

**Report of the Directors and  
Unaudited Financial Statements  
for the Year Ended 31 March 2023  
for  
Sovereign Strategy Limited**

Haines Watts  
Chartered Accountants  
17 Queens Lane  
Newcastle upon Tyne  
Tyne and Wear  
NE1 1RN

**Sovereign Strategy Limited**

**Contents of the Financial Statements  
for the Year Ended 31 March 2023**

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Profit and Loss Account</b>	3
<b>Balance Sheet</b>	4
<b>Statement of Changes in Equity</b>	5
<b>Notes to the Financial Statements</b>	6
<b>Chartered Accountants' Report</b>	10
<b>Trading and Profit and Loss Account</b>	11

**Sovereign Strategy Limited**  
**Company Information**  
**for the Year Ended 31 March 2023**

**DIRECTORS:**

Mr A J Donnelly  
Mr J Donnelly  
Mrs H Kuecuk Beton

**REGISTERED OFFICE:**

17 Queens Lane  
Newcastle upon Tyne  
Tyne and Wear  
NE1 1RN

**REGISTERED NUMBER:**

03820426 (England and Wales)

**ACCOUNTANTS:**

Haines Watts  
Chartered Accountants  
17 Queens Lane  
Newcastle upon Tyne  
Tyne and Wear  
NE1 1RN

**Sovereign Strategy 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.

**DIRECTORS**

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

Mr A J Donnelly  
Mr J Donnelly  
Mrs H Kuecuk Beton

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

Mr A J Donnelly - Director

20 December 2023

**Sovereign Strategy Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 March 2023**

	2023 £	2022 £
<b>TURNOVER</b>	1,698,107	1,874,159
Cost of sales	(636,432)	(500,682)
<b>GROSS PROFIT</b>	1,061,675	1,373,477
Administrative expenses	(1,209,123)	(836,421)
<b>OPERATING (LOSS)/PROFIT</b>	(147,448)	537,056
Interest payable and similar expenses	(15,532)	(2,787)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	(162,980)	534,269
Tax on (loss)/profit	(7,694)	(83,339)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(170,674)	450,930

The notes form part of these financial statements

**Sovereign Strategy Limited (Registered number: 03820426)**

**Balance Sheet  
31 March 2023**

	Notes	2023 £	£	2022 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5	19,152		47,705	
Investments	6	100		100	
		<u>19,252</u>	19,252	<u>47,805</u>	47,805
<b>CURRENT ASSETS</b>					
Debtors	7	1,203,991		1,010,680	
Cash at bank		42,735		140,907	
		<u>1,246,726</u>		<u>1,151,587</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	8	436,844		257,856	
<b>NET CURRENT ASSETS</b>			<u>809,882</u>		<u>893,731</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			829,134		941,536
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		139,854		81,582
<b>NET ASSETS</b>			<u>689,280</u>		<u>859,954</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			127		127
Share premium			699,975		699,975
Profit and loss account			(10,822)		159,852
<b>SHAREHOLDERS' FUNDS</b>			<u>689,280</u>		<u>859,954</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2023 and were signed on its behalf by:

Mr A J Donnelly - Director

**Sovereign Strategy Limited**

**Statement of Changes in Equity  
for the Year Ended 31 March 2023**

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
<b>Balance at 1 April 2021</b>	127	(291,078)	699,975	409,024
<b>Changes in equity</b>				
Total comprehensive income	-	450,930	-	450,930
<b>Balance at 31 March 2022</b>	127	159,852	699,975	859,954
<b>Changes in equity</b>				
Total comprehensive income	-	(170,674)	-	(170,674)
<b>Balance at 31 March 2023</b>	127	(10,822)	699,975	689,280

The notes form part of these financial statements

## **Sovereign Strategy Limited**

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

#### **1. STATUTORY INFORMATION**

Sovereign Strategy 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. STATEMENT OF COMPLIANCE**

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Sovereign Strategy Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for providing management consultancy services, stated net of discounts and of value added tax.

The company recognises revenue when the amount of revenue can be measured reliably and when it is probable that future economic benefits will flow to the company.

##### **Tangible fixed assets**

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

Plant and machinery etc                      -    25% on reducing balance and 15% on reducing balance

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

##### **Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

##### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

##### **Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

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 and 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 and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.



# Sovereign Strategy Limited

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

### 3. ACCOUNTING POLICIES - continued

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### Leasing

Assets acquired under finance leases are capitalised and depreciated in the same manner as tangible fixed assets. The related obligations, net of future finance charges are included in creditors.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term.

