

**COMPANY REGISTRATION NUMBER: 05036315**

**Sema Lease UK Limited**  
**Financial Statements**  
**For the year ended**  
**31 March 2016**

# Sema Lease UK Limited

## Financial Statements

Year ended 31 March 2016

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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 2016

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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.

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.

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:

	2016	2015
	£	£
Turnover	22,365,297	25,642,726
Gross profit	2,038,484	2,319,700
Net profit before tax	639,306	1,206,067

Turnover decreased by 12.8% (2015 - increased by 15.2%) and gross profit showed a decrease of 12.1% (2015 - increase of 7.0%) with a slight increase in the gross profit margin from 9.0% to 9.1%.

### 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 were considerably ahead of the residual value, which continue to be reviewed before the start of each contract.

#### 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 Risk 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.

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# Sema Lease UK Limited

Strategic Report *(continued)*

Year ended 31 March 2016

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## 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 and trade creditors. 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 28<sup>th</sup> Oct 2016 and signed on behalf of the board by:



G J Balaam  
Company Secretary

# Sema Lease UK Limited

## Directors' Report

Year ended 31 March 2016

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The directors present their report and the financial statements of the company for the year ended 31 March 2016.

### 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 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;
- 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 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.
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# Sema Lease UK Limited

Directors' Report *(continued)*

Year ended 31 March 2016

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This report was approved by the board of directors on 27<sup>th</sup> Dec 2016 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 2016**

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We have audited the financial statements of Sema Lease UK Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 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 company's affairs as at 31 March 2016 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.

### **Emphasis of matter**

At the balance sheet date the company has net current liabilities of £15,016,602. In common with many leasing companies, Sema's leased assets are acquired under finance leases and other similar products and the accounts therefore include the liabilities falling due under these products. The company's cash flows from future rental receivable and from the disposal of vehicles at the end of their leases significantly exceed the current liabilities disclosed in the accounts.

Our audit report is not qualified in respect of the above matter.

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# Sema Lease UK Limited

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

Year ended 31 March 2016

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## 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.

## 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 2016.



John Tanner (Senior Statutory Auditor)

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

# Sema Lease UK Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	22,365,297	25,642,726
Cost of sales		<u>20,326,813</u>	<u>23,323,026</u>
Gross profit		2,038,484	2,319,700
Administrative expenses		840,730	853,838
Other operating income		—	247,375
Operating profit	5	<u>1,197,754</u>	<u>1,713,237</u>
Other interest receivable and similar income		34,142	8,925
Amounts written off investments		—	144,000
Interest payable and similar charges	9	<u>592,590</u>	<u>372,095</u>
Profit on ordinary activities before taxation		639,306	1,206,067
Tax on profit on ordinary activities	10	<u>133,306</u>	<u>211,224</u>
Profit for the financial year and total comprehensive income		<u>506,000</u>	<u>994,843</u>
Dividends paid and payable	11	(1,226,640)	—
Retained earnings at the start of the year		<u>5,922,385</u>	<u>4,927,542</u>
Retained earnings at the end of the year		<u>5,201,745</u>	<u>5,922,385</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 23 form part of these financial statements.

# Sema Lease UK Limited

## Statement of Financial Position

31 March 2016

	Note	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		298,800		398,400
Tangible assets	13		34,445,511		28,009,917
Investments	14		400,700		400,700
			<u>35,145,011</u>		<u>28,809,017</u>
<b>Current assets</b>					
Stocks	15	278,633		682,762	
Debtors: due within one year	16	4,190,149		4,205,442	
Debtors: due after more than one year	16	1,167,388		1,156,426	
Cash at bank and in hand		2,276,151		1,496,144	
		<u>7,912,321</u>		<u>7,540,774</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>22,928,923</u>		<u>22,030,664</u>	
<b>Net current liabilities</b>			<u>15,016,602</u>		<u>14,489,890</u>
<b>Total assets less current liabilities</b>			<u>20,128,409</u>		<u>14,319,127</u>
<b>Creditors: amounts falling due after more than one year</b>	18		14,474,718		8,078,102
<b>Provisions</b>					
Taxation including deferred tax	21		450,946		317,640
<b>Net assets</b>			<u>5,202,745</u>		<u>5,923,385</u>
<b>Capital and reserves</b>					
Called up share capital	23		1,000		1,000
Profit and loss account	24		5,201,745		5,922,385
<b>Shareholders funds</b>			<u>5,202,745</u>		<u>5,923,385</u>

These financial statements were approved by the board of directors and authorised for issue on 28<sup>th</sup> Oct 2016 and are signed on behalf of the board by:



G J Balaam  
Director

Company registration number: 05036315

The notes on pages 10 to 23 form part of these financial statements.

