

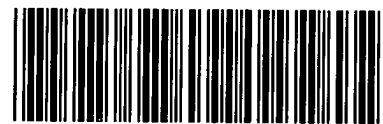
# Somerset Bridge Shared Services Limited

## Annual Report and Financial Statements

For the year ended 31 December 2022

Company Registration No. 12252319

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**Somerset Bridge Shared Services Limited**  
**Report and audited financial statements**  
**For the year ended 31 December 2022**

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**Company information**

**Company registration number:** 12252319

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

**Directors:** D Arnold  
D Duffy

**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 year ended 31 December 2022**

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**Somerset Bridge Shared Services Limited**  
**Directors' report**  
For the year ended 31 December 2022

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The directors present their report and the audited financial statements for the period ended 31 December 2022.

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 profit for the period after taxation was £165,000 (2021: £329,000). No dividends have been paid for the period (2021: nil).

**Directors**

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

D Arnold (appointed 12 October 2022)  
D Duffy (appointed 1 November 2022)  
C Gillighan (resigned 23 January 2023)  
A Marshall (resigned 1 November 2022)

**Equal opportunities**

As an equal opportunities employer, the Company is committed to the equal treatment of all current and prospective employees and does not condone discrimination on the basis of age, disability, sex, sexual orientation, pregnancy and maternity, race or ethnicity, religion or belief, gender identity, gender reassignment, or marriage and civil partnership. Equal employment opportunities are available to all persons, having full regard to their particular skills and abilities. The company is committed to promoting an inclusive culture that values difference and recognises that people from different backgrounds and experiences bring valuable insights to the workplace and contribute to the organisation's success.

**Employee involvement**

The directors believe in encouraging employees to become fully informed of the Company's activities and to be more closely involved in the business and provide ongoing training as necessary. We encourage talented people to join us and help them realise their potential by giving them great opportunities to develop personally, professionally and technically.

The Company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company through presentations, consultations, forums and the use of the Company intranet.

**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. The policy was in force during the 2022 financial year and remains in force for all current and past Directors of the Company.

**Somerset Bridge Shared Services Limited**  
**Directors' report (continued)**  
For the period ended 31 December 2022

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**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:

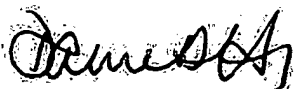
- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing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

D Duffy  
Director



Date: 28 JUNE 2023

**Somerset Bridge Shared Services Limited**  
**Strategic report**  
For the year ended 31 December 2022

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~~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).~~

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**Principal activity**

The Company's principal business activity is that of performing a recharge function for services for the Group and other related parties. The profit of the Company is generated from service charges added to costs and salary recharges to the Group and related parties.

**Business review**

The Company achieved a turnover of £9,206,000 (2021: £12,245,000).

The profit for the year after taxation was £165,000 (2021: £329,000). No dividends have been paid on 2022 performance (2021: £nil).

Other than profit after tax, there are no key performance indicators for the Company as it is a recharge company.

**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 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 financial 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.

***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.

**Future outlook**

The Company will continue to provide support services and shared service functions for the Group.

#### **Section 172(1)-Statement**

Somerset Bridge Shared Services Limited is a support services company which invests in its employees, works closely with its suppliers and partners, supports the communities in which it operates and strives to support the generation of sustainable profits for Group shareholders.

The Directors of the Company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. Section 172 considerations are embedded in decision making at Board and Board Committee level and throughout the Company and Group. Issues, factors and stakeholders which the Directors have considered when discharging their duty under section 172(1) are detailed throughout this Strategic Report. Our mission, objectives and values are set out below. The Directors have engaged and have had regard to our stakeholders and the effect of doing so on principal decisions taken by the Company during the financial year.

The Group draws on its five core values in all aspects of its strategy and operations. The Group recognises the value of its people and culture in achieving SBISL's the mission and purpose. The core values are:

*Innovative – Approaching work with a creative mindset and a passion to do things differently;*

*Collaborative – Developing an environment of harmony and equality where best practices and ideas are shared;*

*Knowledgeable – Demonstrating expertise and curiosity in an environment that nurtures employee development;*

*Fair and Transparent – Building an honest, open and respectful environment where a consistent approach is*

*Efficient – Striving for success through a culture of continuous improvement.*

#### **Stakeholder matters**

The Company's strategy, endorsed by the Board, aims to deliver long-term sustainability for all of our stakeholders. In taking decisions, the Directors carefully consider the balance of interests of the stakeholders who might be affected and any impact on the environment and the Company's reputation. Examples of stakeholder matters to which the Directors have had regard and, where relevant, the effect of their considerations on principal decisions taken by the Board and the Company during 2022 are set out below.

