

Somerset Bridge Ltd

Report and unaudited Financial Statements

For the 15 months ended 31 December 2017

Company Registration No. 10427946

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Somerset Bridge Ltd
Report and unaudited financial statements
For the period ended 31 December 2017

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

Somerset Bridge Ltd
Statement of financial position
As at 31 December 2017

	Note	2017 £'000	£'000
Current assets			
Debtors	4	6,155	
Cash at bank		1,709	
		<u>7,864</u>	
Creditors			
Amounts falling due within one year	5	(7,959)	
		<u>(7,959)</u>	
Net liabilities			<u>(95)</u>
Capital and reserves			
Share capital	6	-	
Profit and loss account			(95)
			<u>(95)</u>
Shareholders' deficit			<u>(95)</u>

The notes on pages 4 to 6 are an integral part of these financial statements.

These financial statements are prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the provisions applicable to companies subject to the small companies regime.

For the period ended 31 December 2017, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.


The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the presentation of accounts.

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

E Bilney
Director

Date: 10 July 2018



Company registration number:

10427946

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 in 2018, 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 Summary of disclosure exemptions

The Company has taken advantage of the reduced disclosures for subsidiary entities provided by FRS 102 and has therefore not provided a Statement of cash flows. The Company has also taken advantage of the exemption from disclosing key management personnel compensation.

1.5 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 changes in commission rate, based on management's best estimate at the reporting date. Income is recognised by the Company in respect of services supplied, exclusive of value added tax, insurance premium tax and trade discounts.

1.6 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. Staff costs

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

3. Taxation

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

4. Debtors

	2017 £'000
Amounts owed from related parties	5,525
Prepayments and accrued income	569
	<hr/> 6,155 <hr/>

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

5. Creditors

	2017 £'000
Amounts falling due within one year	
Trade creditors	7,495
Amounts owed to related parties	274
Accruals and deferred income	190
	<hr/> 7,959 <hr/>

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

6. Share capital

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

7. Financial instruments

	2017 £'000
Financial assets	
Financial assets measured at amortised cost	7,234
Financial liabilities	
Liabilities measured at amortised cost	11,924

8. Ultimate parent undertaking and controlling party

The immediate parent company is Somerset Bridge (Bermuda) Limited, (incorporated in Bermuda). The registered address for Somerset Bridge (Bermuda) Limited is 52 Reid Street, Hamilton, HM12, Bermuda. During the period but prior to commencement of trading, the Company was transferred out Eldon Insurance Services Limited group, a company with common ownership.

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