# Sema Lease UK Limited

## Notes to the Financial Statements

Year ended 31 March 2016

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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. 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.

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.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 29.

#### 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 2016

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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 ex-rental vehicles where the operating leases have expired during the year, excluding value added tax. Rentals receivable under operating leases are included in turnover 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 2016

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## 3. Accounting policies *(continued)*

### 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:

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 - Straight line over life of lease, 25% on reducing balance  
Motor Vehicles - Straight line over life of lease, 25% on reducing balance

### Investments

Fixed asset investments are accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

### 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.

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2016

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### 3. Accounting policies (continued)

#### 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 the purchase cost of 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.

### 4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of vehicles	14,078,902	18,491,963
Hire of vehicles	8,286,395	7,150,763
	<u>22,365,297</u>	<u>25,642,726</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 crediting:

	2016 £	2015 £
Amortisation of intangible assets	99,600	99,600
Depreciation of tangible assets	3,115,071	3,120,495
Gains on disposal of tangible assets	(8,099)	—
Impairment of trade debtors	13	20,625
Operating lease costs - other	24,000	24,000
Operating lease costs - vehicle rental costs	1,235,718	729,314
Operating lease income	(8,286,395)	(7,150,763)
Other operating income	—	(247,375)
	<u>—</u>	<u>(247,375)</u>

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# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2016

### 5. Operating profit (continued)

During the previous year, the company wrote back £247,375 in relation to amounts owed by the company to Ames Motor Group due to the business being liquidated. This was shown in other operating income.

### 6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>22,000</u>	<u>17,000</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>14,663</u>	<u>42,005</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 17 (2015: 18).

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

	2016	2015
	£	£
Wages and salaries	497,898	466,425
Social security costs	58,347	54,818
Other pension costs	5,524	—
	<u>561,769</u>	<u>521,243</u>

### 8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>147,379</u>	<u>155,652</u>

### 9. Interest payable and similar charges

	2016	2015
	£	£
Interest on debenture loans	505,989	246,229
Interest on banks loans and overdrafts	11,775	2,206
Interest on obligations under finance leases and hire purchase contracts	71,681	45,327
Corporation tax interest payable	3,145	—
Other interest payable and similar charges	—	78,333
	<u>592,590</u>	<u>372,095</u>

Finance lease charges amounting to £1,011,266 (2015 - £1,310,765) are included in cost of sales.



# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

## 10. Tax on profit on ordinary activities

### Major components of tax expense

	2016 £	2015 £
<b>Current tax:</b>		
UK current tax expense	–	1,785
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>133,306</u>	<u>209,439</u>
<b>Tax on profit on ordinary activities</b>	<u>133,306</u>	<u>211,224</u>

### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>639,306</u>	<u>1,206,067</u>
Profit on ordinary activities by rate of tax	<u>127,861</u>	241,213
Adjustment to tax charge in respect of prior periods	183	–
Effect of expenses not deductible for tax purposes	<u>5,262</u>	(15,877)
Effect of different UK tax rates on some earnings	–	(14,112)
<b>Tax on profit on ordinary activities</b>	<u>133,306</u>	<u>211,224</u>

## 11. Dividends

	2016 £	2015 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>1,226,640</u>	<u>–</u>

## 12. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 Apr 2015 and 31 Mar 2016	<u>498,000</u>
<b>Amortisation</b>	
At 1 April 2015	99,600
Charge for the year	99,600
<b>At 31 March 2016</b>	<u>199,200</u>
<b>Carrying amount</b>	
At 31 March 2016	<u>298,800</u>
At 31 March 2015	<u>398,400</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

