

Somerset Bridge Insurance Services Limited

Consolidated Report and Financial Statements

For the year ended 31 December 2021

Company Registration No. 06334001



Somerset Bridge Insurance Services Limited
Report and financial statements
For the year ended 31 December 2021

Company information

Company registration number:	06334001
Registered office:	Lysander House (2nd Floor) Catbrain Lane Cribbs Causeway Bristol BS10 7TQ
Directors:	A Marshall D C Taylor M J Holman C P Oldridge D B Arnold D M Stringer T F Dadey J J Mansfield W Soares A Stewart
Auditors:	BDO LLP Registered Auditors and Chartered Accountants 55 Baker Street London W1U 7EU

Somerset Bridge Insurance Services Limited
Report and financial statements
For the year ended 31 December 2021

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Report of the directors

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Somerset Bridge Insurance Services Limited ("the Company" or "SBISL") is a limited company incorporated in England and Wales on 6 August 2007 (registered number: 06334001), with its subsidiary Business Choice Direct Insurance Services Limited ("BCD") formed the SBISL Group ("the Group"). On 12 January 2020, BCD exited the Group when the entire 51% shareholding was sold to a third party. The financial statements include the results of BCD in the 2020 comparatives until the date of sale. During 2021 and at December 31st 2020, the Group had no subsidiaries and therefore the consolidated results are identical to the Company results. SBISL is a member of the Somerset Bridge Group Limited group (the Somerset Bridge Group).

The Strategic report sets out a review of the business including the Group and Company's principal activity, the performance of the business during the year, the principal risks and uncertainties facing the business and future developments.

Results and dividends

The consolidated profit for the year after taxation was £3,316,000 (2020: £7,230,000). The 2020 result includes £3,830,000 profit on disposal of Business Choice Direct Insurance Services Limited.

The Company did not pay a dividend in the year (2020: £nil). No dividends were paid by Business Choice Direct Insurance Services Limited ("BCD") in 2020.

Directors

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

A Marshall	
D C Taylor	
M J Holman	
D B Arnold	
C P Oldridge	
W Soares	(appointed 5 August 2021)
J J Mansfield	(appointed 5 August 2021)
D M Stringer	(appointed 13 October 2021)
T F Dadey	(appointed 13 October 2021)
A C Stewart	(appointed 12 January 2022)
J I Banks	(resigned 5 August 2021)
E Bilney	(resigned 5 August 2021)

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 2021 financial year and remains in force for all current and past Directors of the Company.

Stakeholder matters

The Strategic Report lays out the ways in which Directors have engaged with key stakeholders including customers, employees, suppliers and other partners.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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. 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; and
- 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.

Provision of information to the auditor

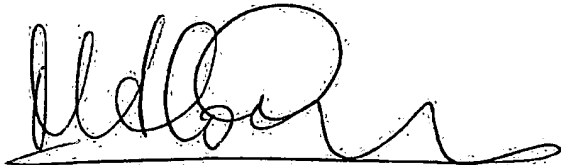
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have 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 handwritten signature in black ink, appearing to be 'M Holman', written over a horizontal line.

M Holman
Chairman

Date: 14th July 2022

Somerset Bridge Insurance Services Limited ("the Company" or "SBISL") is a limited company incorporated in England and Wales on 6 August 2007 (registered number: 06334001), with its subsidiary Business Choice Direct Insurance Services Limited ("BCD") formed the SBISL Group ("the Group"). On 12 January 2020, BCD exited the Group when the entire 51% shareholding was sold to a third party. The financial statements include the results of BCD in the 2020 comparatives until the date of sale. During 2021 and at December 31st 2020, the Group had no subsidiaries and therefore the consolidated results are identical to the Company results.

The Company is a part of the UK registered insurance group, Somerset Bridge Group Limited ("SBG") together with sister companies Somerset Bridge Ltd ("SBL") providing underwriting capacity as a managing general agent (MGA) and a claims handling function, and Somerset Bridge Shared Services Ltd ("SBSS") providing group wide support functions.

Principal activity

The principal activity of the Company and Group is the provision of insurance services, including personal lines insurance broking. The Company brokers private motor, van, home and life insurance under the trading styles of GoSkippy and Vavista. Up until March 2021, the Group distributed policies under an affinity partnership with Debenhams.

