

**REGISTERED NUMBER: 02800789 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTOR AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
LANE RENTAL SERVICES LIMITED**

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for the Year Ended 31 March 2019**

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**LANE RENTAL SERVICES LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 March 2019**

**DIRECTOR:** M A Reay

**SECRETARY:** A J Allison

**REGISTERED OFFICE:** Hereford Road  
Pocklington Industrial Estate  
Pocklington  
York  
YO42 1NR

**REGISTERED NUMBER:** 02800789 (England and Wales)

**INDEPENDENT AUDITORS:** Graybrowne Limited  
Chartered Accountants  
Statutory Auditors  
The Counting House  
Nelson Street  
Hull  
East Yorkshire  
HU1 1XE

**STRATEGIC REPORT**  
**for the Year Ended 31 March 2019**

The director presents his strategic report for the year ended 31 March 2019.

**REVIEW OF BUSINESS**

The company continued its principal activity throughout the current year.

**Key performance indicators**

Management use a range of performance measures to monitor and manage the business. The performance measures include financial performance indicators such as profit ratios, liquidity ratios, activity ratios and capital ratios.

**Development and financial performance during the year**

As reported in the company's profit and loss account, turnover has decreased by 9.9% from £13.4m to £12.1m in the current year.

Despite difficult trading conditions and the need to remain competitive, a continued re-focus for infrastructure investment schemes and a strong order book has led to a maintained level turnover and the company has once again reported a healthy profit margin in the current year.

**Financial position at the reporting date**

The balance sheet shows the company's net assets at the year end have increased by 12.3% from £3.75m to £4.21m in the current year.

Through a mixture of strong leadership, effective staffing and extensive investment in a portfolio of equipment, working to full capacity, the company has finished the year in a strong position in terms of its balance sheet.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Management continually monitor the key risks facing the company together with assessing the controls used managing these risks.

The principal risks and uncertainties facing the company are as follows:

**Financial risk** - financial risk is managed specifically by regular management meetings and the preparation and monitoring of monthly cash flows. Trade debtors are reviewed regularly to ensure good credit control and minimal bad debt write off.

**Competitor pressure** - the company operates in a competitive industry which means not only does it need to attract new business, but it must endeavour to retain and nurture existing relationships with customers.

**Economic downturn** - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties.

**Reliance on key suppliers** - the company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressure. The company manages this risk by ensuring there is enough breadth in its supplier bases by constantly seeking to find potential alternative suppliers that may be used if necessary.

**Loss of key personnel** - this would present significant operational difficulties, for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised. Staff are continuously kept up to date on new policies and procedures and the company encourages staff development.

**ON BEHALF OF THE BOARD:**

A J Allison - Secretary

30 July 2019

**REPORT OF THE DIRECTOR  
for the Year Ended 31 March 2019**

The director presents his report with the financial statements of the company for the year ended 31 March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of contractors for asphalt and tarmacadam schemes and contractors for road planing.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2019.

**FUTURE DEVELOPMENTS**

The directors are confident that the company will continue to trade profitably in the future. The aim is to continue the focus on infrastructure investment schemes and maintain a strong order book in order to remain competitive and overcome any difficulties in the market place.

**DIRECTOR**

M A Reay held office during the whole of the period from 1 April 2018 to the date of this report.

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, bank loans, creditors, debtors and hire purchase contracts. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining checks on the balance of the bank account. Also the company uses forecasts to predict cash requirements and plans accordingly.

Loans comprise of hire purchase agreements and bank loans. Interest and capital is payable on the loan and hire purchase agreements. The company manages its liquidity risk by ensuring there are sufficient funds to meet the payments as they fall due.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**REPORT OF THE DIRECTOR  
for the Year Ended 31 March 2019**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Graybrowne Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A J Allison - Secretary

30 July 2019

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LANE RENTAL SERVICES LIMITED**

### **Opinion**

We have audited the financial statements of Lane Rental Services Limited (the 'company') for the year ended 31 March 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 March 2019 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 UK, including the FRC'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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include 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.

