

Lane Rental Services Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Forrester Boyd Robson Limited
Chartered Accountants
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT



Lane Rental Services Limited

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Lane Rental Services Limited

Company Information

Director M A Reay

Registered office Hereford Road
Pocklington Industrial Estate
Pocklington
York
YO42 1NR

Bankers HSBC
3-4 Jameson Street
Hull
HU1 3JX

Auditors Forrester Boyd Robson Limited
Chartered Accountants
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

Lane Rental Services Limited

Strategic Report for the Year Ended 31 March 2022

The Director presents his strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the Company is that of contractors for asphalt and tarmacadam schemes and contractors for road planning and surfacing.

Fair review of the business

As reported the in the company's profit and loss account turnover has increased by 6.9% to £19,547,454 from £18,291,284 in 2021.

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 an increased level of turnover with a healthy profit margin for the current year.

The balance sheet shows the company's net assets at the year end to have increased by 14.4% from £6.8m to £7.8m 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.

The Company's key financial and other performance indicators during the year were as follows:

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

Principal risks and uncertainties

Management continually monitor the key risk 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 cashflows. 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.

Approved and authorised by the director on 25.10.22



M A Reay
Director

Lane Rental Services Limited

Director's Report for the Year Ended 31 March 2022

The Director presents his report and the financial statements for the year ended 31 March 2022.

Director of the Company

The Director who held office during the year was as follows:

M A Reay

Results and Dividends

The results are set out on page 10.

Ordinary dividends of £nil were paid during the year. The director does not recommend payment of a final dividend.

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 fund for the company's operations.

Objectives and policies

The financial risk management objectives of the directors are to ensure that the company has adequate cash flow to meet trading requirements.

In order to meet these objectives the company uses financial instruments, other than derivative, comprising cash, liquid resources and other items that arise directly from its operations, such as trade debtors and trade creditors.

Price risk, credit risk, liquidity risk and cash flow risk

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 statements 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.

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.

Disclosure of information to the auditors

The Director has taken 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. The Director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.


Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd Robson Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Lane Rental Services Limited

Director's Report for the Year Ended 31 March 2022

Approved and authorised by the director on 25.10.22


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M A Reay
Director

Statement of Director's Responsibilities

The Director acknowledges his responsibilities for preparing the Annual Report 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent Auditor's 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 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, 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 2022 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 auditor 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

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

Other information

The Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Lane Rental Services Limited

Matters on which we are required to report by exception

In the light of our 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 and the Director's Report.

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 the Director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], 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 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 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 have no realistic alternative but to do so.

Auditor 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Lane Rental Services Limited

Independent Auditor's Report to the Members of Lane Rental Services Limited

Using our knowledge of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax legislation. We assessed the susceptibility of the company's financial statements to material misstatement by considering the controls the company has established to address risks identified and how the directors monitor these controls and by evaluating the opportunity to commit fraud.

Our audit procedures included the following;

- testing management override controls including journal testing and reviewing accounting estimates for reasonableness
- enquiries of management of actual and potential litigation claims
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- challenging assumptions and judgements made within significant accounting estimates and judgements
- reviewing legal and professional fees for any potential litigation claims
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income and review to ensure correct matching revenue and costs

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lane Rental Services Limited

Independent Auditor's Report to the Members of Lane Rental Services Limited

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Forrester Boyd Robson Limited

Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

Date: *28/10/2011*

Lane Rental Services Limited**Profit and Loss Account for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	3	19,547,454	18,291,284
Cost of sales		<u>(17,392,842)</u>	<u>(16,041,775)</u>
Gross profit		2,154,612	2,249,509
Administrative expenses		(707,679)	(991,735)
Other operating income	4	<u>19,174</u>	<u>304,841</u>
Operating profit	6	<u>1,466,107</u>	<u>1,562,615</u>
Other interest receivable and similar income	7	500	1,288
Interest payable and similar expenses	8	<u>(47,848)</u>	<u>(69,183)</u>
		<u>(47,348)</u>	<u>(67,895)</u>
Profit before tax		1,418,759	1,494,720
Tax on profit	12	<u>(440,098)</u>	<u>(83,400)</u>
Profit for the financial year		<u>978,661</u>	<u>1,411,320</u>

The above results were derived from continuing operations.

