

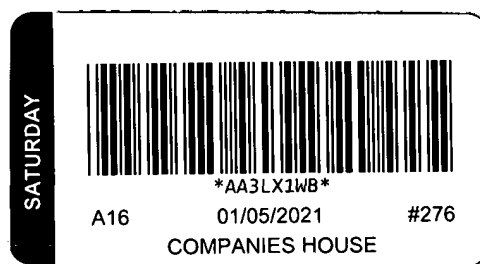
Company registration number: 00463800

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 AUGUST 2020

**LENHAM STORAGE
COMPANY LIMITED**



MENZIES
BRIGHTER THINKING

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 - 4
Directors' Report	5 - 7
Independent Auditors' Report	8 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 32
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	33 - 36

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

Lenham Storage Company Limited hereby present the Strategic Report covering the results for the financial year ending 31 August 2020.

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 twin issues of Brexit and then in the second half of the year by the covid 19 pandemic. The business has continued to trade through the pandemic 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. This continuation of trade was achieved by the spend of a significant six figure sum in order maintain the safety of our staff not only within the warehouse environment but throughout the business.

From the beginning of the covid crisis in March 2020 the company established a covid committee that met and continues to meet weekly. Together the committee coordinates the company's response to the pandemic, implements changes and authorises spend where necessary. Post year end, we now have our own Lateral Flow Testing station that enables staff to prebook a covid test and have the test undertaken on site and reported back within 30 minutes.

Brexit also played a significant part during the year with the ongoing challenges faced by the implementation of Operation Brock along the M20 and other local government initiatives. The company continued to rent additional third party warehousing throughout the year to provide additional storage capacity for our clients. We continue to rent the majority of this space post August 2020 and we anticipate this will be the case throughout 2021. The company continues to look for any opportunity both locally and nationally that will enhance its business in its core market.

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 company's 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 2020

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. Revenues increased by 4.9% in the year (2019 = 5.9%) and gross profits increased by £441,568 an increase over 2019 of 5.9%. Profitability for the year is £1.23m (2019 = £1.1m) with a net margin reported of 3.0% (2019 = 2.8%) The company continues apply cost savings where possible and negotiate enhanced rates as and when they fall due.

Challenges facing the company during 2021 will include the continuing issue of recruitment and retention of drivers and warehouse/ office staff particularly those from Europe. We saw the continuing drift of EU staff who returned home. This was impactful as the effect was not just on an individual basis but where whole families were employed, the family moved together leaving a challenge for HR in recruiting ideal replacements. Many of these were and are excellent workers.

We have also noticed the continuation of the hardening in the Insurance market particularly with regards to Property and post year end the company has agreed a significant investment to replace the existing smoke detection system throughout our warehousing on the Lenham site. We anticipate that with this investment property insurance premiums will fall in the coming years.

Post year end, the company also purchased a further smaller warehouse of approximately 10k sq ft near our existing Sittingbourne operation. The purchase of a robotic pallet transfer system which has been in development for most of 2019 has now been fully commissioned and is working effectively. If the operation is a success, we hope to purchase further robotic machines. Investment has continued in the co pack area that will enhance our capability to offer additional value to existing and new clients where currently this work is undertaken by third parties. We anticipate this will provide added value for the business in 2021 and beyond.

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 December such an opportunity became available with the acquisition of 10k sq ft of existing warehouse space in Sittingbourne, Kent. The company has also procured additional rental warehouse space for some clients in the lead up to the Brexit deadline date of 31st December 2020.

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. 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

LENHAM STORAGE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

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 deeds and requirements.

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.

Anthony Burgess

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

Date: 22-Apr-2021

LENHAM STORAGE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

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 £970,753 (2019: £519,785).

