

COMPANY REGISTRATION NUMBER: 05036315

**Sema Lease UK Limited**  
**Financial Statements**  
**For the year ended**  
**31 March 2017**

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# Sema Lease UK Limited

## Financial Statements

Year ended 31 March 2017

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# Sema Lease UK Limited

## Officers and Professional Advisers

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### THE BOARD OF DIRECTORS

R C Ames  
G J Balaam

### COMPANY SECRETARY

G J Balaam

### REGISTERED OFFICE

2 Fison Way  
Thetford  
Norfolk  
United Kingdom  
IP24 1HT

### AUDITOR

Streets Audit LLP  
Chartered accountant & statutory auditor  
3 Wellbrook Court  
Girton  
Cambridge  
CB3 0NA

### BANKERS

NatWest Bank Plc  
7 Cornhill  
Bury St Edmunds  
Suffolk  
IP24 3AG

# Sema Lease UK Limited

## Strategic Report

Year ended 31 March 2017

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We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company have remained as before, being short to medium term leasing of cars and light vans. This also encompasses the disposal of vehicles at the end of their lease term. The principal activity of the subsidiary continued to be the sale of new and used motor vehicles, servicing and maintenance of vehicles and the supply of parts and accessories.

In respect of leasing, the company has continued its consolidation of the fleet and has been successful in securing the renewal of existing funding lines and raising additional new funding which has been reflected in the increased number of vehicles available to the company for leasing.

The company has continued to re-align its customer base and dispensed with a number of customers who were deemed to be too high a risk to continue trading with.

The company continues to receive the full support of all inter-connected companies in respect of loans made and anticipates this will continue in the future.

### KEY PERFORMANCE INDICATORS

The directors consider that the key financial performance indicators for the business are turnover, gross profit and pre-tax profit, as outlined below:

	2017	2016
	£	£
Turnover	40,369,929	33,272,281
Gross profit	2,538,515	2,583,146
Net profit before tax	516,967	567,954

Turnover increased by 21.3% (2016 - decreased by 8.8%) and gross profit decreased by 1.7% (2015 - 11.6%), with a decrease in the gross profit margin to 6.3% from 7.8%.

### PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks facing the company. They are considered to be the normal commercial and operational risks associated with a vehicle leasing business including the funding of future vehicle leases and residual value predictions.

Funding for the business is provided from a variety of sources and these are all reviewed as they fall due. Additional funding is also being secured and these facilities will provide sufficient funding to enable the company to grow its vehicle fleet size.

Disposal proceeds are in line with residual values, which are under constant review.

# Sema Lease UK Limited

Strategic Report *(continued)*

Year ended 31 March 2017

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## Interest Rate Risk

The business considers the level of risk exposure on all debt transactions and takes necessary steps to reduce risk to an acceptable level. For significant obligations the company seeks to arrange fixed rate finance where possible in order to mitigate interest rate risk.

## Credit Rate and Liquidity Risk

The company has policies in place to ensure transactions are entered into only with parties that are of acceptable credit quality. The company ensures that there are adequate funds available through credit facilities to meet the operational requirements of the business.

## FINANCIAL INSTRUMENTS

The financial instruments used by the company arise wholly and directly from its activities. The financial instruments comprise trade debtors, cash at bank, trade creditors and a loan note programme for financing the vehicle fleet. The company has put in place the following measures in order to manage financial risks arising from these financial instruments:

1. The company regularly monitors the level of debtors to ensure that they are kept at reasonable levels and within a predetermined strict credit limit.
2. The company carefully manages its cash position by regularly monitoring its cash flow and with the use of deposit accounts.
3. The company regularly monitors the trade balance and credit limit terms of all suppliers.

## FUTURE DEVELOPMENTS

The directors' plans for the forthcoming year are to continue to source additional funding lines in order to increase the fleet size and to continue improving the quality of customer and the retained margins of each unit on lease.

This report was approved by the board of directors on .....31/03/17..... and signed on behalf of the board by:

  
G J Balaam  
Company Secretary

# Sema Lease UK Limited

## Directors' Report

Year ended 31 March 2017

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The directors present their report and the financial statements of the group for the year ended 31 March 2017.

