

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021

LENHAM STORAGE COMPANY
LIMITED

MENZIES

LENHAM STORAGE COMPANY LIMITED

COMPANY INFORMATION

Directors	R.F. Tolhurst K.N. Abrehart A.M. Burgess C.F. Tolhurst A.C. Fulcher D.J. Abrehart S. Phibbs I. Rose
Company secretary	A.M. Burgess
Registered number	00463800
Registered office	Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

LENHAM STORAGE COMPANY LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Independent auditors' report	7 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14 - 15
Analysis of net debt	16
Notes to the financial statements	17 - 35

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Introduction

Lenham Storage Company Limited hereby present the Strategic Report covering the results for the financial year ending 31 August 2021.

Principal activities and business review

The principal activities of the company during the year were those of warehousing and haulage services.

The company has enjoyed a successful years trading and the results for the year and the financial position of the company are as shown in the annexed statements.

The year has been dominated by the covid pandemic. The business has continued to trade through the crisis as our business model is to deliver food and paperware products to supermarkets, 3pls and 4pls. We are proud to report that no staff were furloughed during the year. We have ensured the safety of our staff through the period and continued a significant spend in order maintain the safety of our staff not only within the warehouse environment but throughout the business. From the beginning of the pandemic in March 2020 the company established a covid committee that met and continues to meet weekly and coordinates the companies response to the pandemic and implements changes and authorises spend where necessary. As mentioned within last year's business review the company established an onsite lateral flow testing station that enables staff to prebook a covid test and have the test undertaken on site and reported back with 30 minutes. This testing centre has proved popular with staff and it has proved to be an invaluable addition to business security and activity. The company continued to rent additional third part warehousing throughout the year to provide additional storage capacity for our clients while the effects of Brexit worked its way through the system. Brexits overall effect on the business was minimal with the effect of Operation Brock along the M20 causing most difficulty. We continue to rent a number off site warehousing facilities although a number were let go during the year.

Principal risks and uncertainties

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The company finances its operations through a combination of retained earnings and hire purchase contracts. Exposure to interest rate fluctuations is controlled by entering into fixed rate agreements.

Credit risk

The company's principal financial assets are trade debtors. In order to manage credit risk on these debtors the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The directors monitor the cash levels of the company to ensure that there are always cash funds available to meet the day to day working capital requirements of the company. Short term flexibility is achieved through the company's banking arrangements.

Non financial risks

The companies operations involve a large amount of haulage and transport and so there is a risk of delays, accidents and non-compliance with road traffic regulations.

The company finances much of its investment in tangible fixed assets through hire purchase contracts.

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

The Board utilise a number of key performance indicators to monitor and manage the business, foremost amongst these are the measurement of turnover, margins and cash flows. These measures indicate the levels of operation achieved, its profitability and the efficiency with which those profits have been turned into cash.

The company also benefited from increases in some key rates negotiated throughout the year but more significantly benefited from reducing our cost base in certain key areas. Revenues increased by 10.9% in the year (2020 = 4.9%) and gross profits increased by £673,687 an increase over 2020 of 8.4%. Profitability for the year before tax but after interest is £2.05m (2020 = £1.23m) with a net margin reported of 4.4% (2020 = 3.0%) The company continues to apply cost savings initiatives where possible and negotiate enhanced rates as and when they fall due. The Lenham and Sittingbourne sites including Education House and Drywall units 1-3 are owned by the company and the increase in profits are predominantly as a result of an increase in rents in the year.

Challenges faced by the company during 2021-22 included the continuing issue of recruitment and retention drivers and warehouse staff. The company attempted to address this issue, an industry wide problem, in the year by raising driver rates significantly. Though we were able to stem the haemorrhage of departing drivers and in fact were able to persuade some who had handed in their notice to change their mind and persuade others who have already left for other opportunities to return, there has still been a drip of departing drivers. The pressure on driver pay rates will return in the coming 12 months and with the significant increase in the living wage due in April 2022 increasing this rate by 59p, the gap between skilled drivers and the new living wage rate will become further squeezed and the pay rate for class 1 & 2 drivers will again need to be addressed. As a business, our continued priority is to recruit experienced class1 & 2 drivers where we can.

