
SOPRA STERIA SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



SOPRA STERIA SERVICES LIMITED

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SOPRA STERIA SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr D S Ahluwalia Ms K M Clark-Bracco M P-Y Commanay Mr J J Moran Mr J P Torrie
Company secretary	Mr P A Cashmore
Registered number	2706218
Registered office	Three Cherry Trees Lane Hemel Hempstead Hertfordshire HP2 7AH
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor 45 Church Street Birmingham B3 2RT

SOPRA STERIA SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

In preparing this report, the Directors have taken advantage of the exemptions provided by section 415A of the Companies Act 2006 which include the exemption from producing a Strategic Report.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The Company is an intermediate holding company within the UK Sopra Steria Group and did not trade in the year.

Directors

The Directors who served during the year and to the date of this report were:

Mr D S Ahluwalia
Ms K M Clark-Bracco
M P-Y Commanay
Mr J J Moran
Mr J P Torrie

Qualifying third party indemnity provisions

The Directors have been granted an indemnity from the Company against liability incurred by them in the discharge of the duties of their office. Neither the Company's indemnity nor insurance provides cover in the event that a Director is proved to have acted fraudulently, in knowing breach of trust or otherwise dishonestly.

SOPRA STERIA SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting period

There have been no significant events affecting the Company since the year-end.

Auditor

Under section 487(2) of the Companies Act 2006, Mazars LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 5 September 2019 and signed on its behalf.



Mr P A Cashmore
Secretary

SOPRA STERIA SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SOPRA STERIA SERVICES LIMITED

Opinion

We have audited the financial statements of Sopra Steria Services Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 its loss 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

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.

SOPRA STERIA SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SOPRA STERIA SERVICES LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, 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 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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, 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

SOPRA STERIA SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SOPRA STERIA SERVICES LIMITED
(CONTINUED)**

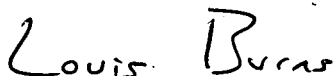
Auditor's responsibilities for the audit of the financial statements

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

Use of the audit 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.



Louis Burns (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

5 September 2019

SOPRA STERIA SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Interest payable and similar expenses	3	(1,906)	(1,720)
Loss before tax		(1,906)	(1,720)
Tax on loss	4	318	327
Loss for the year		(1,588)	(1,393)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,588)	(1,393)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

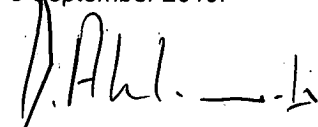
The notes on pages 10 to 16 form part of these financial statements.

SOPRA STERIA SERVICES LIMITED
REGISTERED NUMBER:2706218

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	5	286,088	286,088
		<u> </u>	<u> </u>
Creditors: amounts falling due after more than one year	6	(91,484)	(90,573)
Deferred tax	7	(1,454)	(1,603)
		<u> </u>	<u> </u>
		(1,454)	(1,603)
Net assets		<u>193,150</u>	<u>193,912</u>
Capital and reserves			
Called up share capital	8	104,664	104,664
Share premium account		61,973	61,973
Retained earnings		26,513	27,275
		<u> </u>	<u> </u>
Shareholders' Funds		<u>193,150</u>	<u>193,912</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 September 2019.



Mr D S Ahluwalia
Director

The notes on pages 10 - 16 form part of these financial statements.

SOPRA STERIA SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital (Note 8) £000	Share premium account £000	Retained earnings £000	Total equity £000
At 1 January 2017	104,664	61,973	20,844	187,481
Comprehensive income for the year				
Loss for the year	-	-	(1,393)	(1,393)
Total comprehensive income for the year	-	-	(1,393)	(1,393)
Fair value adjustment to group loan (net of deferred tax)	-	-	7,824	7,824
At 1 January 2018	104,664	61,973	27,275	193,912
Comprehensive income for the year				
Loss for the year	-	-	(1,588)	(1,588)
Total comprehensive income for the year	-	-	(1,588)	(1,588)
Fair value adjustment to group loan	-	-	995	995
Deferred tax on loan fair value adjustment	-	-	(169)	(169)
At 31 December 2018	104,664	61,973	26,513	193,150

The notes on pages 10 to 16 form part of these financial statements.

SOPRA STERIA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's functional and presentational currency used is Pounds Sterling and amounts are presented in round thousands (£000). The recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-endorsed IFRSs) have been applied to the financial statements, except for certain disclosure exemptions detailed below and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

The financial statements have been prepared on the historical cost basis, except financial instruments which are measured in terms of IFRS 9 'Financial Instruments'. The principal accounting policies set out below have been consistently applied to all periods presented.

The preparation of financial statements in compliance with FRS 101 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 that there are no areas of significant estimation or uncertainty in these financial statements.

The Company is exempt from preparing group accounts under s400 of the Companies Act 2006 as at 31 December 2018, its ultimate parent, Sopra Steria Group S.A., prepares and publishes consolidated accounts which include the results of the Company and are publicly available.

