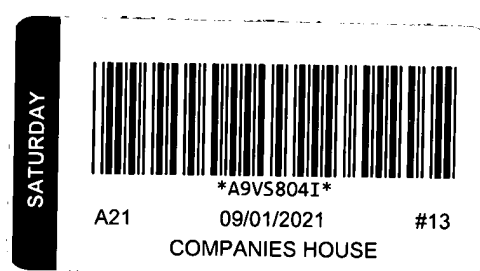


REGISTERED NUMBER: 11672861

EVOLUTION FINCO LIMITED
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

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For the year ended 31 March 2020

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EVOLUTION FINCO LIMITED

COMPANY INFORMATION
For the year ended 31 March 2020

DIRECTORS:	A R Hollyhead P G Roberts
REGISTERED OFFICE:	Unit D Antura Kingsland Business Park Bond Close Basingstoke Hampshire RG24 8PZ
REGISTERED NUMBER:	11672861
AUDITOR:	Deloitte LLP Statutory Auditor Mountbatten House 1 Grosvenor Square Southampton SO15 2BZ
BANKER:	HSBC UK Bank plc 2 nd Floor HSBC House Mitchell Way Southampton SO18 2XU
SOLICITOR:	Stevens & Bolton LLP Wey House Farnham Road Guildford Surrey GU1 4XS

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

STRATEGIC REPORT
For the year ended 31 March 2020

The Directors present their Strategic Report for Evolution Finco Limited (the "Company") for the year ended 31 March 2020. The prior period audited financial statements were for the five-month period ended 31 March 2019.

The Company was incorporated in England and Wales on 12 November 2018.

The Directors, in preparing this report, have complied with s414C of the Companies Act 2006.

Going concern

The financial statements for the year ended 31 March 2020 have been prepared on a going concern basis and a letter of support has been received from its ultimate parent company, Blatchford Group Limited, stating that it is its current intention to make sufficient funding available to enable the Company to continue in operational existence for a period of at least 12 months from the date of this report by meeting its liabilities as they fall due for payment.

For further information on how going concern affects the Company, please see note 1 to these financial statements.

Significant transactions

On 20 November 2018, as part of a Private Equity backed Management Buy-Out, the entire share capital of Stevton (No.664) Limited and Chas. A. Blatchford & Sons Holdings Limited was acquired by Evolution Bidco Limited, an intermediate subsidiary of Blatchford Group Limited (formerly Evolution Topco Limited).

Stevton (No.664) Limited owned 100% of the share capital of Blatchford Products Limited, as well as 100% of Blatchford Inc., Blatchford Europe GmbH and Blatchford SAS. Chas A Blatchford & Sons Holdings Limited owned 100% of Blatchford Limited (formerly Chas A. Blatchford & Sons Limited).

On the same date, Blatchford Limited sold its 68.97% shareholding in Blatchford Norway AS to Evolution Bidco Limited. At this time, the drag right on the put option was enforced and Evolution Bidco Limited acquired the remaining 31.03% shareholding from the non-controlling interest in Blatchford Norway AS.

In order to facilitate the above transaction, Blatchford Group Limited (formerly Evolution Topco Limited) purchased the entire share capital of Evolution Finco Limited on 12 November 2018. On the same day, Evolution Finco Limited purchased 100% of the issued share capital of Evolution Midco Limited (see note 7); who in turn purchased the entire share capital of Evolution Bidco Limited.

On 20 November 2018, the Company issued 1,236,466 £1 Management loan notes at par, totalling £1,236,466 and 12,763,534 £1 Investor loan notes at par, totalling £12,763,534. Both the Management loan notes and the Investor loan notes accrue a 12% interest charge, calculated monthly and compounding annually. For further information on the loan notes please see note 12 to these financial statements.

The ultimate controlling undertaking of the Company is CBPE Capital LLP, a limited liability partnership registered in England and Wales.

Principal activities

The principal activity of the Company in the period under review was the issuing of Investor and Management loan notes on 20 November 2018, following the acquisition by Evolution Bidco Limited, an indirectly held subsidiary of the Company, of the issued share capital of Stevton (No.664) Limited, Chas. A. Blatchford & Sons Holdings Limited (formerly Stevton (No.665) Limited) and Blatchford Norway AS on 20 November 2018.