Mentioned in last years report, the company purchased a small warehouse of approx. 10k sq ft to support the Sittingbourne operation. The warehouse is called Education House and it stores approx. 600 pallets. During the year, to provide additional further support to the Sittingbourne site, the company pursued further warehouse capacity known as Drywall units 1 to 3. These units are currently being fitted out. Additionally in the year, the final property not owned by the company along Old Ham Lane that borders the right hand perimeter of the site of our came up for sale and the company took the decision to purchase at a cost of £501k.

For year end, the company undertook a revaluation of its properties in line with company policy to revalue all properties every two years. The revaluation resulted in an increase in properties across the companies portfolio of properties of £3.2m. At the same time a report was prepared on current reinstatement values. We anticipate a difficult Insurance renewal year for 2022-23 with property premiums expected to rise significantly.

Directors' statement of compliance with duty to promote the success of the Company

The directors of Lenham Storage, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised below.

A director of a company must act in the way he/she considers in good faith would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard amongst other matters to;

1. The likely consequence of any decision in the long term.
2. The interests of the company's employees.
3. The need to foster the company's business relationships with suppliers, customers and any others.
4. The impact of the company's operations on the community and the environment.
5. The desirability of the company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly between members of the company.

Each director of Lenham Storage is aware of their obligations on the 6 points above and can seek professional advice from independent advisors known to the company if required. Lenham Storage has a skilled workforce, so the directors will delegate day to day decisions making to employees in the company. At all times the board considers how the decisions they make support the company's vision and its values and how they promote the success of the company. The board continues to look for opportunities to expand its operations and its desire to have a Midlands hub remains its ultimate aspirational goal. The directors make strategic decisions based on the short term and long term objectives whether this involves supply chain matters or long term vision in the procuring of warehouse space both owned or rented. As such, in addition to the acquisition last year a similar sized warehouse was purchased this year in the Sittingbourne location to provide additional support to the existing Sittingbourne operation.

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Directors uses its regular meetings, both formal and informally, as a way to address and meet its obligations under S172 on the Companies Act 2006 and the stakeholders of the company are discussed. The board of the company comprises the Chairman, The Managing Director, Finance Director, Transport and Warehousing Directors, IT Director, Commercial Director and Director of Risk Management. The board considers the size and composition is appropriate to its function. In the directors opinion, employees, suppliers and customers represent the stakeholders of the business and the means of their engagement are detailed below.

Employees – We rely on our employees to ensure we deliver a high quality service to our customers be it handling a pallet of stock professionally into the warehouse, administering its arrival and subsequent delivery to the end user and ensuring billing is accurate and timely. We adapt to each clients needs and each client is treated in a bespoke way. On going training is a key part of the company's approach. As an example, we have a longstanding relationship with a forklift training provider who provides forklift training for new warehouse operatives but also ongoing training to our current staff. We also employ a Driver Trainer to assess all our drivers competencies and will intervene where necessary if shortcomings in driving standards are revealed. We also employ a further Driver Trainer whose role is to teach learner both current employees and those applying directly from outside to drive 18T vehicles and guide them through their Class 2 driving test and those with existing Class 2 licenses through the Class 1 test. This has proved successful. It has added additional drivers to its existing driver pool without having to recruit from outside. The company is committed to attracting the best people, in the appropriate area, retaining and incentivising them to deliver the companies objectives. Pay rates are continually reviewed to ensure that pay does not fall below accepted industry averages and where it can, pay rates are agreed above these averages.

Customers – Our employees and managers are constantly interacting with our customers to fulfill their requirements. We focus on customer service and this enables the company to act as an extension of each of our customers operation. Regular contact is maintained via visits to the site, telephone calls and more recently zoom/team video conferencing calls.

Suppliers – We fully understand the role our suppliers play in the delivery of our services. And as such we ensure that our suppliers are paid within their agreed terms. We also ensure there is an open dialogue between our company and suppliers regarding our ongoing needs and requirements. The company ensures suppliers are paid on time within agreed payment terms.

The company maintains excellent relations with both the local borough and parish councils. During the Covid crisis the company donated funds to the parish council that was used to provide food deliveries for the elderly and those to unable to shop due to ill health. Noise pollution is a constant issue as the site sits within a large housing area. To alleviate the problem, the company installed an acoustic fence which runs the length of the site to reduce the noise pollution while at the same time planted spreading plants to hide the length of the fence.

