

LENHAM STORAGE (SOUTHERN) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2015

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LENHAM STORAGE (SOUTHERN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

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LENHAM STORAGE (SOUTHERN) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

R. F. Tolhurst
G. Bournier
K. N. Abrehart
A. M. Burgess
S. Phibbs

COMPANY SECRETARY

A. M. Burgess

REGISTERED OFFICE

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

AUDITOR

Menzies LLP
Chartered Accountants
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

BANKERS

Barclays Bank plc
4th Floor
Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

LENHAM STORAGE (SOUTHERN) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 AUGUST 2015

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.

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.

Turnover increased by 15.6% in the year predominantly due to firstly organic growth within the company's existing client base and secondly by the introduction of new clients. However, cost of sales have also increased by 16.9% primarily as a result of increases agency drivers, though the increase has been partially mitigated by the fall in fuel prices through 2014 and 2015 seeing a drop in the price of derv over this period by 23.2%. Gross profits for the year rose by 8.6%. The company is happy to report a profit before tax for the year of £91,993.

Though the market place remains extremely competitive, the company is confident that the practical steps adopted to reduce costs and maximise profits will leave the business well placed to meet the inevitable challenges ahead.

The company's motor vehicle fleet remains under continual review and vehicles are disposed of when they become uneconomical to maintain to the standard required by the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the company's financial risk management objectives and policies are set out below:

Financial risk management objectives and policies

a) the financial risk management objectives and policies of the company including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

b) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk;

unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

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 company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and it seeks to invest cash assets safely and profitably. Short term flexibility is achieved through the company's banking arrangements.

THE COMPANY'S STRATEGY

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

BUSINESS MODEL

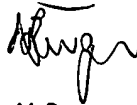
The directors are committed to grow the company organically to realise the full potential of the opportunities that arise in the marketplace.

LENHAM STORAGE (SOUTHERN) LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 AUGUST 2015

Signed by order of the directors



A. M. Burgess
Company Secretary

Approved by the directors on 5 May 2016

LENHAM STORAGE (SOUTHERN) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2015

The directors present their report and the financial statements of the company for the year ended 31 August 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £70,069. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

R. F. Tolhurst
G. Bourner
K. N. Abrehart
A. M. Burgess
S. Phibbs

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

LENHAM STORAGE (SOUTHERN) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2015

AUDITOR

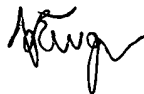
Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Aschombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

Signed by order of the directors



A. M. Burgess
Company Secretary

Approved by the directors on 5 May 2016

LENHAM STORAGE (SOUTHERN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LENHAM STORAGE (SOUTHERN) LIMITED

YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Lenham Storage (Southern) Limited for the year ended 31 August 2015 on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LENHAM STORAGE (SOUTHERN) LIMITED *(continued)*

YEAR ENDED 31 AUGUST 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Menzies LLP

PETER EARLE FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

5 May 2016

LENHAM STORAGE (SOUTHERN) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
TURNOVER	2	9,001,758	7,786,738
Cost of sales		7,673,796	6,563,789
GROSS PROFIT		1,327,962	1,222,949
Administrative expenses		1,125,423	1,044,903
OPERATING PROFIT	3	202,539	178,046
Interest payable and similar charges	6	110,546	118,877
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		91,993	59,169
Tax on profit on ordinary activities	7	21,924	11,928
PROFIT FOR THE FINANCIAL YEAR		<u>70,069</u>	<u>47,241</u>

All of the activities of the company are classed as continuing.

The notes on pages 12 to 18 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Profit for the financial year attributable to the shareholders	70,069	47,241
Unrealised profit on revaluation of certain fixed assets	200,000	-
Total gains and losses recognised since the last annual report	<u>270,069</u>	<u>47,241</u>

The notes on pages 12 to 18 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

BALANCE SHEET

31 AUGUST 2015

	Note	2015 £	£	2014 £	£
FIXED ASSETS					
Tangible assets	8		2,163,138		1,995,704
CURRENT ASSETS					
Stocks	9	53,464		40,019	
Debtors	10	2,457,632		2,262,531	
Cash at bank and in hand		40,677		39,782	
		<u>2,551,773</u>		<u>2,342,332</u>	
CREDITORS: Amounts falling due within one year	12	<u>2,394,599</u>		<u>2,287,793</u>	
NET CURRENT ASSETS			157,174		54,539
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,320,312</u>		<u>2,050,243</u>
CAPITAL AND RESERVES					
Called up equity share capital	16		100		100
Revaluation reserve	17		1,572,576		1,372,576
Profit and loss account	18		747,636		677,567
SHAREHOLDERS' FUNDS	19		<u>2,320,312</u>		<u>2,050,243</u>