The subsidiary undertakings affecting the profits or net assets of the Company in the year are listed in note 7 in the Notes to the financial statements.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

STRATEGIC REPORT - continued
For the year ended 31 March 2020

Review of the business and key performance drivers

The loss after taxation for the year ended 31 March 2020 is £1,752,355 (five-month period ended 31 March 2019: £602,959). This amount represents solely the interest payable on the Investor and Management loan notes.

The 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 Company as the Company is predominately a holding Company. The sales activity is managed and reviewed as part of the wider Group strategy and there are no specific KPI's relevant to the further understanding of this Company.

Principal risks and uncertainties facing the Company

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company believes that its current and future projected cash flows is sufficient to comfortably meet all payments as they fall due.

For further information on how liquidity risk affects the Blatchford Group, please see the consolidated accounts of the ultimate parent company as disclosed in note 15 to these financial statements.

Brexit

As the Company holds Investor and Management loan notes, the view of the Directors is that the Company will not be impacted by Brexit.

For further information on how Brexit affects the Blatchford Group, please see the consolidated accounts of the ultimate parent company as disclosed in note 15 to these financial statements.

Covid-19

The Covid-19 outbreak has the potential to cause significant disruption to the UK economy. As the Company is a holding company, the view of the Directors is that the Company will not be impacted by this.

For further information on how Covid-19 affects the Blatchford Group, please see the consolidated accounts of the ultimate parent company as disclosed in note 15 to these financial statements.

Post Balance Sheet Events

There are no post balance sheet events requiring adjustment in or disclosure for in the financial statements.

**EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)**

**STRATEGIC REPORT - continued
For the year ended 31 March 2020**

S.172 Companies Act 2006: Statement of Directors' Duties to Stakeholders

The Directors of the Company have a duty to promote the success of the Company. The Directors of the Company must act in the way they consider, in good faith, to promote success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

Fairness

The Board's policy is to behave responsibly, ethically and fairly at all times towards shareholders and other external stakeholders, in line with our Company values, and to ensure that our management teams operate the business in a responsible and fair manner and to the highest standards of business conduct and good governance.

The Company is committed to enhancing engagement with all our stakeholders through a combination of:

- regular reports and presentations at scheduled monthly Board meetings, including operational reports presented by the Chief Executive and updates from senior management on operational performance, financial performance, strategic progress, people matters (including employee engagement) and health and safety to the representatives of CBPE Capital LLP, the ultimate controlling undertaking of the Company and the Group;
- a rolling agenda of matters to be considered by the Board throughout the year, including a strategy review which considers the purpose of the Company and the Group, and the strategy to be followed which is supported by an annual budget, quarterly reforecasts and a medium-term 3 year financial plan;
- formal consideration of new business leads, business improvement projects and other matters, including any factors which are relevant to major decisions taken by the Board through the year in line with the regularly reviewed Delegation of Authority and Terms of Reference for each Board meeting; and
- further review of many of these topics through risk management processes and other standard Audit Committee and Remuneration Committee meetings.

As an investment company, the Company has no employees and does not engage with suppliers and customers in the normal course of business.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

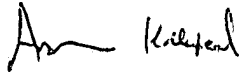
STRATEGIC REPORT - continued
For the year ended 31 March 2020

Future developments

The Company will continue to be a holding and financing company.

The Company is expected to continue to be loss making but has access to sufficient funding via its intermediate subsidiary, Evolution Bidco Limited, who holds the group facility with HSBC UK Bank plc, to continue trading for the foreseeable future.

The Strategic Report was approved by the Board of Directors on 3 December 2020 and signed on its behalf by:



A R Hollyhead
Director

Unit D Antura
Kingsland Business Park
Bond Close
Basingstoke
Hampshire
RG24 8PZ

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

DIRECTORS' REPORT
For the year ended 31 March 2020

Evolution Finco Limited (the "Company") was incorporated in England and Wales on 12 November 2018. The Directors present their report with the audited financial statements of the Company for the year ended 31 March 2020. The prior period audited financial statements were for the five-month period ended 31 March 2019.

Principal activity

The Company will continue to hold and issue Investor and Management loan notes.

Existence of branches

The Company has no branches.

Financial risk management

Financial risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company believes that its current and future projected cash flows is sufficient to comfortably meet all payments as they fall due.

