valuation of assets over their useful estimated lives, using the straight line method, on the following bases:

Computer hardware	- 25 per cent
Fixtures and fittings	- 15 per cent
Office equipment	- 20 per cent

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **2 Significant accounting policies (continued)**

#### **Plant and equipment (continued)**

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement

#### **Investments**

Investments in subsidiaries are stated at cost less any provision for impairment

#### **Impairment of tangible and intangible fixed assets excluding purchased goodwill**

At each balance sheet date, the Company reviews the carrying values of its investments 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)

The 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 the asset (or CGU) is estimated to be less than its carrying value, the carrying value of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement

#### **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts

#### **Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the Balance sheet date, and are discounted to present value where the effect is material

#### **Financial assets**

Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or as available-for-sale financial assets, as appropriate. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period-end. When financial assets are recognised initially, they are measured at fair value

All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the company commits to purchase or sell the asset. Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place. The subsequent measurement of financial assets depends on their classification, as follows



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# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **2 Significant Accounting policies (continued)**

#### **Financial assets (continued)**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### **Interest bearing loans and borrowings**

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

#### **Leases**

Rentals paid under operating leases are charged to the income statement as incurred. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight line basis over the lease term.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.

### **3 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

---

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **3 Critical accounting estimates and judgements (continued)**

#### **Revenue recognition**

Revenue is recognised and accrued at the point there is confirmation from a third party, either customer or market intermediary, that in all likelihood revenue has been earned. The amount recorded is the expected amount receivable until the final commission amount is known. At this point, the commission is billed and the accrued income becomes a debtor of the company for settlement under the agreed payment terms.

#### **Impairment of investments**

The Group tests annually whether the investment has suffered impairment, in accordance with the stated accounting policy for purchased goodwill. The recoverable amounts of the single cash generating unit (CGU) has been determined based on value in use calculations, which require the use of estimates as referred to in note 6.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **4 Operating loss**

The operating loss for the year is stated after charging

	2013 £'000	2012 £'000
Staff costs (including directors) (note 5)	1,083	1,015
Depreciation of tangible fixed assets – owned (note 9)	85	75
Operating leases (note 19)	34	34
Impairment of investments (note 6)	18,344	23,452
Bad debt write off and redundancy payments (note 6)	724	821

The analysis of auditors' remuneration is as follows

	2013 £'000	2012 £'000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	-	28

The auditor's remuneration for the year ended 30 April 2013 has been borne by the EnServe Group Limited and the group audit fee is disclosed in the financial statements of EnServe Group Limited

### **5 Directors and employees**

	2013 £'000	2012 £'000
The aggregate payroll costs, including directors were		
Wages and salaries	960	907
Social security costs	112	103
Other pension costs	11	5
	1,083	1,015

The average monthly number of full-time, part-time and temporary employees during the year were

	2013 £'000	2012 £'000
Management	7	5
Operations and administration	25	30
	32	35

Each of the directors received emoluments from the company, with the exception of both D Owens and D Cruddace, who are also directors of EnServe Group Limited and their emoluments are disclosed in the annual report of that company. Directors' emoluments paid by the Company for the year totalled £126,256 (2012: £98,113).

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **6 Exceptional items**

	2013 £'000	2012 £'000
<b>Recognised in arriving at operating loss from continuing operations</b>		
Impairment of investments	(18,344)	(23,452)
Bad debt write off	(561)	(754)
Redundancy payments	(163)	(67)
<b>Recognised below operating loss</b>		
Loss on disposal of investment	-	(809)
Write off of intercompany loan	1,215	-
	<b>(17,853)</b>	<b>(25,082)</b>

#### **Intangible fixed assets**

The Company tests its investment in Revenue Assurance Consulting Limited annually for impairment or more frequently if there are indications that the investment might be impaired. At 30 April 2013 the impairment review resulted in an impairment charge of £18,344,000 (2012 £23,452,000) relating to the investment which has been included as an exceptional item within the operating loss in the income statement.

The recoverable amounts of the CGU being the investment, is determined from value in use calculations. This calculation uses post-tax cash flow projections based on financial budgets approved by the Company to April 2016. Cash flows beyond the three year period are extrapolated using the estimated growth rate of 2.5%. The growth rate does not exceed the long term average growth rate for services provided and countries in which the Company operates. The one year post-tax cash flows and terminal value of the CGUs are then discounted at 8.0%, being the estimated pre-tax weighted average cost of capital (WACC) of the EnServe Group. This value is subsequently compared to the carrying value of the CGU. The key assumptions for the prior period were the same as those used for the year ended 30 April 2013.

