



Knights Lowe

Chartered Accountants & Business Advisers

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2023**

for

Sema Lease UK Limited



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Sema Lease UK Limited

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for the Year Ended 31 March 2023**

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Sema Lease UK Limited

Company Information
for the Year Ended 31 March 2023

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 2023**

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

The company has continued with the replacement of the fleet and now looking to increase this as supply constraint ease it has also 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 maintained strong relationships with a number of the smaller rental companies that are now termed as long term partners and in addition increased its focus on corporate and individual clients.

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:

	2023	2022
	£	£
Turnover	18,548,905	18,311,708
Gross Profit	4,367,699	3,602,267
Profit before taxation	2,157,465	1,512,790

Turnover increased by 1.3% (2022 - decreased by 13.6%) and gross profit showed an increase of 21.2% (2022 - increased by 296.3%) with an increase in the gross profit margin from 19.7% to 23.5%. High margins have been a result of high resale value of motor vehicles on the second hand car market.

Following on from the difficulties all leasing companies faced with the pandemic, Brexit and microchip issues the business is now on a firm footing and despite increasing interest rates it is now looking forward to increasing the size of the fleet whilst building relationships with new and existing funding partners.

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 continue to be in excess of residual values, which are always under constant review with each and every batch of vehicles funded. The business relies very much on its own disposal experience as well as industry standard data to predict future values.

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 2023

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

1 November 2023

Sema Lease UK Limited

Report of the Directors for the Year Ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

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

The total distribution of interim dividends for the year ended 31 March 2023 will be £850,000. No final dividend has been declared.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

G J Balaam
R C Ames

POLITICAL DONATIONS AND EXPENDITURE

Donations for the year amounted to £1,251 (2022: £925). These relate to donations to local and national charities. There were no political donations.

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 2023

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'G J Balaam', written in a cursive style.

G J Balaam - Director

1 November 2023

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 2023 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatement in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the director and other management, and from our commercial knowledge and experience of the companies operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- investigated the company's valuation of stock and in particular that of used car stock for sale which does make up a majority of the company's stock value and is subject to a level of judgement;
- ensured that bad debts were adequately provided for in the financial statements. There are a number of potential doubtful debts.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

1 November 2023

Sema Lease UK Limited

**Income Statement
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 as restated £
TURNOVER	3	18,548,905	18,311,708
Cost of sales		<u>14,181,206</u>	<u>14,709,441</u>
GROSS PROFIT		4,367,699	3,602,267
Administrative expenses		<u>976,346</u>	<u>1,478,256</u>
		3,391,353	2,124,011
Other operating income		<u>3,110</u>	<u>284,647</u>
OPERATING PROFIT	5	3,394,463	2,408,658
Interest receivable and similar income	7	<u>39,362</u>	<u>30,614</u>
		3,433,825	2,439,272
Interest payable and similar expenses	8	<u>1,276,360</u>	<u>926,482</u>
PROFIT BEFORE TAXATION		2,157,465	1,512,790
Tax on profit	9	<u>347,642</u>	<u>523,964</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,809,823</u>	<u>988,826</u>

The notes form part of these financial statements

Sema Lease UK Limited

Other Comprehensive Income
for the Year Ended 31 March 2023

		2023	2022
	Notes	£	as restated £
PROFIT FOR THE YEAR		1,809,823	988,826
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,809,823</u>	<u>988,826</u>

The notes form part of these financial statements

Sema Lease UK Limited (Registered number: 05036315)