For further information on how financial risk affects the Blatchford Group, please see the consolidated accounts of the ultimate parent company as disclosed in note 15 to these financial statements.

Brexit and Covid-19

Brexit and Covid-19 are included in Strategic report on page 3 and form part of Directors' report as cross reference.

Future developments

Future developments are included in Strategic report on page 5 and form part of Directors' report as cross reference.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial 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 laws, including FRS 101 "Reduced Disclosure Framework"). 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 and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

DIRECTORS' REPORT - continued
For the year ended 31 March 2020

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The financial statements for the year ended 31 March 2020 have been prepared on a going concern basis. The Company's ultimate parent company, Blatchford Group Limited manages cashflow and funding requirements on a group-wide basis and hence, the going concern assessment has been performed at a Group level. Blatchford Group Limited will make sufficient funding available to enable the Company to continue in operational existence for a period of at least 12 months from the date of this report by meeting its liabilities as they fall due for payment.

The Group meets its day-to-day working capital requirements through its existing cash balances and its banking facilities. Working capital levels are reviewed monthly at the Board Meeting. From 31 December 2019, the Group has started undertaking covenant reporting to HSBC Bank plc, reporting on leverage cover. Based on the current forecast, the Group has sufficient headroom to meet its covenants for a period of at least 12 months from the date of the report.

Covid-19 is not expected to have a significant impact on the Company. Following their assessment, the Directors have concluded they have a reasonable expectation that the Group and Company will be able to operate for at least the next 12 months. As a result, the financial statements have been prepared on a going concern basis.

Directors

The Directors shown below have held office during the year ended 31 March 2020 and up to the date of this report.

P G Roberts	Appointed 7 January 2020
A R Hollyhead	Appointed 4 November 2019
A Stenson	Resigned 18 December 2019
Z A Stephens-Truman	Resigned 5 November 2019

Directors' indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, which is also for the benefit of one or more Directors of any parent, subsidiary or fellow subsidiary. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year, Directors' and Officers' liability insurance in respect of itself and its Directors.

Political donations

The Company has not made any political donations in the year ended 31 March 2020 and the five-month period ended 31 March 2019.

Dividends

No dividends will be distributed for the year ended 31 March 2020 or for the five-month period ended 31 March 2019. The Directors do not recommend the payment of a final dividend.

**EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)**

**DIRECTORS' REPORT - continued
For the year ended 31 March 2020**

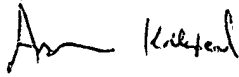
Post Balance Sheet Events

There are no post balance sheet events requiring adjustment in or disclosure for in the financial statements.

Auditor

Deloitte LLP was reappointed auditor to the Company during the year. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

The report was approved by the Board on 3 December 2020 and signed on its behalf by:



A R Hollyhead
Director

Unit D Antura
Kingsland Business Park
Bond Close
Basingstoke
Hampshire
RG24 8PZ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLUTION FINCO LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Evolution Finco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

2. Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matter identified in the current year was the recoverability of receivables from subsidiaries.
Materiality	The materiality that we used in the current year was £280,000 which was determined on the basis of net intercompany balances.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of receivables from subsidiaries

Key audit matter description	Receivables from subsidiaries are stated in the balance sheet at £55.98m. There is a significant level of judgement involved in determining the recoverability of these receivables from subsidiaries based on the financial position and future prospects of the subsidiaries. Further details are included within the critical accounting estimates note in note 2 to the financial statements.
How the scope of our audit responded to the key audit matter	In responding to this key audit matter, we obtained an understanding of relevant controls in place around management's assessment of recoverability of receivables from subsidiaries. We challenged management on whether their judgments regarding the recoverability of receivables from subsidiaries were reasonable and completed the following audit procedures: • obtained management's cash flow projections, challenging key assumptions based on our knowledge of the business and general market conditions, including the impact of Covid-19, affecting the Group undertakings; • challenged management's forecasts of future performance using independently sourced data, historic performance of the business and performance post year end. We considered the potential risk of management bias; • evaluated the historical accuracy of management's forecast by comparing the actual results to forecasts; and • performed sensitivity analysis on the discount rate used in the forecast.
Key observations	Based on the work performed we concluded that receivables from subsidiaries are appropriately stated.