Lane Rental Services Limited

Statement of Comprehensive Income for the Year Ended 31 March 2022

	2022 £	2021 £
Profit for the year	978,661	1,411,320
Total comprehensive income for the year	978,661	1,411,320


Lane Rental Services Limited

(Registration number: 02800789)

Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	1	1
Tangible assets	14	<u>4,341,705</u>	<u>4,446,931</u>
		<u>4,341,706</u>	<u>4,446,932</u>
Current assets			
Stocks	15	916,079	124,083
Debtors	16	3,845,718	5,137,561
Cash at bank and in hand		<u>3,830,109</u>	<u>3,550,324</u>
		8,591,906	8,811,968
Creditors: Amounts falling due within one year	18	<u>(2,935,526)</u>	<u>(4,423,818)</u>
Net current assets		<u>5,656,380</u>	<u>4,388,150</u>
Total assets less current liabilities		9,998,086	8,835,082
Creditors: Amounts falling due after more than one year	18	(1,218,379)	(1,303,638)
Provisions for liabilities	20	<u>(994,624)</u>	<u>(725,022)</u>
Net assets		<u>7,785,083</u>	<u>6,806,422</u>
Capital and reserves			
Called up share capital		1,000	1,000
Retained earnings		<u>7,784,083</u>	<u>6,805,422</u>
Shareholders' funds		<u>7,785,083</u>	<u>6,806,422</u>

Approved and authorised by the director on 25.10.22


 M A Reay
 Director

Lane Rental Services Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Retained earnings £	Total £
At 1 April 2021	1,000	6,805,422	6,806,422
Profit for the year	-	978,661	978,661
At 31 March 2022	1,000	7,784,083	7,785,083
	Share capital £	Retained earnings £	Total £
At 1 April 2020	1,000	5,394,102	5,395,102
Profit for the year	-	1,411,320	1,411,320
At 31 March 2021	1,000	6,805,422	6,806,422

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company, limited by share capital, incorporated in England and the company registration number is 02800789.

The address of its registered office is:

Hereford Road
Pocklington Industrial Estate
Pocklington
York
YO42 1NR

These financial statements were authorised for issue by the director on 25/10/22

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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 the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements have been prepared in sterling and are rounded to the nearest pound.

Summary of 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 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of asphalt and provision of road planing and surfacing services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Government grants

Government grants are recognised in the Profit and Loss Account on a systematic basis over the period in which the entity recognises the related costs for which the grant is intended to compensate. The company has not received any grants with performance related conditions.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Notes to the Financial Statements for the Year Ended 31 March 2022

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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 the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying 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 the profit and loss account.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
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

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Trade debtors

Trade debtors are amounts due from customers for the sale of goods and the provision of services in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors 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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Turnover

The analysis of the Company's Turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	5,322,466	881,138
Rendering of services	14,224,988	17,410,146
	<u>19,547,454</u>	<u>18,291,284</u>

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	<u>19,174</u>	<u>304,841</u>

Included within government grant income is £12,011 relating to the Coronavirus Job Retention Scheme (CJRS) (2021: £282,500), ERYC Small Business grant of £nil (2021: £10,000), Coronavirus SSP rebate of £963 (2021: £2,607) and £6,200 (2021: £9,734) relating to grants released to the profit on loss in relation to fixed assets.