These accounts were approved by the directors and authorised for issue on 5 May 2016, and are signed on their behalf by:

R. F. Tolhurst

A. M. Burgess

Company Registration Number: 00874230

The notes on pages 12 to 18 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		151,569	242,404
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(110,546)		(118,877)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(110,546)	(118,877)
TAXATION		(15,000)	(17,616)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(26,860)		(110,114)
Receipts from sale of fixed assets	1,732		6,524
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(25,128)	(103,590)
INCREASE IN CASH		895	2,321
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
		2015 £	2014 £
Operating profit		202,539	178,046
Depreciation		57,055	50,402
Loss on disposal of fixed assets		639	226
(Increase)/decrease in stocks		(13,445)	3,440
Increase in debtors		(197,747)	(682,718)
Increase in creditors		102,528	693,008
Net cash inflow from operating activities		151,569	242,404
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2015 £	2014 £
Increase in cash in the period		895	2,321
Movement in net funds in the period		895	2,321
Net funds at 1 September 2014	20	39,782	37,461
Net funds at 31 August 2015	20	40,677	39,782

The notes on pages 12 to 18 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

Fixed assets

All fixed assets are initially recorded at cost with the exception of land and buildings which is revalued every two years.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trailers	-	20% on reducing balance
Fixtures and Fittings	-	10% on cost
Motor Vehicles	-	30% on reducing balance
Equipment	-	25% and 20% on cost

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme. Contributions for the year are charged in the profit and loss account.

In the past some of the company's employees have belonged to the Lenham Storage Group Retirement Benefits Scheme, that scheme is now closed to new members.

The ultimate responsibility for making good any shortfalls in the scheme lies with the sponsoring employer, Lenham Storage Company Limited, thus there are no additional liabilities or assets to be recognised in these accounts.

Provisions for liabilities

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>9,001,758</u>	<u>7,786,738</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of owned fixed assets	60,885	57,041
Loss on disposal of fixed assets	639	226
Auditor's remuneration		
- as auditor	9,200	9,200
Operating lease costs:		
- Plant and equipment	<u>55,865</u>	<u>46,942</u>

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Warehousing and haulage staff	84	85
Administrative staff	11	11
Management staff	4	4
	<u>99</u>	<u>100</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	3,458,573	2,674,728
Social security costs	182,682	161,393
Other pension costs	31,807	27,344
	<u>3,673,062</u>	<u>2,863,465</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015 £	2014 £
Remuneration receivable	<u>53,625</u>	<u>53,817</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015 No	2014 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Other similar charges payable	<u>110,546</u>	<u>118,877</u>

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2014 - 20%)	19,278	13,958
Total current tax	19,278	13,958
Deferred tax:		
Origination and reversal of timing differences	2,646	(2,030)
Tax on profit on ordinary activities	21,924	11,928

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2014 - 20%).

	2015 £	2014 £
Profit on ordinary activities before taxation	91,993	59,169
Profit on ordinary activities by rate of tax	18,399	11,834
Expenses not deductible for tax purposes	226	94
Capital allowances for period in excess of depreciation	(502)	2,030
Adjustments to tax charge in respect of previous periods	1,042	-
Marginal relief	113	-
Total current tax (note 7(a))	19,278	13,958

8. TANGIBLE ASSETS

	Freehold land and buildings £	Trailers £	Fixtures and fittings £	Motor vehicles £	Other Assets £	Total £
COST OR VALUATION						
At 1 Sep 2014	1,800,000	252,129	19,200	322,140	315,679	2,709,148
Additions	-	-	-	22,610	4,250	26,860
Disposals	-	-	-	(18,009)	-	(18,009)
Revaluation	200,000	-	-	-	-	200,000
At 31 Aug 2015	2,000,000	252,129	19,200	326,741	319,929	2,917,999
DEPRECIATION						
At 1 Sep 2014	-	226,964	16,761	240,480	229,239	713,444
Charge for the year	-	5,034	693	29,578	21,750	57,055
On disposals	-	-	-	(15,638)	-	(15,638)
At 31 Aug 2015	-	231,998	17,454	254,420	250,989	754,861
NET BOOK VALUE						
At 31 Aug 2015	2,000,000	20,131	1,746	72,321	68,940	2,163,138
At 31 Aug 2014	1,800,000	25,165	2,439	81,660	86,440	1,995,704