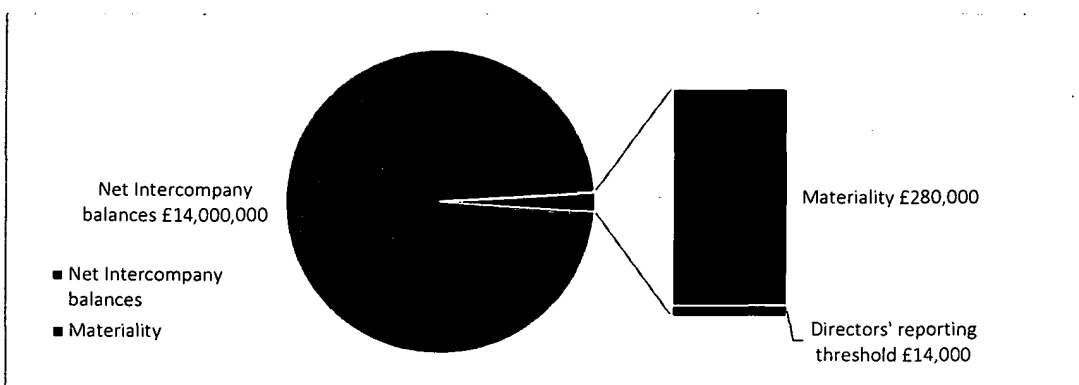
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£280,000
Basis for determining materiality	2% of net intercompany balances
Rationale for the benchmark applied	We determined materiality based on net intercompany balances as the Company acts principally as a holding company, is funded through intercompany balances, there is absence of repayment relating to accumulated balances and any entity specific bank facility.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit. In determining performance materiality, we considered the following factors:

- our understanding of the control environment relevant to the financial reporting process;
- no significant changes during the year against expected business plan; and
- no prior period adjustments.

6.3. Error reporting threshold

We report to the Directors all audit differences in excess of £14,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal controls and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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 respect of these matters.
--

9. 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.

10. Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

12.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

13. 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.



Claire Siviter FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Southampton, United Kingdom
3 December 2020

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2020

		Year ended 31 March 2020	Five-month period ended 31 March 2019
	Notes	£	£
Interest payable and similar charges	4	(1,752,355)	(602,959)
LOSS BEFORE INCOME TAX	5	(1,752,355)	(602,959)
LOSS FOR THE YEAR / PERIOD		(1,752,355)	(602,959)

There were no recognised gains and losses for the year ended 31 March 2020 and for the five-month period ended 31 March 2019 other than those included in the profit and loss account.

There was no other comprehensive income for the year ended 31 March 2020 and for the five-month period ended 31 March 2019.

Loss for the year / period relates to continuing operations.

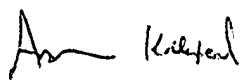
The notes on pages 17 to 24 are an integral part of these financial statements.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

BALANCE SHEET
As at 31 March 2020

		31 March 2020	31 March 2019
	Notes	£	£
ASSETS			
NON-CURRENT ASSETS			
Investments	7	1	1
CURRENT ASSETS			
Trade and other receivables	8	55,976,499	55,934,749
TOTAL ASSETS		55,976,500	55,934,750
CURRENT LIABILITIES			
Trade and other payables	11	(41,976,499)	(41,934,749)
NET CURRENT ASSETS		14,000,000	14,000,000
NON-CURRENT LIABILITIES			
Borrowings	12	(16,355,314)	(14,602,959)
TOTAL LIABILITIES		(58,331,813)	(56,537,708)
NET LIABILITIES		(2,355,313)	(602,958)
EQUITY			
Called up share capital	9	1	1
Retained losses	10	(2,355,314)	(602,959)
TOTAL EQUITY		(2,355,313)	(602,958)

The financial statements of Evolution Finco Limited, registered number 11672861 on pages 14 to 24 were approved by the Board of Directors on 3 December 2020 and authorised for issue. They were signed on its behalf by:



A R Hollyhead
Director

The notes on pages 17 to 24 are an integral part of these financial statements.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Called up share capital £	Retained losses £	Total equity £
Balance at incorporation	1	-	1
Total comprehensive loss for the period Loss for the period	-	(602,959)	(602,959)
Balance at 31 March 2019	1	(602,959)	(602,958)
Total comprehensive loss for the year Loss for the year	-	(1,752,355)	(1,752,355)
Balance at 31 March 2020	1	(2,355,314)	(2,355,313)

The notes on pages 17 to 24 are an integral part of these financial statements.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Evolution Finco Limited is a private company limited by shares, incorporated under the Companies Act 2006 on 12 November 2018 and registered in England and Wales. The registered address of the Company is provided on page 1. The principal activity of the Company is to hold and issue Investor and Management loan notes.

These financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards, including Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' ('FRS 101'), and the Companies Act 2006. The principle accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

Basis of preparation

As the Company was incorporated on 12 November 2018 the amounts presented for the 2019 reporting period are for a five-month period ended 31 March 2019. Consequently, prior period amounts for the profit and loss account, balance sheet, statement of changes in equity, and related notes are not entirely comparable.

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Sterling is the Company's functional and the Company's presentation currency.

The following disclosure exemptions available under FRS 101 have been applied:

- (a) IFRS 7 'Financial Instruments: Disclosures';
- (b) Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16 'Property, Plant and Equipment' and paragraph 118(e) of IAS "Intangible assets";
- (c) the requirements of paragraphs 10(d), 10(f), 16, 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) IAS 7 'Statement of Cash Flows';
- (e) paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- (f) the requirement of paragraph 17 of IAS 24 'Related Party disclosures' (key management compensation);
- (g) the requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- (h) the requirement of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets', provided that the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (i) Paragraph 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities); and
- (j) the capital management disclosure requirements of IAS 1.

The Company is exempt by virtue of s401 of Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about the group.

**EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020**

1. ACCOUNTING POLICIES – continued

Going concern

The financial statements for the year ended 31 March 2020 have been prepared on a going concern basis. The Company's ultimate parent company, Blatchford Group Limited manages cashflow and funding requirements on a group-wide basis and hence, the going concern assessment has been performed at a Group level. Blatchford Group Limited will make sufficient funding available to enable the Company to continue in operational existence for a period of at least 12 months from the date of this report by meeting its liabilities as they fall due for payment.

The Group meets its day-to-day working capital requirements through its existing cash balances and its banking facilities. Working capital levels are reviewed monthly at the Board Meeting. From 31 December 2019, the Group has started undertaking covenant reporting to HSBC Bank plc, reporting on leverage cover. Based on the current forecast, the Group has sufficient headroom to meet its covenants for a period of at least 12 months from the date of the report.

Covid-19 is not expected to have a significant impact on the Company. Following their assessment, the Directors have concluded they have a reasonable expectation that the Group and Company will be able to operate for at least the next 12 months. As a result, the financial statements have been prepared on a going concern basis.

For further information on how going concern affects the Blatchford group, please see the consolidated accounts of the ultimate parent company as disclosed in note 15 to these financial statements.

Investments

Investments in subsidiary undertakings, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Financial liability

Financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Recoverability of intercompany balances.

During the year, the Company considered the recoverability of its intercompany balances. The Company relies on the Group for its funding and the Group is in a going concern position.

Whilst the Group has a net deficit of £12,735,000 as at 31 March 2020, this does not give a true reflection of the Group's immediate position because it includes £91,771,000 of borrowings due in greater than 5 years. The more appropriate measure to use is net current assets, which stand at £13,716,000 at 31 March 2020 (31 March 2019: £19,912,000)

The Group meets its day-to-day working capital requirements through its existing cash balances and its banking facilities. Working capital levels are reviewed monthly at the Board Meeting. The Directors have considered the business activities, together with the factors likely to affect its future development, performance and position, that the Group will continue to generate appropriate levels of funding.

Critical accounting judgements

The Company has no critical accounting judgements.

3. ADMINISTRATIVE EXPENSES

The Directors did not receive any remuneration for their services from the Company in the year ended 31 March 2020 or for the five-month period ended 31 March 2019. The Directors were paid for their services to the Company by other group companies. Please refer to Directors' Report for Directors appointed and resigned during the year.