### Directors

The directors who served the company during the year were as follows:

R C Ames  
G J Balaam

### Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

### Disclosure of information in the strategic report

Information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 group and the company and the profit or loss of the group 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 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.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

# Sema Lease UK Limited

Directors' Report *(continued)*

Year ended 31 March 2017

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This report was approved by the board of directors on .....27.11.17..... and signed on behalf of the board by:



G J Balaam  
Company Secretary

# Sema Lease UK Limited

## Independent Auditor's Report to the Members of Sema Lease UK Limited

Year ended 31 March 2017

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We have audited the financial statements of Sema Lease UK Limited for the year ended 31 March 2017 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.



# Sema Lease UK Limited

Independent Auditor's Report to the Members of Sema Lease UK Limited *(continued)*

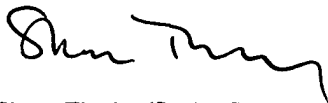
Year ended 31 March 2017

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## Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Shane Tharby (Senior Statutory Auditor)

For and on behalf of  
Streets Audit LLP  
Chartered accountant & statutory auditor  
3 Wellbrook Court  
Girton  
Cambridge  
CB3 0NA

4/12/2012

# Sema Lease UK Limited

## Consolidated Statement of Income and Retained Earnings

Year ended 31 March 2017

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	<b>40,369,929</b>	33,272,281
Cost of sales		<u>37,831,414</u>	<u>30,689,135</u>
<b>Gross profit</b>		<b>2,538,515</b>	2,583,146
Administrative expenses		1,359,980	1,436,346
Other operating income		<u>4,745</u>	<u>-</u>
<b>Operating profit</b>	<b>5</b>	<b>1,183,280</b>	1,146,800
Other interest receivable and similar income		13,031	34,142
Interest payable and similar expenses	<b>9</b>	<u>679,344</u>	<u>612,988</u>
<b>Profit before taxation</b>		<b>516,967</b>	567,954
Tax on profit	<b>10</b>	<u>119,454</u>	<u>123,395</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>397,513</u></b>	<b><u>444,559</u></b>
Dividends paid and payable	<b>11</b>	(22,000)	(1,226,640)
<b>Retained earnings at the start of the year</b>		<b><u>4,953,342</u></b>	<b><u>5,735,423</u></b>
<b>Retained earnings at the end of the year</b>		<b><u>5,328,855</u></b>	<b><u>4,953,342</u></b>

All the activities of the group are from continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

# Sema Lease UK Limited

## Company Statement of Income and Retained Earnings

Year ended 31 March 2017

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	Note	2017 £	2016 £
Profit for the financial year and total comprehensive income		<b>421,951</b>	506,000
Dividends paid and payable	11	<b>(22,000)</b>	(1,226,640)
<b>Retained earnings at the start of the year</b>		<b><u>5,201,745</u></b>	<b><u>5,922,385</u></b>
<b>Retained earnings at the end of the year</b>		<b><u>5,601,696</u></b>	<b><u>5,201,745</u></b>

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The notes on pages 13 to 28 form part of these financial statements.

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# Sema Lease UK Limited

## Consolidated Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	274,424	380,088
Tangible assets	13	33,477,992	34,741,999
		<u>33,752,416</u>	<u>35,122,087</u>
<b>Current assets</b>			
Stocks	15	2,266,193	1,898,805
Debtors	16	5,717,707	5,461,473
Cash at bank and in hand		1,992,884	2,290,712
		<u>9,976,784</u>	<u>9,650,990</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>29,289,695</u>	<u>24,921,737</u>
<b>Net current liabilities</b>		<u>19,312,911</u>	<u>15,270,747</u>
<b>Total assets less current liabilities</b>		<u>14,439,505</u>	<u>19,851,340</u>
<b>Creditors: amounts falling due after more than one year</b>	19	8,570,791	14,474,718
<b>Provisions</b>			
Taxation including deferred tax	21	538,859	422,280
<b>Net assets</b>		<u>5,329,855</u>	<u>4,954,342</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,000	1,000
Profit and loss account	26	5,328,855	4,953,342
<b>Members funds</b>		<u>5,329,855</u>	<u>4,954,342</u>

These financial statements were approved by the board of directors and authorised for issue on 27/03/17, and are signed on behalf of the board by:

  
G J Balaam  
Director

Company registration number: 05036315

The notes on pages 13 to 28 form part of these financial statements.

