

COMPANY REGISTRATION NUMBER: 05036315

**Sema Lease UK Limited**  
**Financial Statements**  
**For the year ended**  
**31 March 2019**

# Sema Lease UK Limited

## Financial Statements

Year ended 31 March 2019

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# Sema Lease UK Limited

## Officers and Professional Advisers

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<b>THE BOARD OF DIRECTORS</b>	R C Ames G J Balaam
<b>COMPANY SECRETARY</b>	G J Balaam
<b>REGISTERED OFFICE</b>	2 Fison Way Thetford Norfolk United Kingdom IP24 1HT
<b>AUDITOR</b>	Streets Audit LLP Chartered Accountants & Statutory Auditor 3 Wellbrook Court Girton Cambridge CB3 0NA
<b>BANKERS</b>	NatWest Bank Plc 7 Cornhill Bury St Edmunds Suffolk IP24 3AG

# Sema Lease UK Limited

## Strategic Report

Year ended 31 March 2019

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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 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 will hopefully be reflected in an increase in the number of vehicles available to the company for leasing.

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

### 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:

	<b>2019</b>	2018
	<b>£</b>	£
Turnover	<b>32,402,039</b>	27,602,575
Gross profit	<b>3,873,576</b>	2,842,891
Profit before taxation	<b>1,580,353</b>	1,068,413

Turnover increased by 17.4% (2018 - decreased by 5.8%) and gross profit showed a increase of 36.3% (2018 - increase of 43.1%) with a increase in the gross profit margin from 10.3% to 12.0%.

# Sema Lease UK Limited

Strategic Report (continued)

Year ended 31 March 2019

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## 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.

### 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 for 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 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 .....17/12/19..... and signed on behalf of the board by:



G J Balaam  
Company Secretary

# Sema Lease UK Limited

## Directors' Report

Year ended 31 March 2019

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

### 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 12 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Sema Lease UK Limited

Directors' Report *(continued)*

Year ended 31 March 2019

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## 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 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 company's auditor is aware of that information.

This report was approved by the board of directors on .....17/12/19..... 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 2019

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### Opinion

We have audited the financial statements of Sema Lease UK Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



# Sema Lease UK Limited

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

Year ended 31 March 2019

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### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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, 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.

### Other matter

We have reported separately on the consolidated financial statements of Sema Lease UK Limited for the year ended 31 March 2019.

# Sema Lease UK Limited

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

Year ended 31 March 2019

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### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 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.



Shane Tharby (Senior Statutory Auditor)

For and on behalf of  
Streets Audit LLP  
Chartered Accountants & Statutory Auditor  
3 Wellbrook Court  
Girton  
Cambridge  
CB3 0NA

19 December 2019

# Sema Lease UK Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	32,402,039	27,602,575
Cost of sales		28,528,463	24,759,684
<b>Gross profit</b>		<b>3,873,576</b>	<b>2,842,891</b>
Administrative expenses		1,118,247	1,137,289
Other operating income		17,032	–
Amounts owed by related undertakings provided against		465,952	–
<b>Operating profit</b>	5	<b>2,306,409</b>	<b>1,705,602</b>
Interest receivable and similar income	9	19,325	16,398
Interest payable and similar expenses	10	745,381	653,587
<b>Profit before taxation</b>		<b>1,580,353</b>	<b>1,068,413</b>
Tax on profit	11	318,396	189,739
<b>Profit for the financial year and total comprehensive income</b>		<b>1,261,957</b>	<b>878,674</b>
Dividends paid and payable	12	–	(100,000)
<b>Retained earnings at the start of the year</b>		<b>6,380,370</b>	<b>5,601,696</b>
<b>Retained earnings at the end of the year</b>		<b>7,642,327</b>	<b>6,380,370</b>

All the activities of the company are from continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

