

COMPANY REGISTRATION NUMBER: 08989062

EVOLVE SECURE SOLUTIONS GROUP LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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EVOLVE SECURE SOLUTIONS GROUP LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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EVOLVE SECURE SOLUTIONS GROUP LTD
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A N Marshall (Served from 1 May 2019 to 26 June 2019)
M Ramzan (Appointed 1 October 2019)
N Kell
K Lewis
A A Watkins

Registered office

Lynton House
7 - 12 Tavistock Square
London
United Kingdom
WC1H 9BQ

Auditor

BDO LLP
Chartered Accountants & Statutory Auditor
3 Hardman Street
Spinningfields
Manchester
M3 3AT

EVOLVE SECURE SOLUTIONS GROUP LTD

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Principal activities and business review

The principal activity of the company during the year was that of a non trading holding company.

The company made a loss for the year of £297,150 (2018: loss £1,753,353), and at the year end has net current liabilities and net liabilities of £346,013 (2018: net liabilities £48,863).

Going concern

The company is a member of the Computer Systems Integration group ("CSI"), a group headed by CSI Topco Limited.

Looking forward to 2020. At the time of writing this report, the worldwide Covid19 pandemic is ongoing with many countries in lockdown and many businesses unable to trade. CSI are seeing some clients reduce IT expenditure, as their business models are impacted. Conversely, many clients are increasing expenditure in Cloud Solutions, as the pandemic has highlighted weaknesses in their in-house infrastructure. CSI has provided many clients with solutions that have enabled them to work flexibly and remotely and are confident that this will lead to further revenue in the future as normality and investment returns.

The Directors believe that the major factors which could impact financial performance have been addressed. CSI is in a good position, given that a high proportion of its income is recurring in nature and contracted for many years, therefore is well placed to absorb the impact of Covid19. At this time, CSI has adequate liquidity and financial resources supported by a healthy forward contracted order book. It also has a proven track record of being able to adapt to changing IT landscapes and assisting clients to do so. On this basis, the Directors have modelled several scenarios and are confident that they can withstand the impact of Covid 19 and maintain the current level of EBITDA earnings in 2020.

Please see note 3 for further details regarding the Directors assessment that the company is a going concern.

Directors

The directors who served the company during the year were as follows:

N Kell

K Lewis

A A Watkins

M Ramzan

(Appointed 1 October 2019)

A N Marshall

(Served from 1 May 2019 to 26 June 2019)

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 10 to the financial statements.

Auditors

BDO LLP were appointed as the company's auditor during the period.

Directors' responsibilities statement

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

EVOLVE SECURE SOLUTIONS GROUP LTD

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

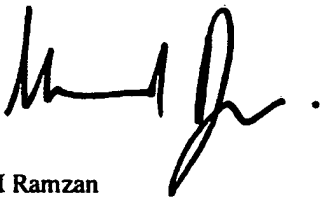
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. By virtue of being a small company, the company is exempt from the requirement to prepare a strategic report.

This report was approved by the board of directors on 4 August 2020 and signed on behalf of the board by:



M Ramzan
Director

Registered office:
Lynton House
7 - 12 Tavistock Square
London
United Kingdom
WC1H 9BQ

EVOLVE SECURE SOLUTIONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE SECURE SOLUTIONS GROUP LTD

YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Evolve Secure Solutions Group Ltd (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

EVOLVE SECURE SOLUTIONS GROUP LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE SECURE SOLUTIONS
GROUP LTD (continued)**

YEAR ENDED 31 DECEMBER 2019

Other Matter

The comparative period figures for the year ended 31 December 2018 are unaudited.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

EVOLVE SECURE SOLUTIONS GROUP LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE SECURE SOLUTIONS
GROUP LTD (continued)**

YEAR ENDED 31 DECEMBER 2019

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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Steven Roberts (Senior Statutory Auditor)

For and on behalf of
BDO LLP
Statutory Auditor
Manchester

Date 05/08/2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EVOLVE SECURE SOLUTIONS GROUP LTD
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Administrative expenses		(403)	—
Operating loss		(403)	—
Impairment of investments		(296,747)	(1,753,353)
Loss before taxation	5	(297,150)	(1,753,353)
Tax on loss		—	—
Loss for the financial year and total comprehensive income		<u>(297,150)</u>	<u>(1,753,353)</u>
Retained losses at the start of the year (as previously reported)		(4,123,847)	(1,311,283)
Prior period adjustments		—	(1,059,211)
Retained losses at the start of the year (restated)		<u>(4,123,847)</u>	<u>(2,370,494)</u>
Retained losses at the end of the year		<u>(4,420,997)</u>	<u>(4,123,847)</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

EVOLVE SECURE SOLUTIONS GROUP LTD

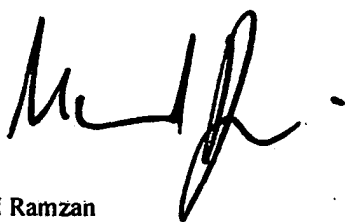
STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	6	—	296,747
Current assets			
Cash at bank and in hand		487	923
Creditors: amounts falling due within one year	7	<u>(346,500)</u>	<u>(346,533)</u>
Net current liabilities		<u>(346,013)</u>	<u>(345,610)</u>
Total assets less current liabilities		<u>(346,013)</u>	<u>(48,863)</u>
Net liabilities		<u>(346,013)</u>	<u>(48,863)</u>
Capital and reserves:			
Called up share capital		1,764,705	1,764,705
Share premium account	8	907,060	907,060
Capital redemption reserve	8	88,235	88,235
Other reserves	8	1,314,984	1,314,984
Profit and loss account	8	<u>(4,420,997)</u>	<u>(4,123,847)</u>
Shareholders deficit		<u>(346,013)</u>	<u>(48,863)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 4 August 2020 and are signed on behalf of the board by:



M Ramzan
Director

Company registration number: 08989062

The notes on pages 9 to 13 form part of these financial statements.

