

**SUMO SERVICES (SOUTH EAST) LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	91,812	139,610
		<u>91,812</u>	<u>139,610</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	125,645	455,788
Cash at bank and in hand		7,742	14,106
		<u>133,387</u>	<u>469,894</u>
Creditors: amounts falling due within one year	7	(146,024)	(141,684)
<b>Net current (liabilities)/assets</b>		<u>(12,637)</u>	<u>328,210</u>
<b>Total assets less current liabilities</b>		<u>79,175</u>	<u>467,820</u>
<b>Provisions for liabilities</b>			
Deferred tax	8	(22,540)	(34,488)
<b>Net assets</b>		<u><u>56,635</u></u>	<u><u>433,332</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		56,535	433,232
		<u><u>56,635</u></u>	<u><u>433,332</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Mr C Carnachan**  
Director

Date: 23 June 2023

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

SUMO Services (South East) Limited (formerly APR Services Limited) is a private company limited by shares, registered in England and Wales. The registered office is Unit 8, Hayward Business Centre, New Lane, Havant, PO9 2NL.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The Company generated a loss in the current year amounting to £201,697 (2021: £3,347) and at the year end date the Company had net assets of £56,635 (2021: £433,332) and net current liabilities of £12,637 (2021: assets of £328,210).

Post year end the directors made the decision to transfer all the trade and assets of this company to another group company, effectively SUMO Services (South East) Limited will cease trading at the point of transfer. The directors have therefore adopted a basis other than going concern in preparing these financial statements. As the assets will be transferred at book value and trade will be carried on within another company, no adjustments to, or reclassifications of, the amounts included in these accounts have been required.

**2.3 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.4 OPERATING LEASES: THE COMPANY AS LESSEE**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 LEASED ASSETS: THE COMPANY AS LESSEE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.6 GOVERNMENT GRANTS**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.7 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. ACCOUNTING POLICIES (continued)

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment	- 33% straight line
Other fixed assets	- Fully depreciated in year

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.12 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.13 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.14 LONG-TERM CONTRACTS**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses.

Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

**2.15 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3.**

**JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

The turnover and costs are recognised on a percentage complete basis. As such, judgements are applied to determine the stage of completion and anticipated profit margins on each project. Management seek to ensure the accuracy of these estimates through regular and focused project-by-project consultation and close monitoring of actual contract performance.

**4. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 20 (2021: 20).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Other fixed assets £	Total £
<b>COST</b>				
At 1 January 2022	579,040	274,113	5,425	858,578
Additions	-	1,877	-	1,877
Disposals	(10,000)	(2,400)	-	(12,400)
At 31 December 2022	569,040	273,590	5,425	848,055
<b>DEPRECIATION</b>				
At 1 January 2022	463,879	255,089	-	718,968
Charge for the year on owned assets	33,138	10,672	5,425	49,235
Disposals	(9,560)	(2,400)	-	(11,960)
At 31 December 2022	487,457	263,361	5,425	756,243
<b>NET BOOK VALUE</b>				
At 31 December 2022	81,583	10,229	-	91,812
At 31 December 2021	115,161	19,024	5,425	139,610

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. TANGIBLE FIXED ASSETS (CONTINUED)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	-	36,324
	<u>-</u>	<u>36,324</u>

**6. DEBTORS**

	2022 £	2021 £
Amounts owed by group undertakings	79,025	381,220
Other debtors	2,359	-
Prepayments and accrued income	10,971	25,659
Amounts recoverable on long-term contracts	33,290	48,909
	<u>125,645</u>	<u>455,788</u>

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

	2022 £	2021 £
Trade creditors	9,346	7,378
Other taxation and social security	94,170	98,865
Obligations under finance lease and hire purchase contracts	-	10,187
Other creditors	4,909	7,625
Accruals and deferred income	37,599	17,629
	<u>146,024</u>	<u>141,684</u>

Included in creditors: amounts falling due within one year are net obligations under finance lease and hire purchase contracts of £NIL (2021: £10,187) which are secured on the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 8. DEFERRED TAXATION

	2022 £
At beginning of year	34,488
Credited to profit or loss	(11,948)
<b>AT END OF YEAR</b>	<b>22,540</b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	22,953	34,488
Short term timing differences	(413)	-
	<b>22,540</b>	<b>34,488</b>

## 9. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £21,273 (2021: £17,851). Contributions amounting to £3,857 (2021: £3,872) were payable to the fund at the reporting date and are

included in creditors.

## 10. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	-	35,000
	<b>-</b>	<b>35,000</b>

## 11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption within FRS102 (section 33.1A) not to disclose transactions or balances with entities which form part of the Group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**12. POST BALANCE SHEET EVENTS**

As at 31 March 2023, a decision was taken by the directors to transfer all of the trade and assets of SUMO Services (South East) Limited to SUMO Services Limited, a fellow subsidiary company.

**13. CONTROLLING PARTY**

The Company is a wholly owned subsidiary of SUMO Holdings Limited, a company registered in England, registered office address Unit 8, Hayward Business Centre, New Lane, Havant, PO9 2NL. The results of SUMO Services (South East) Limited (formerly APR Services Limited) are included within the consolidated accounts of SUMO Holdings Limited, the largest group member to prepare group accounts.

The ultimate controlling party is SUMO Limited, a company registered in Guernsey, registered office address Chelvaton, Kings Road, St Peter Port, Guernsey GY1 1QA.

**14. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

The financial statements have been prepared on a basis other than going concern, due to the trade and assets of the entity being transferred to another group company post year end.

The audit report was signed on 26 June 2023 by Kevin Connor FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.