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 2020

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 19 – Aug 20)	'000 kWh	tonnes CO ₂ e
Scope 1 (direct emissions)		
Total emissions generated through business travel/transport	31,395	7,552
Total emissions generated through other fuels (gas oil & propane)	2,233	509
Scope 2 (indirect emissions)		
Total emissions generated through combustion of gas	1,305	240
Total emissions generated through use of purchased electricity	4,276	997
Total gross emissions	39,209	9,298
Intensity ratio (total gross emissions/sq ft of whse space)	13	kgCO ₂ e per sq ft
Intensity ratio (transport gross emissions/mile)	1	kgCO ₂ e per mile

Year on year comparison data will be included in future reports.

Methodology used within the calculations

The company has used data from monthly/quarterly invoices. All calculations been applied from the "Conversion Factors 2020 - 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 totalling 111k sq ft are fitted with LED lighting.

Sittingbourne – 117k sq ft fitted with a combination of LED and T5 light fittings with sensors.

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

Lenham in 2021 will take delivery of its first fully electric 18T vehicle and will also introduce a number of fully electric vans to its fleet.

LENHAM STORAGE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

Anthony Burgess

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

Date: 22-Apr-2021

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

LENHAM STORAGE COMPANY LIMITED

MENZIES
BRIGHTER THINKING

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 2020, 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

MENZIES
BRIGHTER THINKING

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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.

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.

LENHAM STORAGE COMPANY LIMITED

MENZIES
BRIGHTER THINKING

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

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

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
Date: 30-Apr-2021

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Turnover	4	41,042,740	39,115,155
Cost of sales		(33,057,670)	(31,571,653)
Gross profit		7,985,070	7,543,502
Administrative expenses		(6,563,806)	(6,262,717)
Other operating income	5	78,900	72,105
Fair value movements		-	50,594
Operating profit		1,500,164	1,403,484
Interest receivable and similar income	9	6,545	9,419
Interest payable and expenses	10	(276,388)	(308,633)
Other finance income	11	1,000	4,000
Profit before tax		1,231,321	1,108,270
Tax on profit	12	(260,568)	(588,485)
Profit for the financial year		970,753	519,785
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	1,255,000
Actuarial losses on defined benefit pension scheme		(18,000)	(104,000)
Other comprehensive income for the year		(18,000)	1,151,000
Total comprehensive income for the year		952,753	1,670,785

The notes on pages 15 to 32 form part of these financial statements.


LENHAM STORAGE COMPANY LIMITED

REGISTERED NUMBER:00463800

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	20,195,616	19,992,700
Investment property	14	4,498,998	3,807,150
		<u>24,694,614</u>	<u>23,799,850</u>
Current assets			
Stocks		201,343	173,014
Debtors	15	8,314,228	10,219,595
Cash at bank and in hand		2,614,764	2,477,770
		<u>11,130,335</u>	<u>12,870,379</u>
Creditors: amounts falling due within one year	16	(9,080,109)	(10,985,683)
Net current assets		<u>2,050,226</u>	<u>1,884,696</u>
Total assets less current liabilities		<u>26,744,840</u>	<u>25,684,546</u>
Creditors: amounts falling due after more than one year	17	(4,324,808)	(4,854,067)
Provisions for liabilities			
Deferred tax	21	-	(12,658)
Other provisions	22	(632,458)	-
		<u>(632,458)</u>	<u>(12,658)</u>
Pension asset	26	17,000	34,000
Net assets		<u>21,804,574</u>	<u>20,851,821</u>
Capital and reserves			
Called up share capital	23	2,002	2,002
Revaluation reserve	24	12,906,532	12,906,532
Profit and loss account	24	8,896,040	7,943,287
		<u>21,804,574</u>	<u>20,851,821</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: 22-Apr-2021



A.M. Burgess
 Director

Date: 22-Apr-2021

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2020

	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				
Profit for the year	-	-	970,753	970,753
Actuarial losses on pension scheme	-	-	(18,000)	(18,000)
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 31 August 2020	2,002	12,906,532	8,896,040	21,804,574