# Sema Lease UK Limited

## Company Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	199,200	298,800
Tangible assets	13	33,189,665	34,445,511
Investments	14	400,700	400,700
		<u>33,789,565</u>	<u>35,145,011</u>
<b>Current assets</b>			
Stocks	15	545,167	278,633
Debtors: due within one year	16	4,641,015	4,190,149
Debtors: due within one year	16	1,222,319	1,167,388
Cash at bank and in hand		1,986,490	2,276,151
		<u>8,394,991</u>	<u>7,912,321</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>27,443,896</u>	<u>22,928,923</u>
<b>Net current liabilities</b>		<u>19,048,905</u>	<u>15,016,602</u>
<b>Total assets less current liabilities</b>		<u>14,740,660</u>	<u>20,128,409</u>
<b>Creditors: amounts falling due after more than one year</b>	19	8,570,791	14,474,718
<b>Provisions</b>			
Taxation including deferred tax	21	567,173	450,946
<b>Net assets</b>		<u>5,602,696</u>	<u>5,202,745</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,000	1,000
Profit and loss account	26	5,601,696	5,201,745
<b>Members funds</b>		<u>5,602,696</u>	<u>5,202,745</u>

The profit for the financial year of the parent company was £421,951 (2016: £506,000).

These financial statements were approved by the board of directors and authorised for issue on .....27/11/17....., and are signed on behalf of the board by:



G J Balaam  
Director

Company registration number: 05036315

The notes on pages 13 to 28 form part of these financial statements.

# Sema Lease UK Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		397,513	444,559
<i>Adjustments for:</i>			
Depreciation of tangible assets		3,279,865	3,143,453
Amortisation of intangible assets		105,664	105,664
Other interest receivable and similar income		(13,031)	(34,142)
Interest payable and similar expenses		679,344	612,988
Gains on disposal of tangible assets		(7,806)	(7,813)
Tax on profit		119,454	123,395
<i>Changes in:</i>			
Stocks		(367,388)	175,475
Trade and other debtors		(172,108)	(56,449)
Trade and other creditors		685,238	841,620
Cash generated from operations		<u>4,706,745</u>	<u>5,348,750</u>
Interest paid		(679,344)	(612,988)
Interest received		13,031	34,142
Tax paid		(789)	-
Net cash from operating activities		<u>4,039,643</u>	<u>4,769,904</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(5,692,849)	(5,840,765)
Proceeds from sale of tangible assets		22,433,658	15,242,023
Net cash from investing activities		<u>16,740,809</u>	<u>9,401,258</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(2,646,199)	(2,764,676)
Proceeds from borrowings		1,915,000	3,112,000
(Repayments)/proceeds from loans from participating interests		(90,300)	40,825
Payments of finance lease liabilities		(20,079,251)	(12,662,719)
Dividends paid		(22,000)	(1,226,640)
Net cash used in financing activities		<u>(20,922,750)</u>	<u>(13,501,210)</u>
Net (decrease)/increase in cash and cash equivalents		(142,298)	669,952
Cash and cash equivalents at beginning of year		2,014,189	1,344,237
Cash and cash equivalents at end of year	17	<u>1,871,891</u>	<u>2,014,189</u>

The notes on pages 13 to 28 form part of these financial statements.

# Sema Lease UK Limited

## Notes to the Financial Statements

Year ended 31 March 2017

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Fison Way, Thetford, Norfolk, IP24 1HT, United Kingdom.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the group.

