

Amended

Somerset Bridge Ltd

Report and Financial Statements

For the year ended 31 December 2018

Company Registration No. 10427946



Somerset Bridge Ltd
Report and financial statements
For the period ended 31 December 2018

Company information

Company registration number: 10427946

Registered office: Lysander House
Catbrain Lane
Cribbs Causeway
Bristol
BS10 7TQ

Directors: E Bilney
C J Gilligan
A Marshall
T McGiffen (Appointed 25 February 2019)

Auditors: BDO LLP
Registered auditors & Chartered accountants
55 Baker Street
London

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The directors present this report and financial statements for the year ended 31 December 2018.

Somerset Bridge Ltd ("the Company") is a limited company incorporated in England and Wales on 14 October 2016 (registered number 10427946); the Company commenced trading in June 2017.

Principal activity

The Company's principal activity is that of a managing general agent for the provision of insurance, mainly motor insurance, on behalf of a panel of insurers and reinsurers.

Business review

The loss for the period after taxation was £8,823,000 (2017: loss of £95,000). No dividends have been paid for the period (2017: nil).

Future outlook

The directors intend for the Company to continue its current operations and build on its foundations by expanding underwriting capacity provided by its panel of highly rated insurers and reinsurers.

Directors

The directors who served during the period and to the date of signing the accounts were:

E Bilney
C J Gillighan
A Marshall
T McGiffen (appointed 25 February 2019)

Strategic report exemption

The directors have taken advantage of the small companies' exemption as defined under the Companies Act 2006 from the requirement to prepare a Strategic report.

Financial risk management objectives and policies

The Company uses financial instruments such as cash, loans, debtors and creditors in order to finance the Company's operations. The existence of these instruments exposes the Company to financial risks which are detailed below.

Liquidity / cash flow risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably. The Company monitors cash flow using sophisticated forecasting techniques to ensure that all liabilities are met when due.

Interest risk

The Company monitors its banking facilities and compliance with related covenants as required. Company monies are also monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

Credit risk

The principal credit risk for the Company arises from its trade debtors. In order to manage credit risk the directors have incorporated a range of credit control procedures to monitor debt levels and to ensure that any debts are collected as soon as reasonably possible.

Statement of directors' responsibilities

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

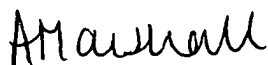
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board and signed on its behalf by:



A Marshall
Director

Date: 3/10/2019

We have audited the financial statements of Somerset Bridge Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 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 2018 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

Other matter

The comparative period figures for the period ended 31 December 2017 are unaudited.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 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, 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.

Opinion 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 strategic report or 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 by the parent company, or returns adequate for our audit have not
- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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

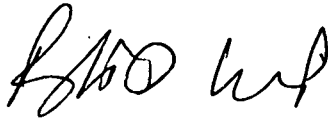
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Somerset Bridge Ltd
Independent auditor's report to the member of Somerset Bridge Ltd
For the year ended 31 December 2018

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.



David Roberts (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
Date 3 October 2019

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

Somerset Bridge Ltd
Statement of comprehensive income
For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	2	5,421	2,536
Gross profit		5,421	2,536
Administrative expenses		(14,166)	(2,631)
Operating loss	3	(8,745)	(95)
Interest payable		(78)	-
Loss on ordinary activities before tax		(8,823)	(95)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period, being total comprehensive income		(8,823)	(95)

The notes on pages 10 to 13 are an integral part of these financial statements.

Somerset Bridge Ltd
Statement of financial position
As at 31 December 2018

		2018	2017
	Note	£'000	£'000
Current assets			
Debtors	6	31,466	6,155
Cash at bank		7,485	1,709
		<u>38,951</u>	<u>7,864</u>
Creditors			
Amounts falling due within one year	7	(26,738)	(7,959)
Variable Commission Provision		<u>(21,131)</u>	<u>-</u>
Net current assets		(8,918)	(95)
Total assets less net current (liabilities)/assets		(8,918)	(95)
Net liabilities		(8,918)	(95)
Capital and reserves			
Share capital	8	-	-
Profit and loss account		<u>(8,918)</u>	<u>(95)</u>
Shareholders' deficit		(8,918)	(95)

The notes on pages 10 to 13 are an integral part of these financial statements.