5 Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

	2022 £	2021 £
Gain on disposal of property, plant and equipment	<u>326,583</u>	<u>108,546</u>

6 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	982,630	913,831
Profit on disposal of property, plant and equipment	<u>(326,583)</u>	<u>(108,546)</u>

7 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	<u>500</u>	<u>1,288</u>

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank borrowings	3,505	20,057
Interest on obligations under finance leases and hire purchase contracts	44,343	49,126
	<u>47,848</u>	<u>69,183</u>

9 Staff costs

The aggregate payroll costs (including Director's remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	3,219,027	2,661,805
Social security costs	363,750	286,015
Pension costs, defined contribution scheme	86,706	161,430
	<u>3,669,483</u>	<u>3,109,250</u>

The average number of persons employed by the Company (including the Director) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Production	55	46
Administration and support	13	14
	<u>68</u>	<u>60</u>

10 Director's remuneration

The Director's remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	24,000	24,000
Contributions paid to money purchase schemes	533	80,000
	<u>24,533</u>	<u>104,000</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

11 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>8,100</u>	<u>8,100</u>
Other fees to auditors		
All other assurance services	<u>5,100</u>	<u>5,100</u>

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

12 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	170,496	(84,151)
UK corporation tax adjustment to prior periods	-	(212,145)
	<u>170,496</u>	<u>(296,296)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	269,602	379,696
Tax expense in the income statement	<u>440,098</u>	<u>83,400</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>1,418,759</u>	<u>1,494,720</u>
Corporation tax at standard rate	269,564	283,997
Effect of expense not deductible in determining taxable profit (tax loss)	1,022	-
Effect of tax losses	-	69,996
UK deferred tax expense relating to changes in tax rates or laws	238,709	40,627
Decrease in UK and foreign current tax from adjustment for prior periods	-	(212,144)
Tax (decrease)/increase from effect of capital allowances and depreciation	(69,197)	17,081
Tax decrease from effect of adjustment in research and development tax credit	-	(127,262)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	11,105
Total tax charge	<u>440,098</u>	<u>83,400</u>

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2021	35,000	35,000
At 31 March 2022	35,000	35,000
Amortisation		
At 1 April 2021	34,999	34,999
At 31 March 2022	34,999	34,999
Carrying amount		
At 31 March 2022	1	1
At 31 March 2021	1	1

14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2021	357,009	8,368,531	8,725,540
Additions	-	1,403,984	1,403,984
Disposals	-	(1,703,050)	(1,703,050)
At 31 March 2022	357,009	8,069,465	8,426,474
Depreciation			
At 1 April 2021	-	4,278,609	4,278,609
Charge for the year	-	982,630	982,630
Eliminated on disposal	-	(1,176,470)	(1,176,470)
At 31 March 2022	-	4,084,769	4,084,769
Carrying amount			
At 31 March 2022	357,009	3,984,696	4,341,705
At 31 March 2021	357,009	4,089,922	4,446,931

Included within the net book value of land and buildings above is £357,009 (2021 - £357,009) in respect of freehold land and buildings.

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Motor vehicles	64,901	129,996
Furniture, fittings and equipment	2,117,789	2,806,694
	<u>2,182,690</u>	<u>2,936,690</u>

Depreciation for the year on these assets was £437,970 (2021: £669,839).

15 Stocks

	2022 £	2021 £
Other inventories	<u>916,079</u>	<u>124,083</u>

16 Debtors

	Note	2022 £	2021 £
Current			
Trade debtors		3,376,334	4,575,687
Amounts owed by related parties	25	341,559	341,559
Other debtors		58,952	18,845
Prepayments		68,873	42,672
Accrued income		-	4,651
Income tax asset	12	-	154,147
		<u>3,845,718</u>	<u>5,137,561</u>

17 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>3,830,109</u>	<u>3,550,324</u>

18 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	19	599,809	773,670
Trade creditors		1,957,777	3,013,572
Social security and other taxes		182,659	191,599
Other payables		33,973	-
Accruals		144,959	438,778
Income tax liability	12	16,349	-
Deferred income		-	6,199
		<u>2,935,526</u>	<u>4,423,818</u>
Due after one year			
Loans and borrowings	19	<u>1,218,379</u>	<u>1,303,638</u>

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	63,542	87,765
HP and finance leases	1,154,837	1,215,873
	<u>1,218,379</u>	<u>1,303,638</u>

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	23,500	23,500
HP and finance lease	576,309	750,170
	<u>599,809</u>	<u>773,670</u>

Bank loans and overdrafts

Bank loans totalling £87,042 (2021: £111,265) are repayable by monthly instalments between April 2022 and August 2025. Interest is charged on this loan at 2.25% over base rate.