#### Going concern

The company funds vehicles purchased for the company's hire fleet using finance lease contracts from a number of providers. The vehicles are accounted for as fixed assets and a corresponding liability is recognised, an element of which will be classified as a current liability. This gives rise to the company's net current liabilities position at the year end. The directors have reviewed the company's forecasted cash flows and these are sufficient to meet the liabilities as they fall due. In addition to this, some of the short-term finance lease and hire purchase creditor balances at the year end are funded from the sale of the vehicles at the end of the lease or hire purchase agreement.

Taking into account the above and after making enquiries, the directors believe that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### Disclosure exemptions

No disclosure exemptions are available under FRS 102.

#### Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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## 3. Accounting policies *(continued)*

### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated useful life of the asset to its estimated residual value.

The recoverability of trade debtors and other debtors are considered on a regular basis. When calculating the debtor provision, the directors consider the age of the debts and the financial position of its customer.

### Revenue recognition

Turnover represents sales of vehicles during the year, including sales of ex-rental vehicles where the operating leases have expired during the year, excluding value added tax. Rentals receivable under operating leases are also included in turnover on a straight line basis over the lease term.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.



# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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## 3. Accounting policies *(continued)*

### Income tax *(continued)*

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Purchased Goodwill	-	20% straight line
Ford Franchise Set-up Costs	-	50% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the life of the lease or life of the asset
Plant & Machinery	-	Straight line over the life of the lease, 5%-25% reducing balance
Motor Vehicles	-	Straight line over the life of the lease, 25% reducing balance

Other assets are not depreciated on the basis that they have a high residual value and any depreciation charge would be immaterial. Motor vehicles include cherished number plates which are also not depreciated.

# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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## 3. Accounting policies *(continued)*

### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock cost is based on purchase price, or in the case of rental vehicles the purchase cost of the vehicles when they reach the end of the finance lease term.

### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	30,436,695	23,731,531
Rendering of services	1,373,293	1,254,355
Hire of vehicles	8,559,941	8,286,395
	<u>40,369,929</u>	<u>33,272,281</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

### 5. Operating profit

Operating profit or loss is stated after crediting:

	2017	2016
	£	£
Amortisation of intangible assets	105,664	105,664
Depreciation of tangible assets	3,279,865	3,143,453
Gains on disposal of tangible assets	(7,806)	(7,813)
Impairment of trade debtors	12,444	1,767
Operating lease costs - other	-	24,000
Operating lease costs - vehicle rental costs	1,630,275	1,235,718
Operating lease income	<u>(8,559,941)</u>	<u>(7,816,646)</u>

### 6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>32,500</u>	<u>42,500</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>16,406</u>	<u>14,663</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 45 (2016: 45).

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	1,028,997	1,090,486
Social security costs	109,719	121,340
Other pension costs	12,493	7,436
	<u>1,151,209</u>	<u>1,219,262</u>

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	164,896	147,379
Company contributions to defined contribution pension plans	1,419	-
	<u>166,315</u>	<u>147,379</u>

### 9. Interest payable and similar expenses

	2017	2016
	£	£
Interest on debenture loans	551,834	505,989
Interest on banks loans and overdrafts	8,619	13,075
Interest on obligations under finance leases and hire purchase contracts	103,951	71,681
Corporation tax interest payable	-	3,148
VAT interest payable	1,134	-
Other interest payable and similar charges	13,806	19,095
	<u>679,344</u>	<u>612,988</u>

### 10. Tax on profit

#### Major components of tax expense

	2017	2016
	£	£
<b>Current tax:</b>		
UK current tax expense	2,086	-
Adjustments in respect of prior periods	789	-
Total current tax	<u>2,875</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	109,250	123,395
Adjustment in respect of prior periods	7,329	-
Total deferred tax	<u>116,579</u>	<u>123,395</u>
<b>Tax on profit</b>	<u>119,454</u>	<u>123,395</u>

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 10. Tax on profit (continued)

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>516,967</u>	<u>567,954</u>
Profit on ordinary activities by rate of tax	103,393	113,590
Adjustment to tax charge in respect of prior periods	8,118	183
Effect of expenses not deductible for tax purposes	7,943	9,622
Tax on profit	<u>119,454</u>	<u>123,395</u>

