

Unaudited Financial Statements
for the Year Ended 31 March 2022
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 2022

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Sovereign Strategy Limited
Company Information
for the Year Ended 31 March 2022

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

Balance Sheet
31 March 2022

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	47,705		55,940	
Investments	6	100		100	
		<u> </u>	47,805	<u> </u>	56,040
CURRENT ASSETS					
Debtors	7	1,010,680		606,232	
Cash at bank		140,907		20,477	
		<u> </u>		<u> </u>	
		1,151,587		626,709	
CREDITORS					
Amounts falling due within one year	8	257,856		172,819	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			893,731		453,890
TOTAL ASSETS LESS CURRENT LIABILITIES			<u> </u>		<u> </u>
			941,536		509,930
CREDITORS					
Amounts falling due after more than one year	9		(81,582)		(100,319)
PROVISIONS FOR LIABILITIES			-		(587)
			<u> </u>		<u> </u>
NET ASSETS			<u> </u>		<u> </u>
			859,954		409,024
			<u> </u>		<u> </u>
CAPITAL AND RESERVES					
Called up share capital			127		127
Share premium			699,975		699,975
Profit and loss account			159,852		(291,078)
			<u> </u>		<u> </u>
SHAREHOLDERS' FUNDS			<u> </u>		<u> </u>
			859,954		409,024
			<u> </u>		<u> </u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

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



Mr A J Donnelly - Director

Notes to the Financial Statements
for the Year Ended 31 March 2022

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

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 9 (2021 - 8).

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2021	227,950
Additions	7,320
	<u>235,270</u>
At 31 March 2022	
DEPRECIATION	
At 1 April 2021	172,010
Charge for year	15,555
	<u>187,565</u>
At 31 March 2022	
NET BOOK VALUE	
At 31 March 2022	<u>47,705</u>
At 31 March 2021	<u>55,940</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>100</u>
NET BOOK VALUE	
At 31 March 2022	<u>100</u>
At 31 March 2021	<u>100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2022	2021
		£	£
	Trade debtors	397,846	264,000
	Amounts owed by group undertakings	26,541	1,393
	Other debtors	586,293	340,839
		<u>1,010,680</u>	<u>606,232</u>
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2022	2021
		£	£
	Bank loans and overdrafts	9,998	8,099
	Finance leases (see note 10)	8,739	8,444
	Trade creditors	35,742	45,381
	Taxation and social security	188,267	87,799
	Other creditors	15,110	23,096
		<u>257,856</u>	<u>172,819</u>
9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2022	2021
		£	£
	Bank loans	32,665	42,663
	Finance leases (see note 10)	28,917	37,656
	Other creditors	20,000	20,000
		<u>81,582</u>	<u>100,319</u>
	Amounts falling due in more than five years:		
	Repayable otherwise than by instalments		
	Other loans	<u>20,000</u>	<u>20,000</u>
10.	LEASING AGREEMENTS		
	Minimum lease payments fall due as follows:		
		Finance leases	
		2022	2021
		£	£
	Net obligations repayable:		
	Within one year	8,739	8,444
	Between one and five years	28,917	37,656
		<u>37,656</u>	<u>46,100</u>
		Non-cancellable operating leases	
		2022	2021
		£	£
	Within one year	9,518	120,200
	Between one and five years	9,940	17,450
		<u>19,458</u>	<u>137,650</u>
11.	SECURED DEBTS		
	The following secured debts are included within creditors:		
		2022	2021
		£	£
	Finance leases	<u>37,656</u>	<u>46,100</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 £28,194 (2021 - £37,592).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

12. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2022 and 31 March 2021:

	2022 £	2021 £
Mr A J Donnelly		
Balance outstanding at start of year	24,389	-
Amounts advanced	434,176	24,389
Amounts repaid	(234,179)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>224,386</u>	<u>24,389</u>
Mr I Malcolm		
Balance outstanding at start of year	164,510	68,715
Amounts advanced	3,802	115,795
Amounts repaid	-	(20,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>168,312</u>	<u>164,510</u>
Mrs H Kuecuk Beton		
Balance outstanding at start of year	-	-
Amounts advanced	10,400	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>10,400</u>	<u>-</u>

Loans are interest free unsecured and repayable on demand.

Mr I Malcolm resigned as a director on 3 November 2021.