

Parent for: 11011705

Registered number: 6690158

---

## HOWARD TENENS LIMITED

---

### ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 30 September 2023



---

**HOWARD TENENS LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	PE Morris JM Beecham J Ede BJ Morris DP Morris CW Smith CDM Waterer SJ Emms J Hartles
<b>Company secretary</b>	BJ Morris
<b>Registered number</b>	6690158
<b>Registered office</b>	Kingfisher Business Park London Road Thrupp Stroud Gloucestershire GL5 2BY
<b>Independent auditor</b>	BDO LLP Bridgewater House Counterslip Bristol United Kingdom BS1 6BX

---

**HOWARD TENENS LIMITED**

---

**CONTENTS**

---

	Page
<b>Group Strategic Report</b>	<b>1 - 4</b>
<b>Directors' Report</b>	<b>5 - 9</b>
<b>Independent Auditor's Report</b>	<b>10 - 14</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>15</b>
<b>Consolidated Balance Sheet</b>	<b>16 - 17</b>
<b>Company Balance Sheet</b>	<b>18</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>19</b>
<b>Company Statement of Changes in Equity</b>	<b>20</b>
<b>Consolidated Statement of Cash Flows</b>	<b>21 - 22</b>
<b>Notes to the Financial Statements</b>	<b>23 - 53</b>

---

## HOWARD TENENS LIMITED

---

### GROUP STRATEGIC REPORT For the Year Ended 30 September 2023

---

#### PRINCIPAL ACTIVITY

The principal activities of the Company and of the Group are warehousing and distribution, property development and property management.

In the period, warehousing and distribution generated revenues of £111m and property management £18m equating to 86% and 14% of turnover respectively.

#### BUSINESS REVIEW

This trading period, as with recent prior years, has continued to be impacted by political and economic factors beyond the control of the Group Directors and management.

Energy costs have remained high, interest rates have risen steadily, increasing by 3% over the reporting period and the trading market has been challenging with a 'cost of living crisis' across the UK.

Following good growth in prior year turnover, this year has delivered a 4% rise, up to £129m. However, with focus on the direct cost base of the Logistics business, the gross profit performance has improved by over 3.5% year on year, recording over 45.5% for the Group in the period. There has been a significant reduction in administration expenses compared to the previous year. This mainly represents additional spend in the prior year on refurbishing our Chepstow site. However, of note in the current period, is the increase in energy costs, a rise of 240%.

The resulting operating profit (excluding fair value movements on investment property) shows a year-on-year improvement of £8.2m. Removing the prior year Chepstow refurbishment costs of £7.5m gives a true trading improvement of £700k.

The Logistics business continued to be affected in the period, by ongoing delays in manufacture and supply of tractor units and trailers. As a priority, the Directors maintain vehicle and trailer fleets to the latest, most efficient and safe models. Whilst there has been some turnover in kit, the Group now has increased capital commitments, totalling more than £10m in place to refresh the fleet as supply comes online.

Last year, the Directors reported on the switching of our transportation services reliance on diesel across to hydrotreated vegetable oil (HVO). Whilst commitment to the goal of Net Zero by 2045 is unwavering, there has been additional economic pressure levied in this arena with the differential in price of diesel and HVO widening, causing clients to question, in times of hardship, if they can afford to run with HVO. The Directors continue to lobby government on this important point.

Meanwhile, the Directors are pleased to note that carbon emission levels have continued to fall year on year, reporting 10,934 CO<sub>2</sub>e tonnes, a drop of over 16% from the prior year.

The Property business has recorded exceptional levels of occupation across the estate, reaching just shy of 100% for the period. In the period, near £3m was invested into the stock with a continued repairs and maintenance programme. Planned spend for the coming year will rise and could be as much as £6m which includes some major roof works.

Just at the end of the reporting period, an offer was submitted and accepted to acquire a 120,000 sq ft warehouse, adjacent to the M5 in Bridgwater, Somerset, a new location for Howard Tenens. At the time of signing, the site purchase is complete and refurbishment works are in progress.

During the period, additional solar panelling has been installed across the sites warehouse roofs, bringing the total size of installations to almost 6 megawatts. The Group has further supported Howard Tenens Power (HTP) Limited during the period and total amount invested at the year end is £5.3m.

---

**HOWARD TENENS LIMITED**

---

---

**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**

---

In May 2023, the Company entered into a revised funding agreement with its lenders. The funding consists of a refinance of existing facilities into a Sustainability Linked Loan, clearly linking the business's financing to its sustainability commitments. As part of the funding, Howard Tenens has set a target to reduce its logistic fleets' carbon emissions. The Sustainability Linked Loan from HSBC UK will align to this ambition and measure a reduction in the logistic fleets' carbon emissions per kilometre travelled.