Balance Sheet
31 March 2023

	Notes	2023 £	2022 as restated £	2021 £
FIXED ASSETS				
Intangible assets	12	-	-	-
Tangible assets	13	18,146,823	21,800,980	17,063,463
Investments	14	-	100,350	200,350
		18,146,823	21,901,330	17,263,813
CURRENT ASSETS				
Stocks	15	186,501	492,546	518,577
Debtors	16	7,116,622	8,240,020	10,613,577
Cash at bank and in hand		2,779,797	1,955,347	1,321,739
		10,082,920	10,687,913	12,453,893
CREDITORS				
Amounts falling due within one year	17	(12,698,067)	(17,843,354)	(16,005,844)
NET CURRENT LIABILITIES		(2,615,147)	(7,155,441)	(3,551,951)
TOTAL ASSETS LESS CURRENT LIABILITIES		15,531,676	14,745,889	13,711,862
CREDITORS				
Amounts falling due after more than one year	18	(6,453,803)	(6,536,284)	(6,792,825)
PROVISIONS FOR LIABILITIES	22	(818,770)	(910,325)	(386,361)
NET ASSETS		8,259,103	7,299,280	6,532,676
CAPITAL AND RESERVES				
Called up share capital	23	1,000	1,000	1,000
Retained earnings		8,258,103	7,298,280	6,531,676
SHAREHOLDERS' FUNDS		8,259,103	7,299,280	6,532,676

The financial statements were approved by the Board of Directors and authorised for issue on 1 November 2023 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 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	1,000	6,531,676	6,532,676
Changes in equity			
Dividends	-	(222,222)	(222,222)
Total comprehensive income	-	1,691,393	1,691,393
Balance at 31 March 2022	<u>1,000</u>	<u>8,000,847</u>	<u>8,001,847</u>
Prior year adjustment	-	(702,567)	(702,567)
As restated	<u>1,000</u>	<u>7,298,280</u>	<u>7,299,280</u>
Changes in equity			
Dividends	-	(850,000)	(850,000)
Total comprehensive income	-	1,809,823	1,809,823
Balance at 31 March 2023	<u><u>1,000</u></u>	<u><u>8,258,103</u></u>	<u><u>8,259,103</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 2023**

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 paragraphs 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 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.

Sema Lease UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. **ACCOUNTING POLICIES - continued**

Turnover

Contract Hire Rentals

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.

Sale of Used and New Motor Vehicles

Revenue from the sale of vehicles is recognised when all of the following conditions are satisfied

- the Company has transferred the significant risks and rewards of ownership to the buyer;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the Company will receive the consideration due under the transaction; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably
- The sale of the motor vehicle is recognised on delivery

New car sales are predominantly made up of sales to Sema Lease Ireland Limited, these are purchased and sold at breakeven.

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 to its residual value and term of the lease.

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.

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.

Sema Lease UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

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 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in accordance with FRS 102 when the company becomes a party to the contractual provisions of the instrument.

Currently all financial liabilities are basic financial instruments as defined by section 11 of FRS 102 which are recognised at amortised cost.

Where relevant, derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in the profit or loss account.

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:

	2023	2022 as restated
	£	£
Sales of vehicles	12,792,080	12,635,280
Hire of vehicles	5,756,825	5,676,428
	<u>18,548,905</u>	<u>18,311,708</u>

An analysis of turnover by geographical market is given below:

	2023	2022 as restated
	£	£
United Kingdom	16,443,677	16,453,723
Europe	2,105,228	1,857,985
	<u>18,548,905</u>	<u>18,311,708</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022 as restated
	£	£
Wages and salaries	657,077	584,806
Social security costs	64,583	57,369
Other pension costs	9,335	13,848
	<u>730,995</u>	<u>656,023</u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

4. EMPLOYEES AND DIRECTORS - continued

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

	2023	2022 as restated
Monthly Staff	15	13
Weekly Staff	2	3
	17	16

	2023	2022 as restated
	£	£
Directors' remuneration	101,536	108,100

5. OPERATING PROFIT

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

	2023	2022 as restated
	£	£
Depreciation - owned assets	2,550,071	2,675,580
Profit on disposal of fixed assets	-	(58,349)
Foreign exchange differences	-	34,124
	2,550,071	2,651,355

6. AUDITORS' REMUNERATION

	2023	2022 as restated
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	20,500	19,000
Auditors' remuneration for non audit work	8,132	5,850

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022 as restated
	£	£
Other interest	39,362	30,614