## 13. Tangible assets

	Other assets £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2015	65,000	196,842	31,076,334	31,338,176
Additions	—	13,950	24,770,439	24,784,389
Disposals	—	—	(17,058,875)	(17,058,875)
<b>At 31 March 2016</b>	<u>65,000</u>	<u>210,792</u>	<u>38,787,898</u>	<u>39,063,690</u>
<b>Depreciation</b>				
At 1 April 2015	—	104,974	3,223,285	3,328,259
Charge for the year	—	24,867	3,090,204	3,115,071
Disposals	—	—	(1,825,151)	(1,825,151)
<b>At 31 March 2016</b>	<u>—</u>	<u>129,841</u>	<u>4,488,338</u>	<u>4,618,179</u>
<b>Carrying amount</b>				
At 31 March 2016	<u>65,000</u>	<u>80,951</u>	<u>34,299,560</u>	<u>34,445,511</u>
At 31 March 2015	<u>65,000</u>	<u>91,868</u>	<u>27,853,049</u>	<u>28,009,917</u>

### Assets held for use in operating leases

Included within the net book value of £34,455,511 is £34,020,900 (2015 - £27,465,914) 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 £3,041,340 (2015 - £3,056,647).

### 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:

	Motor vehicles £
At 31 March 2016	<u>27,394,385</u>
At 31 March 2015	<u>21,314,655</u>

## 14. Investments

	Shares in group undertakings £	Other investments £	Total £
<b>Cost</b>			
At 1 Apr 2015 and 31 Mar 2016	<u>400,700</u>	<u>144,000</u>	<u>544,700</u>
<b>Impairment</b>			
At 1 Apr 2015 and 31 Mar 2016	<u>—</u>	<u>144,000</u>	<u>144,000</u>
<b>Carrying amount</b>			
At 31 March 2016	<u>400,700</u>	<u>—</u>	<u>400,700</u>

# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2016

### 14. Investments (continued)

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

	Country of incorporation	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
	United Kingdom		
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	
	2016	2015	2016	2015
	£	£	£	£
<b>Subsidiary undertakings</b>				
Ames Nissan Limited	<u>70,917</u>	<u>129,039</u>	<u>(58,122)</u>	<u>8,174</u>

### 15. Stocks

	2016	2015
	£	£
Vehicles held for sale	<u>278,633</u>	<u>682,762</u>

### 16. Debtors

Debtors falling due within one year are as follows:

	2016	2015
	£	£
Trade debtors	998,624	542,201
Amounts owed by undertakings in which the company has a participating interest	2,173,106	2,014,365
Prepayments and accrued income	61,050	119,889
Corporation tax repayable	240,517	119,187
Directors current accounts	279,442	1,085,383
S455 tax repayable	81,169	81,169
Other debtors	356,241	243,248
	<u>4,190,149</u>	<u>4,205,442</u>

Debtors falling due after one year are as follows:

	2016	2015
	£	£
Amounts owed by group undertakings	881,137	810,175
Directors current accounts	81,169	81,169
Other debtors	205,082	265,082
	<u>1,167,388</u>	<u>1,156,426</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

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

	2016	2015
	£	£
Debenture loans	2,500,000	2,390,000
Bank loans	97,711	95,250
Trade creditors	1,752,818	1,236,096
Amounts owed to related parties	64,275	4,250
Accruals and deferred income	270,146	259,822
Social security and other taxes	19,711	16,290
Obligations under finance leases and hire purchase contracts	18,170,004	18,005,026
Director loan accounts	24,428	—
Other creditors	29,830	23,930
	<u>22,928,923</u>	<u>22,030,664</u>

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.

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

	2016	2015
	£	£
Debenture loans	4,817,000	4,455,000
Bank loans	291,538	389,139
Obligations under finance leases and hire purchase contracts	9,366,180	3,233,963
	<u>14,474,718</u>	<u>8,078,102</u>

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.