The Group's vision is to be the trusted provider of choice for all our customer needs year after year. In accordance with our mission, we strive to be an innovative, customer focused business that provides and excellent experience through collaboration and consistently delivering value. We offer transparent insurance products and an efficient and fair service to policy holders. The Group places customers at the core of everything it does and is focused on continuous improvement; it is committed to developing products and services that best meet policyholder needs at affordable prices. The Group provides an exceptional customer experience by optimising technology and customer interaction, recognising the need to provide flexible and quick customer contact solutions in today's fast-paced environment. This customer centric approach means that our customers can interact seamlessly with us, whether speaking to our telephone agents, using our self-service customer portal, through online agents, and mobile text.

Business review

In August 2021 the entire Somerset Bridge Group Limited group was acquired by Arch Reinsurance Limited ("Arch Re"), a subsidiary of Arch Capital Group Ltd, with a view to expanding its UK motor insurance and reinsurance capabilities with a fully integrated platform. Arch Re is a leading, diversified reinsurer offering treaty and facultative property, casualty and specialty reinsurance around the world. Arch Re and its associates have worked closely with the SBG Group since its formation providing underwriting capacity and support to the Group for more than 10 years. The acquisition provides security to the Group's underwriting capacity into the future and provides a robust financial foundation, to provide an enhanced proposition to our customers, stakeholders and third-party partners.

As a fast-growing insurance broker, the Group's priorities in 2021 were to build on the successes achieved since the launch of the brokerage division in 2013 and to focus on controlled, profitable growth, recognising market conditions. The Group continues to offer leading insurance products at competitively low premium prices, working with leading specialist insurer partners, including sister company Somerset Bridge Limited and its A-rated panel of insurers.

The Group's objective is to maintain controlled and profitable growth supported by actuarial-led pricing and customer selection techniques, using cutting edge technology with a strong focus on keeping our operating costs low, to support consistently attractive prices for our customers. This objective means that the Group will price according to risk and may need to reduce volumes or income in order to protect profits both in the short and longer term. This controlled approach is essential for the Group to achieve its objective of building a sustainable business for the long term. The Company reported a reduction in broking income for 2021 with a 12% decrease due to the market conditions associated with the Covid-19 pandemic and national lockdowns. Although the Company saw a reduction in income in 2021 due to lower policy volumes, the Company maintained its operating profit margin year on year, demonstrating its agile approach and ability to maintain efficiencies. By keeping pace with the insurance market, the average income per policy decreased from £120 in 2020 to £115 in 2021.

Business review (continued)

The Group achieved turnover of £50m (2020: £57m) and operating profit of £3.3m (2020: £3.5m). In 2020 the results included BCD revenue of £0.3m.

The reduction in turnover is driven by reduced policy volumes, partly driven by market conditions post-Covid-19 but mostly by the Group's strategy to focus on profitable underwriting over volume. This strategy saw sister company, SBL, an MGA (the main underwriter of the Company's policies) move to a single pricing model in Q4 of 2021 and a temporary narrowing of underwriting footprint whilst the foundations of the new model were built. This led to a short term reduction in volumes, and associated broker income, in 2021 with a view to increased profitability into 2022 and beyond.

The Company sold 158,000 renewal policies during 2021 compared to 183,000 in 2020. New business policies fell slightly to 270,000 (2020: 286,000). Total policies in force at the end of 2021 stood at 334,000 (2020: 370,000) representing around 2% of the UK motor market.

The Company is committed to treating its customers fairly through such measures as providing excellent value for money to its customers and as a consequence continued to focus on costs during 2021. This ongoing process focuses on streamlining processes and reducing fixed costs as a means of eliminating wasteful practices and increasing efficiency across all parts of the business.

The Company distributes private motor policies under the Go Skippy and Vavista trading styles as well as under the affinity partnership with Debenhams (which came to an end in March 2021). The diversity of trading styles enhances the Company's customer appeal and customer reach which in turn provides a diverse client portfolio to our panel of insurers.