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2018	2,002	11,651,532	7,527,502	19,181,036
Comprehensive income for the year				
Profit for the year	-	-	519,785	519,785
Actuarial losses on pension scheme	-	-	(104,000)	(104,000)
Surplus on revaluation of freehold property	-	1,255,000	-	1,255,000
Other comprehensive income for the year	-	1,255,000	(104,000)	1,151,000
Total comprehensive income for the year	-	1,255,000	415,785	1,670,785
Total transactions with owners	-	-	-	-
At 31 August 2019	2,002	12,906,532	7,943,287	20,851,821

The notes on pages 15 to 32 form part of these financial statements:

LENHAM STORAGE COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	970,753	519,785
Adjustments for:		
Depreciation of tangible assets	594,054	892,387
Loss on disposal of tangible assets	(15,821)	(20,013)
Interest paid	276,388	308,633
Interest received	(6,545)	(9,419)
Taxation charge	260,568	588,485
(Increase) in stocks	(28,329)	(30,198)
Decrease/(increase) in debtors	1,914,487	(2,053,333)
(Decrease)/increase in creditors	(1,240,760)	1,921,331
Increase/(decrease) in provisions	8,121	(336,062)
Net fair value losses/(gains) recognised in P&L	-	(50,594)
Corporation tax (paid)/received	(273,120)	29,344
Net cash generated from operating activities	2,459,796	1,760,346
Cash flows from investing activities		
Purchase of tangible fixed assets	(800,158)	(648,637)
Sale of tangible fixed assets	19,009	53,850
Purchase of investment properties	(691,848)	(413,269)
Interest received	6,545	9,419
HP interest paid	(19,641)	(25,022)
Net cash from investing activities	(1,486,093)	(1,023,659)
Cash flows from financing activities		
Repayment of loans	(516,515)	(82,524)
Repayment of/new finance leases	(63,447)	32,279
Interest paid	(256,747)	(283,611)
Net cash used in financing activities	(836,709)	(333,856)
Net increase in cash and cash equivalents	136,994	402,831
Cash and cash equivalents at beginning of year	2,477,770	2,074,939
Cash and cash equivalents at the end of year	2,614,764	2,477,770
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,614,764	2,477,770
	2,614,764	2,477,770

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 is causing significant financial uncertainty globally and at this stage 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 £21,804,574 (2019: £20,851,821), cash at bank of £2,614,764 (2019: £2,477,770) and profit for the year of £970,753 (2019: £519,785).

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 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 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

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 Revenue (continued)

measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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 2020

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 2020

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 2020

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 2019 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 2020 being based on valuation data as at 31 January 2019. 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.

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:

	2020 £	2019 £
Transport	23,007,467	22,534,939
Handling	10,953,516	9,931,573
Storage	5,373,140	5,302,673
Repack	1,526,217	1,345,970
E shop	182,400	-
	<u>41,042,740</u>	<u>39,115,155</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Rental income	78,900	72,105
	<u>78,900</u>	<u>72,105</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	20,500	16,500
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	15,155	36,063
Other services relating to taxation	10,531	-
All other assurance services	18,077	16,260
All other services	41,830	-
	85,593	52,323

7. Employees

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

	2020 £	2019 £
Wages and salaries	15,463,264	14,959,425
Social security costs	1,418,521	1,339,208
Cost of defined benefit scheme	403,217	331,433
Cost of defined contribution scheme	55,237	44,641
	17,340,239	16,674,707

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

	2020 No.	2019 No.
Office and management	65	67
Warehouse and transport	435	411
	500	478

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	1,240,841	1,102,811
Company contributions to defined contribution pension schemes	55,237	44,641
	<u>1,296,078</u>	<u>1,147,452</u>

During the year retirement benefits were accruing to 5 directors (2019 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £316,304 (2019 - £321,209).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,177 (2019 - £13,164).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>6,545</u>	<u>9,419</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	33,740	46,939
Other loan interest payable	223,007	236,672
Finance leases and hire purchase contracts	19,641	25,022
	<u>276,388</u>	<u>308,633</u>