#### 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.

#### Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments on non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

#### Employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

### 4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2022 - 9).

### 5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 April 2022	235,270
Additions	6,026
Disposals	(57,283)
At 31 March 2023	184,013
<b>DEPRECIATION</b>	
At 1 April 2022	187,565
Charge for year	6,385
Eliminated on disposal	(29,089)
At 31 March 2023	164,861
<b>NET BOOK VALUE</b>	
At 31 March 2023	19,152
At 31 March 2022	47,705

**Sovereign Strategy Limited**

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

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2022 and 31 March 2023	100
<b>NET BOOK VALUE</b>	
At 31 March 2023	100
At 31 March 2022	100

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	294,310	397,846
Amounts owed by group undertakings	-	26,541
Other debtors	909,681	586,293
	<u>1,203,991</u>	<u>1,010,680</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Bank loans and overdrafts	10,150	9,998
Finance leases (see note 10)	-	8,739
Trade creditors	49,850	35,742
Amounts owed to group undertakings	15,165	-
Taxation and social security	348,840	188,267
Other creditors	12,839	15,110
	<u>436,844</u>	<u>257,856</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023 £	2022 £
Bank loans	22,515	32,665
Finance leases (see note 10)	-	28,917
Other creditors	117,339	20,000
	<u>139,854</u>	<u>81,582</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Other loans	20,000	20,000

**10. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases 2023 £	2022 £
Net obligations repayable:		
Within one year	-	8,739
Between one and five years	-	28,917
	<u>-</u>	<u>37,656</u>

**Sovereign Strategy Limited**

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

**10. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	121,300	9,518
Between one and five years	46,400	9,940
	<u>167,700</u>	<u>19,458</u>

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Finance leases	-	37,656
	<u>-</u>	<u>37,656</u>

The finance lease creditor is secured against the assets to which it relates. The net book value of assets held under finance leases was £Nil (2022 - £28,194).

**12. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023	2022
	£	£
<b>Mr A J Donnelly</b>		
Balance outstanding at start of year	224,386	24,389
Amounts advanced	187,352	434,176
Amounts repaid	-	(234,179)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>411,738</u>	<u>224,386</u>
<b>Mrs H Kuecuk Beton</b>		
Balance outstanding at start of year	10,400	-
Amounts advanced	-	10,400
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>10,400</u>	<u>10,400</u>

Loans are interest free unsecured and repayable on demand.

**Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Sovereign Strategy Limited**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sovereign Strategy Limited for the year ended 31 March 2023 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Sovereign Strategy Limited, as a body, in accordance with the terms of our engagement letter dated 12 April 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Sovereign Strategy Limited and state those matters that we have agreed to state to the Board of Directors of Sovereign Strategy Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sovereign Strategy Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Sovereign Strategy Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Sovereign Strategy Limited. You consider that Sovereign Strategy Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Sovereign Strategy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Haines Watts  
Chartered Accountants  
17 Queens Lane  
Newcastle upon Tyne  
Tyne and Wear  
NE1 1RN

20 December 2023

**Sovereign Strategy Limited**  
**Trading and Profit and Loss Account**  
**for the Year Ended 31 March 2023**

	2023		2022	
	£	£	£	£
<b>Turnover</b>				
Fees receivable	1,658,180		1,846,697	
Management charges	39,927		27,462	
	<u>1,698,107</u>		<u>1,874,159</u>	
<b>Cost of sales</b>				
Consultancy	219,193		215,157	
Wages	359,413		248,237	
Social security	51,502		31,373	
Pensions	6,324		5,915	
	<u>636,432</u>		<u>500,682</u>	
<b>GROSS PROFIT</b>		<u>1,061,675</u>		<u>1,373,477</u>
(62.52% 2022 : 73.28%)				
<b>Expenditure</b>				
Rent and rates	145,606		102,446	
Insurance	26,256		21,924	
Light and heat	3,466		1,299	
IT and office maintenance	38,725		60,206	
Directors' salaries	390,499		352,668	
Directors' social security	19,911		14,508	
Directors' pension contributions	6,571		4,308	
Telephone	22,024		16,782	
Post and stationery	4,762		3,178	
Advertising	20,187		25,955	
Travelling	234,564		105,569	
Motor expenses	-		4,078	
Sponsorship	3,500		3,236	
Entertaining and conferences	82,535		30,398	
Subscriptions	14,583		11,680	
Sundry expenses	7,465		6,452	
Exchange Rate Variance	-		1	
Accountancy	45,575		42,950	
HMRC penalty	200		-	
Legal and professional fees	69,001		8,903	
Foreign exchange losses	(492)		-	
Depreciation of tangible fixed assets				
Motor vehicles	-		9,398	
Computer equipment	6,385		6,157	
Entertainment	-		428	
Bad debts	70,667		-	
	<u>1,211,990</u>		<u>832,524</u>	
	(150,315)		540,953	
<b>Finance costs</b>				
Bank charges	2,112		1,314	
Loan arrangement fees	9,827		2,583	
Bank loan interest	651		774	
Interest on tax paid late	9,658		401	
Finance lease	5,223		1,612	
	<u>27,471</u>		<u>6,684</u>	
	(177,786)		534,269	
<b>Profit on disposal of fixed assets</b>				
Motor vehicles	14,806		-	
<b>NET (LOSS)/PROFIT</b>		<u>(162,980)</u>		<u>534,269</u>