The company operates a zero tolerance approach to modern slavery and human trafficking and the company will act at all times ethically and with integrity in its business dealings.

This report was approved by the board and signed on its behalf.

.....
A.M. Burgess
Company Secretary

Date: 23 May 2022

LENHAM STORAGE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The directors present their report and the financial statements for the year ended 31 August 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,151,611 (2020: £970,753).

Directors

The directors who served during the year were:

R.F. Tolhurst
K.N. Abrehart
A.M. Burgess
C.F. Tolhurst
A.C. Fulcher
D.J. Abrehart
S. Phibbs
I. Rose

Future developments

The company continues to respond to the challenges of the current market by reducing costs where it can, and amending its operational overhead to reflect market conditions.

Disabled employees

Applications for employment by disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment by the company continues. It is company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of the other employees.

LENHAM STORAGE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Financial instruments

Financial instruments are referred to in the strategic report.

Engagement with employees

The company places considerable value in the involvement of its employees and continues to keep them informed on matters affecting them as employees and on significant factors affecting the performance of the Lenham "Group". This is achieved through formal and informal meetings and employee representatives are consulted regularly on a wide range of issues affecting the employees' current and future interests.

Statement of carbon emissions in compliance with streamlined Energy and Carbon Reporting (SECR)

Covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Current reporting year (Sept 20 – Aug 21) **'000 kWh tonnes CO₂e**

Scope 1 (direct emissions)

Total emissions generated through business travel/transport 34,416 8.279

Total emissions generated through other fuels (gas oil & propane) 2,410 542

Scope 2 (indirect emissions)

Total emissions generated through combustion of gas 1,615 297

Total emissions generated through use of purchased electricity 3,967 925

Total gross emissions 42,408 10,043

Intensity ratio (total gross emissions/sq ft of whse space) 13 kgCO₂e per sq ft

Intensity ratio (transport gross emissions/mile) 1 kgCO₂e per mile

Methodology used within the calculations

The company has used data from monthly/quarterly invoices. All calculations been applied from the "Conversion Factors 2021 - Condensed set for most users" spreadsheet found on the gov.uk (Greenhouse reporting) website.

Energy efficiency actions

Lenham Storage has installed energy efficient lighting in a high proportion of its owned and rented warehousing. See below.

Lenham – Total sq ft = 469k sq ft of warehousing (including a mezzanine floor) of which 218k sq ft is LED lighting, 82k sq ft, T5 light fittings with sensors 19k sq ft of T8 fluorescent fitting and the balance of 150k sq ft halide fittings.

Aylesford – All warehouses totaling 111k sq ft are fitted with LED lighting.

Sittingbourne – 117k sq ft fitted with a combination of LED and T5 light fittings with sensors. Education House was purchased in 2021 (9,706 sq ft) has LED light fitting and sensors fitted.

Lenham in 2021 took delivery of a fully electric van.

The following energy efficiency measures are under consideration for implementation during 2021-22

Drywall units 1 to 3 was purchased in 2021 (6,860 sq ft) and will have LED lights and sensors fitted. The company has appointed consultants to review

the feasibility of installing solar panels to the existing warehousing roofs.

LENHAM STORAGE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

.....
A.M. Burgess

Company Secretary

Date: 23 May 2022

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

LENHAM STORAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LENHAM STORAGE COMPANY LIMITED

Opinion

We have audited the financial statements of Lenham Storage Company Limited (the 'Company') for the year ended 31 August 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 August 2021 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 United Kingdom, including the Financial Reporting Council'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 included in the Annual Report, other than the financial statements and our Auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

LENHAM STORAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LENHAM STORAGE COMPANY LIMITED (CONTINUED)

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 is 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.