The Company's product suite also includes home, bike, travel and life cover, which is part of the strategy to provide a full range of products to customers. The Company is continually looking to increase the product range, where it can identify areas of benefit to customers. A new commercial division, GoSkippy 4 Business, was launched in January 2021 and it achieved income of £0.3m in the year.

During 2021, further to Debenhams entering administration, SBISL purchased the rights to the Debenhams motor policy book. Policies brokered under the Debenhams affinity have been migrated to Vavista, SBISL's health and lifestyle trading style. This migration has been successful and there is no anticipated reduction in overall income or market share as a result of this change.

BCD, which provides commercial insurance services, mainly commercial and specialist motor insurance, was sold in January 2020, demonstrating the success of the division since its launch in late 2013. During the 12 days in 2020 when it still was a subsidiary of SBISL, BCD achieved profit before taxation of £164,000.

As at 31 December 2021, the Company's solvency capital requirement was calculated at £1m (2020: £2.8m), resulting in a capital surplus of £23.5m (2020: £18.3m).

Key performance indicators ("KPIs")

The Company and Group use a variety of KPIs to measure the performance of its business units. These include daily and monthly financial and non-financial KPIs, measured against budgeted targets which are set annually. Examples of such KPIs are policy count versus budget, quote to sale conversion rate, renewal retention rate and income per policy, all of which vary across the brands. For the claims handling business, the key KPIs include monthly average cost per claim, which is a measure of the efficiency of its operations.

Financial risk management objectives and policies

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

Liquidity risk and cash flow risk

The Group 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 Group monitors its banking facilities. Group monies are monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

Credit risk

The principal credit risk for the Company and Group 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 developments

The directors consider the Company and Group to be well positioned to build on the growth in turnover and profitability achieved by its subsidiaries and to continue on its mission to build a sustainable and innovative business that offers transparent insurance products and an efficient and fair service to policy holders.

Focused and targeted, the Company is determined to bring back controlled growth in the brokerage during 2022 as part of the strategy to build a strong renewals book and brand awareness, generating customer loyalty. As part of this focus on the customer, the Company continues to consider product enhancements. The Group continues to draw on its experience to continuously focus and improve the customer journey, a strategy that is establishing a loyal customer base.

Covid-19 pandemic

During 2021 Covid-19 continued to impact on our customers and our people but The Group closely monitored the impacts and uncertainties arising out of the pandemic. The Group remained focused on its mission and objectives, targeting profitable and sustainable controlled growth. The Company's focus since the start of the pandemic has been on supporting the Group and protecting the staff, whilst maintaining efficient processes during a Disaster Recovery scenario. The Company maintained the remote working capability established in the previous year to keep strong levels of service for the Group. Throughout the year, we adapted the working pattern to reflect the government advice in place at that particular time. We have also provided extensive support for our people, focusing on wellbeing and mental health support, during the period of restrictions and in the subsequent return to office-based activities. The company applied for government grants for the furloughed employees and the total grant received for 2021 was £5k (2020: £39k).

Following the implementation of the Covid-19 restrictions, motor trading has seen fewer new business customers in the market following a slow down in car transactions, although the Company has not been significantly impacted by this to date. Retention has remained strong. Overall, the Group does not anticipate a sustained negative financial impact on its ability to meet its objectives, although this continues to be monitored closely.

Section 172(1) Statement

Somerset Bridge Insurance Services Limited is a personal lines insurance broker which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Company seeks to put its customers' best interests first, invests in its employees, works closely with its suppliers and partners, supports the communities in which it operates and strives to generate sustainable profits for 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. A summary of stakeholder matters is laid out within this Strategic Report.

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 adopted;

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 2021 are set out below.

Customers: The Company puts customers at the centre of everything it does. The Board believes that the Company's long-term sustainability is driven by understanding customers' needs and acting in their best interests. The Board monitors customer engagement through ongoing monitoring of customer feedback through its social media platforms, review websites and by actively seeking customer scoring post sale. The Company also benchmarks its performance against industry best practise and standards as well as against regulatory benchmarks.

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. An Employee Focus Group was created to collect and discuss suggestions from all the companies within SBG group. Details of the suggestions that have been implemented are fed back to employees via "the Bridge" (The Group intranet).

