

Somerset Bridge Shared Services Limited

Directors' Report and Financial Statements

For the period ended 31 December 2019

Company Registration No. 12252319



Somerset Bridge Shared Services Limited
Report and audited financial statements
For the period ended 31 December 2019

Company information

Company registration number: 12252319

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

Directors: A Marshall
E Bilney
C Gilligan

Auditors: BDO LLP
Registered Auditors and Chartered Accountants
55 Baker Street
London
W1U 7EU

Somerset Bridge Shared Services Limited
Report and financial statements
For the period ended 31 December 2019

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Somerset Bridge Shared Services Limited
Directors' report
For the period ended 31 December 2019

The directors present their report and the audited financial statements for the period ended 31 December 2019.

Somerset Bridge Shared Services Limited ("the Company") is a limited company incorporated in England and Wales on 9 October 2019 (registered number: 12252319) and is a member of the Somerset Bridge Group Limited group ("the Group").

Principal activity

The Company's principal activity is to provide support services and shared service functions for its fellow Group companies and other related parties.

Results and dividends

The Company was incorporated on 9 October 2019 and began to trade on 1 January 2020. Therefore the Company has nil profit/loss for the period ended 31 December 2019. No dividends were paid during the period.

Business review

The Company was established on 9 October 2019 as part of a corporate reorganisation and did not trade during 2019. On 31 December 2019, as part of that reorganisation, the trade and assets of Rock Services Limited, a sister company within the Group, were transferred to Somerset Bridge Shared Services Limited ("SBSSL") at their net realisable value. This transaction included fixed assets of £0.6m, cash £0.4m, related party balances £0.2m, other debtors £0.7m and creditors of £1.9m i.e. a net value of nil with no gain or loss on transfer. These balances are included in the Company's Statement of Financial Position as at 31 December 2019.

Future outlook

The Company will continue to provide support services and shared service functions for the Group and other related parties in the future with profits generated from a mark up on transactions based on arms-length arrangements.

The Company has not been significantly impacted by Covid-19 pandemic this to date as it acts as cost centre, recharging all the expenses to the other group entities. The Company does not anticipate a sustained negative financial impact on its ability to meet its objectives, although this continues to be monitored closely.

Directors

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

A Marshall	(appointed 9 October 2019)
E Bilney	(appointed 9 October 2019)
C Gilligan	(appointed 9 October 2019)

Principal risks and uncertainties facing the Company

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

Liquidity risk and 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 Group as a whole monitors cash flow using sophisticated forecasting techniques to ensure that all liabilities are met when due.

Interest risk

The Company and Group monitor the banking facilities. Group monies are monitored to minimise interest charges 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.

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.

Directors' indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. This constitutes a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2019 financial period and remain in force for all current and past Directors of the Company.

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.

Provision of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Auditors

The auditors are BDO LLP, who are eligible for re-appointment.

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



A Marshall
Director

Date: 18.12.2020

Opinion

We have audited the financial statements of Somerset Bridge Shared Services Limited ("the Company") for the 12 week period ended 31 December 2019 which comprise the Statement of Financial Position and the Statement of Changes in Equity, and the 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 2019 and of its result for the period 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 information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

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

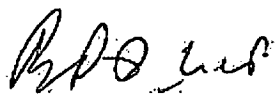
Somerset Bridge Shared Services Limited

Independent Auditor's report to the members of Somerset Bridge Shared Services Limited

For the period ended 31 December 2019

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 18 December 2020

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

Somerset Bridge Shared Services Limited
Statement of financial position
For the period ended 31 December 2019

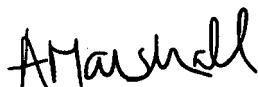
	Note	2019 £'000	£'000
Fixed assets			
Tangible assets	3	543	
			543
Current assets			
Debtors	4	37,090	
Cash at bank		422	
		37,512	
Creditors			
Amounts falling due within one year	5	(38,055)	
Net current assets/(liabilities)			(543)
Net assets			-
Capital and reserves			
Share capital	6		-
Profit and loss account			-
Shareholders' funds			-

The company did not trade during the current period and has made neither profit nor loss, nor any other comprehensive income.

The notes on pages 9 to 12 are an integral part of these financial statements.