The year ahead is proving equally challenging with inflationary pressures continuing to impact on costs of vehicles, fuel, labour and most areas of cost related to warehousing. On the Logistics side we see customer volumes reducing, impacted by cost of living pressures in the UK. On a more macro level, the global supply chain continues to operate with significant challenges and uncertainties with the situation around Gaza, shipping being attacked in the Red Sea and the ongoing war in Ukraine - all of which create negative impacts to our client base.

**PRINCIPAL RISKS AND UNCERTAINTIES****Operational Risks**

As a provider of logistics and warehousing solutions, the major risks faced by the Group include health and safety, changes in customer outsource requirements, the ability to recruit and retain management and colleagues with the skills and experience required to serve our customers and the dependence upon sophisticated IT systems. We continue to focus our attention on these key areas whilst taking account of the principal uncertainties faced by the business - the level of economic growth, fuel costs, skilled labour shortages and movements in interest rates.

We continue to focus our attention on these key areas whilst taking account of the principal uncertainties faced by the business - the UK economy appears fragile and with an election in the coming period, political instability could also become a factor. Inflation has fallen, however, pricing pressures remain and interest rates have risen and are likely to remain at current rates for some time.

**Financial Risks**

The Group is exposed to a variety of financial risks which result from its operating activities. The board is responsible for co-ordinating the Group's risk management and focuses on securing short to medium term cash flows. The Group does not actively engage in the trading of financial assets. The Group has some exposure to movements in interest rates with major asset purchases utilising asset finance contracts. The most significant financial risks to which the Group is exposed are described below:

**Cash flow risks**

The Group has long term facilities to ensure sufficient liquidity is available to meet its foreseeable needs. Regular contact is maintained with the Group's bankers to ensure that sufficient funding remains available. Internally, cash is managed on a daily basis and reported to the Directors on a weekly and monthly cycle. Financial forecasts looking ahead three years, to include cash flow and cash requirements are reviewed by the Directors on a quarterly basis to assess any risk potential.

**Interest rate risks**

The Group's primary interest rate risk is attributable to its bank borrowings. Interest is paid on borrowings at a rate of 1.85% above the Sterling overnight index average rate (SONIA). With UK interest rates rising to 5.25% at the time of signing, this would ordinarily have had a material impact to profitability. However, contracts are in place to cover the interest on a core £30 million of the facility and this interest cover is seen as sufficient to accommodate any changes to the base rate of interest. The Group may hedge interest rate risk from time to time as deemed appropriate by directors. The current contracts expire in September 2024.

**Inflation**

Generally, UK inflation has fallen during this reporting period and is now considerably lower than the prior year. However, in particular sectors; services being one; inflationary pressures remain above the average. We do, therefore, continue to carefully monitor and manage our costs and remain transparent with our clients regarding cost recovery.

---

**HOWARD TENENS LIMITED**

---

**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**

---

**FINANCIAL KEY PERFORMANCE INDICATORS**

The performance of the Group is illustrated by a number of key performance indicators - turnover, operating profit, return on sales and capital employed and cash flow.

The business is managed with financial reporting cycles monitoring weekly and monthly activity which are then reviewed at monthly business review meetings with operational management as well as monthly board meetings. On a quarterly basis the board of directors review a rolling four year high level business plan.

**OTHER KEY PERFORMANCE INDICATORS**

Operational KPI's are monitored and reported for both our own management purposes as well as customer contractual requirements. Examples within the Logistics transport business include indicators such as 'on time and in full' measured against target percentage goals for our distribution fleet. On the warehousing side, pick and pack rates are monitored. Each site undertakes regular reviews of health and safety performance with monitoring of workplace near misses, incidents and accidents as part of a health and safety reporting pack. Property monitors occupation levels and vacant space as well as lease risks for the coming 12 months.

**DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP**

Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006. The directors consider that they have acted in the way they consider, in good faith would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in regard to decisions during the year ended 30 September 2023. The primary decisions and actions the directors have taken in the year relate to investments and capital expenditure, financial instruments, and governance:

---

**HOWARD TENENS LIMITED**

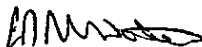

---

**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**


---

<u>Principal Decision</u>	<u>Impact on long term success of the business</u>	<u>Stakeholder considerations</u>
<b>Investments</b>  Acquisition of site in Bridgwater, Somerset	The Group holds property on a long term basis to the potential benefit of both areas of the business – logistics and property. This acquisition gives Howard Tenens another new site in the UK and the potential for employment in the area.	Shareholders and Directors consider many opportunities to acquire new property as a long term investment. The Bridgwater site is believed to have marriage value with current clients and is in an economically, buoyant location.
<b>Environmental</b>  Sustainability Linked Loan	The funding consists of a refinance of existing facilities into a Sustainability Linked Loan, clearly linking the business's financing to its sustainability commitments. As part of the funding, Howard Tenens has set a target to reduce its logistic fleets' carbon emissions. The Sustainability Linked Loan from HSBC UK will align to this ambition and measure a reduction in the logistic fleets' carbon emissions per kilometre travelled.	The Group has a commitment to be Net Zero by 2045. Adding this direct link into the funding arrangements is a positive message to all stakeholders.
<b>Environmental</b>  Carbon reduction strategy	With a clear focus on our transport business for this strategy the business has appointed a Head of Transport. As part of the remit of the role there will be a review of our transport data with improvement actions to improve our efficiencies and reduce our emissions as a consequence. We continue to promote the use of HVO and are involved in trials of battery electric vehicles.	The UK commitment to be Net Zero is impacting all businesses. Our offering of HVO as a diesel alternative has been an excellent start. We now wish to progress further along other avenues of opportunity. This strategy is welcomed by the Shareholders and Directors and all other stakeholders impacted positively by this decision.
<b>Capital Expenditure</b>  Tractor unit replacement planning	The Logistics business has increased its commitment to acquire new kit, the majority replacement - 86 tractor units to be deployed up to 2025 and 100 trailers. This ensures, not only that our fleet remains young and well maintained but gives confidence to our employees and customers knowing these vehicles are equipped with the latest technology. Euro VI engines will meet the latest emission standards coupled with the latest advancements in transport health and safety standards for heavy goods vehicles.	The Logistics Board, including shareholders, recognises the need to operate the business in the safest way possible as well as recognising the impact on the planet from doing so. It therefore accepts the responsibility to renew the fleet in a timely manner.

7 March 2024 and signed on its behalf.



**CDM Waterer**  
Director

---

**HOWARD TENENS LIMITED**

---

**DIRECTORS' REPORT**  
**For the Year Ended 30 September 2023**

---

The Directors present their report and the financial statements for the year ended 30 September 2023.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



---

**HOWARD TENENS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**

---

**Results and dividends**

The profit for the year, after taxation, amounted to £9,743,000 (2022 - £16,006,000 ).

Dividends of £1,505,000 were paid during the year (2022 - £1,505,000).

**Directors**

The Directors who served during the year were:

PE Morris  
JM Beecham  
J Ede  
BJ Morris  
DP Morris  
CW Smith  
CDM Waterer  
SJ Emms  
J Hartles

**Charitable contributions**

Whilst the Group continues to support a wide range of local and national charitable organisations, much focus in this period has been given to the support of the Ukraine effort. Howard Tenens has given support practically, with the donation of drivers and trucks to transport aid to the Polish/Ukraine border.

**Engagement with employees**

The Group places considerable value on the involvement of staff in matters affecting them as employees. This is achieved through:

- providing information on matters of concern to them as employees via a variety of communication media including HT Hub an online intranet resource and local Town Hall meetings;
- consulting employees on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests including regular Engagement Surveys to seek employee feedback and create appropriate action plans;
- encouraging the involvement of employees in the Group's performance via our Engagement Champions across the sites as well as through the use of incentive schemes.

**Engagement with suppliers, customers and others**

Our key stakeholders, beyond our employees, are our shareholders, customers, suppliers and finance partners - banks and pension providers.

We continuously work to build and maintain these relationships and where appropriate, meet regularly and present financial results and plans of the Company.

---

**HOWARD TENENS LIMITED**


---



---

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**


---

**Disabled employees**

The Group's policy concerning the employment of disabled persons is as follows:

- to give full and fair consideration to application for employment by the Group, made by disabled persons, having regard to their particular aptitudes and abilities;
- to continue the employment of, and arrange appropriate training for employees of the Group who have become disabled persons during the period when they were employed by the Group;
- to encourage the training, career development and promotion of disabled persons employed by the Group.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The table below shows the Company's total energy consumption in kWh, followed by Carbon dioxide equivalent (CO<sub>2</sub>e) tonnes of emissions under scopes 1, 2 and 3.