Stakeholder matters (continued)

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 and a large number of other suppliers to conduct its business and performs ongoing due diligence into those suppliers, with developments and renewals of arrangements with those suppliers reviewed and approved at Board level where applicable. Our aim is to pay suppliers promptly in line with agreed terms. The Company submits quarterly reports under the prompt pay regulations.

Regulators: We have transparent communication with our key regulators which is facilitated through our compliance team. Our business teams and the non-executive directors of our regulated entities have ongoing engagement with our regulators on an ad hoc basis, including when requested to discuss specific matters. Any significant regulatory engagements are reported to the board.

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. Monthly 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.

Community and environment: The Company is conscious of its role in society and the importance of supporting the local community. The Company through its employee forum supports local and national charities and encourages and enables our people to contribute and engage with the communities in which the Company operates. The Company supports employees who wish to take part in volunteering work within their local community and they are free to choose the cause they support.

Climate change: The Group 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.

There is a physical risk which arises from weather-related events, including the potential to affect both the frequency and severity of natural catastrophes and other weather-related events in the UK. These events could cause more accidents, increasing the numbers of claims and the premiums paid by policy holders which lose their no claim bonus. There is also a transitional risk arising due to efforts to mitigate climate change which are driving a transition towards a lower-carbon economy, which creates risks and opportunities. This transition could increase operational costs to meet new climate regulations. Another important risk is reputation risk. As consumers become more conscious about climate change they have an expectation for Companies related to corporate responsibility, these resulting in a cost increase to meet customers' expectations and keep the good reputation of our brands.

The Group aims to reduce its environmental footprint and encourage responsible behaviour. Our Vavista insurance trading style has a strong focus on care for the planet and has partnered with Eden Reforestation Projects to plant a tree for every insurance policy sold. This initiative does not only help offset carbon emissions, but it also supports local communities who are employed to plant and protect the trees planted. 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.

Climate change (continued)

The Group is part of the government Energy Savings Opportunity Scheme and had a report carried out in 2020, with the next one due in 2023. ESOS reviewed the environmental impact of the Group and provided cost and energy saving adjustments that could be made. It is also implementing the government's policy on Streamlined Energy and Carbon Reporting (SECR) and reports accordingly.

Currently the energy consumption used by the Company is in line with the average business consumption in UK. In 2021 the total number of kWh used by the company was 231k (2020: 257k). Most of the energy was consumed by the office building as the Company has under ten rented cars for its employees and it's not responsible to pay for the fuel of employee-owned vehicles.

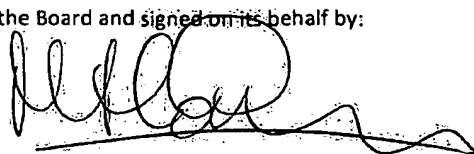
	2021	2020
Energy used in kWh	236,861	256,883
Kg CO ₂ equivalent	55,222	59,890
Intensity (kg CO ₂ e/no. employees)	575	673

Governance framework

The stakeholder matters described above are managed by the Board's robust governance structure, overseen by the Board. The Board's risk management system separates risk management into several lines of defence incorporating the responsibilities of the Board, the Audit Committee, the Risk and Compliance Committee and the executive teams. The Board approves the high level system of governance, the risk appetite statements and group policies where appropriate. The core elements of this include the Matters Reserved for the Board and the Board Committees' Terms of reference. 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:

M Holman
Chairman
Date: 14th July 2022



Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Parent Company and Group's affairs as at 31 December 2021 and of Parent Company and Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Somerset Bridge Insurance Services Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2021 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 Parent Company and the Group'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 Consolidated 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.

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 have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Parent Company and Group's 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 specified 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 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 Parent Company and Group'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 Parent Company and Group's 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:

- 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 appropriate;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- review a sample of journal entries made throughout the year.

Somerset Bridge Insurance Services Limited

Independent auditor's report to members of Somerset Bridge Insurance Services Limited (continued)

For the year ended 31 December 2021

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
- Financial Conduct Authority (FCA).

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;
- inspecting correspondence with then FCA;
- 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.

