

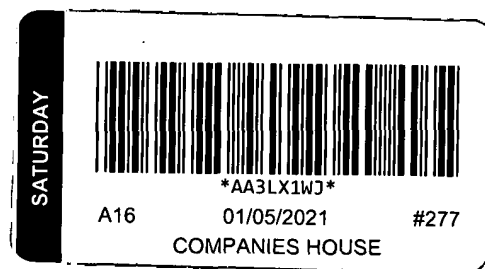
Company registration number: 00874230

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 AUGUST 2020

**LENHAM STORAGE
(SOUTHERN) LIMITED**



MENZIES
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LENHAM STORAGE (SOUTHERN) LIMITED

COMPANY INFORMATION

Directors

R. F. Tolhurst
G. Bournier
K. N. Abrehart
A. M. Burgess
S. L. 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
1 Churchill Place
London
E14 5HP

LENHAM STORAGE (SOUTHERN) LIMITED

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LENHAM STORAGE (SOUTHERN) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

Lenham Storage (Southern) 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.

During the year, turnover increased marginally by £2.7k or 0.03%, and gross profit increased by £111.9k or 5.45%. Although the coronavirus outbreak resulted in operational challenges, the company experienced increased sales as supermarket demand for paperware products exceeded supply for a number of weeks.

The business's continued efforts of cost control has allowed it to mitigate the impact of the coronavirus pandemic, with cost of sales decreasing in the year by £109k or 1.3%. At the year end the company had positive cash reserves of £132k and net current assets of £1.840m

The second half of the year has been dominated by Covid 19. 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 sum in order to 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 and coordinates the company's response to the pandemic and implements changes and authorises spend when necessary.

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 2020

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 marginally by 0.03% (2019 = -0.8%) while cost of sales also decreased by 1.35% (2019 = -1.7%) in comparison, though certain provisions were included at year end including groundwork maintenance. Gross profits for the year increased by 5.4% (2019 = +3.1%) and the company is happy to report a profit before tax for the year of £349.4k (2019 = £321.5k) which represents an increase compared to 2019 of £27.8 mainly as a result of planned increases in clients rates. The net margin of 3.4% (2019 = +3.1%) is reported.

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.

Anthony Burgess

A. M. Burgess
Company secretary

Date: 22-Apr-2021

LENHAM STORAGE (SOUTHERN) 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £283,864 (2019 - £259,304).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

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

LENHAM STORAGE (SOUTHERN) 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 (SOUTHERN) LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 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 (SOUTHERN) LIMITED

MENZIES
BRIGHTER THINKING

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

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 (SOUTHERN) LIMITED

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BRIGHTER THINKING

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Turnover	4	10,264,415	10,261,703
Cost of sales		(8,099,489)	(8,208,653)
Gross profit		2,164,926	2,053,050
Administrative expenses		(1,794,458)	(1,709,984)
Operating profit	5	370,468	343,066
Interest payable and expenses	8	(21,108)	(21,529)
Profit before tax		349,360	321,537
Tax on profit	9	(65,496)	(62,233)
Profit for the year		283,864	259,304
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	195,000
Other comprehensive income for the year		-	195,000
Total comprehensive income for the year		283,864	454,304

The notes on pages 12 to 23 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

REGISTERED NUMBER:00874230

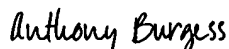
STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	2,644,750	2,625,631
		<u>2,644,750</u>	<u>2,625,631</u>
Current assets			
Stocks		48,387	84,604
Debtors: amounts falling due within one year	11	3,124,799	3,014,960
Cash at bank and in hand		131,986	107,574
		<u>3,305,172</u>	<u>3,207,138</u>
Creditors: amounts falling due within one year	12	(1,465,379)	(1,770,708)
Net current assets		<u>1,839,793</u>	<u>1,436,430</u>
Total assets less current liabilities		<u>4,484,543</u>	<u>4,062,061</u>
Provisions for liabilities			
Other provisions	14	(138,618)	-
		<u>(138,618)</u>	<u>-</u>
Net assets		<u>4,345,925</u>	<u>4,062,061</u>
Capital and reserves			
Called up share capital	15	100	100
Revaluation reserve	16	2,117,576	2,117,576
Profit and loss account	16	2,228,249	1,944,385
		<u>4,345,925</u>	<u>4,062,061</u>