The financial statements were approved by the board of directors and were signed on its behalf by:

A Marshall
Director

Date: 3/10/2019

Company registration number: 10427946

Somerset Bridge Ltd
Statement of changes in equity
For the year ended 31 December 2018

	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 1st January 2018	-	(95)	(95)
Comprehensive income for the year			
Loss for the year	-	(8,823)	(8,823)
Total comprehensive income	-	(8,823)	(8,823)
Contributions by and distributions to owners	-	-	-
As at 31 December 2018	-	(8,918)	(8,918)

	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 14 October 2016	-	-	-
Comprehensive income for the year			
Loss for the year	-	(95)	(95)
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	(95)	(95)
Contributions by and distributions to owners	-	-	-
As at 31 December 2017	-	(95)	(95)

The notes on pages 10 to 13 are an integral part of these financial statements.

Somerset Bridge Ltd
Statement of cash flows
For the year ended 31 December 2018

	2018 £'000	2017 £'000
Cash flow from operating activities		
Profit/ (Loss) before tax	(8,823)	(95)
Adjustments for:		
Net interest (receivable / payable)	(78)	
Decrease/(increase) in debtors	(25,311)	(6,155)
Increase/(decrease) in creditors	18,779	7,959
Increase/(decrease) in Provision	21,131	-
Tax payable	-	-
Cash generated from / (used in) operating activities	<u>5,698</u>	<u>1,709</u>
Cash flows from financing activities		
Interest paid	<u>78</u>	<u>-</u>
Net cash used in financing activities	<u>78</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	5,776	1,709
Cash and cash equivalents at the beginning of the year	<u>1,709</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u>7,485</u>	<u>1,709</u>

The notes on pages 10 to 13 are an integral part of these financial statements.

Filing of amended accounts

These statutory accounts are resubmitted to correct a transposition error on the Statement of Financial Position which showed the Net Liabilities Position as (£30m) rather than (£8m). Please note that there are no amendments to any individual items on the Statement of Financial Position, nor to the results or financial commentary in these financial statements. The resubmission has been made in accordance with Statutory Instrument 2008 No. 373.

Statutory accounts for the year ended 31 December 2018 were submitted to Companies House on 1st October 2019. These Statutory accounts replace any previous version, and have been resigned as at 3rd October 2019, but are prepared as they were at the date of the original accounts (1st October 2019).

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of the Financial Reporting Standard 102 ("FRS 102 1A"), the Financial Reporting Standard applicable to smaller entities in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

1.2 Going concern basis

The Company reports a net liabilities position at the end of the reporting period, which reflects the initial set up costs associated with launching the business in 2017. As the business grows and expands its panel, it is fully anticipated that the Company will begin to generate profits and move into a net assets position. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis is used in preparing the financial statements.

1.3 Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies; the directors consider one critical accounting estimate to have a significant level of uncertainty.

Variable commission rate

The commission income earned is based on a variable commission rate determined by reference to the loss ratio for the underwriting period agreed between the Company and the insurer. Prior to final calculation of the loss ratio, management uses techniques to evaluate the best estimate at the year end.

Estimation techniques are used in the calculation of the loss ratio, which represents a projection of the ultimate cost of settling claims that have occurred prior to the balance sheet date and remain unsettled at the balance sheet date. These estimations are revised periodically as underwriting years develop.

1.4 Income recognition

Turnover arises in the UK and comprises commission income and underwriting fee income. Commission income is included based on agreed initial commission rates less a provision for adjustments to the commission rate, based on management's best estimate at the reporting date. Income is also recognised by the Company in respect of services supplied in the form of an underwriting fee, exclusive of value added tax, insurance premium tax and trade discounts.