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

8.	INTEREST PAYABLE AND SIMILAR EXPENSES	2023	2022 as restated
		£	£
	Bank loan interest	87,901	67,247
	Interest on overdue tax	3,052	156
	Bank & credit card charges	11,967	10,787
	Loan	60,000	60,000
	Interest on debenture loans	630,922	577,036
	Hire purchase interest	482,518	211,256
		<u>1,276,360</u>	<u>926,482</u>

9. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023	2022 as restated
	£	£
Current tax:		
UK corporation tax	333,423	-
Prior year tax charge	105,774	-
	<u>439,197</u>	<u>-</u>
Total current tax		
Deferred tax:		
Deferred tax	(91,555)	305,486
Change in rate of deferred tax	-	218,478
	<u>(91,555)</u>	<u>523,964</u>
Total deferred tax		
	<u>347,642</u>	<u>523,964</u>
Tax on profit		

UK corporation tax has been charged at 19% (2022 - 19%).

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

9. TAXATION - continued

Reconciliation of total tax 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:

	2023	2022 as restated
	£	£
Profit before tax	<u>2,157,465</u>	<u>1,512,790</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	409,918	287,430
Effects of:		
Expenses not deductible for tax purposes	8,982	174
Capital allowances in excess of depreciation	-	(109,546)
Depreciation in excess of capital allowances	62,522	-
Utilisation of tax losses	(26,564)	(205,316)
Reversible timing differences occurring in period	(91,555)	523,964
Group relief	(121,435)	-
Prior year tax charge	239,262	-
Prior year adjustment	(133,488)	27,258
Total tax charge	<u>347,642</u>	<u>523,964</u>

Factors that may affect future tax charges

In the spring Budget 2023 the rate of corporation tax will increase from 19% to 25% with effect from April 2023.

10. DIVIDENDS

	2023	2022 as restated
	£	£
Interim	<u>850,000</u>	<u>222,222</u>

11. PRIOR YEAR ADJUSTMENT

Prior year adjustments affecting the profit and loss account reserve amounting £559,103 relate to the correction of VRT and finance leases. An adjustment was also posted to correct 2022 trade debtors where this included a bad debt amounting £143,464.

A prior year balance sheet adjustment was also posted to gross up £5.2m of motor vehicle cost and depreciation which had already been fully written down to correctly reflect the cost and depreciation of fixed assets held. There is no impact on the carrying value.

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

12. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2022 and 31 March 2023	498,000
AMORTISATION	
At 1 April 2022 and 31 March 2023	498,000
NET BOOK VALUE	
At 31 March 2023	-
At 31 March 2022	-

Goodwill relates to a historic investment in Ames Car Sales.

13. TANGIBLE FIXED ASSETS

	Other assets £	Motor vehicles £	Plant and machinery £	Totals £
COST				
At 1 April 2022	65,000	23,212,860	67,483	23,345,343
Additions	-	12,293,648	95,642	12,389,290
Disposals	(65,000)	(15,156,478)	-	(15,221,478)
	-	20,350,030	163,125	20,513,155
At 31 March 2023				
DEPRECIATION				
At 1 April 2022	65,000	1,442,262	37,101	1,544,363
Charge for year	-	2,541,927	8,144	2,550,071
Eliminated on disposal	(65,000)	(1,663,102)	-	(1,728,102)
	-	2,321,087	45,245	2,366,332
At 31 March 2023				
NET BOOK VALUE				
At 31 March 2023	-	18,028,943	117,880	18,146,823
At 31 March 2022	-	21,770,598	30,382	21,800,980

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 £9,329,746 (2022: £12,792,309) and depreciation in relation to these assets charged in the financial year totalled £1,401,242 (2022: £1,787,308).

Assets Held For Contract Hire Sales

Included in tangible fixed assets are assets held for use in contract hire sales. The net book value of these items held at year end is £21,544,394 (2022: £17,778,012) and depreciation in respect of these assets charged in the financial year amounted to £2,509,375 (2022: £2,634,537).