### **Opinions 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LANE RENTAL SERVICES LIMITED**

### **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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Gray F.C.A. C.T.A. (Senior Statutory Auditor)  
for and on behalf of Graybrowne Limited  
Chartered Accountants  
Statutory Auditors  
The Counting House  
Nelson Street  
Hull  
East Yorkshire  
HU1 1XE

5 August 2019



**LANE RENTAL SERVICES LIMITED (REGISTERED NUMBER: 02800789)**

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 March 2019**

|  | Notes | 31.3.19<br>£      | 31.3.18<br>£      |
|--|-------|-------------------|-------------------|
| <b>TURNOVER</b>                                    |       | 12,058,756        | 13,379,227        |
| Cost of sales                                      |       | <u>10,652,511</u> | <u>11,637,544</u> |
| <b>GROSS PROFIT</b>                                |       | 1,406,245         | 1,741,683         |
| Administrative expenses                            |       | <u>972,465</u>    | <u>881,071</u>    |
|  |       | 433,780           | 860,612           |
| Other operating income                             |       | <u>183,246</u>    | <u>117,234</u>    |
| <b>OPERATING PROFIT</b>                            | 4     | 617,026           | 977,846           |
| Interest receivable and similar income             |       | <u>18,817</u>     | <u>960</u>        |
|  |       | 635,843           | 978,806           |
| Interest payable and similar expenses              | 5     | <u>71,794</u>     | <u>96,255</u>     |
| <b>PROFIT BEFORE TAXATION</b>                      |       | 564,049           | 882,551           |
| Tax on profit                                      | 6     | <u>102,721</u>    | <u>(139,468)</u>  |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>               |       | 461,328           | 1,022,019         |
| <b>OTHER COMPREHENSIVE INCOME</b>                  |       | <u>-</u>          | <u>-</u>          |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |       | <u>461,328</u>    | <u>1,022,019</u>  |

The notes form part of these financial statements

**LANE RENTAL SERVICES LIMITED (REGISTERED NUMBER: 02800789)**

**BALANCE SHEET**  
**31 March 2019**

|  | Notes | 31.3.19<br>£     | £                | 31.3.18<br>£     | £                |
|--|-------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                  |
| Intangible assets                            | 8     |                  | 1                |                  | 1                |
| Tangible assets                              | 9     |                  | <u>3,635,490</u> |                  | <u>3,870,343</u> |
|  |       |                  | 3,635,491        |                  | 3,870,344        |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                  |
| Debtors                                      | 10    | 2,370,544        |                  | 3,546,325        |                  |
| Cash at bank                                 |       | <u>1,799,622</u> |                  | <u>1,593,694</u> |                  |
|  |       | 4,170,166        |                  | 5,140,019        |                  |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due within one year          | 11    | <u>2,474,717</u> |                  | <u>3,864,875</u> |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>1,695,449</u> |                  | <u>1,275,144</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 5,330,940        |                  | 5,145,488        |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due after more than one year | 12    |                  | (862,885)        |                  | (1,263,176)      |
| <b>PROVISIONS FOR LIABILITIES</b>            | 16    |                  | <u>(254,656)</u> |                  | <u>(130,241)</u> |
| <b>NET ASSETS</b>                            |       |                  | <u>4,213,399</u> |                  | <u>3,752,071</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                  |
| Called up share capital                      | 17    |                  | 1,000            |                  | 1,000            |
| Retained earnings                            | 18    |                  | <u>4,212,399</u> |                  | <u>3,751,071</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>4,213,399</u> |                  | <u>3,752,071</u> |

The financial statements were approved by the director on 30 July 2019 and were signed by:

M A Reay - Director

**LANE RENTAL SERVICES LIMITED (REGISTERED NUMBER: 02800789)**

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 March 2019**

|                                 | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£    |
|---------------------------------|------------------------------------|---------------------------|-------------------------|
| <b>Balance at 1 April 2017</b>  | 1,000                              | 2,979,052                 | 2,980,052               |
| <b>Changes in equity</b>        |                                    |                           |                         |
| Dividends                       | -                                  | (250,000)                 | (250,000)               |
| Total comprehensive income      | -                                  | 1,022,019                 | 1,022,019               |
| <b>Balance at 31 March 2018</b> | <u>1,000</u>                       | <u>3,751,071</u>          | <u>3,752,071</u>        |
| <b>Changes in equity</b>        |                                    |                           |                         |
| Total comprehensive income      | -                                  | 461,328                   | 461,328                 |
| <b>Balance at 31 March 2019</b> | <u><u>1,000</u></u>                | <u><u>4,212,399</u></u>   | <u><u>4,213,399</u></u> |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 March 2019