LENHAM STORAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LENHAM STORAGE COMPANY LIMITED (CONTINUED)

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 an Auditors' Report 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 misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant, including:
 - The Companies Act 2006;
 - Financial Reporting Standard 102;
 - UK employment legislation;
 - UK health and safety legislation;
 - General Data Protection Regulations;
 - VOSA; and
 - MOT testing requirements

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company is complying with those legal and regulatory frameworks by, making enquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - The application of inappropriate judgements or estimation to manipulate the Company's financial position;
 - Posting of unusual journals and complex transactions;
 - The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

LENHAM STORAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LENHAM STORAGE COMPANY LIMITED (CONTINUED)

Because of the inherent limitations of audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

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 an Auditors' Report 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.

Andrew Hookway FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants & Statutory Auditor

Ashcombe House

5 The Crescent

Leatherhead

Surrey

KT22 8DY

23 May 2022

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Turnover	4	45,511,161	41,042,740
Cost of sales		(36,852,404)	(33,057,670)
Gross profit		8,658,757	7,985,070
Administrative expenses		(6,496,159)	(6,563,806)
Other operating income	5	117,580	78,900
Fair value movements		171,336	-
Operating profit		2,451,514	1,500,164
Interest receivable and similar income	9	291	6,545
Interest payable and similar expenses	10	(233,073)	(276,388)
Other finance income		-	1,000
Profit before tax		2,218,732	1,231,321
Tax on profit	12	(1,067,121)	(260,568)
Profit for the financial year		1,151,611	970,753
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		3,005,287	-
Actuarial gains/(losses) on defined benefit pension scheme		(1,000)	(18,000)
Other comprehensive income for the year		3,004,287	(18,000)
Total comprehensive income for the year		4,155,898	952,753

The notes on pages 17 to 35 form part of these financial statements.

LENHAM STORAGE COMPANY LIMITED

REGISTERED NUMBER:00463800

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	24,264,615	20,195,616
Investment property	14	5,310,000	4,498,998
		<u>29,574,615</u>	<u>24,694,614</u>
Current assets			
Stocks		220,061	201,343
Debtors	15	11,764,119	8,314,228
Cash at bank and in hand		3,598,076	2,614,764
		<u>15,582,256</u>	<u>11,130,335</u>
Creditors: amounts falling due within one year	16	(14,519,163)	(9,080,109)
Net current assets		<u>1,063,093</u>	<u>2,050,226</u>
Total assets less current liabilities		<u>30,637,708</u>	<u>26,744,840</u>
Creditors: amounts falling due after more than one year	17	(3,776,143)	(4,324,808)
Provisions for liabilities			
Deferred tax	21	(516,343)	-
Other provisions	22	(400,750)	(632,458)
		<u>(917,093)</u>	<u>(632,458)</u>
Pension asset		16,000	17,000
Net assets		<u>25,960,472</u>	<u>21,804,574</u>
Capital and reserves			
Called up share capital	23	2,002	2,002
Revaluation reserve	24	15,911,819	12,906,532
Profit and loss account	24	10,046,651	8,896,040
		<u>25,960,472</u>	<u>21,804,574</u>

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

.....
K.N. Abrehart
Director

Date: 23 May 2022

.....
A.M. Burgess
Director

Date: 23 May 2022

The notes on pages 17 to 35 form part of these financial statements.

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2019	2,002	12,906,532	7,943,287	20,851,821
Comprehensive income for the year				
	-	-	970,753	970,753
Profit for the year				
	-	-	(18,000)	(18,000)
Actuarial losses on pension scheme				
Other comprehensive income for the year				
	-	-	(18,000)	(18,000)
Total comprehensive income for the year				
	-	-	952,753	952,753
Total transactions with owners				
	-	-	-	-
At 1 September 2020	2,002	12,906,532	8,896,040	21,804,574
Comprehensive income for the year				
	-	-	1,151,611	1,151,611
Profit for the year				
	-	-	(1,000)	(1,000)
Actuarial losses on pension scheme				
	-	3,005,287	-	3,005,287
Surplus on revaluation of freehold property				
Other comprehensive income for the year				
	-	3,005,287	(1,000)	3,004,287
Total comprehensive income for the year				
	-	3,005,287	1,150,611	4,155,898
Total transactions with owners				
	-	-	-	-
At 31 August 2021	2,002	15,911,819	10,046,651	25,960,472