**Employees:** The Board encourages a culture that seeks to empower our people and embraces diversity, inclusion and wellbeing. The Directors believe in encouraging employees to become fully informed of the Company's activities and to be more closely involved in the business and provide ongoing training as necessary. We encourage talented people to join us and help them realise their potential by giving them great opportunities to develop personally, professionally and technically. The Company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company through presentations, consultations, forums and the use of the Company intranet.

**Partners and Suppliers:** The Company aims to maintain highest possible standards of integrity in business relationships and partnerships with suppliers. The Group relies on certain key strategic suppliers to conduct its business and performs ongoing due diligence on those suppliers, with developments and renewals of arrangements reviewed and approved at Board level where applicable.

**Somerset Bridge Shared Services Limited**  
**Strategic report (continued)**  
**For the year ended 31 December 2022**

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**Stakeholder matters (continued)**

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**Shareholders:** The Company believes that engagement with its shareholders is critical to its success. This includes both its ultimate beneficial shareholder and immediate parent undertaking and sister companies within the Somerset Bridge Group. The board engages with shareholders and associated company Directors to communicate on strategy, performance and to receive feedback. Regular Board reporting is provided to the parent company board of directors covering all key stakeholder matters which generates ongoing dialogue between the shareholders and the Company.

**Climate change:** The Company is conscious of the risks and opportunities of climate change including the impact of the business on the environment and potential risks to the business from climate change which is receiving increased scrutiny from regulators and investors.

The Company aims to reduce our environmental footprint and encourage responsible behaviour. Various recycling initiatives have been implemented across our offices and travel reduction has been encouraged between the Group's locations by promoting video and telephone conferencing systems. Our office building is finished to a high specification having regard to the need for sustainability with a BREEAM Excellent rating and has roof mounted solar panels and energy efficient air conditioning units. Furthermore, in 2023, the Bristol office was reduced from three floors to one floor, a move which should see a further improvement on our environmental impact.

**Governance framework**

The stakeholder matters described above are managed by the Board of directors. The Board's risk management system separates risk management into three lines of defence incorporating the responsibilities of the Board and executive team, risk management and internal audit functions. The Board approves the high level system of governance, the risk appetite statements and Company's policies where appropriate. Group policies reflect minimum standards and requirements which are implemented throughout the Group.

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

  
**D Duffy**  
Director

Date: 28 JUNE 2023



**Somerset Bridge Shared Services Limited**

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

For the year ended 31 December 2022

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**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its 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.

We have audited the financial statements of Somerset Bridge Shared Services Limited ("the Company") for the year ended 31 December 2022 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 UK adopted international accounting standards, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Somerset Bridge Shared Services Limited**

**Independent Auditor's report to the members of Somerset Bridge Shared Services Limited (continued)**

**For the year ended 31 December 2022**

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**Other Companies Act 2006 reporting**

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 has 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 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.

***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Somerset Bridge Shared Services Limited**

**Independent Auditor's report to the members of Somerset Bridge Shared Services Limited (continued)**

**For the year ended 31 December 2022**

- 
- reviewed significant audit risks areas (revenue recognition, management override of controls, impairment of investments and goodwill, and going concern) to address the risk of fraudulent manipulation. In particular, we have reviewed accounting estimates for any potential management bias to check the methods utilised are
- enquiries of management;
  - review of minutes of board meetings throughout the period; and
  - review a sample of journal entries made throughout the year.
- 

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Legal and regulatory frameworks determined most significant are:

- Companies Act of 2006
- FRS 102.

Non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We performed procedures including:

- obtaining an understanding of the legal and regulatory framework applicable to the Company's operations;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- enquiring of the Directors and other management of instances of non-compliance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 (continued)**

**For the year ended 31 December 2022**

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**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.

DocuSigned by:



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**Thomas Reed (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: 04 July 2023

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

**Somerset Bridge Shared Services Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2022**

|  | Note     | 2022<br>£'000  | 2021<br>£'000   |
|--|----------|----------------|-----------------|
| <b>Turnover</b>  | <b>3</b> | <b>9,206</b>   | <b>12,245</b>   |
| <b>Administrative expenses</b>   |          | <b>(8,971)</b> | <b>(11,945)</b> |
| <b>Operating Profit</b>  | <b>4</b> | <b>235</b>     | <b>300</b>      |
| <b>Interest receivable/(payable)</b>                                   |          | <b>21</b>      | <b>(1)</b>      |
| <b>Profit on ordinary activities before tax</b>                        |          | <b>256</b>     | <b>299</b>      |
| <b>Tax on profit on ordinary activities</b>                            | <b>7</b> | <b>(91)</b>    | <b>30</b>       |
| <b>Profit for the financial year, being total comprehensive income</b> |          | <b>165</b>     | <b>329</b>      |

The notes on pages 14 to 19 are an integral part of these financial statements.