If the cash flows and terminal value of the CGUs had been discounted at a rate 1% higher of 9%, an impairment charge of £0.3 million would be required in the year ended 30 April 2013. If the EBITA were to decrease by 1% the effect would be negligible.

#### **Bad debt write off**

This relates to a significant write down of a debtor which existed at the previous year end of £561,000 (2012 £754,000). The likelihood of the debt being settled has diminished significantly during the year as a result of an unresolved dispute.

#### **Redundancy payments**

This represents redundancy payments to a number of staff following a several reorganisations.

#### **Loss on disposal of investment in prior year**

The company disposed of its subsidiary, Utility Management (Hull) Services Limited in February 2012, and received proceeds of £2,020,000. The carrying value in the balance sheet at the date of disposal was £2,476,000 and an intercompany debt of £103,000 was written off as part of the transaction. Legal costs associated with the transaction amounted to £250,000. As such a loss on disposal of £809,000 was recognised.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **6 Exceptional items (continued)**

#### **Write off of intercompany loan**

This relates to an intercompany loan due from a fellow Group company which was assessed as being irrecoverable

### **7 Finance income and dividend income**

	2013 £'000	2012 £'000
Interest received	3	-
	2013 £'000	2012 £'000
Dividend income	17,500	636

Dividend income of £17,500,000, in the form of a distribution in kind was received from Revenue Assurance Consulting Limited in settlement of intercompany balances payable of the same amount. Dividend income in the prior year was received from Utility Management (Hull) Services Limited prior to its disposal.

### **8 Tax on loss on ordinary activities**

#### **(a) Tax on loss on ordinary activities**

	2013 £'000	2012 £'000
<b>Current taxation</b>		
Current tax credit	-	376
Adjustment in respect of prior years	2,738	-
Total current tax	2,738	376
<b>Total deferred tax (note 11)</b>	12	(216)
<b>Tax credit on loss of ordinary activities</b>	<b>2,750</b>	<b>160</b>

# Evolve Analytics Limited (formerly Revenue Assurance Services Limited)

## Notes to the financial statements for the year ended 30 April 2013

### 8 Tax on loss on ordinary activities (continued)

#### (b) Factors affecting current tax credit

The tax assessed for the year is lower (2012: lower) than the standard effective rate of corporation tax in the UK for the year ended 2013 of 23.9% (2012: 25.8%). This reconciles as follows:

	2013 £'000	2012 £'000
<b>Loss on ordinary activities before tax:</b>	<b>(582)</b>	<b>(25,117)</b>
Loss on ordinary activities multiplied by the standard rate in the UK of 23.9% (2012: 25.8%)	(139)	6,480
Income not taxable	-	165
Dividend income	4,182	-
Expenses not allowable for tax	(4,076)	(6,275)
Loss on disposal of investment	-	(210)
Losses received from Group entities	45	-
Adjustment in respect of prior years	2,738	-
<b>Current tax credit for the year</b>	<b>2,750</b>	<b>160</b>

#### (c) Factors affecting future tax rates

During the year, as a result of the change in the UK main corporation tax rate to 23% that was substantively enacted on 3 July 2012 and is effective from 1 April 2013, the relevant deferred tax balances have been re-measured at 23% and a weighted average corporation tax rate of 23.9% has been used.

Further reductions to the main rate of corporation tax were announced on the March 2013 Budget and enacted on 2 July 2013. The main rate of corporation tax will reduce from 23% to 21% effective from 1 April 2014, and 20% effective from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **9 Plant and equipment**

	<b>Fixtures, fitting and equipment £'000</b>
<b>Cost</b>	
As at 1 May 2012	469
Additions	81
<b>As at 30 April 2013</b>	<b>550</b>
<b>Accumulated depreciation</b>	
As at 1 May 2012	317
Charge for the year	85
<b>As at 30 April 2013</b>	<b>402</b>
<b>Net book value:</b>	
<b>At 30 April 2013</b>	<b>148</b>
At 30 April 2012	152

### **10 Investments in subsidiaries**

	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>At 1 May</b>	<b>23,344</b>	49,272
Disposal of subsidiary company (note 6)	-	(2,476)
Impairment of investment (note 6)	(18,344)	(23,452)
<b>At 30 April</b>	<b>5,000</b>	23,344