## 19. Finance leases and hire purchase contracts

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

	2016	2015
	£	£
Not later than 1 year	19,119,156	19,146,731
Later than 1 year and not later than 5 years	9,543,234	3,372,905
	<u>28,662,390</u>	<u>22,519,636</u>
Less: future finance charges	<u>(1,126,206)</u>	<u>(1,280,647)</u>
Present value of minimum lease payments	<u>27,536,184</u>	<u>21,238,989</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

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## 20. Deferred tax

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

	2016	2015
	£	£
Included in provisions (note 21)	<u>450,946</u>	<u>317,640</u>

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

	2016	2015
	£	£
Accelerated capital allowances	545,386	338,532
Unused tax losses	<u>(94,440)</u>	<u>(20,892)</u>
	<u>450,946</u>	<u>317,640</u>

## 21. Provisions

	Deferred tax (note 20) £
At 1 April 2015	317,640
Other movements	<u>133,306</u>
At 31 March 2016	<u>450,946</u>

## 22. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,524 (2015: £Nil).

## 23. Called up share capital

### Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## 24. Reserves

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

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

## 25. Operating leases

### As lessee

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

	2016	2015
	£	£
Not later than 1 year	1,770	1,770
Later than 1 year and not later than 5 years	885	2,656
	<u>2,655</u>	<u>4,426</u>

### As lessor

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

	2016	2015
	£	£
Not later than 1 year	<u>4,143,198</u>	<u>3,575,381</u>

## 26. Directors' advances, credits and guarantees

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

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
R C Ames	1,103,974	360,613	(1,103,976)	360,611
G J Balaam	62,578	38,847	(125,853)	(24,428)
	<u>1,166,552</u>	<u>399,460</u>	<u>(1,229,829)</u>	<u>336,183</u>

  

	2015			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
R C Ames	(247,043)	1,351,017	-	1,103,974
G J Balaam	56,042	6,536	-	62,578
	<u>(191,001)</u>	<u>1,357,553</u>	<u>-</u>	<u>1,166,552</u>

# Sema Lease UK Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

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## 27. Related party transactions

### Ames Nissan Limited Subsidiary

During the year the company made sales of £13,540 (2015 - £66,878) and purchases of £61,929 (2015 - £58,183) to/from Ames Nissan Limited. At the balance sheet date, the company was due the following in respect of a loan made to Ames Nissan Limited:

	2016 £	2015 £
Amount due from related party at balance sheet date	881,137	810,175

### Ames Motor Group Limited Controlled by R C Ames

During the prior year the company wrote off £247,375 in relation to amounts owed by the company to Ames Motor Group Limited.

### Richard Ames Developments Limited Controlled by R C Ames

During the year the company funded working capital, with advances of £74,100 (2015 - £74,845) and repayments of £186 (2015 - £2,910) being made to/from Richard Ames Developments Limited in the year.

	2016 £	2015 £
Amount due from related party at balance sheet date	765,847	691,933

### Zamar Temperature Therapy Treatment Limited Controlled by R C Ames

During the year the company funded working capital, with advances of £41,200 (2015 - £81,515) being made to Zamar Temperature Therapy Treatments Limited.

	2016 £	2015 £
Amount due from related party at balance sheet date	757,639	539,569

### Apptivata Limited Controlled by R C Ames

During the year the company made sales of £4,800 (2015 - £4,400) to Apptivata Limited. In addition the company funded working capital, with advances of £19,400 (2015 - £121,200) and repayments of £65,000 (2015 - £7,000) being made to/from Apptivata Limited.

	2016 £	2015 £
Amount due from related party at balance sheet date	548,002	587,842

### Ames Car Sales Sole tradership of R C Ames

During the year the company made purchases of £149,833 (2015 - £nil) from Ames Car Sales. In addition, rent and services charges of £24,000 (2015 - £24,000) were charged to the company.

2016	2015
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# Sema Lease UK Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2016

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Amount due to related party at balance sheet date	£ 62,400	£ 2,400
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### Richard Ames Equestrian Sole tradership of R C Ames

Richard Ames Equestrian owns eventing horses for which sponsorship is received from the company in consideration for conspicuous advertising at events in which horses are entered.

During the year the company incurred revenue expenditure of £76,000 (2015 - £40,000) on behalf of Richard Ames Equestrian. The company also made sales of £1,375 (2015 - £125) to Richard Ames Equestrian.

	2016 £	2015 £
Amount due from related party at balance sheet date	19,800	18,150

### Sema Lease Ireland Limited Controlled by R C Ames

During the year the company made sales of £61,674 (2015 - £nil) and purchases of £7,454 (2015 - £nil) to/from Sema Lease Ireland Limited. In addition the company funded working capital, with advances of £76,699 (2015 - £nil) and repayments of £8,950 (2015 - £nil) being made to/from Sema Lease Ireland Limited.