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022	100,350
Impairments	<u>(100,350)</u>
At 31 March 2023	-
NET BOOK VALUE	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>100,350</u>

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

	%		
Class of shares:	holding	2023	2022
Ordinary shares	100.00	£	£
Aggregate capital and reserves		(909,858)	(858,950)
Loss for the year		<u>(50,908)</u>	<u>(92,094)</u>

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.

The investment other than loans amounting £144k relates to the membership in Oxygen Productions LLP. This has been fully written down.

15. STOCKS

	2023	2022
	£	as restated £
Stocks	<u>186,501</u>	<u>492,546</u>

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

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022 as restated
	£	£
Trade debtors	1,079,892	592,775
Amounts owed by group undertakings	1,194,204	1,115,029
Amounts owed by connected companies	3,701,613	4,244,224
Other debtors	12,517	117,663
Directors' current accounts	637,905	1,323,061
VAT	-	316,777
Prepayments and accrued income	86,181	126,181
S455 tax repayable	404,310	404,310
	<u>7,116,622</u>	<u>8,240,020</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022 as restated
	£	£
Bank loan and overdraft (see note 19)	2,055,000	3,171,666
Other loans (see note 19)	1,015,000	1,015,000
Hire purchase contracts (see note 20)	8,385,069	12,559,613
Trade creditors	657,207	706,392
Corporation tax	199,935	97,674
Social security and other taxes	35,328	14,253
VAT	184,601	-
Other creditors	8,501	25,051
Directors' current accounts	27,787	-
Accruals and deferred income	129,639	253,705
	<u>12,698,067</u>	<u>17,843,354</u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2023	2022 as restated
	£	£
Bank loans (see note 19)	5,340,014	6,325,006
Hire purchase contracts (see note 20)	1,113,789	211,278
	<u>6,453,803</u>	<u>6,536,284</u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

19. LOANS

An analysis of the maturity of loans is given below:

	2023	2022 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank loans	500,000	500,000
Debenture loans	1,555,000	2,671,666
Other loans	1,015,000	1,015,000
	<u>3,070,000</u>	<u>4,186,666</u>
Amounts falling due between one and two years:		
Debentures due after one year	4,715,000	4,700,000
	<u>4,715,000</u>	<u>4,700,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	625,014	1,625,006
	<u>625,014</u>	<u>1,625,006</u>

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022 as restated
	£	£
Net obligations repayable:		
Within one year	8,385,069	12,559,613
Between one and five years	1,113,789	211,278
	<u>9,498,858</u>	<u>12,770,891</u>
	Non-cancellable operating leases	
	2023	2022 as restated
	£	£
Within one year	711	711
Between one and five years	711	1,423
	<u>1,422</u>	<u>2,134</u>

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

21. 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 charge over all the other assets and trade of the company.

22. PROVISIONS FOR LIABILITIES

	2023	2022 as restated
	£	£
Deferred tax	-	(34,953)
Tax losses carried forward	-	945,278
Capital allowances in excess of depreciation	<u>818,770</u>	<u>945,278</u>
	<u>818,770</u>	<u>910,325</u>
		Deferred tax
		£
Balance at 1 April 2022		<u>910,325</u>
Provided during year		<u>(91,555)</u>
Balance at 31 March 2023		<u><u>818,770</u></u>

23. CALLED UP SHARE CAPITAL

			2023	2022 as restated
Allotted, issued and fully paid:	Nominal value:		£	£
Number:	Class:			
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

24. PENSION COMMITMENTS

The amount recognised in profit and loss as an expense in relation to defined contribution plans was £18,727 (2022: £17,091). The unpaid pension liability at the end of the year is £11,595 (2022 - £1,226).

25. 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 £610,117 (2022: £1,323,061). The maximum amount outstanding in respect of Directors advances during the year was £637,904 (2022: £1,323,061).

Interest has been charged on the outstanding balances at the approved HMRC rate.