**Somerset Bridge Shared Services Limited**  
**Statement of financial position**  
**As at 31 December 2022**

|   |      | 2022            | 2021            |
|---|------|-----------------|-----------------|
|   | Note | £'000           | £'000           |
| <b>Fixed assets</b>                     |      |                 |                 |
| Tangible assets                         | 8    | 1,270           | 1,021           |
| <b>Current assets</b>                   |      |                 |                 |
| Debtors                                 | 9    | 32,607          | 48,122          |
| Cash at bank                            |      | 1,636           | 427             |
|   |      | <u>34,243</u>   | <u>48,549</u>   |
| <b>Creditors</b>                        |      |                 |                 |
| Amounts falling due within one year     | 10   | <u>(34,893)</u> | <u>(49,115)</u> |
| <b>Net current assets/(liabilities)</b> |      | <u>(650)</u>    | <u>(566)</u>    |
| <b>Net assets</b>                       |      | <u>620</u>      | <u>455</u>      |
| <b>Capital and reserves</b>             |      |                 |                 |
| Share capital                           | 11   | -               | -               |
| Profit and loss account                 |      | <u>620</u>      | <u>455</u>      |
| <b>Shareholders' funds</b>              |      | <u>620</u>      | <u>455</u>      |

The notes on pages 14 to 19 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:

  
**D Duffy**  
 Director

Date: **28 JUNE 2023**

Company registration number: 12252319

**Somerset Bridge Shared Services Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2022

|  | Share<br>capital<br>£'000 | Profit & loss<br>account<br>£'000 | Total<br>equity<br>£'000 |
|--|---------------------------|-----------------------------------|--------------------------|
| <b>As at 1 January 2022</b>              | -                         | 455                               | 455                      |
| <b>Comprehensive income for the year</b> |                           |                                   |                          |
| Profit/(Loss) for the year               |                           | 165                               | 165                      |
| <b>Total comprehensive income</b>        |                           | 165                               | 165                      |
| <b>As at 31 December 2022</b>            |                           | 620                               | 620                      |
|  | Share<br>capital<br>£'000 | Profit & loss<br>account<br>£'000 | Total<br>equity<br>£'000 |
| <b>As at 1 January 2021</b>              | -                         | 126                               | 126                      |
| <b>Comprehensive income for the year</b> |                           |                                   |                          |
| Profit/(Loss) for the year               |                           | 329                               | 329                      |
| <b>Total comprehensive income</b>        |                           | 329                               | 329                      |
| <b>As at 31 December 2021</b>            |                           | 455                               | 455                      |

The notes on pages 14 to 19 are an integral part of these financial statements.

**Somerset Bridge Shared Services Limited**  
**Statement of cash flows**  
For the year ended 31 December 2022

|   | <b>2022</b>     | <b>2021</b>  |
|---|-----------------|--------------|
|   | <b>£'000</b>    | <b>£'000</b> |
| <b>Cash flow from operating activities</b>                  |                 |              |
| Profit before tax   | <b>256</b>      | 299          |
| Adjustments for:  |                 |              |
| Depreciation and amortisation of fixed assets               | <b>727</b>      | 471          |
| Interest paid   | <b>1</b>        | 1            |
| Interest received   | <b>(21)</b>     | -            |
| Corporation Tax paid  | <b>-</b>        | -            |
| Decrease/(increase) in debtors                              | <b>15,495</b>   | (5,233)      |
| Increase/(decrease) in creditors                            | <b>(14,222)</b> | 4,609        |
| <b>Cash generated from / (used in) operating activities</b> | <b>2,235</b>    | 146          |
| <b>Cash flows from investing activities</b>                 |                 |              |
| Purchase of tangible fixed assets                           | <b>(1,048)</b>  | (760)        |
| Proceeds from sale of tangible fixed assets                 | <b>15</b>       | 15           |
| <b>Net cash from investing activities</b>                   | <b>(1,048)</b>  | (745)        |
| <b>Cash flows from financing activities</b>                 |                 |              |
| Interest Received   | <b>21</b>       | -            |
| Interest Paid   | <b>-</b>        | (1)          |
| <b>Net cash used in financing activities</b>                | <b>21</b>       | (1)          |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>1,208</b>    | (599)        |
| Cash and cash equivalents at the beginning of the year      | <b>428</b>      | 1,027        |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>1,636</b>    | 428          |

The notes on pages 14 to 19 are an integral part of these financial statements.