1. **STATUTORY INFORMATION**

Lane Rental Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Companies Act 2006. There were no material departures from that standard. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

**Significant judgements and estimates**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There have been no critical estimations or judgements in applying the company's accounting policies in the current year.

**Turnover**

Turnover arises from the sale of goods and the provision of services. Turnover is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods and the rendering of services in the normal course of business, net of discounts and other sales-related taxes.

Turnover from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods, which is when the goods are delivered to the customer.

Turnover from the provision of services is recognised when the service is performed.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property - 2% on cost less residual value  
Plant and machinery - 20% on cost and 15% on cost  
Fixtures and fittings - 25% on cost  
Commercial vehicles - 25% on cost

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

**Financial instruments**

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds basic financial instruments, which comprise cash, and cash equivalents, trade and other debtors, trade and other creditors and loans payable.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

ii) Trade and other debtors

Trade and other debtors receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

iii) Trade and other creditors

Trade and other creditors payable within one year are measured at the undiscounted amounts of the cash expected to be paid.

iv) Loans payable

Loans payable are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

**Government grants**

Government grants received are treated as deferred credits and credited to the profit and loss account over the estimated useful life of the relevant fixed asset.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

3. EMPLOYEES AND DIRECTORS

|                       |                  |                  |
|-----------------------|------------------|------------------|
|                       | 31.3.19          | 31.3.18          |
|                       | £                | £                |
| Wages and salaries    | 2,441,842        | 2,402,457        |
| Social security costs | 264,497          | 261,727          |
| Other pension costs   | 92,851           | 149,527          |
|                       | <u>2,799,190</u> | <u>2,813,711</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

|                | 31.3.19   | 31.3.18   |
|----------------|-----------|-----------|
| Administration | 15        | 14        |
| Production     | <u>64</u> | <u>48</u> |
|                | <u>79</u> | <u>62</u> |

|  | 31.3.19  | 31.3.18       |
|--|----------|---------------|
|  | £        | £             |
| Director's remuneration                                    | 31,836   | 31,498        |
| Director's pension contributions to money purchase schemes | <u>-</u> | <u>80,000</u> |

The number of directors to whom retirement benefits were accruing was as follows:

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>-</u> | <u>1</u> |
|------------------------|----------|----------|

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

|   | 31.3.19        | 31.3.18        |
|---|----------------|----------------|
|   | £              | £              |
| Depreciation - owned assets               | 1,042,059      | 1,131,527      |
| Profit on disposal of fixed assets        | (122,604)      | (214,186)      |
| Auditors' remuneration                    | 8,100          | 8,100          |
| Auditors' remuneration for non audit work | 3,900          | 5,100          |
| Operating lease payments                  | 774            | 4,644          |
| Government grants                         | (33,246)       | (117,234)      |
| Hire of plant and machinery               | <u>391,434</u> | <u>419,029</u> |

5. INTEREST PAYABLE AND SIMILAR EXPENSES

|                    | 31.3.19       | 31.3.18       |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Bank interest      | -             | 40            |
| Bank loan interest | 4,947         | 4,947         |
| Hire purchase      | <u>66,847</u> | <u>91,268</u> |
|                    | <u>71,794</u> | <u>96,255</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

6. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

|                      | 31.3.19<br>£     | 31.3.18<br>£     |
|----------------------|------------------|------------------|
| Current tax:         |                  |                  |
| UK corporation tax   | 140,064          | 175,558          |
| Over/under provision | <u>(161,758)</u> | <u>(308,833)</u> |
| Total current tax    | (21,694)         | (133,275)        |
| Deferred tax         | 124,415          | (6,193)          |
| Tax on profit        | <u>102,721</u>   | <u>(139,468)</u> |

UK corporation tax has been charged at 19% (2018 - 19%).