	2023	2022
Total energy consumption used to calculate emissions (kWh)	68,879,443	72,239,042
<b>Emissions: Carbon dioxide equivalent (CO<sub>2</sub>e) - Tonnes</b>		
<b>Scope 1</b>		
Emissions from combustion of gas	26	25
Emissions from combustion of Liquefied Petroleum Gas (LPG)	395	356
Emissions from combustion of diesel used by commercial fleet	10,177	12,130
Emissions from combustion of hydrotreated vegetable oil (HVO) used by commercial fleet	68	54
Emissions from combustion of compressed natural gas (CNG) used by commercial fleet	-	306
Emissions from combustion of fuel for business travel	90	19
Emissions from refrigerants used in air conditioning units	-	5
<b>Sub-total - Scope 1</b>	<b>10,756</b>	<b>12,895</b>
<b>Scope 2 - Emissions from purchased electricity</b>	<b>451</b>	<b>451</b>
<b>Scope 3 - Emissions from combustion of fuel for business travel</b>	<b>94</b>	<b>125</b>
<b>Carbon Offsets - Green tariff electricity</b>	<b>(367)</b>	<b>(369)</b>
<b>Total CO<sub>2</sub>e tonnes</b>	<b>10,934</b>	<b>13,102</b>
<b>Intensity ratio - Tonnes of CO<sub>2</sub>e per £million turnover</b>	<b>102</b>	<b>123</b>

**Methodology**

The methodology used by the Company to prepare greenhouse gas (GHG) inventory and carbon reporting for its SECR submission follows the GHG Protocol Corporate Standard 2015 and HM Government Environmental Reporting Guidelines 2019 (including Streamlined Energy and Reporting Guidance) as well as guidance from ISO14064. All CO<sub>2</sub>e and kWh calculations have been undertaken using UK emissions factors published by the Department of Business, Energy and Industrial Strategy for the appropriate reporting years.

---

## HOWARD TENENS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) For the Year Ended 30 September 2023

---

#### Energy efficiency actions

The following energy efficiency and carbon reduction measures were in place or commenced during 2022/23:

- Replaced 1.9 million litres of diesel with HVO renewable diesel, which saves 99% of scope 1 CO<sub>2</sub>e and up to 90% well to wheel CO<sub>2</sub>e emissions compared to diesel – HVO accounted for 32% of all liquid fuel used in our commercial vehicle fleet compared to diesel
- Operated four 26 tonne rigid gas trucks which were refuelled solely with biomethane, a renewable fuel, reducing well to wheel emissions by up to 90% compared to diesel
- HVO and biomethane renewable fuels accounted for 33% of all fuel used across our commercial vehicle fleet, on a kWh basis
- Conducted a trial of a 44 tonne dedicated gas truck operating on biomethane at our Daventry depot and which subsequently led to further analysis to assess where gas trucks could be deployed across the fleet
- Continued replacement of commercial vehicles, with 99% of fleet meeting latest euro 6 emission standards and improved fuel efficiency
- Continued to fit telematics to our commercial vehicle fleet which provides real time in-cab coaching to drivers in order to optimise driving style and maximise fuel efficiency
- Driver trainers allocated to each depot to carry out one-to-one fuel efficiency and safety training with drivers every six months
- Installed electric charge points at our head office and six depots to encourage staff to switch to hybrid and electric vehicles
- Used 100% green electricity at all owned sites through Drax renewable energy contract backed by the Woodland Carbon Code
- Consumed 360,821 kWh of carbon free electricity from solar PV panels fitted at seven of our sites, meaning that 14% of our electricity was sourced from on-site renewable energy. This was an increase from 8% the previous year, due to the commencement of a large solar PV programme by HT Energy at all Howard Tenens' owned sites
- Used LPG containing a minimum of 40% bioLPG blend at Ashby, Boston, Newport, Swindon and Sharpness sites for operating MHE
- Conducted a trial of a 16 tonne battery electric truck at our Sunbury depot in June 2023 and joined a consortia with a number of other leading logistics companies to investigate opportunities to trial a range of different electric 40 tonne HGVs

---

**HOWARD TENENS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 30 September 2023**

---

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

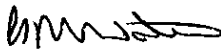
**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 March 2024 and signed on its behalf.



CDM Waterer  
Director

---

**HOWARD TENENS LIMITED**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD TENENS LIMITED**

---

**Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2023 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Howard Tenens Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company 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).

**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's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Group and the Parent 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' 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 Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

---

## HOWARD TENENS LIMITED

---

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD TENENS LIMITED (CONTINUED)

---

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Other Companies Act 2006 reporting

*In our opinion, based on the work undertaken in the course of the audit:*

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

---

**HOWARD TENENS LIMITED**

---

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD TENENS LIMITED (CONTINUED)**

---

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and

we considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), UK tax legislation, and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Data Protection Act 2018 and the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

---

**HOWARD TENENS LIMITED**

---

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD TENENS LIMITED (CONTINUED)**

---

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be journals and key estimates and judgements

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the valuation of investment properties and estimation of the dilapidation provision.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



---

**HOWARD TENENS LIMITED**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD TENENS LIMITED (CONTINUED)**

---

**Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Heather Wheelhouse*

DA15AED75D45453...