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,151,611	970,753
Adjustments for:		
Depreciation of tangible assets	1,684,969	594,054
Loss on disposal of tangible assets	-	(15,821)
Interest paid	233,073	276,388
Interest received	(291)	(6,545)
Taxation charge	1,745,144	260,568
(Increase) in stocks	(18,718)	(28,329)
(Increase)/decrease in debtors	(3,093,210)	1,401,635
(Increase)/decrease in amounts owed by groups	(365,802)	512,852
Increase/(decrease) in creditors	2,587,805	(928,397)
Increase/(decrease) in amounts owed to groups	1,588,959	(312,363)
(Decrease)/increase in provisions	(683,094)	8,121
Net fair value (gains)/losses recognised in P&L	(171,336)	-
Corporation tax (paid)	(581,331)	(273,120)
Net cash generated from operating activities	4,077,779	2,459,796
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,871,076)	(800,158)
Sale of tangible fixed assets	12,108	19,009
Purchase of investment properties	(639,666)	(691,848)
Interest received	291	6,545
HP interest paid	(19,426)	(19,641)
Net cash from investing activities	(3,517,769)	(1,486,093)
Cash flows from financing activities		
Repayment of loans	529,191	(516,515)
Repayment of/new finance leases	95,041	(63,447)
Interest paid	(200,930)	(256,747)
Net cash used in financing activities	423,302	(836,709)
Net increase in cash and cash equivalents	983,312	136,994
Cash and cash equivalents at beginning of year	2,614,764	2,477,770
Cash and cash equivalents at the end of year	3,598,076	2,614,764

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,598,076	2,614,764
	<u>3,598,076</u>	<u>2,614,764</u>

The notes on pages 17 to 35 form part of these financial statements.

LENHAM STORAGE COMPANY LIMITED

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 AUGUST 2021

	At 1 September 2020 £	Cash flows £	New finance leases £	At 31 August 2021 £
Cash at bank and in hand	2,614,764	983,312	-	3,598,076
Debt due after 1 year	(2,868,774)	(676,721)	-	(3,545,495)
Debt due within 1 year	(975,189)	(1,483,227)	-	(2,458,416)
Finance leases	(390,148)	-	(95,041)	(485,189)
	<u>(1,619,347)</u>	<u>(1,176,636)</u>	<u>(95,041)</u>	<u>(2,891,024)</u>

The notes on pages 17 to 35 form part of these financial statements.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Lenham Storage Company Limited is a private company limited by shares incorporated in England and Wales. The company's registered number and registered office is disclosed on the company information page. The principal place of business is Ham Lane, Maidstone, Kent, ME17 2LH.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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 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 Coronavirus pandemic continues to cause significant financial uncertainty globally. It is not possible to reliably forecast what the long term impact of this may be.

The company has continued to trade during the pandemic and remains a profitable trading entity with net assets of £25,960,472 (2020: £21,804,574), cash at bank of £3,598,076 (2020: £2,614,764) and profit for the year of £1,151,611 (2020: £970,753).

Therefore despite the uncertainties that exist, the continued profitable success of the company leads the directors' to believe that the going concern basis of preparation of the accounts continues to be appropriate.

2.3 Revenue

Revenue is recognised from the haulage, storage and handling facilities provided to retail customers. 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 derived from haulage, storage and handling facilities to retail customers is recognised in the period in which the services are provided 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.

Rental income is derived from the Company's investment property portfolio. 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.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 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 and reducing balance method.

Depreciation is provided on the following basis:

Plant and machinery	-	40% straight line
Motor vehicles	-	40% reducing balance
Fixtures and fittings	-	25% straight line
Computer equipment	-	50% straight line
Trailers	-	20 - 40% reducing balance

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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.

2.5 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income Statement.

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2.7 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.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

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.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.10 Interest income

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

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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 Statement of Financial Position 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 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 Statement of Financial Position 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.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The main judgement area in the accounts is that involving the valuation of the defined benefit pension scheme, and in turn the valuation of the pension liability.

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises information contained within the last triennial actuarial assessment for the scheme dated 31 January 2020 in conjunction with updated data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. Of course there is an element of estimation uncertainty due to the valuation of the scheme liability as at 31 August 2021 being based on valuation data as at 31 January 2020. In undertaking this actuarial assessment, the methodology prescribed in IAS 540 have also been used.