Use of our report

This report is made solely to the Parent Company or the Group 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 Parent 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 Parent Company or the Group and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

 Thomas Reed (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

27 July 2022

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

Somerset Bridge Insurance Services Limited
Consolidated statement of comprehensive income
For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	2	49,958	57,080
Other operating income	3	5	194
Administrative expenses		(46,659)	(53,765)
Group operating profit	4	3,304	3,509
Interest (payable)/receivable	8	-	7
Profit on ordinary activities before tax		3,304	3,516
Tax on profit on ordinary activities	9	12	(116)
Profit on disposal of subsidiary	10	-	3,830
Profit/(loss) for the financial period, being total comprehensive income		3,316	7,230
Attributable to:			
The owners of the parent company		3,316	7,150
Non-controlling interest		-	80

The notes on pages 19 to 28 are an integral part of these financial statements.

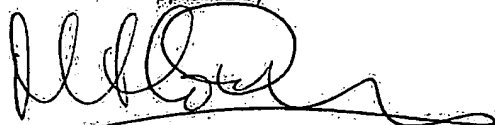
Somerset Bridge Insurance Services Limited
Consolidated statement of financial position
As at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	11	-	-
Investments	12	-	-
Current assets			
Debtors	13	30,912	31,028
Cash at bank		4,282	3,353
		35,194	34,381
Creditors			
Amounts falling due within one year	15	(10,674)	(13,177)
Net current assets		24,520	21,204
Net assets		24,520	21,204
Capital and reserves			
Share capital	17	2,200	2,200
Profit and loss account		22,320	19,004
Shareholders' funds		24,520	21,204

The notes on pages 19 to 28 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:

M Holman
Chairman



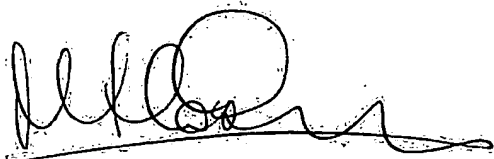
Date: 14th July 2022

Somerset Bridge Insurance Services Limited
Company Statement of financial position
For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	11	-	-
Investments	12	-	-
		<u> </u>	<u> </u>
Current assets			
Debtors	13	30,912	31,028
Cash at bank		4,282	3,353
		<u> </u>	<u> </u>
		35,194	34,381
Creditors			
Amounts falling due within one year	15	(10,674)	(13,177)
		<u> </u>	<u> </u>
Net current assets		24,520	21,204
		<u> </u>	<u> </u>
Net assets		24,520	21,204
		<u> </u>	<u> </u>
Capital and reserves			
Share capital	17	2,200	2,200
Profit and loss account		22,320	19,004
		<u> </u>	<u> </u>
Shareholders' funds		24,520	21,204
		<u> </u>	<u> </u>

The notes on pages 19 to 28 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:



M Holman
Chairman

Date: 14th July 2022

Company registration number: 06334001

Somerset Bridge Insurance Services Limited
Consolidated Statement of changes in equity
For the year ended 31 December 2021

	Share capital £'000	Profit & loss account £'000	Equity attributable to the owners of the parent company £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2021	2,200	19,004	21,204	-	21,204
Comprehensive income for the year					
Profit for the year		3,316	3,316	-	3,316
Total comprehensive income		3,316	3,316	-	3,316
As at 31 December 2021	2,200	22,320	24,520		24,520

	Share capital £'000	Profit & loss account £'000	Equity attributable to the owners of the parent company £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2020	2,200	11,853	14,053	186	14,239
Comprehensive income for the year					
Profit for the year		7,150	7,150	80	7,230
Total comprehensive income		7,150	7,150	80	7,230
Disposal of subsidiary				(266)	(266)
As at 31 December 2020	2,200	19,004	21,204		21,204

The notes on pages 19 to 28 are an integral part of these financial statements.

Somerset Bridge Insurance Services Limited
Company Statement of changes in equity
For the year ended 31 December 2021

	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 1 January 2021	2,200	19,004	21,204
Comprehensive income for the year			
Profit for the year	-	3,316	3,316
Total comprehensive income		3,316	3,316
Contributions by and distributions to owners			
As at 31 December 2021	2,200	22,320	24,520
	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 1 January 2020	2,200	11,661	13,861
Comprehensive income for the year			
Profit for the year	-	7,343	7,343
Total comprehensive income		7,343	7,343
Contributions by and distributions to owners			
As at 31 December 2020	2,200	19,004	21,204

The notes on pages 19 to 28 are an integral part of these financial statements.

