

Sitel Solutions UK Limited

**Directors' report and financial statements
for the year ended 31 December 2019**

Registered number: 7623774

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Sitel Solutions UK Limited
Directors' report and financial statements
for the year ended 31 December 2019

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Company information

Directors P Lozano de Castro
K Brough

Company secretary J Hayward

Registered office Earlsdon Park
53-55 Butts Road
Coventry
CV1 3BH

Strategic report for the year ended 31 December 2019

The directors present their Strategic report on the company for the year ended 31 December 2019.

Business Review

The company's principal activity during the year is a treasury management company.

The results for the year show a loss before taxation of €3.508m (2018: loss €1.424m). The company has net liabilities of €7.843m (2018: €4.335m). The directors are satisfied with the performance of the company.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate cash flow risk and foreign currency risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company does not have any credit risk due to all of its debtors and creditors being intercompany balances which are supported by the group.

Liquidity risk

The company acts as the header account for the Euro based cash pool for a number of European entities and pay and receive daily interest on the balances.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only inter-company receivables which earn interest at a fixed rate, and cash balances, which earn interest at a variable bank rate. The company has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Strategic report for the year ended 31 December 2019 *(continued)*

Financial risk management (continued)

Foreign currency risk

All the company's intercompany transactions are in Euros to eliminate any foreign currency exposure.

Key Performance Indicators

The directors of Sitel Solutions UK Limited manage the UK group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Sitel Solutions UK Limited.

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a horizontal line and a small flourish.

K Brough
Director

21 September 2020

Directors' report for the year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Future developments

The company will continue to act as the header account for the Euro based cash pool for a number of European entities and pay and receive daily interest on the balances.

Dividends

No dividends were paid or recommended during the year (2018: €nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

P Lozano de Castro
K Brough

Qualifying third party and pension indemnity provisions

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and officers' liability insurance policy throughout the financial year.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report for the year ended 31 December 2019

Statement of directors' responsibilities in respect of the financial statements (continued)


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.

The directors 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.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the intermediate parent company Sitel Worldwide Corporation. The directors have received confirmation that Sitel Worldwide Corporation intend to support the company for at least one year after these financial statements are signed.

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a horizontal line and a small flourish.

K Brough
Director

21 September 2020

Site1 Solutions UK Limited
 Directors' report and financial statements
 for the year ended 31 December 2019

Income statement
 for the year ended 31 December 2019

	Note	2019 €000	2018 €000
Administrative expenses		(85)	(16)
Other operating (losses)/gains		(775)	393
Operating (loss)/profit	4	(860)	377
Interest receivable and similar income	6	2,476	3,061
Interest payable and similar expenses	6	(5,124)	(4,863)
Net interest expenses	6	(2,648)	(1,802)
Loss on ordinary activities before taxation		(3,508)	(1,425)
Tax on loss	7	-	-
Loss for the financial year		(3,508)	(1,425)

Company registration number: 7623774

The notes on pages 10 to 16 form an integral part of these financial statements.
 All the above items relate to continuing operations.

Sitel Solutions UK Limited
Directors' report and financial statements
for the year ended 31 December 2019

Statement of comprehensive income
for the year ended 31 December 2019

	2019 €000	2018 €000
Loss for the financial year	(3,508)	(1,425)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive expense for the year, net of tax	(3,508)	(1,425)

Sitel Solutions UK Limited
 Directors' report and financial statements
 for the year ended 31 December 2019

Balance sheet
as at 31 December 2019

	Note	2019 €000	2018 €000
Current assets			
Debtors	8	73,130	86,104
Cash at bank and in hand		14,724	1,432
		87,854	87,536
Creditors: amounts falling due within one year	9	(95,697)	(91,871)
Net liabilities		(7,843)	(4,335)
Capital and reserves			
Called up share capital	10	-	-
Accumulated losses		(7,843)	(4,335)
Total equity		(7,843)	(4,335)

Company registration number: 7623774

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

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2019. The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for;

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements on pages 6 to 16 were approved by the board of directors on 21 September 2020 and signed on its behalf by:



K Brough
 Director

Sitel Solutions UK Limited
 Directors' report and financial statements
 for the year ended 31 December 2019

Statement of changes in equity
for the year ended 31 December 2019

	Called up share capital €000	Accumulated losses €000	Total equity €000
Balance as at 1 January 2018	-	(2,910)	(2,910)
Profit for the year and total comprehensive income	-	(1,425)	(1,425)
Balance as at 31 December 2018	-	(4,335)	(4,335)
Loss for the year and total comprehensive expense	-	(3,508)	(3,508)
Balance as at 31 December 2019	-	(7,843)	(7,843)

Notes to the financial statements

1 General information

The company's principal activity during the year is a treasury management company.