An independent, qualified actuary is employed to annually value the assets and obligations of the pension scheme. The directors believe this sufficiently minimises the risk of the assets and obligations of the scheme being misstated.

Another judgement area in the accounts is that involving the valuation of investment property. However, all properties are valued by an independent, RICS registered professional. The experts are appropriately qualified and experienced therefore, the directors believe there is little risk the valuation of investment property is materially misstated.

4. Turnover

Turnover is derived from the principal activity of the rendering of services within the UK. 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.

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Transport	25,473,862	23,007,467
Handling	11,594,477	10,953,516
Storage	5,984,343	5,373,140
Repack	2,248,136	1,526,217
E shop	210,343	182,400
	<u>45,511,161</u>	<u>41,042,740</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Rental income	117,580	78,900
	<u>117,580</u>	<u>78,900</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>29,500</u>	<u>20,500</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	17,050,125	15,463,264
Social security costs	1,481,270	1,418,521
Cost of defined benefit scheme	415,364	403,217
Cost of defined contribution scheme	54,285	55,237
	<u>19,001,044</u>	<u>17,340,239</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Office and management	62	65
Warehouse and transport	435	435
	<u>497</u>	<u>500</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,427,143	1,240,841
Company contributions to defined contribution pension schemes	54,285	55,237
	<u>1,481,428</u>	<u>1,296,078</u>

During the year retirement benefits were accruing to 5 directors (2020 -5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £357,030 (2020 -£316,304).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,769 (2020 -£15,177).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	291	6,545
	<u>291</u>	<u>6,545</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	12,717	33,740
Other loan interest payable	200,930	223,007
Finance leases and hire purchase contracts	19,426	19,641
	<u>233,073</u>	<u>276,388</u>

11. Other finance costs

	2021 £	2020 £
Net interest on net defined benefit liability	-	1,000
	<u>-</u>	<u>1,000</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	541,657	282,347
	<u>541,657</u>	<u>282,347</u>
Total current tax	<u>541,657</u>	<u>282,347</u>
Deferred tax		
Origination and reversal of timing differences	5,893	(43,824)
Fixed asset timing differences	(65,013)	-
Effect of tax rate change on opening balance	(2,880)	22,045
Capital gains and losses	587,464	-
Total deferred tax	<u>525,464</u>	<u>(21,779)</u>
Taxation on profit on ordinary activities	<u>1,067,121</u>	<u>260,568</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 -higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,218,732</u>	<u>1,231,321</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	389,005	233,951
Effects of:		
Fixed asset timing differences	77,625	(143,410)
Expenses not deductible for tax purposes	30,525	189,125
Other timing differences leading to an increase (decrease) in taxation	-	(21,779)
Changes in provisions leading to an increase (decrease) in the tax charge	-	2,681
Chargeable gains/(losses)	446,473	-
Amounts (charged)/credited directly to STRGL or otherwise transferred	(190)	-
Additional deduction for land remediation expenditure	(239)	-
Remeasurement of deferred tax for changes in tax rates	123,922	-
Total tax charge for the year	<u>1,067,121</u>	<u>260,568</u>

Factors that may affect future tax charges

The main rate of UK corporation tax is due to increase to 25% from 1 April 2023.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

13. Tangible fixed assets

	Freehold Land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Other fixed assets	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 September 2020	18,955,000	7,405,097	1,085,228	361,018	1,575,560	1,417,334	0,799,237
Additions	1,869,713	617,245	124,947	9,278	46,106	93,500	2,760,789
Disposals	-	(407,037)	(120,850)	-	(274,287)	(90,282)	(892,456)
Revaluations	3,005,287	-	-	-	-	-	3,005,287
At 31 August 2021	23,830,000	7,615,305	1,089,325	370,296	1,347,379	1,420,552	5,672,857
Depreciation							
At 1 September 2020	-	6,832,174	840,226	273,759	1,470,381	1,187,081	0,603,621
Charge for the year	-	1,142,245	121,626	15,341	95,950	309,807	1,684,969
Disposals	-	(406,980)	(112,126)	-	(274,189)	(87,053)	(880,348)
At 31 August 2021	-	7,567,439	849,726	289,100	1,292,142	1,409,835	1,408,242
Net book value							
At 31 August 2021	23,830,000	47,866	239,599	81,196	55,237	10,717	4,264,615
At 31 August 2020	18,955,000	572,923	245,002	87,259	105,179	230,253	1,195,616

During the year, some items of plant and machinery were written down for the value of £973,834 due to a diminution of value.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	23,830,000	18,955,000
	<u>23,830,000</u>	<u>18,955,000</u>

There is a fixed charge over the freehold land and buildings in place as at the balance sheet date.