1.5 Taxation

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise. The current income tax charge is calculated on the basis of the tax rates enacted or substantially enacted at the reporting date.

1.7 Leases

Lease agreements are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of ownership to the lessee; all other leases are classified as operating leases. The Company has no finance leases.

Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

1.8 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets that are measured at cost and amortised cost are assessed for objective evidence of impairment. If evidence is found, an impairment loss is recognised in the income statement.

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, which is an approximation of the amount the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the liability is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

Financial asset and liabilities are offset and the net amount reported in the Statement of financial position where 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.

1.9 Shares

Ordinary shares are classified as equity.

2. Turnover

All income arises in the UK from insurance managing general agency activities.

3. Operating loss

Operating loss is stated after charging:

	2018 £'000	2017 £'000
Fees paid to auditors	20	-
Operating lease rentals	-	19
	<hr/>	<hr/>

4. Staff costs

	2018 £'000	2017 £'000
Wages and salaries	1,168	290
Social security costs	50	9
Other pension costs	6	1
	<hr/>	<hr/>
	1,224	300

The Company has no employees, salaries are paid by a related party and payroll costs are recharged to the Company.

5. Taxation

There is no tax charge for the year. The Company has tax losses available for the offset against future taxable profits.

6. Debtors

	2018 £'000	2017 £'000
Trade debtors	10,571	61
Amounts owed by related parties	20,696	5,525
Prepayments and accrued income	199	569
	31,466	6,155

Amounts owed by related parties are unsecured, interest free and repayable on demand.

7. Creditors

	2018 £'000	2017 £'000
Amounts falling due within one year		
Trade creditors	26,294	7,495
Amounts owed to related parties	154	274
Accruals and deferred income	290	190
	26,738	7,959

Amounts owed to related parties are unsecured, interest free and repayable on demand.

8. Share capital

	2018 £'000	2017 £'000
Allotted, called up and unpaid		
100 ordinary share of £1 each	-	-

9. Financial instruments

	2018 £'000	2017 £'000
Financial assets		
Financial assets measured at amortised cost	38,944	7,234
Financial liabilities		
Liabilities measured at amortised cost	26,448	11,924

10. Related party transactions

	2018 Income £'000	2018 Expense £'000	2017 Income £'000	2017 Expense £'000
Transactions with Group undertakings				
Business Choice Direct Insurance Services Limited	-	-	21	-
Eldon Insurance Services Limited	-	(6,715)	5,237	(1,461)
Rock Services Limited	12,958	(5,150)	2,617	(820)
	<u>12,958</u>	<u>(11,865)</u>	<u>7,875</u>	<u>(2,281)</u>
Transactions with companies sharing key management				
Southern Rock Insurance Company Limited	-	(1,905)	4,155	(4,429)
Somerset Bridge Bermuda Limited	-	(25)	-	-
	<u>-</u>	<u>(1,930)</u>	<u>4,155</u>	<u>(4,429)</u>
	2018 Receivable £'000	2018 Payable £'000	2018 Net £'000	2017 Net £'000
Year end balances arising with Group undertakings				
Business Choice Direct Insurance Services Limited	-	-	-	21
Eldon Insurance Services Limited	-	-	-	3,776
Rock Services Limited	11,216	-	11,216	1,728
	<u>11,216</u>	<u>-</u>	<u>11,216</u>	<u>5,525</u>
Year end balances arising with companies sharing key management				
Southern Rock Insurance Company Limited	-	(154)	(154)	(274)
Somerset Bridge Bermuda Limited	-	(25)	(25)	-
	<u>-</u>	<u>(179)</u>	<u>(179)</u>	<u>(274)</u>

11. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Somerset Bridge Group Limited. The registered address of Somerset Bridge Group Limited is Lysander House Catbrain Lane, Cribbs Causeway, Bristol, BS10 7TQ and the company number is 11737836.

The ultimate controlling party of Somerset Bridge Group Limited is A Banks by virtue of his majority shareholding.