

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2020
for
Sema Lease UK Limited

Sema Lease UK Limited

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for the Year Ended 31 March 2020

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Sema Lease UK Limited

Company Information
for the Year Ended 31 March 2020

DIRECTORS: G J Balaam
R C Ames

SECRETARY: G J Balaam

REGISTERED OFFICE: 2 Fison Way
Thetford
Norfolk
IP24 1HT

REGISTERED NUMBER: 05036315 (England and Wales)

AUDITORS: Knights Lowe Limited
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Sema Lease UK Limited

Strategic Report **for the Year Ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

REVIEW OF BUSINESS

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:

	2020	2019
	£	£
Turnover	26,691,604	32,402,039
Gross Profit	2,347,172	3,873,575
Profit before taxation	151,643	1,580,353

Turnover decreased by 17.6% (2019 - increased by 17.4%) and gross profit showed a decrease of 39.4% (2019 - increased by 36.3%) with a decrease in the gross profit margin from 12.0% to 8.8%.

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.

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 operational requirements of the business.

Sema Lease UK Limited

Strategic Report
for the Year Ended 31 March 2020

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 terms for all suppliers.

FUTURE DEVELOPMENTS

The directors' plan 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.

ON BEHALF OF THE BOARD:

G J Balaam - Director

30 November 2020

Sema Lease UK Limited

Report of the Directors
for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of short to medium leasing of cars and light vans. This also encompasses the disposal of vehicles at the end of their lease term.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

G J Balaam
R C Ames

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Sema Lease UK Limited

Report of the Directors
for the Year Ended 31 March 2020

AUDITORS

The auditors Knights Lowe will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G J Balaam - Director

30 November 2020

Report of the Independent Auditors to the Members of
Sema Lease UK Limited

Opinion

We have audited the financial statements of Sema Lease UK Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its 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.

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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Sema Lease UK Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

James Knights ACA BSc (Senior Statutory Auditor)
for and on behalf of Knights Lowe Limited
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Date:

Sema Lease UK Limited

Income Statement
for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
TURNOVER	3	26,691,604	32,402,039
Cost of sales		24,344,432	28,528,464
GROSS PROFIT		2,347,172	3,873,575
Administrative expenses		1,386,094	1,118,246
		961,078	2,755,329
Other operating income		41,221	(448,920)
OPERATING PROFIT	5	1,002,299	2,306,409
Interest receivable and similar income	7	1,149	19,325
		1,003,448	2,325,734
Interest payable and similar expenses	8	851,805	745,381
PROFIT BEFORE TAXATION		151,643	1,580,353
Tax on profit	9	(280,990)	318,396
PROFIT FOR THE FINANCIAL YEAR		432,633	1,261,957

The notes form part of these financial statements

Sema Lease UK Limited

Other Comprehensive Income
for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		432,633	1,261,957
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		432,633	1,261,957

The notes form part of these financial statements

Sema Lease UK Limited (Registered number: 05036315)

**Balance Sheet
31 March 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		31,905,764		34,462,637
Investments	12		300,525		400,700
			<hr/>		<hr/>
			32,206,289		34,863,337
CURRENT ASSETS					
Stocks	13	671,863		662,277	
Debtors	14	9,429,387		7,311,831	
Cash at bank and in hand		151,078		1,205,597	
			<hr/>		<hr/>
			10,252,328		9,179,705
CREDITORS					
Amounts falling due within one year	15	29,212,084		29,417,547	
			<hr/>		<hr/>
NET CURRENT LIABILITIES			(18,959,756)		(20,237,842)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,246,533		14,625,495
CREDITORS					
Amounts falling due after more than one year	16		(4,591,466)		(6,260,928)
PROVISIONS FOR LIABILITIES	20		(579,107)		(721,240)
			<hr/>		<hr/>
NET ASSETS			8,075,960		7,643,327
			<hr/> <hr/>		<hr/> <hr/>
CAPITAL AND RESERVES					
Called up share capital	21		1,000		1,000
Retained earnings			8,074,960		7,642,327
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			8,075,960		7,643,327
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2020 and were signed on its behalf by:

G J Balaam - Director

The notes form part of these financial statements

Sema Lease UK Limited

Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2018	1,000	6,380,370	6,381,370
Changes in equity			
Total comprehensive income	-	1,261,957	1,261,957
Balance at 31 March 2019	<u>1,000</u>	<u>7,642,327</u>	<u>7,643,327</u>
Changes in equity			
Total comprehensive income	-	432,633	432,633
Balance at 31 March 2020	<u><u>1,000</u></u>	<u><u>8,074,960</u></u>	<u><u>8,075,960</u></u>

The notes form part of these financial statements

Sema Lease UK Limited

Notes to the Financial Statements
for the Year Ended 31 March 2020

1. STATUTORY INFORMATION

Sema Lease UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that effect 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 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. Tangible fixed assets purchased by finance lease are depreciated over the life of the finance lease to an 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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Turnover

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.

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 which is considered to be five years.

Tangible fixed assets

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and Machinery	25% on reducing balance, straight line for rental assets
Motor Vehicles	25% on reducing balance, straight line for finance lease vehicles
Other Assets	50% straight line basis

Other assets were not depreciated in previous accounting periods on the basis that they have a high residual value and any depreciation charged would be immaterial. However this year the depreciation estimate has been changed as the Directors view these other assets are now approaching the end of their useful life.

Motor vehicles include cherished number plates which are also not depreciated.

Impairment of fixed assets

A review of 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 are largely independent of the cash inflows from other assets or groups of assets.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any impairment.

Stocks

Stock is 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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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 and a majority of this will be due within one year and so 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.

Finance lease 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.

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Sales of vehicles	16,573,084	22,639,070
Commissions	-	1,500
Hire of vehicles	10,118,520	9,761,469
	26,691,604	32,402,039

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	23,183,191	29,503,110
Europe	3,508,413	2,898,929
	26,691,604	32,402,039

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	561,619	654,701
Social security costs	50,634	68,072
Other pension costs	14,555	11,630
	626,808	734,403

The average number of employees during the year was as follows:

	2020	2019
Sales Administration	15	15
Accounts	3	3
	18	18

	2020	2019
	£	£
Directors' remuneration	104,750	151,009

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	5,767,362	4,306,169
Profit on disposal of fixed assets	(5,698)	(3,033)
Goodwill amortisation	-	99,600
Foreign exchange differences	(32,538)	-
	<u><u> </u></u>	<u><u> </u></u>

Operating profit is also after charging £Nil (2019: £465,952) bad debt provision against related party loan balances.

6. AUDITORS' REMUNERATION

	2020	2019
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	17,000	17,000
Auditors' remuneration for non audit work	5,000	8,425
	<u><u> </u></u>	<u><u> </u></u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Other interest	1,149	19,325
	<u><u> </u></u>	<u><u> </u></u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interest	1,949	4,050
Other interest	-	30,500
Interest on debenture loans	674,133	550,892
Hire purchase interest	175,723	159,939
	<u><u> </u></u>	<u><u> </u></u>
	851,805	745,381
	<u><u> </u></u>	<u><u> </u></u>

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	-	179,917
Over/under provision in prior	(138,857)	(278)
	<u><u> </u></u>	<u><u> </u></u>
Total current tax	(138,857)	179,639
Deferred tax	(142,133)	138,757
	<u><u> </u></u>	<u><u> </u></u>
Tax on profit	(280,990)	318,396
	<u><u> </u></u>	<u><u> </u></u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

9. **TAXATION - continued**

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	151,643	1,580,353
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	28,812	300,267
Effects of:		
Expenses not deductible for tax purposes	13,667	18,407
Capital allowances in excess of depreciation	(146,108)	-
Adjustments to tax charge in respect of previous periods	(35,228)	(278)
Reversible timing differences occurring in period	(142,133)	-
Total tax (credit)/charge	(280,990)	318,396