The land and buildings were revalued on 31 August 2021 by external valuers, Lambert Hampton Group on an open market for existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Cost	9,542,204	7,672,490
Accumulated depreciation	(791,027)	(732,923)
Net book value	<u>8,751,177</u>	<u>6,939,567</u>

Assets under hire purchase

The total expenses recognised in the year in the financial statements for assets under hire purchase was £65,099.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

14. Investment property

	Freehold investment property £
Valuation	
At 1 September 2020	4,498,998
Additions at cost	639,666
Surplus on revaluation	171,336
At 31 August 2021	5,310,000

The investment properties were revalued on 31 August 2021 by external valuers, Lambert Smith Hampton Group, on an open market value for existing use basis.

At 31 August 2021

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £	2020 £
Historic cost	3,854,380	3,214,714
	3,854,380	3,214,714

15. Debtors

	2021 £	2020 £
Trade debtors	9,383,965	5,590,966
Amounts owed by related parties	849,365	483,563
Other debtors	38,535	826,552
Prepayments and accrued income	1,492,254	1,404,026
Deferred taxation	-	9,121
	11,764,119	8,314,228

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	408,299	543,112
Trade creditors	4,490,339	3,614,665
Amounts owed to related parties	2,480,460	891,501
Corporation tax	95,024	18,348
Other taxation and social security	1,052,032	1,820,367
Obligations under finance lease and hire purchase contracts	254,541	200,816
Other creditors	3,486,070	514,116
Accruals and deferred income	2,252,398	1,477,184
	<u>14,519,163</u>	<u>9,080,109</u>

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	3,545,495	2,868,774
Net obligations under finance leases and hire purchase contracts	230,648	189,332
Other creditors	-	1,266,702
	<u>3,776,143</u>	<u>4,324,808</u>

All bank loans and overdrafts are secured over the Company's land and buildings together with a cross guarantee with Lenham Storage (Southern) Limited and Lenham Garages Limited.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	408,299	543,112
	<u>408,299</u>	<u>543,112</u>
Amounts falling due 1-2 years		
Bank loans	1,635,901	2,055,485
	<u>1,635,901</u>	<u>2,055,485</u>
Amounts falling due after more than 5 years		
Bank loans	1,909,594	813,289
	<u>1,909,594</u>	<u>813,289</u>
	<u>3,953,794</u>	<u>3,411,886</u>

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	254,541	200,816
Between 1-5 years	230,648	189,332
	<u>485,189</u>	<u>390,148</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,598,076	2,614,764
Financial assets that are debt instruments measured at amortised cost	10,785,841	6,901,081
	<u>14,383,917</u>	<u>9,515,845</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(15,512,349)</u>	<u>(11,566,202)</u>

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals, bank loans and obligations under finance leases and hire purchase contracts.

21. Deferred taxation

	2021 £	2020 £
At beginning of year	9,121	(12,658)
Charged to profit or loss	(525,464)	21,779
At end of year	<u>(516,343)</u>	<u>9,121</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	512,820	340,334
Short term timing differences	70,487	58,048
Capital gains	(1,099,650)	(389,261)
	<u>(516,343)</u>	<u>9,121</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

22. Provisions

	2021 £
At 1 September 2020	632,458
Loading dock provision	400,750
Utilised in year	(632,458)
At 31 August 2021	<u>400,750</u>

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2,002 (2020 -2,002) Ordinary shares of £1.00 each	<u>2,002</u>	<u>2,002</u>

The ordinary shares are classified as equity shares and entitle the shareholder to full voting rights. One share

classifies as one vote and on a poll each member has one vote per share held. Ordinary shares rank equally for any dividends declared or distributions made on winding up. The shares are not redeemable.