Somerset Bridge Insurance Services Limited
Consolidated statement of cash flows
For the year ended 31 December 2021

	2021 £'000	2020 £'000
Cash flow from operating activities		
Profit before tax	3,304	3,516
Adjustments for:		
Interest paid	-	3
Interest received	-	(10)
Decrease/(increase) in debtors	128	(5,084)
Increase/(decrease) in creditors	(2,308)	(2,256)
Tax paid	(195)	(46)
Cash generated from / (used in) operating activities	929	(3,875)
Cash flows from investing activities		
Proceeds from sale of investments	-	3,830
Interest received	-	10
Net cash from/(used in) investing activities	-	3,840
Cash flows from financing activities		
Dividends paid to non-controlling interests	-	(266)
Interest paid	-	(3)
Net cash used in financing activities	-	(269)
Net increase/(decrease) in cash and cash equivalents	929	(305)
Cash and cash equivalents at the beginning of the year	3,353	3,658
Cash and cash equivalents at the end of the year	4,282	3,353

The notes on pages 19 to 28 are an integral part of these financial statements.

1. Accounting policies

1.1 Statement of compliance and preparation

Somerset Bridge Insurance Services Limited ("the Company" or "SBISL") is a limited company incorporated in England and Wales on 6 August 2007 (registered number: 06334001), with its subsidiary Business Choice Direct Insurance Services Limited ("BCD") it formed the SBISL Group ("the Group"). On 12 January 2020, BCD exited the Group when the entire 51% shareholding was sold to a third party. SBISL is a member of the Somerset Bridge Group Limited group (the Somerset Bridge Group). The address of the registered office is given on the Company information page and the nature of the Group's operations and its principal activities are set out in the Strategic report.

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

1.2 Going concern basis

The directors have a reasonable expectation that the Group and Company have adequate resources to continue operating for the foreseeable future. As detailed in the Strategic Report, the Group continues to closely monitor the impacts and uncertainties arising out of the Covid-19 pandemic. In assessing the appropriateness of the going concern basis, the directors prepared and reviewed full financial forecasts 12 months from the date of approval of these financial statements. Sensitivity analysis was applied, in order to forecast outcomes under a range of Covid-19 scenarios. It was concluded that the Group is expected to continue as a going concern under all realistic scenarios, and that no material uncertainty exists around the going concern basis of preparation.

1.3 Basis of consolidation

The consolidated results present the results of the Company and its subsidiary (until the date of the sale) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The financial statements present the consolidated accounts only for 2020 financial year, as in 2021 the Company didn't have any subsidiary.

1.4 Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence; it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate, or joint venture. The consolidated Statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with the Group. In the consolidated Statement of financial position, the interests in associated undertakings and joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

In the Company accounts, the interests in associated undertakings and joint ventures are recognised at the transaction price (including transaction costs) and reviewed for impairment.

1.5 Capital requirements

The Company is required to maintain a minimum level of capital in accordance with Financial Conduct Authority ("FCA") regulations.

As at 31 December 2021, the Company's solvency capital requirement was calculated at £1m (2020: £2.8m), resulting in a capital surplus of £23.5m (2020: £18.3m).

1.6 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.

1.7 Income recognition

Turnover arises in the UK and mainly comprises insurance broking income.

Income recognised by the Company in respect of insurance broking services supplied, exclusive of value added tax, insurance premium tax and trade discounts, is based on the effective commencement or renewal date of the policy.

1.8 Parent company

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The profit for the year after taxation of the parent company was £3.3m (2020: £7.3m).

1.9 Tangible fixed 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:

- Office equipment	5 years
- Fixtures and fittings	3 years
- Computer equipment	3 years
- Motor vehicles	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.

1.10 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation 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:

- Software development costs	3 years
------------------------------	---------

1.11 Other investments

Investments comprise financial investments.