### 11. Dividends

	2017 £	2016 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>22,000</u>	<u>1,226,640</u>

### 12. Intangible assets

Group	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 Apr 2016 and 31 Mar 2017	<u>625,162</u>	<u>5,985</u>	<u>631,147</u>
<b>Amortisation</b>			
At 1 April 2016	245,074	5,985	251,059
Charge for the year	105,664	–	105,664
At 31 March 2017	<u>350,738</u>	<u>5,985</u>	<u>356,723</u>
<b>Carrying amount</b>			
At 31 March 2017	<u>274,424</u>	–	<u>274,424</u>
At 31 March 2016	<u>380,088</u>	–	<u>380,088</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 12. Intangible assets (continued)

Company	Purchased Goodwill £
<b>Cost</b>	
At 1 Apr 2016 and 31 Mar 2017	<u>498,000</u>
<b>Amortisation</b>	
At 1 April 2016	199,200
Charge for the year	99,600
At 31 March 2017	<u>298,800</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>199,200</u>
At 31 March 2016	<u>298,800</u>

## 13. Tangible assets

Group	Other assets £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2016	65,000	303,680	642,052	38,787,898	39,798,630
Additions	–	16,000	19,886	24,405,824	24,441,710
Disposals	–	–	(37,500)	(25,980,590)	(26,018,090)
At 31 March 2017	<u>65,000</u>	<u>319,680</u>	<u>624,438</u>	<u>37,213,132</u>	<u>38,222,250</u>
<b>Depreciation</b>					
At 1 April 2016	–	165,677	402,616	4,488,338	5,056,631
Charge for the year	–	8,572	35,306	3,235,987	3,279,865
Disposals	–	–	(13,355)	(3,578,883)	(3,592,238)
At 31 March 2017	<u>–</u>	<u>174,249</u>	<u>424,567</u>	<u>4,145,442</u>	<u>4,744,258</u>
<b>Carrying amount</b>					
At 31 March 2017	<u>65,000</u>	<u>145,431</u>	<u>199,871</u>	<u>33,067,690</u>	<u>33,477,992</u>
At 31 March 2016	<u>65,000</u>	<u>138,003</u>	<u>239,436</u>	<u>34,299,560</u>	<u>34,741,999</u>

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 13. Tangible assets (continued)

Company	Other assets £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2016	65,000	210,792	38,787,898	<b>39,063,690</b>
Additions	–	16,123	24,405,824	<b>24,421,947</b>
Disposals	–	(37,500)	(25,980,590)	<b>(26,018,090)</b>
<b>At 31 March 2017</b>	<b>65,000</b>	<b>189,415</b>	<b>37,213,132</b>	<b>37,467,547</b>
<b>Depreciation</b>				
At 1 April 2016	–	129,841	4,488,338	<b>4,618,179</b>
Charge for the year	–	15,953	3,235,987	<b>3,251,940</b>
Disposals	–	(13,354)	(3,578,883)	<b>(3,592,237)</b>
<b>At 31 March 2017</b>	<b>–</b>	<b>132,440</b>	<b>4,145,442</b>	<b>4,277,882</b>
<b>Carrying amount</b>				
At 31 March 2017	65,000	56,975	33,067,690	<b>33,189,665</b>
At 31 March 2016	65,000	80,951	34,299,560	34,445,511

#### Assets held for use in operating leases

Included within the net book value of £33,189,665 is £32,679,654 (2016 - £34,020,900) relating to assets held for use in operating leases. The depreciation charged in the year in respect of the assets held for use in operating leases amounted to £3,208,129 (2016 - £3,041,340).