10. **INTANGIBLE FIXED ASSETS**

	Goodwill
	£
COST	
At 1 April 2019 and 31 March 2020	498,000
AMORTISATION	
At 1 April 2019 and 31 March 2020	498,000
NET BOOK VALUE	
At 31 March 2020	-
At 31 March 2019	-

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

11. TANGIBLE FIXED ASSETS

	Other assets £	Motor vehicles £	Plant and machinery £	Totals £
COST				
At 1 April 2019	65,000	39,339,457	158,869	39,563,326
Additions	-	28,713,479	28,742	28,742,221
Disposals	-	(28,033,520)	-	(28,033,520)
At 31 March 2020	<u>65,000</u>	<u>40,019,416</u>	<u>187,611</u>	<u>40,272,027</u>
DEPRECIATION				
At 1 April 2019	-	4,991,531	109,158	5,100,689
Charge for year	32,500	5,720,773	14,089	5,767,362
Eliminated on disposal	-	(2,501,788)	-	(2,501,788)
At 31 March 2020	<u>32,500</u>	<u>8,210,516</u>	<u>123,247</u>	<u>8,366,263</u>
NET BOOK VALUE				
At 31 March 2020	<u>32,500</u>	<u>31,808,900</u>	<u>64,364</u>	<u>31,905,764</u>
At 31 March 2019	<u>65,000</u>	<u>34,347,926</u>	<u>49,711</u>	<u>34,462,637</u>

Assets Held Under Finance

Included in tangible fixed assets are assets under hire purchase and finance leases. The net book value of these assets at year end is £23,981,967 (2019: £25,681,018) and depreciation in relation to these assets charged in the financial year totalled £4,634,159 (2019: £3,152,975).

Assets Held For Operating Lease Purposes

Also included in tangible fixed assets are assets held for use in operating leases. The net book value of these items at year end is £31,564,992 (2019: £34,095,504) and depreciation in respect of these assets charged in the financial year amounted to £5,693,406 (2019: £4,264,835).

12. FIXED ASSET INVESTMENTS

	2020 £	2019 £
Shares in group undertakings	<u>300,525</u>	<u>400,700</u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

12. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

	Shares in group undertakings £
COST	
At 1 April 2019	400,700
Impairments	(100,175)
	300,525
At 31 March 2020	300,525
NET BOOK VALUE	
At 31 March 2020	300,525
	300,525
At 31 March 2019	400,700
	400,700

Investments (neither listed nor unlisted) were as follows:

	2020 £	2019 £
Brought forward	-	144,000
Impairment	-	(144,000)
	-	-
	-	-

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Ames Nissan Limited

Registered office: 2 Fison Way, Thetford, Norfolk, IP241HT

Nature of business: Vehicle sales

	%	2020 £	2019 £
Class of shares:	holding		
Ordinary shares	100.00		
Aggregate capital and reserves		(536,985)	(239,398)
Loss for the year		(297,586)	(195,884)
		(536,985)	(239,398)
		(297,586)	(195,884)

The remaining investment value relates to the investment in the company's subsidiary company Ames Nissan Limited. Due to this company being loss making for a number of years the Directors have seen it prudent to write down the value of the investment this year and recognise an impairment.

During an earlier year the company has 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 the 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.

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

13. STOCKS

	2020	2019
	£	£
Stocks	671,863	662,277

The stock relates to used vehicles that have come off lease and are to be sold as at the year-end.

14. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,931,669	1,995,172
Amounts owed by connected companies	4,185,248	3,249,702
Other debtors	79,456	139,668
Directors' current accounts	967,186	895,047
VAT	-	8,849
Prepayments and accrued income	75,223	34,364
S455 tax repayable	1,361	1,361
	8,240,143	6,324,163

Amounts falling due after more than one year:

Amounts owed by group undertakings	870,411	691,241
Other debtors	31,543	32,582
S455 tax repayable	287,290	263,845
	1,189,244	987,668

Aggregate amounts

	9,429,387	7,311,831
--	------------------	-----------

Included in trade debtors is a balance with ER Capital of £1,896,525. Post year-end £1,000,000 of this was agreed as a formal unsecured loan between the two companies with a loan agreement signed by both parties. The borrowed sum will be due for repayment upon 31/10/23 with interest charged at 3.5% above the Bank of England base rate.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loan and overdraft (see note 17)	4,218,077	4,037,145
Hire purchase contracts (see note 18)	23,789,389	23,689,035
Trade creditors	87,954	448,404
Corporation tax	85,474	200,941
Social security and other taxes	14,749	52,887
VAT	125,775	-
Other creditors	536,913	582,359
Amounts owed to connected companies	1,920	1,445
Accruals and deferred income	351,833	405,331
	29,212,084	29,417,547

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 17)	4,543,333	4,250,000
Hire purchase contracts (see note 18)	48,133	2,010,928
	4,591,466	6,260,928
	4,591,466	6,260,928

17. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	278,077	-
Bank loans	-	87,145
Debenture loans	3,940,000	3,950,000
	4,218,077	4,037,145
	4,218,077	4,037,145
Amounts falling due between one and two years:		
Debentures due after one year	4,543,333	4,250,000
	4,543,333	4,250,000

18. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Net obligations repayable:		
Within one year	23,789,389	23,689,035
Between one and five years	48,133	2,010,928
	23,837,522	25,699,963
	23,837,522	25,699,963

19. SECURED DEBTS

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

Obligations under hire purchase contracts are secured against the related assets and trade in relation to those assets.

Obligations under finance leases are secured against the related assets and a floating over over all the other assets and trade of the company.

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

20. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax		
Capital allowances in excess of depreciation	579,107	721,240
	<u> </u>	<u> </u>
		Deferred tax
		£
Balance at 1 April 2019		721,240
Provided during year		(142,133)
		<u> </u>
Balance at 31 March 2020		579,107
		<u> </u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	1	1,000	1,000
			<u> </u>	<u> </u>

22. PENSION COMMITMENTS

The amount recognised in profit and loss as an expense in relation to defined contribution plans was £17,698 (2019: £14,650).

23. 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 £967,186 (2019: £895,047). The maximum amount outstanding in respect of Directors advances during the year was £967,186 (2019: £895,047). Interest has been charged at the HMRC official rate.

24. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	2020	2019
	£	£
Sales	226,283	89,875
Purchases	15,408	415,379
Amount due from related party	870,411	691,241
	<u> </u>	<u> </u>

Key management personnel of the entity or its parent (in the aggregate)

	2020	2019
	£	£
Sales	-	7,937
Purchases	-	2,443
Amount due from related party	967,186	895,047
	<u> </u>	<u> </u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

24. RELATED PARTY DISCLOSURES - continued

Other related parties

	2020	2019
	£	£
Sales	2,254,900	2,898,929
Purchases	22,435	153,600
Loans to	1,766,766	95,375
Loans paid	833,031	465,952
Amount due from related party	4,185,248	3,249,702
Amount due to related party	1,920	1,445

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 and 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.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R C Ames.

26. OPERATING LEASES - LESSOR

One of the company's main activities is providing vehicles under operating leases, specialising in leases with a twelve month duration. The amount estimated to be due in lease payments receivable under non-cancellable operating leases within one year is £5,059,260 (2019: £4,880,734). There are no amounts due in more than one year.

An estimated amount is used due to the large volume of leases. The estimate is worked out as 50% of total vehicle rental income if the year and is considered by the Directors as accurate.