# Evolve Analytics Limited (formerly Revenue Assurance Services Limited)

## Notes to the financial statements for the year ended 30 April 2013

### 11 Deferred tax asset

The following are the major deferred tax assets recognised by the company and the movements thereon during the current and prior reporting year

	Other temporary differences £'000	Accelerated tax depreciation £'000	Total £'000
Balance at 1 May 2011	87	141	228
Credit to the income statement	(87)	(129)	(216)
Balance at 1 May 2012	-	12	12
Charge to income statement	-	12	12
<b>Balance at 30 April 2013</b>	<b>-</b>	<b>24</b>	<b>24</b>

At the balance sheet date the company has unused tax losses of £7,425,000 (2012 £7,425,000) available for offset against future profits. No deferred tax asset has been recognised in respect of £7,425,000 (2012 £7,425,000) due to the unpredictability of future offset against profits. All losses may be carried forward indefinitely.

### 12 Trade and other receivables

	2013 £'000	2012 £'000
<b>Current assets</b>		
Trade receivables	233	356
Less provision for impairment	-	-
Trade receivables – net	233	356
Prepayments and other debtors	56	36
Accrued income	213	1,109
	<b>502</b>	<b>1,500</b>



# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **12 Trade and other receivables (continued)**

The average credit period taken for trade receivables is 56 days (2012 55 days) Accrued income relates to work performed not yet invoiced The amount is recognised when there is sufficient evidence of performance under the related customers' arrangement and the items can be measured at monetary amount within sufficient reliability

Trade receivables that are less than 2 months past due are not considered impaired

As of 30 April 2013, trade receivables of £9,554 were past due but not impaired (2012 £167,000) These relate to one customer for whom there is no recent history of default The ageing analysis of these trade receivables is as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Current	<b>180</b>	189
One to three months	<b>53</b>	163
Four to six months	-	-
Over six months	-	4
	<b>233</b>	356

Movements in the provision for impairment of trade receivables are as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At 1 May	-	98
Utilised during the year	-	(98)
<b>At 30 April</b>	-	-

All the Company's receivables are denominated in UK Sterling

The other classes within trade and other receivables do not contain assets which are considered to be impaired

The maximum exposure to credit risk at the reporting date is the carrying value of each receivable mentioned above The Company does not hold any collateral as security

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **13 Trade and other payables**

	<b>2013 £000</b>	<b>2012 £000</b>
Trade payables and accruals	<b>1,872</b>	618
Other taxation and social security cost	-	64
Amount owed to group undertakings	<b>3,640</b>	22,576
Accruals and other creditors	<b>31</b>	1,317
	<b>5,543</b>	24,575

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 124 days (2012: 68 days). The directors consider that the carrying amount of trade payables approximates to their fair value.

#### **Amounts due to group companies**

These balances are non-interest bearing, have no fixed repayment term and are unsecured.

### **14 Financial instruments**

The company's principal financial instruments comprise loans from group companies and bank overdrafts. The main purpose of these financial liabilities is to raise finance for the company's operations. The company also has loans to and from fellow subsidiaries.

The main risk arising from the company's financial instruments is interest rate risk. There are no significant liquidity, foreign currency or credit risks.

#### **Interest rate risk**

Bank overdrafts bear interest at market rates.

The other financial assets and financial liabilities of the company are non-interest bearing and therefore are not subject to interest rate risk.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **14 Financial instruments (continued)**

#### **Liquidity risk**

EnServe Group Limited and the head office team manage the liquidity risk in the group and they monitor the cash flow position of the group to prevent shortage of funds to meet liabilities when they fall due

#### **Foreign currency risk**

The company has no significant foreign currency risk as very few transactions are carried out in currency other than Sterling

#### **Credit risk**

The Company operates effective credit control procedures in order to minimise exposure to overdue debts. There are credit limits set for all customers that are regularly monitored to ensure appropriateness.