11. Other finance costs

	2020 £	2019 £
Interest on net defined benefit liability	<u>1,000</u>	<u>4,000</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	282,347	243,765
	<u>282,347</u>	<u>243,765</u>
Total current tax	<u>282,347</u>	<u>243,765</u>
Deferred tax		
Origination and reversal of timing differences	(43,824)	(22,497)
Deferred tax on investment properties	22,045	367,217
Total deferred tax	<u>(21,779)</u>	<u>344,720</u>
Taxation on profit on ordinary activities	<u>260,568</u>	<u>588,485</u>
Factors affecting tax charge for the year		

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19 % (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,231,321	1,108,270
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	233,951	211,646
Effects of:		
Capital allowances for year in excess of depreciation	(143,410)	734
Expenses not deductible for tax purposes	189,125	40,998
Other timing differences leading to an increase (decrease) in taxation	(21,779)	344,720
Income adjustments	-	(9,613)
Changes in provisions leading to an increase (decrease) in the tax charge	2,681	-
Total tax charge for the year	<u>260,568</u>	<u>588,485</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges other than those disclosed already.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2019	18,955,000	6,829,237	1,107,116	333,151	1,459,736	1,433,834	30,118,074
Additions	-	575,861	80,606	27,867	115,824	-	800,158
Disposals	-	-	(102,495)	-	-	(16,500)	(118,995)
At 31 August 2020	18,955,000	7,405,098	1,085,227	361,018	1,575,560	1,417,334	30,799,237
Depreciation							
At 1 September 2019	-	6,544,430	793,722	264,729	1,379,579	1,142,914	10,125,374
Charge for the year on owned assets	-	287,744	145,811	9,030	90,802	60,667	594,054
Disposals	-	-	(99,307)	-	-	(16,500)	(115,807)
At 31 August 2020	-	6,832,174	840,226	273,759	1,470,381	1,187,081	10,603,621
Net book value							
At 31 August 2020	18,955,000	572,924	245,001	87,259	105,179	230,253	20,195,616
At 31 August 2019	18,955,000	284,807	313,394	68,422	80,157	290,920	19,992,700

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets (continued)

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

	2020 £	2019 £
Freehold land and buildings	18,955,000	18,955,000
	<u>18,955,000</u>	<u>18,955,000</u>

The land and buildings were revalued on 31 August 2020 by the directors 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:

	2020 £	2019 £
Cost	7,672,490	7,672,490
Accumulated depreciation	(732,923)	(680,278)
Net book value	<u>6,939,567</u>	<u>6,992,212</u>

Assets under hire purchase

The total expenses recognised in the year in the financial statements for assets under hire purchase was £240,429.

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14. Investment property

	Freehold investment property £
Valuation	
At 1 September 2019	3,807,150
Additions at cost	691,848
At 31 August 2020	4,498,998

The investment properties were revalued on 31 August 2020 by the directors, on an open market value for existing use basis.

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

	2020 £	2019 £
Cost	3,214,714	2,522,866
	3,214,714	2,522,866

15. Debtors

	2020 £	2019 £
Trade debtors	5,590,966	7,379,985
Amounts owed by related undertakings	483,563	996,415
Other debtors	826,552	395,311
Prepayments and accrued income	1,404,026	1,447,884
Deferred taxation	9,121	-
	8,314,228	10,219,595

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	543,112	543,112
Trade creditors	3,614,665	3,653,224
Amounts owed to group undertakings	891,501	1,203,864
Corporation tax	18,348	-
Other taxation and social security	1,820,367	952,518
Obligations under finance lease and hire purchase contracts	200,816	189,238
Other creditors	514,116	3,085,259
Accruals and deferred income	1,477,184	1,358,468
	<u>9,080,109</u>	<u>10,985,683</u>

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

	2020 £	2019 £
Bank loans	2,868,774	3,385,289
Net obligations under finance leases and hire purchase contracts	189,332	264,357
Other creditors	1,266,702	1,204,421
	<u>4,324,808</u>	<u>4,854,067</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 2020