EVOLVE SECURE SOLUTIONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Lynton House, 7 - 12 Tavistock Square, London, WC1H 9BQ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Notwithstanding that, as the year end the company has net current liabilities and net liabilities of £346,013 (2018: £345,610), the directors continue to prepare the financial statements on a going concern basis..

The company is a member of the Computer Systems Integration group ("CSI"), a group headed by CSI Topco Limited.

CSI Topco Limited has confirmed that the group will support the company, in order to ensure that it can meet its liabilities as they fall due, for a minimum period of 12 months from the approval of these financial statements.

Looking forward to 2020. At the time of writing this report, the worldwide Covid19 pandemic is ongoing with many countries in lockdown and many businesses unable to trade. CSI are seeing some clients reduce IT expenditure, as their business models are impacted. Conversely, many clients are increasing expenditure in Cloud Solutions, as the pandemic has highlighted weaknesses in their in-house infrastructure. CSI has provided many clients with solutions that have enabled them to work flexibly and remotely and are confident that this will lead to further revenue in the future as normality and investment returns.

The Directors believe that the major factors which could impact financial performance have been addressed. CSI is in a good position, given that a high proportion of its income is recurring in nature and contracted for many years, therefore is well placed to absorb the impact of Covid19. At this time, CSI has adequate liquidity and financial resources supported by a healthy forward contracted order book. It also has a proven track record of being able to adapt to changing IT landscapes and assisting clients to do so. On this basis, the Directors have modelled several scenarios and are confident that they can withstand the impact of Covid 19 and maintain the current level of EBITDA earnings in 2020.

The directors have reviewed the group's forecasts and projections, taking into account possible changes in trading performance and consider that the group has sufficient resources to meet liabilities as they fall due. The group's facilities have been renewed for the foreseeable future. Consequently, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

EVOLVE SECURE SOLUTIONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

3. Accounting policies *(continued)*

CSI is a Private Equity backed business, with MML Capital Partners being the majority shareholder in the business. The shareholder investment in the group has increased by £2m during the year.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEL State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty 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:

Fixed asset investments - Fixed asset carrying values are assessed for recoverability by reference to the estimated realisable amount and the estimate value in use of the individual investment concerned.

EVOLVE SECURE SOLUTIONS GROUP LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Staff costs

The average number of persons employed by the company during the period, amounted to nil (2018: nil).

5. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Impairment of other fixed asset investments	<u>296,747</u>	<u>1,753,353</u>

6. Investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	<u>2,050,000</u>
Impairment	
At 1 January 2019	1,753,253
Impairment losses	<u>296,747</u>
At 31 December 2019	<u>2,050,000</u>
Carrying amount	
At 31 December 2019	—
At 31 December 2018	<u>296,747</u>

EVOLVE SECURE SOLUTIONS GROUP LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

6. Investments *(continued)*

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Betterment Limited	Ordinary shares	100
Evolve Secure Solutions Limited	Ordinary shares*	100

The registered office of the above undertakings is:
 Lynton House, 7 - 12 Tavistock Square, London, WC1H 9BQ.

* denotes an indirect holding via group undertakings.

The above subsidiary undertakings, along with the company, are included within the financial statements of the ultimate parent company.

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	346,500	346,500
Other creditors	—	33
	<u>346,500</u>	<u>346,533</u>

8. Reserves

Called up share capital - This represents the nominal value of shares that have been issued.

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Other reserve - This reserve records capital contributions received by the company in relation to goodwill assets transferred into the company from its group, less any group balances waived in exchange.

Profit and loss account - This reserve records retained earnings and accumulated losses.

9. Contingencies

The company is party to a cross guarantee, secured by a fixed and floating charge over its assets, in respect of all sums due by itself and fellow group members payable to a creditor in respect of other loans. The secured group borrowing in respect of the other loans, at the reporting date, is £52,708,750 (2018: £38,471,071) plus accrued interest of £697,155 (2018: £1,175,890).

The company is party to a cross guarantee, secured by a fixed and floating charge over its assets, in respect of all sums due by itself and fellow group members to MML Capital Europe VI S.A. The total relevant group payable, at the reporting date, is £44,931,876 (2018: £39,923,730).

EVOLVE SECURE SOLUTIONS GROUP LTD
NOTES TO THE DETAILED INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2019

2019	2018
£	£

10. Events after the end of the reporting period

Subsequent to the year end, the Covid 19 outbreak was declared a pandemic by the World Health Organisation. Consequently the Covid 19 pandemic is a non-adjusting post balance sheet event for the company.

11. Related party transactions

The company has taken advantage of the exemption allowed under the FRS 102 not to disclose related party transactions between wholly owned members of the same group of companies.

12. Controlling party

The immediate parent company is Computer Systems Integration Group Limited.

The ultimate parent company is CSI Topco Limited and the consolidated financial statements of CSI Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The company is controlled by R H Brooks and J A Read by virtue of their control of MML Capital Partners LLP. MML Capital Partners LLP controls CSI Topco Limited via a majority shareholding.