

Registered number: 04323164

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## SOUTHERN BUSINESS TECHNOLOGIES LIMITED

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**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	COMPANIES HOUSE	

**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 04323164**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

Note		2022 £	2021 £
<b>Fixed assets</b>			
Investments	4	1,851,557	1,851,557
		<u>1,851,557</u>	<u>1,851,557</u>
<b>Current assets</b>			
Debtors	5	1,218,879	1,236,929
Cash at bank and in hand	6	4,952	4,115
		<u>1,223,831</u>	<u>1,241,044</u>
Creditors: amounts falling due within one year	7	(2,664,205)	(2,665,362)
<b>Net current liabilities</b>		<u>(1,440,374)</u>	<u>(1,424,318)</u>
<b>Total assets less current liabilities</b>		<u>411,183</u>	<u>427,239</u>
<b>Net assets</b>		<u><u>411,183</u></u>	<u><u>427,239</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	50,000	50,000
Capital redemption reserve		145,000	145,000
Profit and loss account		216,183	232,239
		<u>411,183</u>	<u>427,239</u>

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 04323164**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

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The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

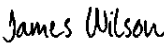
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
893EC068E6D140B ...  
**J N Wilson**  
Director

Date: 23 December 2022

The notes on pages 3 to 9 form part of these financial statements.

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. General information**

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office and principal place of business is:

Glebe Farm  
Down Street  
Dummer  
Hampshire  
RG25 2AD

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Exemption from preparing consolidated financial statements**

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern**

Southern Business Technologies Limited is a subsidiary of Southern Communications Group Limited, which has prepared forecasts, projections and expected cashflows for a period of at least 12 months from the approval of the financial statements to 31 December 2023.

The Group reported a positive EBITDA for the year of £24.7m, with charges for amortization on acquisitions of £21m and an interest payable of £19m contributing to a reported loss for the year of £17.7m, with £3.2m net current liabilities. As at 31 March 2022 the Group financing arrangements consisted of a total committed loan facility of £211.2m, of which £43.5m remained undrawn. £37.3 million of this outstanding balance is within Saint Bidco, the group's immediate parent. This facility is due to expire on the 22 August 2026. The Group extended its Santander senior debt facility by £5.7m on 10th November 2022. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance show that the Group will be able to operate within the level of its facilities to a period to 31 December 2023 of these financial statements and is still expecting to achieve an increase in EBITDA for the period to 31 December 2023. In drawing a conclusion on the Group's ability to continue as a going concern, the Directors have assessed the financial risks to the organization and evaluated a number of scenarios including reverse stress testing covenant compliance. The principal risk to going concern has been identified as inflation, cost of living and their impact on the wider economic environment and the Group.

Financial covenants set by lenders continue to be met and are anticipated to be met for the period to 31 December 2023 and beyond. Covenants in place are cashflow cover and senior net leverage which continue to be met. Forecasts for the group's future performance include continued compliance of these covenants.

In a constantly changing environment an agile approach has been taken, to facilitate our response to changes to organizational risk in a timely and robust manner. This includes both regular and event prompted reviews of risks, regular cash review and management, and staff working in a flexible manner to support the ongoing success of the Company.

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Taxation**

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

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

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**3. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Director	<u>5</u>	<u>5</u>

**4. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2021	<u>1,851,557</u>
At 31 March 2022	<u><u>1,851,557</u></u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Southern Communications Limited	Glebe Farm, Dummer	Ordinary	100%
Alliance Communications Limited	Glebe Farm, Dummer	Ordinary	100%
Southern Data Limited	Glebe Farm, Dummer	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

<b>Name</b>
Southern Communications Limited
Alliance Communications Limited
Southern Data Limited

**5. Debtors**

	<b>2022 £</b>	<b>2021 £</b>
Amounts owed by group undertakings	<b>1,214,591</b>	1,236,929
Other debtors	<b>4,288</b>	-



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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**5. Debtors (continued)**

<u><b>1,218,879</b></u>	<u><b>1,236,929</b></u>
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Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**6. Cash and cash equivalents**

	<b>2022</b> £	<b>2021</b> £
Cash at bank and in hand	<b>4,952</b>	<b>4,115</b>
	<u><b>4,952</b></u>	<u><b>4,115</b></u>

**7. Creditors: Amounts falling due within one year**

	<b>2022</b> £	<b>2021</b> £
Trade creditors	<b>848</b>	<b>462</b>
Amounts owed to group undertakings	<b>2,610,995</b>	<b>2,610,995</b>
Corporation tax	<b>-</b>	<b>4</b>
Other taxation and social security	<b>39,862</b>	<b>44,891</b>
Accruals and deferred income	<b>12,500</b>	<b>9,010</b>
	<u><b>2,664,205</b></u>	<u><b>2,665,362</b></u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**8. Share capital**

	<b>2022</b> £	<b>2021</b> £
<b>Allotted, called up and fully paid</b>		
50,000 (2021 - 50,000) Ordinary shares shares of £1.0 each	<u><b>50,000</b></u>	<u><b>50,000</b></u>

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**SOUTHERN BUSINESS TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**8. Share capital (continued)**

***Ordinary shares have the following rights, preferences and restrictions:***

Ordinary shares have the following rights, preferences and restrictions:

Full voting, dividend and capital distribution (including on the winding up) right; they do not confer any rights of redemption.

**9. Contingent liabilities**

The Company has entered into a cross guarantee arrangement to secure the bank loans of the Southern Communications Group Limited and its subsidiaries. At the year end, the total outstanding facilities were £205,637,194 (2021: £185,618,021).

**10. Related party transactions**

The Company has taken advantage of the exemption from disclosing related party transactions with other companies that are wholly owned within the Group.

**11. Controlling party**

The Company's immediate parent is Southern Communications Holdings Limited, incorporated in England and Wales.

The parent of the smallest and largest group for which consolidated accounts are prepared is Southern Communications Group Limited. These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.

As of the 10th December 2021, the ultimate parent Company is Saint Topco Limited. The Directors believe there to be no ultimate controlling party.