26. RELATED PARTY DISCLOSURES

Sema Lease UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

26. **RELATED PARTY DISCLOSURES - continued**

Entities over which the entity has control, joint control or significant influence	2023	2022 as restated
	£	£
Sales	821,747	813,902
Purchases	35,942	36,201
Amount due from related party	<u>1,093,673</u>	<u>1,115,029</u>
Key management personnel of the entity or its parent (in the aggregate)	2023	2022 as restated
	£	£
Amount due from related party	<u>610,117</u>	<u>1,323,061</u>
Other related parties	2023	2022 as restated
	£	£
Sales	2,125,653	1,932,984
Purchases	760	-
Loans to	563,616	276,353
Loans paid	21,005	173,739
Amount due from related party	<u>3,713,245</u>	<u>4,262,224</u>

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.

27. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is R C Ames.

28. **CONTRACT HIRE SALES - LESSOR**

One of the company's main activities is providing vehicles under contract hire sales, 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 £2,878,413 (2022: £2,838,214). 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 2023**

	2023		2022 as restated	
	£	£	£	£
Turnover				
Vehicle rental income	5,756,825		5,676,428	
New vehicle sales	335,524		835,984	
Used vehicle sales	12,456,556		11,799,296	
		18,548,905		18,311,708
 Cost of sales				
Vehicle rental costs	357,244		608,432	
New vehicle purchases	335,524		835,984	
Used vehicle purchases	9,964,186		9,532,599	
Wages and salaries	521,906		442,381	
Social security	64,583		57,369	
Pensions	9,335		13,848	
Other direct costs	80,008		105,690	
Commissions payable	16,194		47,219	
Finance lease charges	322,851		431,382	
Depreciation of tangible fixed assets Vehicles held for rental	2,509,375		2,634,537	
		14,181,206		14,709,441
 GROSS PROFIT		4,367,699		3,602,267
 Establishment costs				
Insurance		42,154		47,500
		4,325,545		3,554,767
 Administrative expenses				
Directors' salaries	101,536		108,100	
Directors' pensions paid	9,392		3,243	
Employee benefits	24,243		31,082	
Sponsorship	170,597		167,892	
Telephone	15,791		13,978	
Printing, postage, and stationery	12,967		13,195	
Advertising	8,261		16,468	
Travelling	35,387		20,195	
Motor expenses	52,330		35,326	
Computer costs	20,699		18,450	
Sundry expenses	46,112		46,522	
Subscriptions	29,437		15,290	
Legal and professional fees	119,283		104,881	
Auditors' remuneration	20,500		19,000	
Auditors' remuneration for non audit work	8,132		5,850	
Donations	1,251		925	
Foreign exchange losses	-		34,124	
Impairment losses for intangible fixed assets	100,350		100,000	
		776,268		754,521
 Carried forward		3,549,277		2,800,246

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 2023**

	2023		2022 as restated	
	£	£	£	£
Brought forward		3,549,277		2,800,246
Selling and marketing costs				
Entertainment	6,305		23,598	
Bad debts	110,922		611,594	
		117,227		635,192
		3,432,050		2,165,054
Depreciation				
Motor vehicles	32,553		24,686	
Plant and machinery	8,144		16,357	
		40,697		41,043
		3,391,353		2,124,011
Other operating income				
Damage recharge reversal	-		150,200	
Sundry receipts	3,110		49,034	
Government grants	-		27,064	
Profit on sale of tangible fixed assets	-		58,349	
		(3,110)		(284,647)
		3,394,463		2,408,658
Finance income				
Other interest		39,362		30,614
		3,433,825		2,439,272
Finance costs				
Bank loan interest	87,901		67,247	
Interest on overdue tax	3,052		156	
Bank & credit card charges	11,967		10,787	
Loan	60,000		60,000	
Interest on debenture loans	630,922		577,036	
Hire purchase interest	482,518		211,256	
		1,276,360		926,482
NET PROFIT		2,157,465		1,512,790

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