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|   | 31.3.19<br>£   | 31.3.18<br>£     |
|---|----------------|------------------|
| Profit before tax   | <u>564,049</u> | <u>882,551</u>   |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%) | 107,169        | 167,685          |
| Effects of:   |                |                  |
| Expenses not deductible for tax purposes  | 2,331          | 823              |
| Income not taxable for tax purposes   | (6,317)        | (22,274)         |
| Depreciation in excess of capital allowances  | 161,296        | 23,132           |
| Adjustments to tax charge in respect of previous periods                                | (161,758)      | (308,834)        |
| Total tax charge/(credit)   | <u>102,721</u> | <u>(139,468)</u> |

7. DIVIDENDS

|                            | 31.3.19<br>£ | 31.3.18<br>£   |
|----------------------------|--------------|----------------|
| Ordinary shares of £1 each |              |                |
| Interim                    | <u>-</u>     | <u>250,000</u> |



NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

8. INTANGIBLE FIXED ASSETS

|                                      | Goodwill<br>£ |
|--------------------------------------|---------------|
| <b>COST</b>                          |               |
| At 1 April 2018<br>and 31 March 2019 | <u>35,000</u> |
| <b>AMORTISATION</b>                  |               |
| At 1 April 2018<br>and 31 March 2019 | <u>34,999</u> |
| <b>NET BOOK VALUE</b>                |               |
| At 31 March 2019                     | <u>1</u>      |
| At 31 March 2018                     | <u>1</u>      |

9. TANGIBLE FIXED ASSETS

|                        | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ |
|------------------------|---------------------------|-----------------------------|----------------------------------|
| <b>COST</b>            |                           |                             |                                  |
| At 1 April 2018        | 437,009                   | 4,525,692                   | 14,337                           |
| Additions              | -                         | 662,500                     | -                                |
| Disposals              | -                         | (504,500)                   | -                                |
| At 31 March 2019       | <u>437,009</u>            | <u>4,683,692</u>            | <u>14,337</u>                    |
| <b>DEPRECIATION</b>    |                           |                             |                                  |
| At 1 April 2018        | -                         | 1,921,198                   | 9,928                            |
| Charge for year        | -                         | 623,869                     | 1,572                            |
| Eliminated on disposal | -                         | (410,856)                   | -                                |
| At 31 March 2019       | <u>-</u>                  | <u>2,134,211</u>            | <u>11,500</u>                    |
| <b>NET BOOK VALUE</b>  |                           |                             |                                  |
| At 31 March 2019       | <u>437,009</u>            | <u>2,549,481</u>            | <u>2,837</u>                     |
| At 31 March 2018       | <u>437,009</u>            | <u>2,604,494</u>            | <u>4,409</u>                     |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

9. TANGIBLE FIXED ASSETS - continued

|                        | Motor<br>vehicles<br>£ | Commercial<br>vehicles<br>£ | Totals<br>£      |
|------------------------|------------------------|-----------------------------|------------------|
| <b>COST</b>            |                        |                             |                  |
| At 1 April 2018        | 37,910                 | 2,387,782                   | 7,402,730        |
| Additions              | -                      | 240,102                     | 902,602          |
| Disposals              | -                      | (48,332)                    | (552,832)        |
| At 31 March 2019       | <u>37,910</u>          | <u>2,579,552</u>            | <u>7,752,500</u> |
| <b>DEPRECIATION</b>    |                        |                             |                  |
| At 1 April 2018        | 14,217                 | 1,587,044                   | 3,532,387        |
| Charge for year        | 9,478                  | 407,140                     | 1,042,059        |
| Eliminated on disposal | -                      | (46,580)                    | (457,436)        |
| At 31 March 2019       | <u>23,695</u>          | <u>1,947,604</u>            | <u>4,117,010</u> |
| <b>NET BOOK VALUE</b>  |                        |                             |                  |
| At 31 March 2019       | <u>14,215</u>          | <u>631,948</u>              | <u>3,635,490</u> |
| At 31 March 2018       | <u>23,693</u>          | <u>800,738</u>              | <u>3,870,343</u> |

Included in cost of land and buildings is freehold land of £ 352,009 (2018 - £ 352,009 ) which is not depreciated.