There were no employees employed directly by the Company during the year (five-month period ended 31 March 2019: nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2020 £	Five-month period ended 31 March 2019 £
Interest on loan notes	1,752,355	602,959

5. LOSS BEFORE INCOME TAX

Audit fees for the year ended 31 March 2020 of £3,000 (five-month period ended 31 March 2019: £3,000) in respect of the audit of the Company's financial statements has been borne by a fellow group company.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6. TAXATION

	Year ended 31 March 2020 £	Five-month period ended 31 March 2019 £
Current tax:		
UK corporation tax on loss for the year / period	-	-
Total current tax	-	-
Deferred tax	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting the tax income

The tax assessed for the year / period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 31 March 2020 £	Five-month period ended 31 March 2019 £
Loss before tax	(1,752,355)	(602,959)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(332,947)	(114,562)
Effects of:		
Expenses not deductible	16,329	6,175
Amounts not recognised	316,618	108,387
Current tax credit	-	-

A deferred tax asset of £425,562 (31 March 2019: £96,978) has not been recognised in respect of the cumulative retained losses at 31 March 2020. There are no temporary differences associated with investments in subsidiaries, for which deferred tax has not been recognised.

The deferred tax rate at 31 March 2020 is 19%. This rate was substantively enacted on 17 March 2020 and repeals the previously enacted 17% tax rate which was due to come into force on 1 April 2020. The future impact of the changes on the deferred tax provision is not considered material.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

7. INVESTMENTS

	2020 £	2019 £
COST		
At 1 April / incorporation	1	-
Additions during the year / period	-	1
At 31 March	1	1
DISPOSALS		
During the year / period	-	-
NET BOOK VALUE		
At 31 March	1	1

The investment represents a direct 100% shareholding in the following company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Evolution Midco Limited	UK ²	Ordinary	100%	Holding company

Details of subsidiaries indirectly held are as follows:

Name	Country of Incorporation	Class of shares	Indirect Holding	Principal activity
Evolution Bidco Limited	UK ²	Ordinary	100%	Financing company
Chas. A. Blatchford & Sons Holdings Limited ¹	UK ²	Ordinary	100%	Holding company
Stevton (No.664) Limited	UK ²	Ordinary	100%	Holding company
Blatchford Limited ⁸	UK ³	Ordinary	100%	Provision of rehabilitation services
Blatchford Products Limited	UK ³	Ordinary	100%	Develop and manufacture of artificial leg components
Blatchford Inc.	USA ⁴	Ordinary	100%	Distributor of artificial leg components
Blatchford Europe GmbH ⁹	Germany ⁵	Ordinary	100%	Distributor of artificial leg components
Blatchford SAS ¹⁰	France ⁶	Ordinary	100%	Distributor of artificial leg components
Medicare Group Limited	UK ³	Ordinary	100%	Dormant
Prostech Limited	UK ³	Ordinary	100%	Dormant
Podo First Limited	UK ³	Ordinary	100%	Dormant
Independent Orthotic Services Limited	UK ³	Ordinary	100%	Dormant

EVOLUTION FINCO LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

7. INVESTMENTS - continued

Name	Country of Incorporation	Class of shares	Holding by Group	Principal activity
Blatchford Norway AS	Norway ⁷	Ordinary	100%	Holding company
Blatchford Ortopedi AS	Norway ⁷	Ordinary	100%	Provision of rehabilitation services
Ortopro AS	Norway ⁷	Ordinary	100%	Distributor of artificial leg components
Blatchford Management and Technology Services Limited	UK ³	Ordinary	100%	Provision of management information services

- 1 Formerly Stevton (No.665) Limited
- 2 Registered address – Unit D Antura, Kingsland Business Park, Bond Close, Basingstoke, Hampshire, RG24 8PZ
- 3 Registered address – Lister Road, Basingstoke, Hampshire, RG22 4AH
- 4 Registered address – 1031 Byers Road, Miamisburg, Ohio 45342, U.S.A.
- 5 Registered address – Fritz-Hornschurch-Str.9 (3. OG), D-95326 Kulmbach, Germany
- 6 Registered address – 4 rue du Marivaux, 75002, Paris, France
- 7 Registered address – Skibåsen 42 B, Sørlandsparken, 4636 Kristiansand, Norway
- 8 Formerly Chas. A. Blatchford & Sons Limited
- 9 Formerly Endolite Deutschland GmbH
- 10 Formerly Endolite France SARL

8. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Current:		
Amounts owed by wholly owned subsidiary undertaking	55,976,499	55,934,749

Current amounts owed by the Company's subsidiary undertakings are unsecured, non-interest bearing and are repayable on demand.