# Sema Lease UK Limited

## Statement of Financial Position

31 March 2019

		2019		2018	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		–		99,600
Tangible assets	14		34,462,637		24,753,238
Investments	15		400,700		400,700
			<u>34,863,337</u>		<u>25,253,538</u>
<b>Current assets</b>					
Stocks	16	662,277		893,940	
Debtors: due within one year	17	6,324,163		4,847,272	
Debtors: due after more than one year	17	987,668		1,225,839	
Cash at bank and in hand		1,205,597		1,614,085	
		<u>9,179,705</u>		<u>8,581,136</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>29,417,547</u>		<u>18,446,628</u>	
<b>Net current liabilities</b>			<u>20,237,842</u>		<u>9,865,492</u>
<b>Total assets less current liabilities</b>			<u>14,625,495</u>		<u>15,388,046</u>
<b>Creditors: amounts falling due after more than one year</b>	19		6,260,928		8,424,193
<b>Provisions</b>					
Taxation including deferred tax	21		721,240		582,483
<b>Net assets</b>			<u>7,643,327</u>		<u>6,381,370</u>
<b>Capital and reserves</b>					
Called up share capital	24		1,000		1,000
Profit and loss account	25		7,642,327		6,380,370
<b>Shareholders funds</b>			<u>7,643,327</u>		<u>6,381,370</u>

These financial statements were approved by the board of directors and authorised for issue on .....17/12/19.....  
and are signed on behalf of the board by:



G J Balaam  
Director

Company registration number: 05036315

The notes on pages 11 to 23 form part of these financial statements.

# Sema Lease UK Limited

## Notes to the Financial Statements

Year ended 31 March 2019

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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 entity.

#### Going concern

The company funds vehicles purchased for the company's hire fleet using finance lease contracts from a number of providers and a loan note programme. 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, which are included in fixed assets.

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.

#### Preparation of consolidated financial statements

The financial statements contain information about Sema Lease UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. Separate consolidated financial statements have been prepared.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. The company also prepares consolidated financial statements which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102 in these entity accounts:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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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 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 the counterparty.

### **Revenue recognition**

Turnover represents sales of ex-rental vehicles where the operating leases have expired during the year, excluding value added tax, and rentals receivable under operating leases recognised on a straight line basis over the lease term.

### **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.

Deferred tax is recognised in respect of all 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.

# Sema Lease UK Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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### 3. Accounting policies *(continued)*

#### **Purchased goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### **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

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:

Plant & Machinery - 25% on reducing balance, straight line for rental assets  
Motor Vehicles - 25% on reducing balance, straight line for finance lease vehicles

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.

#### **Investments**

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

# Sema Lease UK Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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### 3. Accounting policies *(continued)*

#### **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 for finance lease vehicles is based on the purchase cost of vehicles when they reach the end of the finance lease term. Stock cost for owned vehicles is based on the residual value of the vehicles when they reach the end of the lease agreement with the customer.

#### **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.



# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2019

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### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of vehicles	22,639,070	18,628,660
Commissions	1,500	–
Hire of vehicles	9,761,469	8,973,915
	<u>32,402,039</u>	<u>27,602,575</u>

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

### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	99,600	99,600
Depreciation of tangible assets	4,306,169	4,380,798
Gains on disposal of tangible assets	(3,033)	(2,250)
Impairment of trade debtors	146,570	163,330
Operating lease costs - vehicle rental costs	1,898,116	1,881,871
Operating lease income	<u>(9,761,469)</u>	<u>(8,973,915)</u>

Operating profit is also after charging £465,952 (2018: £nil) bad debt provision against related party loan balances.

### 6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>17,000</u>	<u>17,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	2,000	9,250
Other non-audit services	6,425	6,383
	<u>8,425</u>	<u>15,633</u>

### 7. Staff costs

The average number of persons employed by the company during the year amounted to 18 (2018: 17).

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2019

### 7. Staff costs (continued)

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

	2019	2018
	£	£
Wages and salaries	629,006	553,196
Social security costs	68,072	60,835
Other pension costs	14,650	7,718
	<u>711,728</u>	<u>621,749</u>

### 8. Directors' remuneration

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

	2019	2018
	£	£
Remuneration	158,188	140,090
Company contributions to defined contribution pension plans	3,020	1,307
	<u>161,208</u>	<u>141,397</u>

### 9. Interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	-	9
Other interest receivable and similar income	19,325	16,389
	<u>19,325</u>	<u>16,398</u>

### 10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on debenture loans	550,892	556,301
Interest on banks loans and overdrafts	4,050	6,126
Interest on obligations under finance leases and hire purchase contracts	159,939	55,160
Other interest payable and similar charges	30,500	36,000
	<u>745,381</u>	<u>653,587</u>

In addition to the above, finance lease charges amounting to £1,021,270 (2018 - £953,743) are included in cost of sales.