Included within the total net book value of tangible fixed assets is £2,187,677 (2018: £3,229,826) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £949,336 (2018: £1,082,947).

Tangible fixed assets with a carrying value of £3,635,490 (2018: £3,870,343) are pledged as security for the company's bank loans.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                | 31.3.19<br>£     | 31.3.18<br>£     |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 1,806,649        | 3,379,046        |
| Other debtors                  | 542,114          | 161,450          |
| Prepayments and accrued income | <u>21,781</u>    | <u>5,829</u>     |
|                                | <u>2,370,544</u> | <u>3,546,325</u> |

An impairment loss of £6,861 (2018: £Nil) was recognised against trade debtors.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 31.3.19<br>£     | 31.3.18<br>£     |
|---|------------------|------------------|
| Bank loans and overdrafts (see note 13) | 23,500           | 23,500           |
| Hire purchase contracts (see note 14)   | 1,035,489        | 776,267          |
| Trade creditors                         | 1,041,622        | 2,036,201        |
| Tax                                     | 140,064          | 175,558          |
| Social security and other taxes         | 117,038          | 477,744          |
| Accruals and deferred income            | 91,521           | 342,359          |
| Deferred government grants              | <u>25,483</u>    | <u>33,246</u>    |
|   | <u>2,474,717</u> | <u>3,864,875</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                       | 31.3.19        | 31.3.18          |
|---------------------------------------|----------------|------------------|
|                                       | £              | £                |
| Bank loans (see note 13)              | 134,251        | 156,248          |
| Hire purchase contracts (see note 14) | 686,450        | 1,039,261        |
| Deferred government grants            | 42,184         | 67,667           |
|                                       | <u>862,885</u> | <u>1,263,176</u> |

13. **LOANS**

An analysis of the maturity of loans is given below:

|   | 31.3.19       | 31.3.18       |
|---|---------------|---------------|
|   | £             | £             |
| Amounts falling due within one year or on demand: |               |               |
| Bank loans  | <u>23,500</u> | <u>23,500</u> |
| Amounts falling due between one and two years:    |               |               |
| Bank loans - 1-2 years                            | <u>23,500</u> | <u>23,500</u> |
| Amounts falling due between two and five years:   |               |               |
| Bank loans - 2-5 years                            | <u>70,500</u> | <u>70,500</u> |
| Amounts falling due in more than five years:      |               |               |
| Repayable by instalments                          |               |               |
| Bank loans more 5 yr by instal                    | <u>40,251</u> | <u>62,248</u> |

Bank loans totalling £157,751 are repayable by monthly instalments between April 2019 and August 2025. Interest is charged on this loan at 2.25% over base rate.

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

|                            | Hire purchase contracts          |                  |
|----------------------------|----------------------------------|------------------|
|                            | 31.3.19                          | 31.3.18          |
|                            | £                                | £                |
| Net obligations repayable: |                                  |                  |
| Within one year            | 1,035,489                        | 776,267          |
| Between one and five years | <u>686,450</u>                   | <u>1,039,261</u> |
|                            | <u>1,721,939</u>                 | <u>1,815,528</u> |
|                            | Non-cancellable operating leases |                  |
|                            | 31.3.19                          | 31.3.18          |
|                            | £                                | £                |
| Within one year            | <u>54,000</u>                    | <u>28,161</u>    |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

15. SECURED DEBTS

The following secured debts are included within creditors:

|                         | 31.3.19          | 31.3.18          |
|-------------------------|------------------|------------------|
|                         | £                | £                |
| Bank loans              | 157,751          | 179,748          |
| Hire purchase contracts | <u>1,721,939</u> | <u>1,815,528</u> |
|                         | <u>1,879,690</u> | <u>1,995,276</u> |

The bank loans are secured by a fixed and floating charge over land and buildings and all of the assets of the company.

Hire purchase liabilities are secured on the related asset financed.

There is also an unlimited multilateral guarantee given by the company, LRS Holdings Limited and DWCO 4 Limited, the immediate parent company and ultimate parent company respectively, of Lane Rental Services Limited.