	2016 £	2015 £
Amount due from related party at balance sheet date	81,817	-

### Walnut Consultancy Services Limited Controlled by G Balaam

During the year the company made purchases of £24,253 (2015 - £21,986) from Walnut Consultancy Service Limited.

	2016 £	2015 £
Amount due to related party at balance sheet date	1,875	1,850

### R C Ames Director

During the year the company leased two cars to the director R C Ames, the lease charges receivable amounted to £833 (2015 - £13,200).

R C Ames has given personal guarantees amounting to £600,000 in respect of the company's overdraft facility

### L Balaam Wife of director

During the year the company leased a car on normal commercial terms to L Balaam. The lease charges receivable amounted to £11,891 (2015 - £4,800). The company also made purchases of £1,999 (2015 - £nil) from L Balaam. No amounts were outstanding at the balance sheet date.



# Sema Lease UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

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## 28. Controlling party

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

## 29. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.

# **Sema Lease UK Limited**

## **Management Information**

**Year ended 31 March 2016**

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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 2016

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	2016	2015
	£	£
<b>Turnover</b>		
Vehicle rental income	8,286,395	7,150,763
New vehicle sales	102,966	190,660
Used vehicle sales	<u>13,975,936</u>	<u>18,301,303</u>
	22,365,297	25,642,726
<b>Cost of sales</b>		
Vehicle rental costs	1,235,718	754,940
New vehicle purchases	97,848	184,402
Used vehicle purchases	14,299,155	17,428,573
Wage and salaries	372,898	346,793
Social security costs	58,347	54,818
Pension costs - defined contribution	5,524	—
Commissions payable	204,717	186,088
Finance lease charges	1,011,266	1,310,765
Depreciation of vehicles held for rental	<u>3,041,340</u>	<u>3,056,647</u>
	20,326,813	23,323,026
<b>Gross profit</b>	<u>2,038,484</u>	<u>2,319,700</u>
<b>Overheads</b>		
Administrative expenses	840,730	853,838
<b>Other operating income</b>	—	247,375
<b>Operating profit</b>	<u>1,197,754</u>	<u>1,713,237</u>
Other interest receivable and similar income	34,142	8,925
Amounts written off investments	—	144,000
Interest payable and similar charges	592,590	372,095
<b>Profit on ordinary activities before taxation</b>	<u>639,306</u>	<u>1,206,067</u>

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# Sema Lease UK Limited

## Notes to the Detailed Income Statement

Year ended 31 March 2016

	2016	2015
	£	£
<b>Administrative expenses</b>		
Directors salaries	125,000	119,632
Rent	24,000	24,000
Insurance	27,044	29,118
Repairs and renewals	722	18,286
Motor expenses	58,886	79,525
Travelling	20,666	17,863
Telephone	23,903	17,868
Computer costs	16,807	21,123
Printing postage and stationery	17,220	16,552
Employee benefits	14,834	20,656
Sundry expenses	49,276	36,063
Charitable donations	1,660	915
Subscriptions	8,263	4,379
Advertising	12,552	4,970
Sponsorship	111,771	105,272
Entertaining	15,728	16,298
Legal and professional fees	92,098	58,347
Accountancy fees	14,663	42,005
Auditors remuneration	22,000	17,000
Amortisation of intangible assets	99,600	99,600
Depreciation of tangible assets	73,731	63,848
(Gain)/loss on disposal of tangible assets	(8,099)	—
Bad debts written off	13	20,625
Credit card charges	3,598	3,827
Bank charges	14,794	16,066
	<u>840,730</u>	<u>853,838</u>
<b>Other operating income</b>		
Other operating income	—	247,375
<b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	—	266
Corporation tax interest receivable	1,330	—
Other interest receivable	32,812	8,659
	<u>34,142</u>	<u>8,925</u>
<b>Amounts written off investments</b>		
Impairment of other fixed asset investments	—	144,000

## Sema Lease UK Limited

Notes to the Detailed Income Statement *(continued)*

Year ended 31 March 2016

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	2016	2015
	£	£
<b>Interest payable and similar charges</b>		
Interest on debenture loans	505,989	246,229
Bank loan interest	11,775	2,206
Interest on hire purchase and finance lease contracts	71,681	45,327
Other interest	—	78,333
Corporation tax interest payable	3,145	—
	<u>592,590</u>	<u>372,095</u>