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	543,112	543,112
	<u>543,112</u>	<u>543,112</u>
Amounts falling due 1-2 years		
Bank loans	2,055,485	2,055,485
	<u>2,055,485</u>	<u>2,055,485</u>
Amounts falling due after more than 5 years		
Bank loans	813,289	1,329,804
	<u>813,289</u>	<u>1,329,804</u>
	<u>3,411,886</u>	<u>3,928,401</u>

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	200,816	189,238
Between 1-5 years	189,332	264,357
	<u>390,148</u>	<u>453,595</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

20. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>6,901,081</u>	<u>8,771,711</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(11,566,202)</u>	<u>(14,887,232)</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

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

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Excess of depreciation over capital allowances	<u>9,121</u>	<u>(12,658)</u>
	<u>9,121</u>	<u>(12,658)</u>

22. Provisions

	2020 £
iSite works	632,458
At 31 August 2020	<u>632,458</u>

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,002 (2019 - 2,002) Ordinary shares of £1.00 each	2,002	2,002

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. Capital commitments

At 31 August 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	151,275
	-	151,275

27. 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.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,286,000	1,261,000
Interest cost	22,000	31,000

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments (continued)

Actuarial gains/losses	44,000	193,000
Benefits paid	70,000	199,000
At the end of the year	1,282,000	1,286,000

Reconciliation of present value of plan assets:

	2020 £	2019 £
At the beginning of the year	1,320,000	1,395,000
Interest income	23,000	35,000
Actuarial gains/losses	26,000	89,000
Benefits paid	(70,000)	(199,000)
At the end of the year	1,299,000	1,320,000

Composition of plan assets:

Total plan assets

	2020 £	2019 £
Fair value of plan assets	1,299,000	1,320,000
Present value of plan liabilities	(1,282,000)	(1,286,000)
Net pension scheme surplus	17,000	34,000

The amounts recognised in profit or loss are as follows:

	2020 £	2019 £
Interest on obligation	1,000	4,000
Total	1,000	4,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £18,000 (2019 - £104,000).

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

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments (continued)

	2020 %	2019 %
Discount rate	1.60	1.80
Expected return on scheme assets	2.55	2.50
Future pension increases	3.35	3.50
Inflation assumption	3.35	3.50

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

Defined benefit pension schemes

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(1,282,000)	(1,286,000)	(1,261,000)	(1,712,000)	(1,831,000)
Scheme assets	1,299,000	1,320,000	1,395,000	1,891,000	1,965,000
Surplus	17,000	34,000	134,000	179,000	134,000

28. Commitments under operating leases

At 31 August 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	3,156,172	4,329,399
Later than 1 year and not later than 5 years	5,030,770	7,375,410
Later than 5 years	18,534	274,260
	8,205,476	11,979,069

LENHAM STORAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

29. 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 period to Lenham Garages Limited amounted to £17,510 (2019: £19,447), sales to Lenham Storage (Southern) Company Limited amounted to £2,159,164 (2019: £2,019,067) and sales to Lee Davey Caravans Limited amounted to £32,863 (2019: £19,567). Total purchases in the period from Lenham Garages Limited and Lenham Storage (Southern) Limited amounted to £835,506 (2019: £952,264) and £2,298,332 (2019: £2,300,326) respectively. Additionally, there are purchases from Lee Davey for £7,646 (2019: £1,299).

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

Lenham Garages Limited £258,873 (2019: £372,428).

Lenham Storage (Southern) Limited £219,451 (2019: £620,505).

Lee Davey Caravans Limited £5,239 (2019: £3,482).

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

Lenham Storage (Southern) Limited £715,722 (2019: £1,039,207).

Lenham Garages Limited £75,763 (2019: £163,771).

Lee Davey Caravans Limited £100,017 (2019: £885).

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

At the year end, R. F. Tolhurst was owed £115,402 (2019: £27,278) 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 £1,583,377 (2019: £1,505,526) by the Company. £316,675 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.

30. Controlling party

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