The following principal accounting policies have been applied:

SOPRA STERIA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101 'Reduced Disclosure Framework'. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU-endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Sopra Steria Group S.A.

In addition, and in accordance with FRS 101 'Reduced Disclosure Framework', further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Sopra Steria Group S.A. These financial statements do not include certain disclosures in respect of:

- Share-based payments;
- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

The financial statements of Sopra Steria Group S.A can be obtained as described in note 9.

1.3 Adoption of new and revised standards

The adoption of the following mentioned standards, amendments and interpretations in the current year has not had a material impact on the Company's financial statements:

	EU effective date, periods beginning on or after
Conceptual Framework for Financial Reporting 2018	1 March 2018
Amendments regarding the interaction of IFRS 4 and IFRS 9	1 January 2018
Annual Improvements 2014-16 Cycle (clarifying certain fair value measurements)	1 January 2018
IFRS 9 Financial Instruments (IFRS 9)	1 January 2018
IFRS 15 Revenue from Contracts with Customers (IFRS 15)	1 January 2018

1.4 Going concern

The Directors are satisfied that the Company has adequate resources for its foreseeable needs given current budget and forecasts, availability of liquid resources and current loan facilities. For this reason the Directors have concluded that there are no material uncertainties in adopting the going concern basis in preparing the financial statements.

SOPRA STERIA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company initially recognises all of its financial liabilities at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

Financial liabilities at amortised cost include amounts owed to group undertakings.

SOPRA STERIA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Directors and other employees

The Company has no employees other than the Directors. The Directors of the Company are also directors of other companies within the same group in the United Kingdom. Two of the Directors received total remuneration from UK Group companies for the year of £1,118,524 (2017: £1,183,802), all of which was paid by Sopra Steria Limited. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors of other group companies.

3. Interest payable and similar expenses

	2018 £000	2017 £000
Group interest payable	36	-
Imputed interest on loans from group undertakings	1,870	1,720
	<u>1,906</u>	<u>1,720</u>

SOPRA STERIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Taxation

	2018 £000	2017 £000
Deferred tax		
Origination and reversal of timing differences	(318)	(327)
Total deferred tax	<u>(318)</u>	<u>(327)</u>
Taxation on loss on ordinary activities	<u>(318)</u>	<u>(327)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: the same as) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	(1,906)	(1,720)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(362)	(327)
Effects of:		
Tax losses surrendered for nil consideration	6	-
Rate difference on deferred tax	38	-
Total tax charge for the year	<u>(318)</u>	<u>(327)</u>

Factors that may affect future tax charges

The Finance Act 2016 provides that the main rate of corporation tax will fall to 17% with effect from 1 April 2020. As this legislation had been substantively enacted at the end of the reporting period, the impact of this tax rate reduction on the deferred tax balances carried forward has been included in these accounts.

SOPRA STERIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2018	286,088
At 31 December 2018	<u>286,088</u>

Subsidiary undertakings

The following are subsidiary undertakings of the Company (including the main indirect subsidiaries):

Name	Class of shares	Holding
Sopra Steria Limited	Ordinary	100%
Sopra Steria Recruitment Limited	Ordinary	100%
NHS Shared Business Services Limited	Ordinary	100%
Shared Services Connected Ltd	Ordinary	100%

The registered office of Sopra Steria Limited is Three Cherry Trees Lane, Hemel Hempstead, Hertfordshire, HP2 7AH. The registered offices of the indirect subsidiaries can be found in the financial statements of Sopra Steria Limited.

6. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Amounts owed to group undertakings	<u>91,484</u>	<u>90,573</u>

Loan details

The amounts owed to group undertakings bear interest at 0.6% below LIBOR and are repayable in December 2022.

SOPRA STERIA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Deferred taxation

	2018 £000	2017 £000
At beginning of year	(1,603)	(327)
Credited to profit or loss	318	327
Charged to retained earnings	(169)	(1,603)
At end of year	(1,454)	(1,603)

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Short-term timing differences	(1,454)	(1,603)

8. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
104,663,839 (2017: 104,663,839) Ordinary shares of £1.00 each	104,664	104,664

9. Controlling party

The Company's immediate parent company is Sopra Steria Holdings Limited, a company registered in England and Wales.

The Company's ultimate holding company at the end of the reporting period is Sopra Steria Group S.A., a company registered in France and listed on the Euronext stock exchange. Sopra Steria Group S.A. has included the Company and its immediate holding company in its group accounts, copies of which may be obtained from the Investor Relations and Corporate Development Director, Sopra Steria Group S.A., PAE les Glaisins, 74940 Annecy-le-Vieux, France. They are also available on the Sopra Steria Group's website at www.soprasteria.com.

The smallest and largest group in which the results of the Company are consolidated is Sopra Steria Group S.A. In these accounts, "Group" refers to the group of companies of which Sopra Steria Group S.A. is the ultimate holding company.