Sema Lease UK Limited

**Trading and Profit and Loss Account
for the Year Ended 31 March 2020**

	2020		2019	
	£	£	£	£
Turnover				
Vehicle rental income	10,118,520		9,761,469	
New vehicle sales	1,253,513		2,046,751	
Used vehicle sales	15,319,571		20,592,319	
Commissions received	-		1,500	
	<hr/>	26,691,604	<hr/>	32,402,039
 Cost of sales				
Vehicle rental costs	576,881		1,898,115	
New vehicle purchases	1,599,795		1,941,400	
Used vehicle purchases	15,202,154		18,709,374	
Saddle purchases	8,683		15,167	
Wages and salaries	425,783		477,997	
Social security	50,634		68,072	
Pensions	14,555		11,630	
Commissions payable	57,236		123,198	
Finance lease charges	715,305		1,021,270	
Depreciation of tangible fixed assets				
Vehicles held for rental	5,693,406		4,262,241	
	<hr/>	24,344,432	<hr/>	28,528,464
 GROSS PROFIT		2,347,172		3,873,575
 Establishment costs				
Insurance	35,010		33,715	
Light & heat	-		4,000	
	<hr/>	35,010	<hr/>	37,715
 Carried forward		2,312,162		3,835,860

Sema Lease UK Limited

**Trading and Profit and Loss Account
for the Year Ended 31 March 2020**

	2020		2019	
	£	£	£	£
Brought forward		2,312,162		3,835,860
Administrative expenses				
Directors' salaries	104,750		151,009	
Directors' pensions paid	3,143		3,020	
Employee benefits	27,943		22,675	
Sponsorship	165,299		153,559	
Telephone	16,663		17,633	
Printing, postage, and stationery	20,426		19,361	
Advertising	23,017		32,006	
Travelling	35,277		36,851	
Motor expenses	43,454		49,190	
Computer costs	14,750		13,927	
Sundry expenses	70,735		84,197	
Subscriptions	11,413		12,965	
Accountancy	9,238		1,150	
Legal and professional fees	84,063		116,323	
Auditors' remuneration	17,000		17,000	
Auditors' remuneration for non audit work	5,000		8,425	
Donations	713		1,160	
Amortisation of intangible fixed assets	-		99,600	
Impairment losses for intangible fixed assets	100,175		-	
		753,059		840,051
		1,559,103		2,995,809
Selling and marketing costs				
Entertainment	6,646		32,232	
Bad debts	504,222		146,570	
		510,868		178,802
		1,048,235		2,817,007
Finance costs				
Bank charges	15,995		16,227	
Credit card charges	2,904		4,556	
		18,899		20,783
		1,029,336		2,796,224
Depreciation				
Depn of other assets	32,500		-	
Motor vehicles	27,367		28,468	
Plant and machinery	14,089		15,460	
		73,956		43,928
		955,380		2,752,296
Profit on disposal of fixed assets				
Motor vehicles		5,698		3,033
		961,078		2,755,329
Carried forward		961,078		2,755,329

This page does not form part of the statutory financial statements

Sema Lease UK Limited

**Trading and Profit and Loss Account
for the Year Ended 31 March 2020**

	2020		2019	
	£	£	£	£
Brought forward		961,078		2,755,329
Other operating income				
Saddle sales	8,683		17,032	
Amounts owed by related undertakings written off	-		(465,952)	
Exchange gains	32,538		-	
		(41,221)		448,920
		1,002,299		2,306,409
Finance income				
Other interest		1,149		19,325
		1,003,448		2,325,734
Finance costs				
Bank loan interest	1,949		4,050	
Other interest	-		30,500	
Interest on debenture loans	674,133		550,892	
Hire purchase interest	175,723		159,939	
		851,805		745,381
NET PROFIT		151,643		1,580,353

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Signature 1

Signed by Graham Balaam using authentication code RSE3VHVLXHN1eibCow== at IP address 87.127.127.135, on 2020/12/03 13:28:38 Z.

Graham Balaam's e-mail address is: graham@amesmg.co.uk.

Signature 2

Signed by James Knights using authentication code MktMdUF3Wi81JWs3 at IP address 90.220.173.50, on 2020/12/06 15:24:42 Z.

James Knights's e-mail address is: james@knightslowe.co.uk.

James Knights added the following comments:

"Audit report signed"