Heather Wheelhouse (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Bristol, UK  
Date: 07 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

---

**HOWARD TENENS LIMITED**

---

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year Ended 30 September 2023**

---

	Note	2023 £000	2022 £000
<b>Turnover</b>	4	129,382	124,134
<b>Cost of sales</b>		(70,487)	(72,191)
<b>Gross profit</b>		<u>58,895</u>	<u>51,943</u>
<b>Administrative expenses</b>		(44,215)	(45,512)
<b>Fair value movements</b>		714	8,882
<b>Profit on sale of tangible fixed assets</b>		173	250
<b>Operating profit</b>	5	<u>15,567</u>	<u>15,563</u>
<b>Amounts written off investments</b>		(239)	(1,097)
<b>Interest receivable and similar income</b>	9	871	376
<b>Interest payable and similar expenses</b>	10	(1,889)	(1,509)
<b>Other finance (charge)/income</b>	11	(1,063)	2,807
<b>Profit before taxation</b>		<u>13,247</u>	<u>16,140</u>
<b>Tax on profit</b>	12	(3,504)	(134)
<b>Profit for the financial year</b>		<u><u>9,743</u></u>	<u><u>16,006</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022 - £NIL).

The notes on pages 23 to 53 form part of these financial statements.

**HOWARD TENENS LIMITED**  
Registered number: 6690158

**CONSOLIDATED BALANCE SHEET**  
As at 30 September 2023

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	14	39,992	38,444
Investments	15	6,468	3,437
Investment property	16	127,335	127,354
		<u>173,795</u>	<u>169,235</u>
<b>Current assets</b>			
Stocks	17	258	208
Debtors	18	31,876	33,074
Cash at bank	19	12,707	8,970
		<u>44,841</u>	<u>42,252</u>
Creditors: amounts falling due within one year	20	(49,179)	(45,046)
<b>Net current liabilities</b>		<u>(4,338)</u>	<u>(2,794)</u>
<b>Total assets less current liabilities</b>		<u>169,457</u>	<u>166,441</u>
Creditors: amounts falling due after more than one year	21	(32,700)	(38,667)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(9,587)	(8,863)
Other provisions	26	(2,387)	(2,366)
		<u>(11,974)</u>	<u>(11,229)</u>
<b>Net assets</b>		<u><u>124,783</u></u>	<u><u>116,545</u></u>

**HOWARD TENENS LIMITED**  
**Registered number: 6690158**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**As at 30 September 2023**

	Note	2023 £000	2022 £000
<b>Capital and reserves</b>			
<b>Called up share capital</b>	27	443	443
<b>Revaluation reserve</b>	28	10,602	10,602
<b>Other reserves</b>	28	27,721	27,721
<b>Merger reserve</b>	28	2,707	2,707
<b>Profit and loss account</b>	28	83,310	75,072
<b>Equity attributable to owners of the parent Company</b>		124,783	116,545

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 March 2024.



**CDM Waterer**  
Director

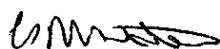
The notes on pages 25 to 58 form part of these financial statements.

**HOWARD TENENS LIMITED**  
Registered number: 6690158

**COMPANY BALANCE SHEET**  
As at 30 September 2023

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	14	25,664	24,989
Investments	15	11,968	12,035
Investment Property	16	115,809	114,971
		<u>153,441</u>	<u>151,995</u>
<b>Current assets</b>			
Debtors	18	7,284	9,971
Cash at bank and in hand	19	7,066	5,220
		<u>14,350</u>	<u>15,191</u>
Creditors: amounts falling due within one year	20	(26,534)	(24,097)
<b>Net current liabilities</b>		<u>(12,184)</u>	<u>(8,906)</u>
<b>Total assets less current liabilities</b>		<u>141,257</u>	<u>143,089</u>
Creditors: amounts falling due after more than one year	21	(30,000)	(35,000)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(8,131)	(7,424)
Other provisions	26	(110)	(110)
		<u>(8,241)</u>	<u>(7,534)</u>
<b>Net assets</b>		<u>103,016</u>	<u>100,555</u>
<b>Capital and reserves</b>			
Called up share capital	27	443	443
Other reserves	28	27,721	27,721
Profit and loss account		74,852	72,391
		<u>103,016</u>	<u>100,555</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 March 2024.



**CDM Waterer**  
Director

The notes on pages 23 to 53 form part of these financial statements.