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group and company	Motor vehicles £
At 31 March 2017	<b>26,163,791</b>
At 31 March 2016	27,394,385

### 14. Investments

Group	Other investments other than loans £
<b>Cost</b>	
At 1 Apr 2016 and 31 Mar 2017	<b>144,000</b>
<b>Impairment</b>	
At 1 Apr 2016 and 31 Mar 2017	<b>144,000</b>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 14. Investments (continued)

Group			Other investments other than loans £
<b>Carrying amount</b>			
At 1 Apr 2016 and 31 Mar 2017			—
<b>Company</b>	Shares in group undertakings £	Other investments other than loans £	Total £
<b>Cost</b>			
At 1 Apr 2016 and 31 Mar 2017	400,700	144,000	544,700
<b>Impairment</b>			
At 1 Apr 2016 and 31 Mar 2017	—	144,000	144,000
<b>Carrying amount</b>			
At 1 Apr 2016 and 31 Mar 2017	400,700	—	400,700

During an earlier year the company invested £144,000 in a Limited Liability Partnership. As at the balance sheet date the directors have considered the investment for impairment in accordance with UK GAAP. The nature of this investment makes predicting future returns difficult and based on all of the available evidence as at the balance sheet date the directors have concluded that the value of the investment may not be recoverable. For this reason the investment has been fully impaired.

### Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Ames Nissan Limited	A Ordinary	100
	B Non-Voting	100

The results and capital and reserves for group undertakings not included in the consolidated financial statements are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2017 £	2016 £	2017 £	2016 £
<b>Subsidiary undertakings</b>				
Ames Nissan Limited	55,288	73,661	(18,378)	(55,378)



# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 15. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	169,833	193,087	-	-
Finished goods and goods for resale	2,096,360	1,705,718	545,167	278,633
	<u>2,266,193</u>	<u>1,898,805</u>	<u>545,167</u>	<u>278,633</u>

## 16. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,816,820	1,919,756	1,194,865	998,624
Amounts owed by group undertakings	-	-	895,720	881,137
Amounts owed by undertakings in which the company has a participating interest	2,396,988	2,194,337	2,384,794	2,173,106
Prepayments and accrued income	151,919	114,968	120,330	61,050
Corporation tax repayable	-	240,517	-	240,517
Directors current accounts	615,025	361,119	557,116	360,611
S455 tax repayable	172,003	87,877	154,017	81,169
Other debtors	564,952	542,899	556,492	561,323
	<u>5,717,707</u>	<u>5,461,473</u>	<u>5,863,334</u>	<u>5,357,537</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts owed by group undertakings	-	-	895,720	881,137
S455 tax repayable	154,017	81,169	154,017	81,169
Other debtors	172,582	205,082	172,582	205,082
	<u>326,599</u>	<u>286,251</u>	<u>1,222,319</u>	<u>1,167,388</u>

## 17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	1,992,884	2,290,712
Bank overdrafts	(120,993)	(276,523)
	<u>1,871,891</u>	<u>2,014,189</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 18. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other loans	4,295,000	2,500,000	4,295,000	2,500,000
Bank loans and overdrafts	221,365	397,553	100,372	97,711
Trade creditors	3,978,115	3,327,318	2,339,384	1,752,818
Amounts owed to related undertakings	2,775	93,075	1,775	64,275
Accruals and deferred income	317,645	305,247	305,570	270,146
Corporation tax	86,212	–	74,934	–
Social security and other taxes	51,113	47,023	23,560	19,711
Obligations under finance leases and hire purchase contracts	20,262,428	18,170,004	20,262,428	18,170,004
Director loan accounts	–	24,428	–	24,428
Other creditors	75,042	57,089	40,873	29,830
	<u>29,289,695</u>	<u>24,921,737</u>	<u>27,443,896</u>	<u>22,928,923</u>

The bank loans and overdrafts are secured against assets held by Mr R C Ames, Director.

Obligations under finance leases and hire purchase contracts are secured on the related assets.

The bank loan is repayable over 5 years, which commenced in February 2015, with interest charged at a rate of 2.17% over base per annum.

## 19. Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other loans	2,437,000	4,817,000	2,437,000	4,817,000
Bank loans and overdrafts	190,425	291,538	190,425	291,538
Obligations under finance leases and hire purchase contracts	5,943,366	9,366,180	5,943,366	9,366,180
	<u>8,570,791</u>	<u>14,474,718</u>	<u>8,570,791</u>	<u>14,474,718</u>

The bank loans and overdrafts are secured against assets held by Mr R C Ames, director.