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



K. N. Abrehart
Director 22-Apr-2021



A. M. Burgess
Director 22-Apr-2021

The notes on pages 12 to 23 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) 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	100	2,117,576	1,944,385	4,062,061
Comprehensive income for the year				
Profit for the year	-	-	283,864	283,864
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	283,864	283,864
Total transactions with owners	-	-	-	-
At 31 August 2020	100	2,117,576	2,228,249	4,345,925

The notes on pages 12 to 23 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	100	1,922,576	1,685,081	3,607,757
Comprehensive income for the year				
Profit for the year	-	-	259,304	259,304
Surplus on revaluation of freehold property	-	195,000	-	195,000
Other comprehensive income for the year	-	195,000	-	195,000
Total comprehensive income for the year	-	195,000	259,304	454,304
Total transactions with owners	-	-	-	-
At 31 August 2019	100	2,117,576	1,944,385	4,062,061

The notes on pages 12 to 23 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	283,864	259,304
Adjustments for:		
Depreciation of tangible assets	31,481	37,950
Loss on disposal of tangible assets	-	182
Interest paid	21,108	21,529
Taxation charge	(44,763)	62,505
Decrease/(increase) in stocks	36,217	(15,181)
(Increase) in debtors	(404,965)	(390,361)
Decrease/(increase) in amounts owed by groups	323,485	(67,314)
Increase/(decrease) in creditors	212,961	(46,188)
(Decrease)/increase in amounts owed to groups	(411,022)	251,652
Increase in provisions	138,618	-
Corporation tax (paid)	(90,864)	(81,482)
Net cash generated from operating activities	96,120	32,596
Cash flows from investing activities		
Purchase of tangible fixed assets	(50,600)	(10,284)
Net cash from investing activities	(50,600)	(10,284)
Cash flows from financing activities		
Interest paid	(21,108)	(21,529)
Net cash used in financing activities	(21,108)	(21,529)
Net increase in cash and cash equivalents	24,412	783
Cash and cash equivalents at beginning of year	107,574	106,791
Cash and cash equivalents at the end of year	131,986	107,574
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	131,986	107,574
	131,986	107,574

The notes on pages 12 to 23 form part of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

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

1. General information

Lenham Storage (Southern) Limited is a private company limited by shares incorporated in England and Wales. The company's registered number and the address of the registered office is disclosed on the company information page. The principal place of business is Fyfield Road, Andover, SP11 8DL.

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 judgment 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 remained operational throughout the UK's national lockdowns, as they represent part of a key supply chain to large supermarkets. As a result, the trading performance has remained fairly consistent with the previous years results. The Company has a healthy cash reserve and significant assets which will support existing trading activities for a sustained period of time.

Despite the uncertainties that exist, based on the Company's financial position and their ability to continue in operation, it is the directors' opinion that the going concern basis of preparation of the financial statements continues to be appropriate.

LENHAM STORAGE (SOUTHERN) LIMITED

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

2. Accounting policies (continued)

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 derived from haulage, storage and handling facilities to retail customers is recognised in the period in which the services are provided when all of the following conditions are satisfied:

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

Rental income is derived from the Company's investment property portfolio. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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	-	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 profit or loss.

LENHAM STORAGE (SOUTHERN) LIMITED

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

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

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.

2.6 Operating lease agreements

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group 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 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

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.

2.8 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.

2.9 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.

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 cost less impairment, the impairment loss is measured as the difference

LENHAM STORAGE (SOUTHERN) LIMITED

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

2. Accounting policies (continued)

2.9 Financial instruments (continued)

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.

2.10 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.

2.11 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.

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.

LENHAM STORAGE (SOUTHERN) LIMITED

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

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the company's financial year end position, the Directors consider there to be no critical judgements, estimates and assumptions used in the preparation of these financial statements.