---

**HOWARD TENENS LIMITED**


---

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 30 September 2023**


---

	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Other reserves</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£000	£000	£000	£000	£000	£000
<b>At 1 October 2022</b>	443	10,602	27,721	2,707	75,072	116,545
<b>Profit for the year</b>	-	-	-	-	9,743	9,743
<b>Dividends: Equity capital</b>	-	-	-	-	(1,505)	(1,505)
<b>At 30 September 2023</b>	<u>443</u>	<u>10,602</u>	<u>27,721</u>	<u>2,707</u>	<u>83,310</u>	<u>124,783</u>

The notes on pages 23 to 53 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 30 September 2022**


---

	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Other reserves</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£000	£000	£000	£000	£000	£000
<b>At 1 October 2021 (as previously stated)</b>	443	10,602	27,721	2,707	62,286	103,759
<b>Prior year adjustment</b>	-	-	-	-	(1,715)	(1,715)
<b>At 1 October 2021 (as restated)</b>	<u>443</u>	<u>10,602</u>	<u>27,721</u>	<u>2,707</u>	<u>60,571</u>	<u>102,044</u>
<b>Profit for the year</b>	-	-	-	-	16,006	16,006
<b>Dividends: Equity capital</b>	-	-	-	-	(1,505)	(1,505)
<b>At 30 September 2022</b>	<u>443</u>	<u>10,602</u>	<u>27,721</u>	<u>2,707</u>	<u>75,072</u>	<u>116,545</u>

The notes on pages 23 to 53 form part of these financial statements.

---

**HOWARD TENENS LIMITED**


---



---

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 30 September 2023**


---

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£000	£000	£000	£000
<b>At 1 October 2022</b>	443	27,721	72,391	100,555
<b>Profit for the year</b>	-	-	3,966	3,966
<b>Dividends: Equity capital</b>	-	-	(1,505)	(1,505)
<b>At 30 September 2023</b>	<u>443</u>	<u>27,721</u>	<u>74,852</u>	<u>103,016</u>

The notes on pages 23 to 53 form part of these financial statements.

---

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 30 September 2022**


---

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£000	£000	£000	£000
<b>At 1 October 2021 (as previously stated)</b>	<u>443</u>	27,721	84,869	113,033
<b>Prior year adjustment</b>	-	-	(23,805)	(23,805)
<b>At 1 October 2021 (as restated)</b>	<u>443</u>	<u>27,721</u>	<u>61,064</u>	<u>89,228</u>
<b>Profit for the year</b>	-	-	12,832	12,832
<b>Dividends: Equity capital</b>	-	-	(1,505)	(1,505)
<b>At 30 September 2022</b>	<u>443</u>	<u>27,721</u>	<u>72,391</u>	<u>100,555</u>

The notes on pages 23 to 53 form part of these financial statements.

---

**HOWARD TENENS LIMITED**


---



---

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended 30 September 2023**


---

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
<b>Profit for the financial year</b>	<b>9,743</b>	<b>16,006</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	4,004	3,224
Impairments reversal of tangible fixed assets	-	(1,137)
Impairments on fixed asset investments	240	1,097
Profit on disposal of tangible assets	(173)	(495)
Interest payable	1,879	1,509
Interest receivable	(871)	(377)
Taxation charge	3,504	134
(Increase) in stocks	(50)	(59)
Decrease/(increase) in debtors	891	(618)
(Increase) in amounts owed by associates	(137)	(341)
Decrease/(increase) in loans receivable	445	(926)
Increase/(decrease) in creditors	2,579	(1,774)
Increase in amounts owed to associates	17	20
Increase in provisions	21	335
Net fair value (gains) recognised in P&L	(714)	(8,883)
Corporation tax (paid)	(2,534)	(623)
<b>Net cash generated from operating activities</b>	<b>18,844</b>	<b>7,092</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,668)	(10,449)
Sale of tangible fixed assets	1,021	1,605
New loans to joint ventures	(240)	(97)
New loans to associates	(3,031)	(2,244)
Purchase of unlisted and other investments	-	(1,863)
Interest received	24	60
HP interest paid	(157)	(79)
Associates interest received	252	17
Joint ventures interest received	595	299
<b>Net cash from investing activities</b>	<b>(7,204)</b>	<b>(12,751)</b>



---

**HOWARD TENENS LIMITED**


---



---

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the Year Ended 30 September 2023**


---

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from financing activities</b>		
<b>New secured loans</b>	1,000	1,000
<b>Repayment of loans</b>	(6,000)	-
<b>Other new loans</b>	6,832	3,190
<b>Repayment of other loans</b>	(5,050)	(2,650)
<b>Repayment of/new finance leases</b>	(1,458)	1,553
<b>Dividends paid</b>	(1,505)	(1,505)
<b>Interest paid</b>	(1,722)	(1,430)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	(7,903)	158
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,737	(5,501)
<b>Cash and cash equivalents at beginning of year</b>	8,970	14,471
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>	12,707	8,970
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents at the end of year comprise:</b>		
<b>Cash at bank</b>	12,707	8,970
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 53 form part of these financial statements.

---

## HOWARD TENENS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 30 September 2023

---

#### 1. GENERAL INFORMATION

Howard Tenens Limited (the "parent Company") is a private company limited by shares, registered, incorporated and domiciled in England and Wales in the UK.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements for the Company are drawn up to 30 September 2023.