The company is a private company limited by shares and is incorporated in England, United Kingdom. The registered office is Earlsdon Park, 53-55 Butts Road, Coventry, United Kingdom CV1 3BH.

2 Statement of compliance

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There were no areas identified involving a higher degree of judgement or complexity, nor areas where assumptions and estimates are significant to the financial statements.

(b) Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company, Sitel Worldwide Corporation. The directors have received confirmation that Sitel Worldwide Corporation intends to support the company for at least one year after these financial statements are signed, and is in a position to do so.

Notes to the financial statements *(continued)*

3. Accounting policies *(continued)*

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of its ultimate parent company, Sitel Group SA, includes the company's cash flows in its own consolidated financial statements.
- ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures of Sitel Group SA.
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The company has taken advantage of the exemption under FRS 102 section 9.3 (g) not to prepare consolidated financial statements as its results are included in the consolidated financial statements of Sitel Group SA, which are publically available.

Foreign currencies

The company's financial statements are presented in Euros and rounded to thousands. The company's functional and presentation currency is the Euro.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Notes to the financial statements *(continued)*

3. Accounting policies *(continued)*

Provisions and contingencies

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when, it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or, when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in subsidiaries, are initially recognised at transaction price.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction prices.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements (continued)

4 Operating profit

	2019	2018
	€000	€000
The operating profit is stated after charging:		
Bank fees	95	8
Audit and accountancy fees	1	6
Foreign exchange loss/(gain)	775	(393)

5 Employee and directors' remuneration

There were no employees (2018: nil) and no remuneration (2018: nil) was paid to the directors in respect of their services as directors of the company during the year.

6 Net interest (expense)/income

a) Interest receivable and similar income

	2019	2018
	€000	€000
Interest receivable from group undertakings	2,476	3,061
	2,476	3,061

b) Interest payable and similar expenses

	2019	2018
	€000	€000
Interest	-	(32)
Interest payable to group undertakings	(5,124)	(4,861)
	(5,124)	(4,863)

c) Net interest expense

	2019	2018
	€000	€000
Interest receivable and similar income	2,476	3,061
Interest payable and similar expenses	(5,124)	(4,863)
Net interest expense	(2,648)	(1,802)

Notes to the financial statements *(continued)*

7 Tax on (loss)/profit

	2019	2018
	€000	€000
Current tax:		
UK corporation tax on (loss)/profit of the year	-	-
Tax on (loss)/profit	-	-

The total tax charge for the year is higher (2018: *higher*) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	€000	€000
(Loss)/profit before taxation	(3,508)	(1,425)
(Loss)/profit before taxation multiplied by standard rate in the UK 19.00% (2018: 19.00%)	(666)	(271)
Effects of:		
Group relief surrendered/(received) for nil consideration	666	271
Utilisation of tax losses brought forward	-	-
Total tax charge for the year	-	-

No deferred tax asset (2018: €nil) has been recognised in respect of the tax losses as the company has insufficient evidence of future taxable profits.

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. This change in the tax rate does not have any impact on the company as there is no deferred tax recognised as at the year-end.

Notes to the financial statements (continued)

8 Debtors

	2019	2018
	€000	€000
Amounts due within one year		
Amounts owed by group undertakings	73,130	86,104
	73,130	86,104

The amount owed by group undertakings includes balances that are unsecured, non-interest bearing and have no fixed repayment date.

9 Creditors: amounts falling due within one year

	2019	2018
	€000	€000
Amounts owed to group undertakings	95,696	91,860
Accruals and deferred income	1	10
	95,697	91,860

The amount owed to group undertakings includes balances that are unsecured, non-interest bearing and have no fixed repayment date.

10 Called up share capital

	2019	2018
	€000	€000
Allotted and fully paid		
Ordinary shares 100 (2018: 100) of €1 each	-	-

11 Contingent liability

One of the company's parent undertakings, Sitel Worldwide Corporation, a company registered in the United States of America, has obtained borrowings for itself and its subsidiary undertakings which are secured under first and second lien credit agreements by Sitel Worldwide Corporation's U.S. based assets and certain pledges of stock of its first-tier subsidiaries.

Notes to the financial statements *(continued)*

12 Parent undertaking and controlling party

The immediate parent undertaking is SITEL Europe Limited, a company registered in England and Wales. According to the register kept by the company, SITEL Europe Limited has a 100% interest in the equity capital of Sitel Solutions UK Limited at 31 December 2019.

The largest group in which the results of the company are consolidated is that of which Sitel Group SA, a company registered in Luxembourg, is the parent. The directors also regard this company as being the ultimate parent company and controlling party. The consolidated financial statements of the company are available from Sitel Group SA, 8-10 avenue de la Gare, L-1610 Luxembourg, Grand Duché du Luxembourg.