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

## 11. Tax on profit

### Major components of tax expense

	2019 £	2018 £
<b>Current tax:</b>		
UK current tax expense	179,917	174,429
Adjustments in respect of prior periods	(278)	–
Total current tax	<u>179,639</u>	<u>174,429</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>138,757</u>	<u>15,310</u>
<b>Tax on profit</b>	<u>318,396</u>	<u>189,739</u>

### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>1,580,353</u>	<u>1,068,413</u>
Profit on ordinary activities by rate of tax	300,267	202,998
Adjustment to tax charge in respect of prior periods	(278)	–
Effect of expenses not deductible for tax purposes	18,407	15,100
Effect of change in tax rates	–	(28,359)
Tax on profit	<u>318,396</u>	<u>189,739</u>

## 12. Dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>–</u>	<u>100,000</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

## 13. Intangible assets

	Purchased goodwill £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	<u>498,000</u>
<b>Amortisation</b>	
At 1 April 2018	398,400
Charge for the year	<u>99,600</u>
<b>At 31 March 2019</b>	<u>498,000</u>
<b>Carrying amount</b>	
At 31 March 2019	-
At 31 March 2018	<u>99,600</u>

## 14. Tangible assets

	Other assets £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2018	65,000	175,940	28,165,440	<b>28,406,380</b>
Additions	-	28,554	32,707,082	<b>32,735,636</b>
Disposals	-	(45,625)	(21,533,065)	<b>(21,578,690)</b>
<b>At 31 March 2019</b>	<u>65,000</u>	<u>158,869</u>	<u>39,339,457</u>	<u><b>39,563,326</b></u>
<b>Depreciation</b>				
At 1 April 2018	-	139,323	3,513,819	<b>3,653,142</b>
Charge for the year	-	15,460	4,290,709	<b>4,306,169</b>
Disposals	-	(45,625)	(2,812,997)	<b>(2,858,622)</b>
<b>At 31 March 2019</b>	<u>-</u>	<u>109,158</u>	<u>4,991,531</u>	<u><b>5,100,689</b></u>
<b>Carrying amount</b>				
At 31 March 2019	<u>65,000</u>	<u>49,711</u>	<u>34,347,926</u>	<u><b>34,462,637</b></u>
At 31 March 2018	<u>65,000</u>	<u>36,617</u>	<u>24,651,621</u>	<u><b>24,753,238</b></u>

### Assets held for use in operating leases

Included within the net book value of £34,462,636 is £34,095,504 (2018 - £24,386,114) 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 £4,264,835 (2018 - £4,023,795).

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

## 14. Tangible assets (continued)

### 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:

	<b>Motor vehicles £</b>
At 31 March 2019	<b>25,681,018</b>
At 31 March 2018	<b>17,428,650</b>

## 15. Investments

	Shares in group undertakings £	Other investments £	<b>Total £</b>
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	<u>400,700</u>	<u>144,000</u>	<u>544,700</u>
<b>Impairment</b>			
At 1 April 2018 and 31 March 2019	<u>–</u>	<u>144,000</u>	<u>144,000</u>
<b>Carrying amount</b>			
At 31 March 2019	<u>400,700</u>	<u>–</u>	<u>400,700</u>
At 31 March 2018	<u>400,700</u>	<u>–</u>	<u>400,700</u>

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

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

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2019	2018	2019	2018
	£	£	£	£
<b>Subsidiary undertakings</b>				
Ames Nissan Limited	<u>(239,398)</u>	<u>(43,514)</u>	<u>(195,884)</u>	<u>(98,802)</u>