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1	Ordinary Shares	£1.00	1	1

On 12 November 2018, the Company was incorporated with 1 £1 ordinary share.

The holder of the ordinary share has the right to vote at a general meeting of the Company, and to participate in any dividends or any distribution of assets on winding up of the Company.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

10. RESERVES

Retained losses

	2020 £	2019 £
Balance at 1 April 2019 / incorporation	602,959	-
Net loss for the year / period	1,752,355	602,959
	<u>2,355,314</u>	<u>602,959</u>
Balance at 31 March		

11. TRADE AND OTHER PAYABLES

	2020 £	2019 £
Current:		
Amounts owed to parent undertaking	41,976,499	41,934,749

Current amounts owed to the Company's parent undertakings are unsecured, non-interest bearing and are repayable on demand.

12. BORROWINGS

The Company has no contingent liabilities at 31 March 2020 or at 31 March 2019.

	2020 £	2019 £
Non-current:		
Management loan notes	1,444,485	1,289,719
Investor loan notes	14,910,829	13,313,240
	<u>16,355,314</u>	<u>14,602,959</u>

On 20 November 2018, the Company issued 1,236,466 £1 Management loan notes at par, totalling £1,236,466 and 12,763,534 £1 Investor loan notes at par, totalling £12,763,534. Both the Management loan notes and the Investor loan notes accrue a 12% interest charge, calculated monthly and compounding annually. The loan notes are listed on The International Stock Exchange in Guernsey. Interest on the Management and Investor loan notes shall be paid by the sole discretion of the Company, either by the creation and issue of further Management and Investor loan notes on the basis of £1 of Notes for each £1 of accrued interest and any amount withholding taxes deducted on account in respect of that interest or by paying in cash. The Management and Investor loan notes are repayable at the earlier of their ten-year term, redeeming on 20 November 2028 or on the successful completion of an exit by the current shareholders in Blatchford Group Limited, the Company's parent undertaking.

EVOLUTION FINCO LIMITED
(REGISTERED NUMBER: 11672861)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

13. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of Blatchford Group Limited and has taken advantage of the exemption granted by paragraph 8(k) of FRS 101, not to disclose transactions with Blatchford Group Limited group companies or interests of the Group who are related parties.

On 20 November 2018, A Stenson, a former director of the Company was issued with Management loan notes totalling £112,653. At 31 March 2020, A Stenson holds Management loan notes in the Company totalling £112,653, which have accrued interest of £18,952 (five-month period ended 31 March 2019: £4,852).

On 20 November 2018, B S Blatchford, a director of the Company's ultimate parent undertaking, Blatchford Group Limited, was issued with Management loan notes totalling £1,123,813. At 31 March 2020, B S Blatchford holds Management loan notes in the Company totalling £1,123,813, which have accrued interest of £189,067 (five-month period ended 31 March 2019: £48,401).

On 20 November 2018, CBPE Capital LLP, who ultimately controls the Company's parent undertaking, Blatchford Group Limited, was issued with Investor loan notes totalling £12,738,449. At 31 March 2020, CBPE Capital LLP holds Investor loan notes in the Company totalling £12,738,449, which have accrued interest of £2,143,075 (five-month period ended 31 March 2019: £548,626).

On 20 November 2018, other senior management in the Blatchford group were issued with Investor loan notes totalling £25,085. At 31 March 2020, other senior management holds Investor loan notes in the Company totalling £25,085, which have accrued interest of £4,220 (five-month period ended 31 March 2019: £1,080).

14. ULTIMATE PARENT COMPANY

At 31 March 2020 and at 31 March 2019, the immediate and ultimate parent company of Evolution Finco Limited is Blatchford Group Limited, a company incorporated in Jersey. The smallest and largest group which prepares consolidated financial statements of which the Company forms a part, is Blatchford Group Limited, a company incorporated in Jersey. At the date of signing, the Directors consider CBPE Capital LLP to be the ultimate controlling party.

The consolidated financial statements of the ultimate parent company are available to the public and may be obtained from its registered office, 28 Esplanade, St Helier, Jersey, JE2 3QA.

15. POST BALANCE SHEET EVENTS

There are no post balance sheet events requiring adjustment in or disclosure for in the financial statements.