1.12 Leases

Lease agreements are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of ownership to the lessee; all other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

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

1.13 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; in which case the transaction is measured at the present value of the future receipts discounted 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; in which case the liability is measured at the present value of the future payments discounted at a market rate of interest.

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

Financial asset and liabilities are offset and the net amount reported in the Statement of financial position where there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Taxation, including deferred income taxes

The tax expense for the period recognised in the income statement comprises current tax and deferred tax.

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.

1.15 Government grant income

Government grant income relates wholly to UK Government grant income in respect of the Coronavirus Job Retention Scheme ("CJRS"). Receipts from the CJRS are accounted for under the accruals model, as permitted by FRS 102, and are recognised in the statement of comprehensive income in the same period as the related staff expenditure.

1.16 Pensions

The Company makes a non-contributory stakeholder pension available to all employees.

The employer contributions are recognised as an expense in the Statement of comprehensive income when they fall due.

1.17 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 cost of issuing the equity instrument. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2. Turnover

	2021 £'000	2020 £'000
Insurance broking	48,913	55,718
Claims handling	1,022	1,066
Other income	23	296
	49,958	57,080

3. Other operating income

	2021 £'000	2020 £'000
Government grant income	5	194

Government grant income relates wholly to UK Government grant income in respect of the Coronavirus Job Retention Scheme ("CJRS").

4. Operating profit

Operating profit is stated after charging:

	2021 £'000	2020 £'000
Operating lease rentals - computer and office equipment	218	231
Operating lease rentals - land and buildings	164	141

5. Auditor's remuneration

	2021 £'000	2020 £'000
For the audit of the Group's financial statements	58	49
For other assurance related services	18	32
	76	81

6. Staff costs

	2021 £'000	2020 £'000
Wages and salaries	5,514	6,182
Social security costs	648	777
Other pension costs	77	73
	<u>6,239</u>	<u>7,032</u>

The average number of employees, including Directors, during the year were as follows:

	2021 No.	2020 No.
Administration staff	81	74
Management	15	15
	<u>96</u>	<u>89</u>

7. Directors' emoluments

	2021 £'000	2020 £'000
Directors' emoluments	974	929
Company contributions to money purchase pension schemes	17	17
	<u>991</u>	<u>946</u>

There were 5 directors (2020: 6) to whom retirement benefits were accruing under money purchase schemes during the year.

The total amount payable to the highest paid director in respect of emoluments for directorship was £309,000 (2020: £343,000). Company pension contributions of £7,800 (2020: £7,800) were made to a money purchase pension scheme.

8. Interest payable and receivable

	2021 £'000	2020 £'000
Interest payable		
Bank interest expense	-	(3)
Finance lease interest expense	-	-
	<u>-</u>	<u>(3)</u>
Interest receivable		
Bank interest income	-	10
	<u>-</u>	<u>10</u>
Net interest (payable) / receivable	<u>-</u>	<u>7</u>

9. Taxation

	2021 £'000	2020 £'000
Current tax		
- UK corporation tax on profit on ordinary activities	-	78
Current tax charge / (credit)	-	78
Deferred tax		
- Origination and reversal of timing differences	23	38
- Effect of tax rate change on opening balance	(35)	-
Deferred tax charge	(12)	38
Tax charge/(credit)	(12)	116

The tax charge /(credit) on the profit for the year is lower (2020: lower) than would arise using the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Factors affecting the tax charge for the year:		
Profit before tax (excluding consolidation adjustments)	3,304	7,622
Profit before tax multiplied by the UK corporation tax rate of 19% (2020: 19%)	628	1,448
Effects of:		
- Expenses not deductible for tax purposes	6	6
- Income not chargeable for tax purposes	-	(763)
- Effect of tax rate change	(30)	-
- Group relief claimed	(615)	(575)
	(12)	116

From 1 April 2023 the corporation tax will increase to 25%.

10. Profit on disposal of subsidiary

On 13 January 2020 BCD was sold to a third party company, Lloyd & Whyte Group Limited, for a total consideration of £8.1m out of which £4.1m was attributed to SBISL. The profit on disposal for the Company is calculated below.