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

The freehold land and buildings were valued on an open market basis on 31 August 2015 by Lambert Smith Hampton at £2,000,000.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2015 £	2014 £
Historical cost	427,424	427,424
Depreciation:		
At 1 Sep 2014	63,355	59,128
Charge for year	4,227	4,227
At 31 Aug 2015	<u>67,582</u>	<u>63,355</u>
Net historical cost value:		
At 31 Aug 2015	<u>359,842</u>	<u>364,069</u>
At 1 Sep 2014	<u>364,069</u>	<u>368,296</u>

9. STOCKS

	2015 £	2014 £
Stock	<u>53,464</u>	<u>40,019</u>

10. DEBTORS

	2015 £	2014 £
Trade debtors	2,068,699	2,047,120
Other debtors	133,257	2,486
Prepayments and accrued income	250,432	205,035
Deferred taxation (note 11)	5,244	7,890
	<u>2,457,632</u>	<u>2,262,531</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2015 £	2014 £
Included in debtors (note 10)	<u>5,244</u>	<u>7,890</u>

The movement in the deferred taxation account during the year was:

	2015 £	2014 £
Balance brought forward	7,890	5,860
Profit and loss account movement arising during the year	(2,646)	2,030
Balance carried forward	<u>5,244</u>	<u>7,890</u>

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

11. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of depreciation over taxation allowances	5,244	7,890
	<u>5,244</u>	<u>7,890</u>

If the freehold property were sold at its book value then the company would have an additional corporation tax liability of £143,000 on the profit realised. No provision for this amount has been included in the accounts as the company has no intention of pursuing this course of action in the foreseeable future.

12. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,352,336	1,188,864
Corporation tax	18,236	13,958
Other taxation and social security	142,866	125,108
Other creditors	767,254	817,847
Accruals and deferred income	113,907	142,016
	<u>2,394,599</u>	<u>2,287,793</u>

In accordance with FRS 5, included within other creditors above is an amount of £765,424 (2014: £674,856) which is secured on the company's trade debtors.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings 2015 £	2014 £
Operating leases which expire: Within 2 to 5 years	<u>69,218</u>	<u>69,218</u>

14. CONTINGENCIES

A contingent liability exists at the accounting date in respect of unlimited cross guarantees given to the other companies with common majority shareholders which comprise the Lenham "Group" in order to secure their banking facilities.

15. RELATED PARTY TRANSACTIONS

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

Total sales in the period to Lenham Storage Company Limited amounted to £2,303,305. Total purchases in the period from Lenham Garages Limited and Lenham Storage Company Limited amounted to £52,680 and £1,284,158 respectively.

Included within trade debtors is £743,364 due from Lenham Storage Company Limited.

Included within trade creditors are the following balances due to these related companies:

Lenham Storage Company Limited £222,014.
Lenham Garages Limited £9,505.

Included within other creditors is £132,808 due to Lenham Storage Company Limited.

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

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2015 No	£	2014 No	£
Ordinary shares of £0.50 each	<u>200</u>	<u>100</u>	<u>200</u>	<u>100</u>

17. REVALUATION RESERVE

	2015 £	2014 £
Balance brought forward	1,372,576	1,372,576
Revaluation of fixed assets	200,000	-
Balance carried forward	<u>1,572,576</u>	<u>1,372,576</u>

18. PROFIT AND LOSS ACCOUNT

	2015 £	2014 £
Balance brought forward	677,567	630,326
Profit for the financial year	70,069	47,241
Balance carried forward	<u>747,636</u>	<u>677,567</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	70,069	47,241
Other net recognised gains and losses	200,000	-
Net addition to shareholders' funds	270,069	47,241
Opening shareholders' funds	2,050,243	2,003,002
Closing shareholders' funds	<u>2,320,312</u>	<u>2,050,243</u>

20. NOTES TO THE CASH FLOW STATEMENT

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 2014 £	Cash flows £	At 31 Aug 2015 £
Net cash:			
Cash in hand and at bank	39,782	895	40,677
Net funds	<u>39,782</u>	<u>895</u>	<u>40,677</u>

21. ULTIMATE CONTROLLING PARTY

R.F.Tolhurst is considered to be the ultimate controlling party by virtue of his majority shareholding.