The presentation currency of these financial statements is sterling.  
All amounts in the financial statements have been rounded to the nearest £1,000.

The following principal accounting policies have been applied:

##### 2.2 DISCLOSURE EXEMPTIONS

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £3,966,000 (2022 - £14,047,000).

The subsidiary, Howard Tenens Development Limited, is exempt from the requirements of the Companies Act 2006, relating to the audit of accounts under section 479A, by virtue of a parent company guarantee.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 BASIS OF CONSOLIDATION**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained until the date on which control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

**2.4 ASSOCIATES AND JOINT VENTURES**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions. Significant influence is presumed to exist where the investor holds between 20% and 50% of the equity voting rights.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

**2.5 GOING CONCERN**

The Directors remain confident that the business has the ability to continue operating profitably and meet funding covenants for the foreseeable future and there are no material uncertainties. Business plans looking ahead for three years are regularly reviewed and updated and confirm this position. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.7 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenues on cost-reimbursable contracts are recognised by applying a factor to costs as incurred, such factor being determined by the contract provisions.

Revenues on unit-price contracts are recognised at the contractual selling prices of work completed. Revenues on time and material contracts are recognised at the contractual rates as the labour hours and direct expenses are incurred.

Revenues from fixed-price contracts are recognised as services are provided, unless revenues are earned and obligations fulfilled in a different pattern. Certain contracts provide for labour handling charges to be billed for both incoming and outgoing handling of goods at the time the goods are received in a warehouse. For these contracts, revenue is recognised immediately for the amounts representing handling of incoming goods and deferred revenue is recorded for the performance of services related to the handling of outgoing goods, which is recognised once the related goods leave the warehouse. Storage revenue is recognised as it is earned based on the length of time the related product is stored in the warehouse.

For long term leases of warehousing space, revenue is recognised in accordance with note 2.8.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 OPERATING LEASES: THE GROUP AS LESSOR**

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

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

**2.9 OPERATING LEASES: THE GROUP AS LESSEE**

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 01 October 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.10 LEASED ASSETS: THE GROUP AS LESSEE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.11 INTEREST INCOME**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.12 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 PENSIONS**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.14 CURRENT AND DEFERRED TAXATION**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.15 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment property rented to other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**2. ACCOUNTING POLICIES (CONTINUED)**
**2.15 TANGIBLE FIXED ASSETS (continued)**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Buildings are constantly adapted to clients' requirements so as to extend the life of the asset to the point that depreciation is considered immaterial. Freehold land is not depreciated.
L/Term Leasehold Property	- Over the life of the lease
Plant & machinery	- 10-33% per annum
Motor vehicles	- 33% per annum other than where the residual value is greater than cost when no depreciation is charged.
Fixtures & fittings	- 10-50% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.16 IMPAIRMENT OF FIXED ASSETS**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

**2.17 INVESTMENT PROPERTY**

Investment property is carried at fair value determined by the directors, with reference to external valuations carried out every three years, and by directors' valuations in the intervening years and derived from the current actual rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Subsequent to initial recognition, an investment property carried at fair value may be subject to further expenditure. Where costs are capitalised, the change in fair value that is recognised in the Statement of Comprehensive Income includes the value of these costs. If any of the property is occupied by a group entity, the Company adopts FRS 102 s16.4A option (b) and transfers the value to property, plant and equipment within Tangible fixed assets applying the cost model in accordance with s17 of FRS 102.

---

HOWARD TENENS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 30 September 2023

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.18 VALUATION OF INVESTMENTS**

*Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.*

All loans and other fixed asset investments are assessed annually by Directors to determine any risk of recoverability. Where a risk is identified an appropriate level of impairment is provided.

**2.19 STOCKS**

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

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

**2.20 DEBTORS**

Debtors are measured at transaction price, less any impairment. Loans Receivable are measured initially at the present value of future payments discounted at a market rate of interest, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.21 CASH AT BANK**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that *mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.*

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.22 CREDITORS**

Creditors are measured at transaction price. Other financial liabilities, including bank and other loans are measured initially at the present value of future payments discounted at a market rate of interest *and are measured subsequently at amortised cost using the effective interest method.*

**2.23 PROVISIONS FOR LIABILITIES**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.



---

**HOWARD TENENS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)****2.24 FINANCIAL INSTRUMENTS**

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

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

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

**2.25 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparation of these financial statements, the Directors have considered the following accounting estimates:

**Investment property valuation**

The fair value at the year end was calculated by the directors with reference to an external valuation carried out in 2021 by CBRE Limited on the basis of open market value at that time. The fair value will include a number of assumptions and estimates including yields, and rental income. Changes to these assumptions and estimates in future periods reflecting the information available at that point in time may result in outcomes that are materially different. In the period, Directors have further adjusted the external valuation to take into account environmental factors that were not addressed as part the report, but will impact the fair value.