The maturity profile of the financial liabilities of the company as at 30 April 2013 and 30 April 2012 based on contractual undiscounted payments is as follows

#### **Year ended 30 April 2013**

	On demand £'000	Less than 3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Bank overdraft	-	-	-	-	-	-
Amounts due to group companies	-	-	3,640	-	-	3,640
Trade and other payables	1,903	-	-	-	-	1,903
	<b>1,903</b>	<b>-</b>	<b>3,640</b>	<b>-</b>	<b>-</b>	<b>5,543</b>

#### **Year ended 30 April 2012**

	On demand £'000	Less than 3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Bank overdraft	-	-	-	-	-	-
Amounts due to group companies	-	-	22,576	-	-	22,576
Trade and other payables	1,999	-	-	-	-	1,999
	<b>1,999</b>	<b>-</b>	<b>22,576</b>	<b>-</b>	<b>-</b>	<b>24,575</b>

#### **Capital management**

The company's primary capital management objective is to maintain a strong credit rating and healthy capital ratios. The company monitors capital using return on capital employed (ROCE), which is operating profit divided by net assets.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **15 Share capital**

	Ordinary shares of £1.00 each	Nominal value of ordinary shares of £1.00 each £000	Ordinary shares of 25p each	Nominal value of ordinary shares of 25p each £000
	No.		No.	
Issued and fully paid				
As at 1 May 2012	4	-	12,491,628	12,491
As at 30 April 2013	4	-	12,491,628	12,491

### **16 Share premium**

	Share premium £000
As at 1 May 2012 and 30 April 2013	3,173

### **17 Retained earnings**

	Retained earnings/ (accumulated losses) £000
As at 1 May 2011	8,600
Loss for the year	(24,957)
As at 1 May 2012	(16,357)
Profit for the year	2,168
As at 30 April 2013	(14,189)

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **18 Notes to the cash flow statement**

	2013 £000	2012 £000
<b>Operating loss from operations</b>	<b>(18,805)</b>	<b>(25,753)</b>
Decrease in receivables	998	2,048
(Decrease) in inter-company creditor	(18,936)	-
(Decrease)/ increase in creditors	(96)	193
Depreciation of property plant and equipment (note 9)	85	75
Dividend income (note 6)	17,500	-
Impairment of investments (note 6)	18,344	23,452
<b>Net cash (used in)/generated from operations</b>	<b>(190)</b>	<b>15</b>

Dividend income of £17,500,000, was received in the form of a distribution in kind from Revenue Assurance Consulting Limited in settlement of intercompany balances payable of the same amount

### **19 Guarantees and financial commitments**

The Company had entered into a group unlimited cross party bank guarantee between itself and certain of its fellow subsidiary companies. The resultant guarantee amounts to £123,700,000 at 30 April 2013 (2012: £148,700,000). Subsequent to year end the bank debt which the cross party bank guarantee related to has been settled and therefore the cross party guarantee is £nil at the date of signing these financial statements.

The company has outstanding commitments for future aggregate minimum lease payments under non-cancellable operating leases:

	Land and buildings 2013 £000	2012 £000
Expiring		
Within one year	28	34
Between two to five years	-	34
After five years	-	-
	<b>28</b>	<b>68</b>

Operating lease payments represent rentals payable by the company for certain of its office properties. The lease has been negotiated until March 2014. The operating lease payments were transferred from Revenue Assurance Consulting Limited following the hive up on 30 April 2011.

# **Evolve Analytics Limited (formerly Revenue Assurance Services Limited)**

## **Notes to the financial statements for the year ended 30 April 2013**

### **20 Related party transactions**

The following transactions were carried out with related parties

Period-end balances arising from borrowings

	<b>2013 £000</b>	<b>2012 £000</b>
Other subsidiary undertakings of Cilantro Parent Limited	<b>3,640</b>	<b>22,576</b>

### **21 Ultimate controlling party**

#### **Ultimate and immediate parent undertaking**

The immediate parent undertaking is EnServe Group Limited, which is registered in England and Wales

The Company's ultimate parent undertakings are Fourth Cinven Fund (No 1) LP, Fourth Cinven Fund (No 2) LP, Fourth Cinven Fund (No 3 – VCOC) LP, Fourth Cinven Fund (No 4) LP, Fourth Cinven Fund (UB11) LP, Fourth Cinven Fund Co-Investment Partnership, Fourth Cinven (MACIF) Partnership and Fourth Cinven Fund FCPR (together the 'Cinven Funds'), being funds managed or controlled by Cinven Limited, a company incorporated under the laws of England and Wales

Accordingly, the directors consider the Company's ultimate controlling party to be Cinven Limited

Cilantro Midco Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements. EnServe Group Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Cilantro Midco Limited and EnServe Group Limited are available from the Company Secretary at Hertsmere House, Shenley Road, Borehamwood, Hertfordshire, WD6 1TE