**Somerset Bridge Shared Services Limited**  
**Notes to the audited financial statements**  
**For the year ended 31 December 2022**

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**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.

**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 trade as a shared service function with costs being recharged out to other operating entities within the Group. Where relevant, costs are recharged at an appropriate mark up, therefore the Company expects to report a profit annually. Accordingly, the going concern basis is used in preparing the financial statements.

**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 Income recognition**

Turnover comprises revenue recognised by the Company in respect of goods and services the cost of which is incurred by the Company and recharged or rechargeable, exclusive of Value Added Tax ("VAT") and trade discounts.

**2.5 Tangible assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates

|  |         |
|--|---------|
| - 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**

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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.

## **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.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which timing differences can be utilised.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

## **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. Turnover**

Turnover comprises recharge income arising in the United Kingdom and Gibraltar.

**Somerset Bridge Shared Services Limited**  
**Notes to the audited financial statements**  
**For the year ended 31 December 2022**

**4. Operating Profit**

Operating Profit is stated after charging the following

|                                 | 2022<br>£'000 | 2021<br>£'000 |
|---------------------------------|---------------|---------------|
| Depreciation of tangible assets | 727           | 454           |
| Operating lease rentals         | 176           | 43            |
| Audit fees                      | 18            | 15            |

**6. Employees**

The average number of employees during the period was 118 (2021: 90 employees) however the company bears no employment costs as these costs (c.£4.3m) are recharged to the relevant company.

**7. Taxation**

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| <b>Current tax</b>                               |               |               |
| UK corporation tax at 19% (2021: 19%)            | -             | -             |
| <b>Deferred tax</b>                              |               |               |
| - Origination and reversal of timing differences | 91            | (30)          |
| Deferred tax (credit)/charge                     | 91            | (30)          |
| Tax (credit)/charge                              | 91            | (30)          |

The tax charge /(credit) on the profit/(loss) for the year is lower (2021: lower) than would arise using the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below.

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| <b>Factors affecting the tax credit for the year:</b>              |               |               |
| Profit/(Loss) before tax   | 256           | 299           |
| Profit/(Loss) before tax multiplied by the UK corporation tax rate | 49            | 57            |
| Effects of:  |               |               |
| - Other tax adjustments, reliefs and transfers                     | 106           | -             |
| - Fixed assets differences   | (60)          | -             |
| - Group relief surrendered/(claimed)                               | -             | (76)          |
| - Remeasurement of deferred tax for changes in tax rates           | (4)           | (11)          |
|  | 91            | (30)          |

**Somerset Bridge Shared Services Limited**  
**Notes to the audited financial statements**  
**For the year ended 31 December 2022**

**8. Tangible fixed assets**

|                                 | Fixtures,<br>Fittings and<br>Office<br>Equipment<br>£'000 | Motor<br>Vehicles<br>£'000 | Computer<br>Hardware<br>£'000 | Computer<br>Software<br>£'000 | Total<br>£'000 |
|---------------------------------|---|----------------------------|-------------------------------|-------------------------------|----------------|
| <b>Cost</b>                     |   |                            |                               |                               |                |
| At 1 January 2022               | 124   | 9                          | 465                           | 1,301                         | 1,899          |
| Additions                       | 15  | -                          | 161                           | 873                           | 1,048          |
| Disposals                       | (1)   | -                          | (37)                          | (73)                          | (112)          |
| <b>At 31 December 2022</b>      | <b>137</b>  | <b>9</b>                   | <b>589</b>                    | <b>2,100</b>                  | <b>2,835</b>   |
| <b>Accumulated Depreciation</b> |   |                            |                               |                               |                |
| At 1 January 2022               | 97  | 9                          | 280                           | 492                           | 877            |
| Charge for the year             | 16  | -                          | 150                           | 562                           | 727            |
| Disposals                       | (1)   | -                          | (37)                          | (0)                           | (40)           |
| <b>At 31 December 2022</b>      | <b>112</b>  | <b>9</b>                   | <b>391</b>                    | <b>1,052</b>                  | <b>1,564</b>   |
| <b>Net book value</b>           |   |                            |                               |                               |                |
| At 31 December 2021             | 27  | -                          | 185                           | 809                           | 1,021          |
| <b>At 31 December 2022</b>      | <b>26</b>   | <b>-</b>                   | <b>197</b>                    | <b>1,048</b>                  | <b>1,270</b>   |