LENHAM STORAGE (SOUTHERN) LIMITED

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

4. Turnover

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

	2020 £	2019 £
Transport & handling	9,938,561	9,950,934
Rent receivable	325,854	310,769
	<u>10,264,415</u>	<u>10,261,703</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	10,264,415	10,261,703
	<u>10,264,415</u>	<u>10,261,703</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	79,236	81,747
	<u>79,236</u>	<u>81,747</u>

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	13,750	13,500
	<u>13,750</u>	<u>13,500</u>

Fees payable to the Company's auditor and its associates in respect of:

	2020 £	2019 £
Taxation compliance services	1,575	1,495
All other services	6,405	9,767
	<u>7,980</u>	<u>11,262</u>

LENHAM STORAGE (SOUTHERN) LIMITED

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

7. Employees

	2020 £	2019 £
Wages and salaries	3,335,650	3,129,524
Social security costs	287,557	281,529
Cost of defined contribution scheme	92,567	75,996
	<u>3,715,774</u>	<u>3,487,049</u>

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

	2020 No.	2019 No.
Warehousing and haulage staff	96	97
Administrative staff	19	17
Management staff	4	4
	<u>119</u>	<u>118</u>

8. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	21,108	21,529
	<u>21,108</u>	<u>21,529</u>

LENHAM STORAGE (SOUTHERN) LIMITED

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

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	93,855	62,505
	<u>93,855</u>	<u>62,505</u>
Total current tax	<u>93,855</u>	<u>62,505</u>
Deferred tax		
Origination and reversal of timing differences	(28,359)	(272)
Total deferred tax	<u>(28,359)</u>	<u>(272)</u>
Taxation on profit on ordinary activities	<u>65,496</u>	<u>62,233</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower 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	349,360	321,537
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	66,378	61,092
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32,031	1,214
Capital allowances for year in excess of depreciation	(32,913)	(73)
Total tax charge for the year	<u>65,496</u>	<u>62,233</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 (SOUTHERN) LIMITED

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

10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2019	2,545,000	603,122	75,474	25,610	46,730	3,295,936
Additions	-	46,431	-	-	4,169	50,600
At 31 August 2020	2,545,000	649,553	75,474	25,610	50,899	3,346,536
Depreciation						
At 1 September 2019	-	540,777	62,594	20,222	46,712	670,305
Charge for the year on owned assets	-	26,270	3,863	740	608	31,481
At 31 August 2020	-	567,047	66,457	20,962	47,320	701,786
Net book value						
At 31 August 2020	2,545,000	82,506	9,017	4,648	3,579	2,644,750
At 31 August 2019	2,545,000	62,345	12,880	5,388	18	2,625,631

The freehold land and buildings were valued at £2,545,000 on an open market basis on 31 August 2020 by the directors on an open market for existing use basis.

LENHAM STORAGE (SOUTHERN) LIMITED

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

10. Tangible fixed assets (continued)

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	427,424	427,424
Accumulated depreciation	(88,717)	(84,490)
Net book value	338,707	342,934

11. Debtors

	2020 £	2019 £
Trade debtors	895,507	1,271,797
Amounts owed by related parties	715,722	1,039,207
Other debtors	1,183,859	422,674
Prepayments and accrued income	288,932	268,862
Deferred taxation	40,779	12,420
	3,124,799	3,014,960

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	555,512	767,969
Amounts owed to group undertakings	219,451	630,473
Corporation tax	93,855	62,505
Other taxation and social security	462,343	203,178
Other creditors	12,732	12,234
Accruals and deferred income	121,486	94,349
	1,465,379	1,770,708

LENHAM STORAGE (SOUTHERN) LIMITED

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

13. Deferred taxation

	2020 £
At beginning of year	12,420
Charged to profit or loss	28,359
At end of year	40,779

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	40,779	12,420
	40,779	12,420

14. Provisions

	2020 £
Site groundworks	138,618
At 31 August 2020	138,618

15. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
200 Ordinary shares of £0.50 each	100	100

16. 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 2020

17. Contingencies

A contingent liability exists at the accounting date in respect of a fixed charge over the freehold land and buildings 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.

18. Pension commitments

19. 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	99,856	102,544
Later than 1 year and not later than 5 years	158,105	257,961
	<u>257,961</u>	<u>360,505</u>

20. 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 £2,298,332 (2019: £2,300,326). Total purchases in the period from Lenham Garages Limited and Lenham Storage Company Limited amounted to £23,127 (2019: £43,794) and £2,159,164 (2019: £2,019,067) respectively.

Included within amounts owed by related parties is £715,722 (2019: £1,039,207) due from Lenham Storage Company Limited.

Included within amounts owed to related parties is £219,451 (2019: £620,505) payable to Lenham Storage Company Limited and £1,961 (2019: £9,968) payable to Lenham Garages Limited.

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