Secured creditors

Included in HP and finance leases are loan amounts secured over tangible fixed assets they relate against with the carrying value of £2,182,690 (2021: £2,936,690). HP and finance lease loan amounts are denominated in sterling with the carrying amount of the secured element at the year end is £1,731,146 (2021: £1,966,043).

Bank borrowings are secured by a fixed and floating charge over land and buildings and all of the assets of the company, this is denominated in sterling. The carrying amount of secured element at the year end is £87,042 (2021: £111,265).

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 Planning) Limited and LRS Holdings Limited.

The aggregate amount of secured liabilities included within creditors is £1,818,188 (2021: £2,077,308).

20 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2021	725,022	725,022
Increase (decrease) in existing provisions	269,602	269,602
At 31 March 2022	<u>994,624</u>	<u>994,624</u>

Lane Rental Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £86,706 (2021 - £161,430).

22 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share class of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

23 Obligations under leases and hire purchase contracts

Finance leases and hire purchase contracts

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	576,309	750,171
Later than one year and not later than five years	<u>1,154,837</u>	<u>1,215,873</u>
	<u>1,731,146</u>	<u>1,966,044</u>

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	117,000	117,000
Later than one year and not later than five years	468,000	468,000
Later than five years	<u>398,250</u>	<u>515,250</u>
	<u>983,250</u>	<u>1,100,250</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £63,000 (2021 - £15,750).

Part of the operating lease payments are paid through the related company, Aggregate Recycling Limited. Therefore a reduced amount of operating lease payments are recognised as an expense by Lane Rental Services Limited.

24 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 2022 the potential liability of the company under this arrangement was £nil (2021: £nil).

25 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other members of the group in which any subsidiary which is a party to the transaction is wholly owned by the group.

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, Hull Asphalt 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 £24,335 (2021: £124,904) in respect of a current and trading account balance.

At the year end, Lane Rental Infrastructure Services Limited owed the company £341,559 (2021: £341,559) in respect of a current balance.

At the year end, Crown Contracting (Yorkshire) Ltd owed the company £71,399 (2021: £50,718) in respect of a current and trading account balance.

The following profit and loss account transactions took place during the year in respect of Aggregate Recycling (UK) Limited: sale of services £184,249 (2021: £86,171) and plant hire paid totalling £495 (2021: £8,200).

The following profit and loss account transactions took place in the year in respect of Lane Rental (Plant Hire) Services Limited: plant hire charge totalling £nil (2021: £9,000), rent paid totalling £24,000 (2021: £24,000).

The following profit and loss account transactions took place during the year in respect of Crown Contracting (Yorkshire) Ltd: sale of services totalling £845,653 (2021: £503,159) and purchase of services totalling £7,090 (2021: £103,001).

The following profit and loss account transactions took place during the year in respect of Tarrec Limited: sale of services totalling £3,500 (2021: £nil) purchase of services totalling £41,774 (2021: £128,920).

The company paid rent to M A Reay, the director, amounting to £9,000 (2021: £9,000) in respect of properties occupied by the company. These transactions are at normal commercial rates.

26 Parent and ultimate parent undertaking

The Company's immediate parent is LRS Holdings Limited, incorporated in England and Wales.

The ultimate parent is DWCO 4 Limited, incorporated in England and Wales.

These financial statements are available upon request from its registered office address; Highway House, Hereford Road, Pocklington, East Yorkshire, YO42 1NR

The ultimate controlling party is M A Reay.