There is also an unlimited multilateral guarantee given by the company, Aggregate Recycling (UK) Limited, Lane Rental (Road Planing) Limited and LRS Holdings Limited.

16. PROVISIONS FOR LIABILITIES

|   | 31.3.19        | 31.3.18        |
|---|----------------|----------------|
|   | £              | £              |
| Deferred tax                                  | <u>254,656</u> | <u>130,241</u> |
|   |                | Deferred tax   |
|   |                | £              |
| Balance at 1 April 2018                       |                | 130,241        |
| Charge to Profit and Loss Account during year |                | <u>124,415</u> |
| Balance at 31 March 2019                      |                | <u>254,656</u> |

The above provided amounts relate to corporation tax deferred by accelerated capital allowances and are based on a corporation tax rate of 17%.

It is not expected that there will be a material net reversal of deferred tax next year (2018: £Nil), relating to the reversal of existing timing differences on tangible fixed assets.

17. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: |          |                | 31.3.19      | 31.3.18      |
|----------------------------------|----------|----------------|--------------|--------------|
| Number:                          | Class:   | Nominal value: | £            | £            |
| 1,000                            | Ordinary | £1             | <u>1,000</u> | <u>1,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019

18. **RESERVES**

|                     | Retained<br>earnings<br>£ |
|---------------------|---------------------------|
| At 1 April 2018     | 3,751,071                 |
| Profit for the year | 461,328                   |
| At 31 March 2019    | <u>4,212,399</u>          |

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

19. **ULTIMATE PARENT COMPANY**

The ultimate parent company at the balance sheet date was DWCO 4 Limited. The immediate parent company is LRS Holdings Limited.

Copies of DWCO 4 Limited consolidated financial statements can be obtained from the company secretary at Hereford Road, Pocklington Industrial Estate, Pocklington, York, YO42 1NR.

20. **CONTINGENT LIABILITIES**

The company has given the bank an unlimited multilateral guarantee in respect of companies under the common ownership of M A Reay. At 31 March 2019 the potential liability of the company under this arrangement was £Nil (2018: £Nil).

21. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2019**

**21. RELATED PARTY DISCLOSURES - continued**

Lane Rental Services Limited is related to Aggregate Recycling (UK) Limited, Lane Rental (Plant Hire) Services Limited, Lane Rental Infrastructure Services Limited, Crown Surfacing Ltd, Crown Contracting (Yorkshire) Ltd, Tarrec Limited and The Half Moon Inn at Newton Limited, by virtue of being under the common control of the director.

At the year end, Aggregate Recycling (UK) Limited owed the company £200,000 (2018: £162,905) in respect of a current and trading account balance.

At the year end, Lane Rental Infrastructure Services Limited owed the company £339,724 (2018: £Nil) in respect of a current and trading account balance.

At the year end, the company owed Lane Rental (Plant Hire) Services Limited £Nil (2018: £28,000) in respect of a current account balance.

At the year end, Crown Contracting (Yorkshire) Ltd owed the company £47,963 (2018: £Nil) in respect of a current account balance.

The following profit and loss account transactions took place during the year in respect of Aggregate Recycling (UK) Limited: maintenance recharge income of £80,435 (2018: £64,615), sale of goods totalling £3,980 (2018: £Nil), plant hire income totalling £51,750 (2018: £Nil) and management charge income totalling £150,000 (2018: £Nil).

The following profit and loss account transactions took place during the year in respect of Lane Rental (Plant Hire) Services Limited: plant hire charge totalling £15,000 (2018: £Nil), rent paid totalling £20,000 (2018: £42,000).

The following profit and loss account transactions took place during the year in respect of Crown Surfacing Ltd: sale of services totalling £264,931 (2018: £Nil).

The following profit and loss account transactions took place during the year in respect of Tarrec Limited: purchase of services totalling £150,900 (2018: £Nil).

The company paid rent to M A Reay, the director, amounting to £9,000 (2018: £9,000) in respect of properties occupied by the company. These transactions are at normal commercial rates.

**22. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M A Reay.

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