

EVOLVE PARTNERSHIP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

EVOLVE PARTNERSHIP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2021**

DIRECTORS:

D M R Brierley
Mrs M Brierley

REGISTERED OFFICE:

North Farcham Farm
Pook Lane
Wickham
Fareham
Hampshire
PO17 6LU

REGISTERED NUMBER:

06389052 (England and Wales)

BALANCE SHEET
31 OCTOBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	4	103,881	66,482
Tangible assets	5	<u>1,028</u>	<u>633</u>
		<u>104,909</u>	<u>67,115</u>
CURRENT ASSETS			
Debtors	6	277,085	153,648
Cash at bank and in hand		<u>8,625</u>	<u>23,426</u>
		285,710	177,074
CREDITORS			
Amounts falling due within one year	7	<u>(224,460)</u>	<u>(394,249)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>61,250</u>	<u>(217,175)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		166,159	(150,060)
CREDITORS			
Amounts falling due after more than one year	8	<u>(1,094,057)</u>	<u>(284,849)</u>
NET LIABILITIES		<u>(927,898)</u>	<u>(434,909)</u>
CAPITAL AND RESERVES			
Called up share capital	12	111,111	111,111
Share premium		384,999	384,999
Retained earnings		<u>(1,424,008)</u>	<u>(931,019)</u>
SHAREHOLDERS' FUNDS		<u>(927,898)</u>	<u>(434,909)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 OCTOBER 2021

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 6 April 2022 and were signed on its behalf by:

D M R Brierley - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. STATUTORY INFORMATION

Evolve Partnership Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going Concern

On 1 April 2021, the company entered into a three year Convertible Loan Agreement for £800,660 with a number of parties, being a combination of existing shareholders and unconnected lenders. The immediate effect of the agreement was to improve the Net Current Asset position of the company by £800,660, hence significantly improving the immediate liquidity of the company. Further information regarding this transaction may be found in note 9 to the accounts.

The directors have also considered the impact and risk on the company of COVID-19 and the company's prospects, recognising the high degree of uncertainty. The directors have concluded that based on the cash injection from the Convertible Loan Agreement, together with the right management actions and the continued support of the shareholders, the company is a going concern for at least 12 months following the signature of the financial statements. Accordingly the directors have prepared the financial statements on this basis.

Turnover

Turnover represents sales of services net of VAT and trade discounts. Turnover is recognised when the service is physically undertaken.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated over the estimated useful lives of the assets.

Software development	- 20% Straight line
Brand licences	- 10% Straight line
Website and CRM development	- 20% Straight line

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant & machinery	- 25% Reducing balance
Computer equipment	- 33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Government grants

Business Interruption Payment (BIP) under the Coronavirus Business Interruption Loan or Bounce Back Loan scheme: The BIP is payable in respect of the loan interest for the first 12 months, together with any related fees. The accrual model has been used to recognise the income on a systematic basis over the periods in which the related finance costs are incurred. The company has also benefited from the UK government's provision of security for 80% of the loan.

Coronavirus Job Retention Scheme: the accrual model has been used to recognise the grant on a systematic basis over the periods in which the related staff costs are incurred.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

2. ACCOUNTING POLICIES - continued

Financial assets

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

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Basic financial liabilities which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received net of direct issue costs. Dividend's payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 14 (2020 - 14) .

4. INTANGIBLE FIXED ASSETS

	Software development £	Brand Licences £	Website development £	Totals £
COST				
At 1 November 2020	18,800	31,110	53,200	103,110
Additions	-	-	54,024	54,024
At 31 October 2021	18,800	31,110	107,224	157,134
AMORTISATION				
At 1 November 2020	18,800	3,888	13,940	36,628
Amortisation for year	-	3,112	13,513	16,625
At 31 October 2021	18,800	7,000	27,453	53,253
NET BOOK VALUE				
At 31 October 2021	-	24,110	79,771	103,881
At 31 October 2020	-	27,222	39,260	66,482

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 November 2020	6,625	11,927	18,552
Additions	-	1,049	1,049
At 31 October 2021	<u>6,625</u>	<u>12,976</u>	<u>19,601</u>
DEPRECIATION			
At 1 November 2020	6,625	11,294	17,919
Charge for year	-	654	654
At 31 October 2021	<u>6,625</u>	<u>11,948</u>	<u>18,573</u>
NET BOOK VALUE			
At 31 October 2021	<u>-</u>	<u>1,028</u>	<u>1,028</u>
At 31 October 2020	<u>-</u>	<u>633</u>	<u>633</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	73,656	124,194
Other debtors	<u>203,429</u>	<u>29,454</u>
	<u>277,085</u>	<u>153,648</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 9)	8,706	3,932
Trade creditors	162,013	225,476
Taxation and social security	16,133	47,546
Other creditors	<u>37,608</u>	<u>117,295</u>
	<u>224,460</u>	<u>394,249</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 9)	41,294	46,068
Other creditors	<u>1,052,763</u>	<u>238,781</u>
	<u>1,094,057</u>	<u>284,849</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	2021 £	2020 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years		
by instalments	-	6,160
	-	6,160

9. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans - less than 1 year	8,706	3,932
Amounts falling due between one and two years:		
Bank loans - 1-2 years	9,727	9,606
Other loans - 1-2 years	776,618	-
	786,345	9,606
Amounts falling due between two and five years:		
Bank loans - 2-5 years	31,567	30,302
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years		
by instalments	-	6,160
	-	6,160

On 1 April 2021, the company entered into a Convertible Loan Agreement with a number of parties, being a combination of existing shareholders and unconnected lenders. A total loan of £800,660 was made to the company, settled in cash on the date stated. The key terms of the loan are (i) repayable in full either three years after the date of the loan agreement or via a conversion event (being a further fund raise under specified criteria) if earlier; and (ii) interest at 8% pa on a non-compounded basis.

The immediate effect of the agreement was to improve the Net Current Asset position of the company by £800,660, hence significantly improving the immediate liquidity of the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

10. LEASING AGREEMENTS

At the balance sheet date the company had future commitments under operating leases which totalled £9,563 (2020: £26,051).

11. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Trade debt finance	<u>34,864</u>	<u>48,831</u>

The amount due under the trade debt finance arrangement is secured against the assets of the company.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
111,111	Ordinary	£1	<u>111,111</u>	<u>111,111</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.