

Registration number: 05042894

Evry Financial Service UK Ltd

Annual Report and Unaudited Financial Statements

31 December 2020

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Evry Financial Service UK Ltd

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Evry Financial Service UK Ltd

Directors	S Krebs C Segersven
Registered office	Barbican 200 Aldersgate St. London EC1A 4HD
Solicitors	Norton Rose 3 More London Riverside London SE1 2AQ
Bankers	DNB Bank ASA London Branch 8th Floor The Walbrook Building 25 Walbrook London EC4N 8AF

Evry Financial Service UK Ltd

Directors' Report

for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £56,800 (2019 - £66,223). The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the company is to provide information technology services to the Financial Services sector.

Directors of the Company

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

H Vangdal (resigned 16 December 2021)

H Sjölund (resigned 16 December 2021)

M Blazevic (resigned 16 December 2021)

The following directors were appointed after the year end:

S Krebs (appointed 6 October 2021)

C Segersven (appointed 6 October 2021)

Going concern

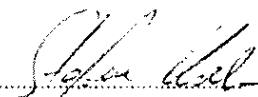
The company is supported by its ultimate parent company, TietoEVRY Oyj, which has confirmed in writing that it will continue to provide financial support to the company as required, in order to enable it to continue to trade and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

In March 2020 the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global health pandemic, which has spread throughout the UK. Global markets and economies have experienced a significant amount of volatility as a result of the pandemic. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The related financial impact of this matter cannot be reasonably estimated at this time, though the directors do not believe it will have material impact on the business given the nature of the trading activities.

Small companies exemptions

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Approved by the Board on ~~21.02.2021~~ 3.10.2021 and signed on its behalf by:



S Krebs
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Evry Financial Service UK Ltd

Statement of Comprehensive Income

for the Year Ended 31 December 2020

		2020 £	2019 £
	Note		
Turnover	2	1,927,840	1,756,898
Administrative expenses		(1,862,089)	(1,674,798)
Other operating income		9,000	-
Operating profit		74,751	82,100
Interest expense		(1,038)	(744)
Interest income		217	1,383
Profit before tax		73,930	82,739
Taxation	4	(17,130)	(16,516)
Profit for the financial year		56,800	66,223

The above results were derived from continuing operations.

The notes on pages 7 to 15 form an integral part of these financial statements.

Evry Financial Service UK Ltd

Statement of Financial Position

as at 31 December 2020

	Note	2020 £	Restated 2019 £
Current assets			
Debtors	5	368,080	413,806
Cash at bank and in hand		<u>136,281</u>	<u>291,086</u>
		504,361	704,892
Creditors: Amounts falling due within one year	6	<u>(80,372)</u>	<u>(337,703)</u>
Net assets		<u>423,989</u>	<u>367,189</u>
Capital and reserves			
Called up share capital	8	35,100	35,100
Profit and loss account		<u>388,889</u>	<u>332,089</u>
Total equity		<u>423,989</u>	<u>367,189</u>

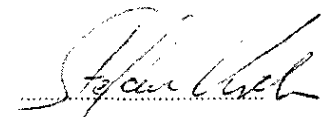
For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 31.03.2021 and signed on its behalf by:



S Krebs
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

Evry Financial Service UK Ltd

Statement of Changes in Equity for the Year Ended 31 December 2020

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 January 2019 (restated)	35,100	265,866	300,966
Profit for the year	-	66,223	66,223
Total comprehensive income	-	66,223	66,223
At 31 December 2019 (restated)	35,100	332,089	367,189
	<i>Share Capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 January 2020 (restated)	35,100	332,089	367,189
Profit for the year	-	56,800	56,800
Total comprehensive income	-	56,800	56,800
At 31 December 2020	35,100	388,889	423,989

The notes on pages 7 to 15 form an integral part of these financial statements.

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 Accounting policies

1.1 Basis of preparation and statement of compliance

Evry Financial Service UK Limited is a private company limited by shares, incorporated and registered in the United Kingdom and domiciled in England and Wales.

The company's registered office is: Barbican, 200 Aldersgate St., London, United Kingdom, EC1A 4HD.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A - small entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

The company is supported by its ultimate parent company, TietoEVERY Oyj, which has confirmed in writing that it will continue to provide financial support to the company as required, in order to enable it to continue to trade and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

In March 2020 the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global health pandemic, which has spread throughout the UK. Global markets and economies have experienced a significant amount of volatility as a result of the pandemic. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The related financial impact of this matter cannot be reasonably estimated at this time, though the directors do not believe it will have material impact on the business given the nature of the trading activities.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover relates to the provision of support services on a "cost plus" basis and is recognised when the related costs have been incurred.

1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 Accounting policies (continued)

1.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1.6 Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.7 Taxation

The tax expense for the year comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 Accounting policies (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8 Cash-settled transactions

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit or loss for the period.

2 Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Provision of support services	<u>1,927,840</u>	<u>1,756,898</u>

All turnover was generated from customers in Norway for support services carried out in the United Kingdom.