**9. Debtors**

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Amounts falling due within one year</b>      |               |               |
| Amounts owed from related parties (see note 13) | 32,516        | 47,819        |
| Trade debtors                                   | -             | 203           |
| Other debtors                                   | 2             | 4             |
| Deferred tax                                    | 89            | 97            |
|   | <b>32,607</b> | <b>48,122</b> |

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

**10. Creditors:**

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Amounts falling due within one year</b>    |               |               |
| Amounts owed to related parties (see note 13) | 32,770        | 47,216        |
| Trade creditors                               | 1,232         | 964           |
| Social security and other taxes               | 494           | 429           |
| Other creditors                               | 397           | 506           |
| Corporation tax                               | -             | -             |
|   | <b>34,893</b> | <b>49,115</b> |

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

**Somerset Bridge Shared Services Limited**  
**Notes to the audited financial statements (continued)**  
For the year ended 31 December 2022

**11. Share capital**

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Allotted, called up and unpaid<br>100 ordinary shares of £1 each |               |               |

**12. Financial instruments**

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Financial assets</b>                     |               |               |
| Financial assets measured at amortised cost | 34,243        | 48,549        |
| <b>Financial liabilities</b>                |               |               |
| Liabilities measured at amortised cost      | 34,893        | 49,115        |

**13. Transactions with Group Companies**

|   | 2022<br>Income<br>£'000 | 2022<br>Expense<br>£'000 | 2021<br>Income<br>£'000 | 2021<br>Expense<br>£'000 |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| Somerset Bridge Group Limited                 |                         | (204)                    |                         | (614)                    |
| Somerset Bridge Limited                       | 666                     | (34,625)                 | 10,403                  | (26,557)                 |
| Somerset Bridge Insurance Services Limited    | 317                     | (23,726)                 | 1,255                   | (47,724)                 |
|   | 983                     | (58,555)                 | 11,658                  | (74,895)                 |
|   |                         |                          |                         |                          |
|   | 2022<br>Income<br>£'000 | 2022<br>Expense<br>£'000 | 2021<br>Income<br>£'000 | 2021<br>Expense<br>£'000 |
| <b>Transactions with related undertakings</b> |                         |                          |                         |                          |
| Southern Rock Insurance Company Limited       | -                       | (7,863)                  | -                       | (4,969)                  |
| Southern Rock Holdings Limited                | -                       | -                        | -                       | (32)                     |
|   | -                       | (7,863)                  | -                       | (5,001)                  |

The income and expense amounts shown above include payments made by the Company on behalf of group and related undertakings, in which respect the income is not included the Company's Turnover as the underlying expense is not incurred by the Company.

|   | 2022<br>Receivable<br>£'000 | 2022<br>Payable<br>£'000 | 2022<br>Net<br>£'000 | 2021<br>Net<br>£'000 |
|---|-----------------------------|--------------------------|----------------------|----------------------|
| <b>Year end balances arising from<br/>transactions with Group companies</b> |                             |                          |                      |                      |
| Somerset Bridge Group Limited   | 32,285                      |                          | 32,285               | 42,190               |
| Somerset Bridge Limited   | -                           | (8,066)                  | (8,066)              | (24,608)             |
| Somerset Bridge Insurance Services Limited                                  | -                           | (24,704)                 | (24,704)             | (22,608)             |
|   | 32,285                      | (32,770)                 | (485)                | (5,026)              |

**Somerset Bridge Shared Services Limited**  
**Notes to the audited financial statements (continued)**  
**For the year ended 31 December 2022**

**Related party transactions (continued)**

|  | 2022<br>Receivable<br>£'000 | 2022<br>Payable<br>£'000 | 2022<br>Net<br>£'000 | 2021<br>Net<br>£'000 |
|--|-----------------------------|--------------------------|----------------------|----------------------|
| <b>Year end balances arising from transactions with related undertakings</b> |                             |                          |                      |                      |
| Southern Rock Insurance Company Limited                                      | 231                         | -                        | 231                  | 630                  |
| Southern Rock Holdings Limited   | (231)                       | -                        | -                    | 4,998                |
|  | <b>231</b>                  | <b>-</b>                 | <b>231</b>           | <b>5,628</b>         |

**14. Ultimate parent undertaking and controlling party**

The immediate parent undertaking for which group accounts have been prepared is Somerset Bridge Group Limited ("SBGL"). The registered address of SBGL is Lysander House, Catbrain Lane, Cribbs Causeway, Bristol, UK and the company number is 11737836.

The ultimate controlling party of SBGL is Arch Capital Group Limited by virtue of its majority shareholding. The registered address of Arch Capital Group Limited is Waterloo House, 100 Pitts Bay Road, Pembroke HM 08, Bermuda.