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2019

### 16. Stocks

	2019 £	2018 £
Vehicles held for sale	<u>662,277</u>	<u>893,940</u>

### 17. Debtors

Debtors falling due within one year are as follows:

	2019 £	2018 £
Trade debtors	1,995,172	1,510,602
Amounts owed by related undertakings	3,249,702	2,490,930
Prepayments and accrued income	34,364	39,761
Directors current accounts	895,047	694,950
S455 tax repayable	1,361	1,361
Other debtors	148,517	109,668
	<u>6,324,163</u>	<u>4,847,272</u>

Debtors falling due after one year are as follows:

	2019 £	2018 £
Amounts owed by group undertakings	691,241	909,444
S455 tax repayable	263,845	198,813
Other debtors	32,582	117,582
	<u>987,668</u>	<u>1,225,839</u>

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

	2019 £	2018 £
Loan notes	3,950,000	2,547,000
Bank loans	87,145	103,096
Trade creditors	448,404	456,445
Amounts owed to related undertakings	1,445	1,825
Accruals and deferred income	405,331	555,013
Corporation tax	200,941	216,499
Social security and other taxes	52,887	82,696
Obligations under finance leases and hire purchase contracts	23,689,035	13,825,405
Other creditors	582,359	658,649
	<u>29,417,547</u>	<u>18,446,628</u>

The loan notes are secured against the the motor vehicles financed by the loan note programme and also by a fixed and floating charge charge over all of the company's assets.

The bank loan is secured by a personal guarantee provided by Mr R C Ames, Director.

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

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2019

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

	2019	2018
	£	£
Loan notes	4,250,000	4,750,000
Bank loans	–	86,913
Obligations under finance leases and hire purchase contracts	2,010,928	3,587,280
	<u>6,260,928</u>	<u>8,424,193</u>

The loan notes are secured against the the motor vehicles financed by the loan note programme and also by a fixed and floating charge charge over all of the company's assets.

The bank loan is secured by a personal guarantee provided 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.

### 20. Finance leases and hire purchase contracts

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

	2019	2018
	£	£
Not later than 1 year	24,407,144	14,402,380
Later than 1 year and not later than 5 years	2,057,322	3,652,479
	<u>26,464,466</u>	<u>18,054,859</u>
Less: future finance charges	(764,503)	(642,174)
Present value of minimum lease payments	<u>25,699,963</u>	<u>17,412,685</u>

### 21. Provisions

	Deferred tax (note 22) £
At 1 April 2018	582,483
Other movements	138,757
At 31 March 2019	<u>721,240</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

## 22. Deferred tax

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

	2019	2018
	£	£
Included in provisions (note 21)	<u>721,240</u>	<u>582,483</u>

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

	2019	2018
	£	£
Accelerated capital allowances	<u>721,240</u>	<u>582,483</u>

## 23. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £14,650 (2018: £7,718).

## 24. Called up share capital

### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## 25. Reserves

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

## 26. Operating leases

### As lessee

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

	2019	2018
	£	£
Not later than 1 year	1,476	1,476
Later than 1 year and not later than 5 years	369	1,845
	<u>1,845</u>	<u>3,321</u>

### As lessor

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

	2019	2018
	£	£
Not later than 1 year	<u>4,880,734</u>	<u>4,486,957</u>



# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

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## 27. Directors' advances, credits and guarantees

During the year the company operated current accounts with the directors. At the balance sheet date the directors owed the company £895,047 (2018 - £694,950). The maximum amount outstanding during the year was £895,047 (2018 - £694,950). Interest has been charged at the HMRC official rate.

## 28. Related party transactions

During the year the company 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:

### Key management personnel

	2019	2018
	£	£
Sales to	7,937	22,391
Purchases from	2,443	3,156
Balances owed from	895,047	694,950

### Entities which the company controls

	2019	2018
	£	£
Balance owed from	691,241	909,444
Sales	89,875	136,319
Purchases/expenses	415,379	73,336

### Other related parties

	2019	2018
	£	£
Balances due to	1,445	1,825
Balances due from	3,249,702	2,490,930
Sales	2,898,929	1,126,175
Purchases/expenses	153,600	178,977
Loans to	95,375	213,220
Repayments from	–	132,378
Loans written off	465,952	–

In addition to the above related party transactions the company also held tangible fixed assets acquired for the sole purpose of making available to other related parties free of charge in relation to sponsorship arrangements.