	2020 £'000
Consideration	4,106
Final Net Assets (51%)	(276)
Gain on disposal	3,830

11. Tangible fixed assets

Group and Company	Fixtures and fittings £'000
Cost	
At 1 January 2021	186
Disposals	-
At 31 December 2021	186
Depreciation	
At 1 January 2021	186
Disposals	-
At 31 December 2021	186
Net book value	
At 31 December 2020	-
At 31 December 2021	-

12. Investments

The Company held £nil investments of 20% or more of the nominal value of any class of share capital at 31st December 2021 (2020 £nil). The Company ceased control of BCD in January 2020 as a result of the sale of the company outside of the Group. Details of the investments in subsidiaries until the January 2020 are as follows.

Name of company	Holding	Proportion of shares held	Nature of business
Subsidiary undertakings			
Business Choice Direct Insurance Services Limited	Ordinary shares	51%	Insurance agents and brokers
<i>Registered number: 10301653</i>			

13. Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	5,673	9,517	5,673	9,517
Amount owed by related parties (see note 19)	23,375	19,561	23,375	19,561
Prepayments and accrued income	1,595	1,837	1,595	1,837
Current tax	144	-	144	-
Deferred tax (see note 14)	125	113	125	113
	30,912	31,028	30,912	31,028

Amounts owed by related parties are unsecured, interest free and repayable on demand except as disclosed in note 19.

Somerset Bridge Insurance Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

14. Deferred tax asset

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Brought forward	113	151	113	151
Credit for the year - Income statement	12	(38)	12	(38)
	125	113	125	113

The deferred tax balance is made up as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Timing differences	125	113	125	113
	125	113	125	113

15. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	898	895	898	895
Amounts owed to related parties (see note 20)	8,479	10,109	8,479	10,109
Accruals and deferred income	1,297	1,978	1,297	1,978
Current tax		195		195
	10,674	13,177	10,674	13,177

Amounts owed to related parties are unsecured, interest free and repayable on demand except as disclosed in note 19.

16. Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial assets				
Assets measured at amortised cost	35,194	34,381	35,194	34,381
Financial liabilities				
Liabilities measured at amortised cost	10,674	13,176	10,673	13,176

Financial assets measured at amortised cost comprise Cash at bank, Amounts owed by related parties, Prepayments and Other debtors. Financial liabilities measured at amortised cost comprise Amounts owed to related parties, Accruals, Current tax, and Other creditors.

The Company and Group uses financial instruments that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's and Group's operations. Neither the Company nor the Group has any interest in the trade of financial instruments, interest rate swaps or forward interest rate agreements.

Financial instruments (continued)

The Company and Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Information regarding the Group's exposure to and management of liquidity and cash flow risk, interest risk and credit risk is included in the Strategic report.

17. Share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
2,200,000 ordinary shares of £1 each	2,200	2,200

18. Commitments under operating leases

The total future minimum lease payments due under non-cancellable operating leases are as follows:

	2021 £'000	2020 £'000
Not later than one year	498	773
Later than one year and not later than five years	1,992	3,094
Later than five years	125	1,036

19. Related party transactions

	2021 Income £'000	2021 Expense £'000	2020 Income £'000	2020 Expense £'000
Transactions with related undertakings				
Somerset Bridge Group Limited	-	(5,088)	-	(4,855)
Somerset Bridge Shared Services Limited	1,255	(47,724)	1,227	(46,139)
Somerset Bridge Limited	-	-	-	(4,181)
	1,255	(52,812)	1,227	(55,175)
	2021 Receivable £'000	2021 Payable £'000	2021 Net £'000	2020 Net £'000
Year end balances arising from transactions with related undertakings				
Somerset Bridge Group Limited	767	-	767	1,167
Somerset Bridge Shared Services	22,608	-	22,608	18,395
Somerset Bridge Limited	-	(8,478)	(8,478)	(10,035)
Southern Rock Insurance Company Limited	-	(0)	(0)	(74)
	23,375	(8,479)	14,896	9,452

Transactions with related parties take place at arm's length.

The amounts due from Somerset Bridge Group Limited represent an unsecured loan on which interest is charged at 3% per annum.

20. 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.