3 Staff costs

Staff costs, including director's remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	1,332,473	971,222
Social security costs	175,032	182,862
Cost of defined contribution scheme	<u>67,426</u>	<u>69,901</u>
	<u>1,574,931</u>	<u>1,223,985</u>

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

3 Staff costs (continued)

The average number of persons employed by the company (including directors) during the year, was as follows:

	2020 No.	2019 No.
Administration and support	<u>10</u>	<u>8</u>

4 Taxation

Tax charged in the Statement of Comprehensive Income

	2020 £	2019 £
Current taxation		
UK corporation tax	-	23,277
UK corporation tax adjustment to prior periods	<u>(5,820)</u>	<u>-</u>
	<u>(5,820)</u>	<u>23,277</u>
Deferred taxation		
Origination and reversal of timing differences	25,650	(7,557)
Effect of changes in tax rates	<u>(2,700)</u>	<u>796</u>
	<u>22,950</u>	<u>(6,761)</u>
Total tax as per income statement	<u>17,130</u>	<u>16,516</u>

The tax on profit for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

4 Taxation (continued)

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	73,930	82,739
Corporation tax at standard rate of 19%	14,047	15,720
Expenses not deductible	9	-
Effect of tax losses	11,816	-
Adjustment from prior periods	(5,820)	-
Tax rate changes	(2,700)	796
Share options	(222)	-
	<u>17,130</u>	<u>16,516</u>

As announced in the UK Government's Budget on 3 March 2021 the main UK corporation tax rate will increase to 25% from 1 April 2023. This change has not yet been substantively enacted.

5 Debtors

	2020 £	2019 £
Amounts owed by group undertakings	244,091	350,417
Prepayments	25,224	30,337
Other debtors	75,309	10,102
Corporation tax	23,456	-
Deferred tax assets	-	22,950
	<u>368,080</u>	<u>413,806</u>

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

6 Creditors: amounts falling due within one year

	2020	(Restated) 2019
	£	£
Amounts due to parent company	-	135,000
Corporation tax	-	23,101
Social security and other taxes	-	54,284
Other creditors	80,372	125,318
	<u>80,372</u>	<u>337,703</u>

7 Operating lease

Future minimum rentals payable under non-cancellable operating leases payable for each of the following periods are as follows:

	Land and buildings 2020	Land and buildings 2019
	£	£
Amounts due under leases expiring in not later than one year	<u>98,000</u>	<u>98,000</u>

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Authorised, allotted, called up and fully paid of £1 each	<u>35,100</u>	<u>35,100</u>	<u>35,100</u>	<u>35,100</u>

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

9 Employee share options

The company operates a cash settled share option programme for members of executive management and key employees in specific senior positions, as a company of the TietoEVRY group. One employee was included in the program at 31 December 2019 and there were no remaining employees in the scheme at 31 December 2020.

The share options originally granted were in EVRY ASA, a company which was merged into TietoEVRY Oyj in 2019, at which point the share options were converted to shares in TietoEVRY Oyj with a conversion ratio of 0.1423. This is shown in the restated 2019 figures below.

During the year ended 31 December 2020, 6,785 of the outstanding share options vested in full and were exercised. These shares were distributed from TietoEVRY Oyj and the transaction has been recognised as a cash settled share based payment in Evry Financial Service UK Ltd. All liabilities in respect of this transaction were settled at 31 December 2020.

The remaining 3,393 options were forfeited as the vesting conditions were not met.

	2020	Restated 2019
Options outstanding at 1st January	10,178	71,514
Options converted following group restructure	-	(61,336)
Options exercised (ratio of 1 : 0.1423)	(6,785)	-
Options forfeited	(3,393)	-
Options outstanding at 31st December	<u>-</u>	<u>10,178</u>
Of which fully vested	-	-

Provision is made for employer's social security contributions on the difference between the exercise price of options fully vested and the market value at 31 December 2020. At 31 December 2020, a provision of £nil (2019: £54,284) is included in other creditors.

The fair value of options is calculated when they are granted, and charged to profit and loss over the vesting period of three years. No expense has been recognised in the Statement of Comprehensive Income in relation to the share option programme for the year ended 31 December 2020 (2019: £39,771).

10 Pension commitments

The company operates a defined contributions pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £67,426 (2019 - £69,901). There were no outstanding contributions at the Statement of Financial Position date (2019 -£nil).

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

11 Restatement

A prior year adjustment has been made to correct a material error whereby a liability relating to the employee share options was recognised as a capital contribution reserve in equity in the financial statements for the years ended 31 December 2017 to 31 December 2019. The effect of correcting the error is shown below.

	Note	2019 As originally stated £	Movement £	2019 As restated £
<i>Restatement in the Statement of Financial Position</i>				
Creditors	6	<u>202,703</u>	<u>135,000</u>	<u>337,703</u>
		2019 As originally stated £	Movement £	2019 As restated £
<i>Restatement in the Statement of Changes in Equity</i>				
Capital Contribution Reserve		<u>135,000</u>	<u>(135,000)</u>	<u>-</u>
	Note	2019 As originally stated £	Movement £	2019 As restated £
<i>Restatements in debtors and creditors</i>				
Amounts due to parent company	6	<u>-</u>	<u>135,000</u>	<u>135,000</u>

12 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 33 'Related Party Disclosures' not to disclose transactions entered into between two or more members of the group, as the company is a wholly owned subsidiary undertaking of the group with which it is party to the transactions.

Evry Financial Service UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2020

13 Ultimate parent undertaking and controlling party

The immediate parent of the company is TietoEVERY Norway AS, a company incorporated in Norway.

The ultimate parent and controlling party and parent of the smallest and largest group in which the company's results are included is TietoEVERY Oyj. TietoEVERY Oyj is incorporated in Finland. The financial statements of TietoEVERY Oyj are publicly available and can be obtained from Keilalahdentie 2-4, P.O.Box 2, 02101 Espoo, Finland.