Other related parties are companies/unincorporated businesses which the directors own and control.

R C Ames has given personal guarantees in respect of the company's bank borrowing facility and also specific personal guarantees to the company in respect of related party loan balances owed to the company.

## 29. Controlling party

The company was under the ultimate control of R C Ames throughout the current and prior year.

# **Sema Lease UK Limited**

**Management Information**

**Year ended 31 March 2019**

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**The following pages do not form part of the financial statements.**

# Sema Lease UK Limited

## Detailed Income Statement

Year ended 31 March 2019

	2019	2018
	£	£
<b>Turnover</b>		
Vehicle rental income	9,761,469	8,973,915
New vehicle sales	2,046,751	23,266
Used vehicle sales	20,592,319	18,605,394
Commissions received	1,500	–
	<u>32,402,039</u>	<u>27,602,575</u>
<b>Cost of sales</b>		
Vehicle rental costs	1,898,114	1,927,562
New vehicle purchases	1,941,400	22,766
Used vehicle purchases	18,709,374	16,922,463
Saddle purchases	15,167	–
Wage and salaries	477,997	422,516
Social security costs	68,072	60,835
Pension costs - defined contribution	11,630	6,411
Commissions payable	123,198	111,771
Finance lease charges	1,021,270	953,743
Depreciation of vehicles held for rental	4,262,241	4,331,617
	<u>28,528,463</u>	<u>24,759,684</u>
<b>Gross profit</b>	<u>3,873,576</u>	<u>2,842,891</u>
<b>Overheads</b>		
Administrative expenses	1,118,247	1,137,289
<b>Other operating income</b>	17,032	–
<b>Amounts owed by related undertakings written off</b>	465,952	–
<b>Operating profit</b>	<u>2,306,409</u>	<u>1,705,602</u>
Interest receivable and similar income	19,325	16,398
Interest payable and similar expenses	(745,381)	(653,587)
<b>Profit before taxation</b>	<u>1,580,353</u>	<u>1,068,413</u>

# Sema Lease UK Limited

## Notes to the Detailed Income Statement

Year ended 31 March 2019

	2019	2018
	£	£
<b>Administrative expenses</b>		
Directors salaries	151,009	130,680
Directors pensions	3,020	1,307
Light and heat	4,000	1,232
Insurance	33,715	37,126
Motor expenses	49,190	63,473
Travelling	36,851	29,890
Telephone	17,633	14,846
Computer costs	13,927	14,419
Printing postage and stationery	19,361	21,094
Employee benefits	22,675	18,176
Sundry expenses	84,198	69,378
Charitable donations	1,160	150
Subscriptions	12,965	8,421
Advertising	32,006	22,770
Sponsorship	153,559	178,558
Entertaining	32,232	16,360
Legal and professional fees	116,323	152,852
Accountancy fees	9,575	15,633
Auditors remuneration	17,000	17,000
Amortisation of intangible assets	99,600	99,600
Depreciation of tangible assets	43,928	49,181
(Gain)/loss on disposal of tangible assets	(3,033)	(2,250)
Bad debts written off	146,570	163,330
Credit card charges	4,556	3,300
Bank charges	16,227	10,763
	<u>1,118,247</u>	<u>1,137,289</u>
<b>Other operating income</b>		
Saddle sales	17,032	-
	<u>17,032</u>	<u>-</u>
<b>Interest receivable and similar income</b>		
Interest on cash and cash equivalents	-	9
Other interest receivable	19,325	16,389
	<u>19,325</u>	<u>16,398</u>
<b>Interest payable and similar expenses</b>		
Interest on debenture loans	550,892	556,301
Bank loan interest	4,050	6,126
Interest on hire purchase and finance lease contracts	159,939	55,160
Other interest	30,500	36,000
	<u>745,381</u>	<u>653,587</u>