

Company registration number: 00874230

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 AUGUST 2017

**LENHAM STORAGE
(SOUTHERN) LIMITED**



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LENHAM STORAGE (SOUTHERN) LIMITED

COMPANY INFORMATION

Directors

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

Company secretary

A. M. Burgess

Registered number

00874230

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
4th Floor
Bridgewater House
Counterslip
Finzels Reach
Bristol ~
BS1 6BX

LENHAM STORAGE (SOUTHERN) LIMITED

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LENHAM STORAGE (SOUTHERN) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

Introduction

Lenham Storage (Southern) Limited hereby present the Strategic Report covering the results for the financial year ending 31 August 2017.

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 trading year and the results for the year and the financial position of the company are as shown in the annexed statements.

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.

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

LENHAM STORAGE (SOUTHERN) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Financial 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 5.7% (2016 = +11.4%) in the year predominantly due to organic growth within the company's existing client base, new clients and finally increase in a number of key client rates. Cost of sales increased by only 1.8% (2016 = +9.6%) in comparison. Gross profits for the year rose by 25.6% (2016 = +21.8%) and the company is happy to report a profit before tax for the year of £540.8k which represents a net margin of 5.1% (2016 = +3.3%). In line with company policy, the property was revalued this year and saw an increase in the value of the property of £350k. Challenges moving into 2018 will be the effects of Brexit and how this impacts on our client base and attracting new clients to the business.

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.

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.

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



A. M. Burgess
Company secretary

Date:

8/7/18

LENHAM STORAGE (SOUTHERN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors

The directors who served during the year were:

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

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 judgments 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 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.

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.

LENHAM STORAGE (SOUTHERN) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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


A. M. Burgess
Company secretary

Date: 8/7/18

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LENHAM STORAGE (SOUTHERN) LIMITED**

Opinion

We have audited the financial statements of Lenham Storage (Southern) Limited (the 'Company') for the year ended 31 August 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LENHAM STORAGE (SOUTHERN) LIMITED (CONTINUED)**

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.

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; 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' 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 on page 3, 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 (SOUTHERN) LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LENHAM STORAGE (SOUTHERN) 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.

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.

Menzies LLP

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: *8/1/18*

LENHAM STORAGE (SOUTHERN) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Turnover		10,594,918	10,025,771
Cost of sales		(8,562,827)	(8,407,758)
Gross profit		2,032,091	1,618,013
Administrative expenses		(1,466,035)	(1,286,692)
Operating profit		566,056	331,321
Interest payable and expenses		(25,226)	(75,396)
Profit before tax		540,830	255,925
Tax on profit		(106,893)	(52,136)
Profit for the year		433,937	203,789
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		350,000	-
Other comprehensive income for the year		350,000	-
Total comprehensive income for the year		783,937	203,789

LENHAM STORAGE (SOUTHERN) LIMITED

REGISTERED NUMBER:00874230


STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	2,469,075	2,144,683
		<u>2,469,075</u>	<u>2,144,683</u>
Current assets			
Stocks		48,803	59,029
Debtors: amounts falling due within one year	5	2,692,213	2,239,979
Cash at bank and in hand		67,590	59,502
		<u>2,808,606</u>	<u>2,358,510</u>
Creditors: amounts falling due within one year	6	(1,969,643)	(1,979,092)
Net current assets		<u>838,963</u>	<u>379,418</u>
Total assets less current liabilities		<u>3,308,038</u>	<u>2,524,101</u>
Net assets		<u><u>3,308,038</u></u>	<u><u>2,524,101</u></u>
Capital and reserves			
Allotted, called-up and fully paid share capital		100	100
Revaluation reserve	8	1,922,576	1,572,576
Profit and loss account	8	1,385,362	951,425
		<u>3,308,038</u>	<u>2,524,101</u>

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

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


R. F. Tolhurst
Director


A. M. Burgess
Director

Date: 8/5/18

8/5/18

The notes on pages 11 to 17 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2016	100	1,572,576	951,425	2,524,101
Comprehensive income for the year				
Profit for the year	-	-	433,937	433,937
Surplus on revaluation of freehold property	-	350,000	-	350,000
Total comprehensive income for the year	-	350,000	433,937	783,937
At 31 August 2017	100	1,922,576	1,385,362	3,308,038

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2015	100	1,572,576	747,636	2,320,312
Comprehensive income for the year				
Profit for the year	-	-	203,789	203,789
Total comprehensive income for the year	-	-	203,789	203,789
At 31 August 2016	100	1,572,576	951,425	2,524,101

The notes on pages 11 to 17 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. General information

The company is limited by shares and incorporated in England. The address of the registered office is given in the company information page of these financial statements.