24. Reserves

Revaluation reserve

The revaluation reserve is the positive difference between an asset's fair market value and its original cost, less depreciation.

Profit and loss account

This account records retained earnings and losses.

25. Contingent liabilities

A contingent liability exists at the balance sheet date in respect to a fixed charge over the freehold land and buildings and an unlimited cross guarantee given to the other companies with majority common shareholders which comprise the Lenham "Group" in order to secure their banking facilities.

26. Pension commitments

The Company operates a defined benefit pension scheme entitled Lenham Storage Group Retirement Benefits Scheme.

There are no other post-retirement benefits provided.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,282,000	1,286,000
Interest cost	20,000	22,000
Actuarial gains/losses	(94,000)	44,000
Benefits paid	(70,000)	(70,000)
At the end of the year	1,138,000	1,282,000

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	1,299,000	1,320,000
Interest income	20,000	23,000
Actuarial gains/losses	(95,000)	26,000
Benefits paid	(70,000)	(70,000)
At the end of the year	1,154,000	1,299,000

Composition of plan assets:

Total plan assets

	2021 £	2020 £
Fair value of plan assets	1,154,000	1,299,000
Present value of plan liabilities	(1,138,000)	(1,282,000)
Net pension scheme asset	16,000	17,000

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Interest on obligation	-	1,000
Total	-	1,000

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £1,000 (2020 -£18,000).

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2021	2020
	%	%
Discount rate	1.65	1.60
Future salary increases	2.95	2.55
Future pension increases	3.65	3.35
Inflation assumption	3.65	3.35
Mortality rates		

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2021	2020	2019	2018	2017
	£	£	£	£	£
Defined benefit obligation	(1,138,000)	(1,282,000)	(1,286,000)	(1,261,000)	(1,712,000)
Scheme assets	1,154,000	1,299,000	1,320,000	1,395,000	1,891,000
Surplus	16,000	17,000	34,000	134,000	179,000

27. Commitments under operating leases

At 31 August 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	3,051,262	3,156,172
Later than 1 year and not later than 5 years	4,246,006	5,030,770
Later than 5 years	38,801	18,534
	7,336,069	8,205,476

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

28. Related party transactions

During the year there were transactions with companies in which R. F. Tolhurst, a majority shareholder, and his sister Mrs D. J. Abrehart, have controlling interests, and for which R. F. Tolhurst is also a director. The companies involved are Lenham Storage (Southern) Limited, Lenham Garages Limited, Freightflow International Limited and Lee Davey Caravans Limited.

Total sales in the year to Lenham Garages Limited amounted to £15,289 (2020: £17,510), sales to Lenham Storage (Southern) Company Limited amounted to £2,328,526 (2020: £2,159,164) and sales to Lee Davey Caravans Limited amounted to £32,022 (2020: £32,863). Total purchases in the period from Lenham Garages Limited and Lenham Storage (Southern) Limited amounted to £755,717 (2020: £835,506) and £2,753,050 (2020: £2,298,332) respectively. Additionally, there are purchases from Lee Davey for £172 (2020: £7,646).

Included within amounts owed by related parties are the following balances due from these related companies:

Lenham Garages Limited £371,007 (2020: £258,873).

Lenham Storage (Southern) Limited £472,162 (2020: £219,451).

Lee Davey Caravans Limited £6,404 (2020: £5,239).

Lenham Storage (Midlands) Limited £39 (2020: £Nil)

Included within amounts owed to related parties are the following balances due to these related companies:

Lenham Storage (Southern) Limited £1,971,872 (2020: £715,722).

Lenham Garages Limited £119,588 (2020: £75,763).

Lee Davey Caravans Limited £389,000 (2020: £100,017).

All of the above transactions were undertaken on an arm's length basis.

At the year end, R. F. Tolhurst was owed £109,051 (2020: £115,402) by the Company to be repaid within one year. No interest was charged on this loan.

At the year end, D. J. Abrehart was owed £1,926,166 (2020: £1,583,377) by the Company. £1,926,166 is to be repaid within one year. Interest is charged at 5% on this loan.

There are no other key management personnel other than the directors.

29. Controlling party

The directors are of the opinion that there is no one controlling party.

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.