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

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



A Marshall
Director

Date: 18.12.2020

Company registration number: 12252319

Somerset Bridge Shared Services Limited
Statement of changes in equity
For the period ended 31 December 2019

	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 9 October 2019	-	-	-
Comprehensive income for the period			
Profit/(Loss) for the period		-	-
Total comprehensive income		-	-
As at 31 December 2019	-	-	-

The notes on pages 9 to 12 are an integral part of these financial statements.

1. General information

Somerset Bridge Shared Services Limited ("the Company") is a limited company incorporated in England and Wales under the Companies Act (Registration no. 12252319). The address of the registered office is Lysander House Catbrain Lane, Cribbs Causeway, Bristol, BS10 7TQ.

The Company was incorporated on 9 October 2019 and this is the first year of accounts.

2. Accounting policies

2.1 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.

2.2 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future as it continues to receive financial support from the group and the ultimate controlling party in order to undertake its operations and meet its obligations as they fall due. Accordingly, the going concern basis is used in preparing the financial statements. The company has nil net assets as it was non-trading during the period and commenced trade from 1 January 2020. It is expected to operate on a (near) breakeven / recharge basis moving forwards.

The Directors have considered the consequences of COVID-19 and other events and conditions, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

2.3 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 do not consider there to be significant level of uncertainty in any estimate used in preparing these accounts.

There are no estimates and judgements that have a significant risk of causing material misstatement of the reported amounts of assets and liabilities or revenues and expenses.

2.4 Cash flow statement

The directors have taken advantage of the small companies' exemption from preparing a cash flow statement, under FRS 102 and the Companies Act 2006.

2.5 Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates calculated to expense the cost of each asset, less their estimated residual value, over the expected useful lives on the following basis:

- Fixtures, fittings and office equipment:	5 years
- Motor vehicles	3 years
- Computer hardware	3 years
- Computer software	3 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.6 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 at 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.

2.7 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.

2.8 Equity

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Tangible fixed assets

	Fixtures, and office equipment £'000	Motor vehicles £'000	Computer hardware £'000	Computer software £'000	Total £'000
Cost					
At 9 October 2019	-	-	-	-	-
Additions	110	17	178	239	543
At 31 December 2019	110	17	178	239	543
Depreciation					
At 31 December 2019	-	-	-	-	-
Net book value					
At 31 December 2019	110	17	178	239	543

4. Debtors

	2019 £'000
Amounts owed by related parties (see note 8)	36,386
Trade debtors	536
Prepayments and accrued income	77
Other debtors	91
	<hr/> 37,090 <hr/>

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

5. Creditors: Amounts falling due within one year

	2019 £'000
Amounts owed to related parties (see note 8)	36,200
Trade creditors	609
Social security and other taxes	743
Other creditors	349
Corporation tax	154
	<hr/> 38,055 <hr/>

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

6. Share capital

	2019 £'000
Allotted, called up and unpaid	
1 ordinary share of £1 each	-
	<hr/>

7. Financial instruments

	2019 £'000
Financial assets	
Financial assets measured at amortised cost	37,435
	<hr/>
Financial liabilities	
Liabilities measured at amortised cost	38,055
	<hr/>

8. Related party transactions

	2019 Receivable £'000	2019 Payable £'000	2019 Net £'000
Year end balances arising from transactions with			
<u>Group companies</u>			
Somerset Bridge Group Limited	24,110	-	24,110
Somerset Bridge Limited	-	(23,568)	(23,568)
Somerset Bridge Insurance Services Limited	-	(9,830)	(9,830)
Business Choice Direct Insurance Services Limited	-	(508)	(508)
	24,110	(33,906)	(9,796)
<u>Companies sharing key management</u>			
Rock Holdings Limited	7,505	-	7,505
Southern Rock Insurance Company Limited	-	(2,294)	(2,294)
Southern Rock Holdings Limited	4,771	-	4,771
	12,276	(2,294)	9,983

9. Post balance sheet events

The Group continues to closely monitor the impacts and uncertainties arising out of the Covid-19 pandemic and the Company remains robust despite the current challenges. The Company's focus since March 2020 has been on protecting its staff, whilst maintaining efficient processes during a Disaster Recovery scenario. In terms of people, the Company quickly moved to home working where at all possible, including front line colleagues, guaranteeing colleagues their usual pay whilst working from home or on furlough.

Overall, neither the Company nor the Group anticipates a sustained negative financial impact on their ability to meet their objectives, although this continues to be monitored closely.

10. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Somerset Bridge Group Limited (incorporated in United Kingdom, December 2018). 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.