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have 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.

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.

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 & Machinery	-	20%	on cost
Motor vehicles	-	30%	on reducing balance
Fixtures and fittings	-	10%	on cost
Computer equipment	-	25%	on cost
Trailers	-	20%	on reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

Individual freehold 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 the Statement of 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.

2.6 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 September 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.10 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 the Statement of Comprehensive Income 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.

2.11 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 the Statement of Comprehensive Income 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.

3. Employees

The average monthly number of employees, including directors, during the year was 103 (2016 - 99).

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2016	2,000,000	572,414	251,880	19,200	46,730	2,890,224
Additions	-	27,237	-	2,065	-	29,302
Disposals	-	(17,600)	(143,716)	-	-	(161,316)
Revaluations	350,000	-	-	-	-	350,000
At 31 August 2017	<u>2,350,000</u>	<u>582,051</u>	<u>108,164</u>	<u>21,265</u>	<u>46,730</u>	<u>3,108,210</u>
Depreciation						
At 1 September 2016	-	467,467	213,359	18,003	46,712	745,541
Charge for the year on owned assets	-	36,341	9,484	588	-	46,413
Disposals	-	(16,849)	(135,970)	-	-	(152,819)
At 31 August 2017	<u>-</u>	<u>486,959</u>	<u>86,873</u>	<u>18,591</u>	<u>46,712</u>	<u>639,135</u>
Net book value						
At 31 August 2017	<u>2,350,000</u>	<u>95,092</u>	<u>21,291</u>	<u>2,674</u>	<u>18</u>	<u>2,469,075</u>
At 31 August 2016	<u>2,000,000</u>	<u>104,947</u>	<u>38,521</u>	<u>1,197</u>	<u>18</u>	<u>2,144,683</u>

The freehold land and buildings were valued on an open market basis on 31 August 2017 by Lambert Smith Hampton Group Limited at £2,350,000.

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

Historical cost of £427,424 with accumulated depreciation of £76,036 (2016 - £71,809) giving a net historical cost value of £351,388 (2016 - £355,615).

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

5. Debtors

	2017 £	2016 £
Trade debtors	1,467,066	1,345,133
Amounts owed by related parties	950,851	525,743
Prepayments and accrued income	269,623	364,995
Deferred taxation	4,673	4,108
	<u>2,692,213</u>	<u>2,239,979</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	930,112	896,613
Amounts owed to related parties	378,398	487,892
Corporation tax	107,873	51,000
Other taxation and social security	170,714	154,642
Other creditors	260,860	203,999
Accruals and deferred income	121,686	184,946
	<u>1,969,643</u>	<u>1,979,092</u>

In accordance with FRS 102, included within other creditors above is an amount of £255,992 (2016: £201,393) which is secured on the company's trade debtors.

7. Commitments under operating leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	15,864	46,145
	<u>15,864</u>	<u>46,145</u>

8. Reserves

- Revaluation reserve

This reserve records uplift in asset values above its costs, for assets held at revaluation.

- Profit and Loss account

This reserve records retained earnings and accumulated losses.

LENHAM STORAGE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

9. Contingencies

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

10. 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 £2,357,621 (2016 - £2,348,833). Total purchases in the period from Lenham Garages Limited and Lenham Storage Company Limited amounted to £59,804 (2016 - £66,381) and £1,831,800 (2016 - £1,394,485) respectively.

Included within trade debtors is £419,066 (2016 - £386,907) due from Lenham Storage Company Limited.

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

Lenham Storage Company Limited £367,295 (2016 - £461,407).

Lenham Garages Limited £11,103 (2016 - £26,485).

Included within other debtors is £531,785 (2016 - £138,836) due from Lenham Storage Company Limited.

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