

**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

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for the Year Ended 31 March 2023**

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

DIRECTORS:

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

**Balance Sheet
31 March 2023**

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

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:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 £
Balance at 1 April 2021	127	(291,078)	699,975	409,024
Changes in equity				
Total comprehensive income	-	450,930	-	450,930
Balance at 31 March 2022	127	159,852	699,975	859,954
Changes in equity				
Total comprehensive income	-	(170,674)	-	(170,674)
Balance at 31 March 2023	127	(10,822)	699,975	689,280

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

Sovereign Strategy Limited

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

6. FIXED ASSET INVESTMENTS

		Shares in group undertakings £
COST		
At 1 April 2022		
and 31 March 2023	100	
NET BOOK VALUE		
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	20,000	20,000
Other loans	<u>20,000</u>	<u>20,000</u>

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
	<hr/>	<hr/>
	167,700	19,458
	<hr/>	<hr/>

11. SECURED DEBTS

The following secured debts are included within creditors:

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

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 £
Mr A J Donnelly		
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	411,738	224,386
	<hr/>	<hr/>
Mrs H Kuecuek Beton		
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	10,400	10,400
	<hr/>	<hr/>

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
	£	£
Turnover		
Fees receivable	1,658,180	1,846,697
Management charges	39,927	27,462
	<hr/>	<hr/>
	1,698,107	1,874,159
Cost of sales		
Consultancy	219,193	215,157
Wages	359,413	248,237
Social security	51,502	31,373
Pensions	6,324	5,915
	<hr/>	<hr/>
	636,432	500,682
GROSS PROFIT	1,061,675	1,373,477
(62.52% 2022 : 73.28%)		
Expenditure		
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	-
	<hr/>	<hr/>
	1,211,990	832,524
	<hr/>	<hr/>
	(150,315)	540,953
Finance costs		
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
	<hr/>	<hr/>
	27,471	6,684
	<hr/>	<hr/>
	(177,786)	534,269
Profit on disposal of fixed assets		
Motor vehicles	14,806	-
NET (LOSS)/PROFIT	<hr/>	<hr/>
	(162,980)	534,269
	<hr/>	<hr/>