The hire purchase and finance lease agreements are secured against the related assets.

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	21,141,385	19,119,156	21,141,385	19,119,156
Later than 1 year and not later than 5 years	6,073,293	9,543,234	6,073,293	9,543,234
	<u>27,214,678</u>	<u>28,662,390</u>	<u>27,214,678</u>	<u>28,662,390</u>
Less: future finance charges	(1,008,884)	(1,126,206)	(1,008,884)	(1,126,206)
Present value of minimum lease payments	<u>26,205,794</u>	<u>27,536,184</u>	<u>26,205,794</u>	<u>27,536,184</u>

## 21. Provisions

Group	Deferred tax (note 22) £
At 1 April 2016	422,280
Other movements	116,579
At 31 March 2017	<u>538,859</u>
Company	Deferred tax (note 22) £
At 1 April 2016	450,946
Other movements	116,227
At 31 March 2017	<u>567,173</u>

## 22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 21)	<u>538,859</u>	<u>422,280</u>	<u>567,173</u>	<u>450,946</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	672,798	563,302	655,226	545,386
Unused tax losses	(133,939)	(141,022)	(88,053)	(94,440)
	<u>538,859</u>	<u>422,280</u>	<u>567,173</u>	<u>450,946</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 23. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £12,493 (2016: £7,436).

## 24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

### Financial assets that are debt instruments measured at amortised cost

	Group	
	2017	2016
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>3,809,703</u>	<u>4,210,468</u>

### Financial liabilities measured at amortised cost

	Group	
	2017	2016
	£	£
Financial liabilities measured at amortised cost	<u>37,327,697</u>	<u>38,869,593</u>

## 25. Called up share capital

### Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## 26. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

## 27. Operating leases

### As lessee

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	<u>1,476</u>	1,770	<u>1,476</u>	1,770
Later than 1 year and not later than 5 years	<u>3,321</u>	885	<u>3,321</u>	885
	<u>4,797</u>	<u>2,655</u>	<u>4,797</u>	<u>2,655</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

## 27. Operating leases (continued)

As lessor

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	<u>4,671,552</u>	<u>4,143,198</u>	<u>4,671,552</u>	<u>4,143,198</u>

## 28. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
R C Ames	361,119	282,104	(50,000)	<u>593,223</u>
G J Balaam	(24,428)	47,009	(779)	<u>21,802</u>
	<u>336,691</u>	<u>329,113</u>	<u>(50,779)</u>	<u>615,025</u>

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
R C Ames	1,103,974	361,121	(1,103,976)	361,119
G J Balaam	62,578	38,847	(125,853)	(24,428)
	<u>1,166,552</u>	<u>399,968</u>	<u>(1,229,829)</u>	<u>336,691</u>

Interest of £13,031 (2016: £32,812) has been charged on the advances.

# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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## 29. Related party transactions

### Group

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and balances outstanding at the year end are as follows:

#### Other related parties

	2017	2016
	£	£
Balances owed to	2,775	93,075
Balances owed from	2,396,987	2,197,028
Sales	1,179,095	68,259
Purchase/expenses	138,713	329,540
Loans to	302,980	214,399
Repayments from	283,616	74,136

R C Ames has given personal guarantees amounting to £600,000 in respect of the company's bank loan and overdraft facility. The group's bankers also hold a legal charge over 2 Fison Way, Thetford, Norfolk, which is owned by R C Ames.

### Company

During the year the company entered into the following transactions with related parties. Transactions entered into and balances outstanding at the year end are as follows:

#### Entities which the company controls

	2017	2016
	£	£
Balance due from	895,720	881,137
Sales	95,056	13,540
Purchases/expenses	60,412	61,929

#### Other related parties

	2017	2016
	£	£
Balances due to	1,775	64,275
Balances due from	2,384,794	2,173,106
Sales	1,179,095	68,849
Purchases/expenses	109,913	281,540
Loans to	302,980	211,399
Repayments from	283,616	74,136