In addition, when calculating the fair value of investment property; the value of properties rented to Group entities is transferred to tangible fixed assets, property, plant and equipment at entity and group level.

**Recoverability of debtors**

The Directors have made judgements on specific debtors where the recoverability is uncertain. Where there are uncertainties, provisions have been made. Changes to these assumptions and estimates in future periods reflecting the information available at that point in time may result in outcomes that are materially different.

**Valuation assessment of fixed asset investments**

The directors have assessed the value of the company's investments and have determined that a full impairment is required against the values loaned to joint ventures to reflect the current economic conditions which are seriously impacting the viability of the joint venture purpose.

Changes to these assumptions and estimates in future periods reflecting the information available at that point in time may result in outcomes that are materially different.

**Dilapidation provision**

Dilapidation provisions for warehouse facilities, on repairing leases, are estimated based either on prior experience specific to each relevant facility or, when relevant, on a priced assessment of a schedule of dilapidation.

**4. TURNOVER**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Warehouse and distribution	110,898	109,163
Property management	18,484	14,971
	<u>129,382</u>	<u>124,134</u>

All turnover arose within the United Kingdom.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**5. OPERATING PROFIT**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	3,982	3,224
Property refurbishment cost	-	7,456
Leasehold depreciation	-	22
Exchange differences	(37)	(4)
Other operating lease rentals	7,034	5,950
Defined contribution pension cost	597	529

**6. AUDITOR'S REMUNERATION**

During the year, the Group obtained the following services from the Company's auditor and its associates:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the consolidated and parent Company's financial statements	126	105
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	42	38

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**7. EMPLOYEES**

Staff costs, including Directors' remuneration, were as follows:

	<b>Group</b> <b>2023</b> £000	<b>Group</b> <b>2022</b> £000	<b>Company</b> <b>2023</b> £000	<b>Company</b> <b>2022</b> £000
Wages and salaries	30,499	27,554	5,077	3,332
Social security costs	3,085	2,852	623	406
Cost of defined contribution scheme	597	542	84	70
	<u>34,181</u>	<u>30,948</u>	<u>5,784</u>	<u>3,808</u>

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

	<b>Group</b> <b>2023</b> No.	<b>Group</b> <b>2022</b> No.	<b>Company</b> <b>2023</b> No.	<b>Company</b> <b>2022</b> No.
Operational	509	504	-	-
Management and Administration	260	248	47	46
	<u>769</u>	<u>752</u>	<u>47</u>	<u>46</u>

**8. DIRECTORS' REMUNERATION**

	<b>2023</b> £000	<b>2022</b> £000
Directors' emoluments	3,165	2,021
Group contributions to defined contribution pension schemes	39	34
	<u>3,204</u>	<u>2,055</u>

During the year retirement benefits were accruing to 5 Directors (2022 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £835,000 (2022 - £644,000).

Key management personnel include all directors and a number of senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. Total remuneration paid to key management personnel who were not Directors was £784,000 (2022 - £635,000).

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**9. INTEREST RECEIVABLE**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Share of joint ventures' interest receivable	595	299
Interest receivable from associated companies	252	17
Other interest receivable	24	60
	<u>871</u>	<u>376</u>

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	1,405	1,262
Finance leases and hire purchase contracts	157	79
Other interest payable	327	168
	<u>1,889</u>	<u>1,509</u>

**11. OTHER FINANCE (CHARGE)/INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Derivative financial instruments liability - movement in year	<u>(1,063)</u>	<u>2,807</u>

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**12. TAXATION**

	<b>2023</b> £000	<b>2022</b> £000
<b>Corporation tax</b>		
Current tax on profits for the year	2,016	-
Adjustments in respect of previous periods	764	53
	<u>2,780</u>	<u>53</u>
<b>Total current tax</b>	<u>2,780</u>	<u>53</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,281	43
Changes to tax rates	-	14
Adjustments in respect of previous periods	(557)	24
	<u>724</u>	<u>81</u>
<b>Total deferred tax</b>	<u>724</u>	<u>81</u>
<b>Taxation on profit on ordinary activities</b>	<u>3,504</u>	<u>134</u>

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**12. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 22% (2022 - 19.0%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	13,247	16,140
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.0% (2022 - 19.0%)	2,914	3,067
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	479	734
Capital allowances for year in excess of depreciation	(9)	(773)
Adjustments to tax charge in respect of prior periods	757	54
Adjustments to tax charge in respect of prior periods - deferred tax	(630)	24
Non-taxable income	(354)	(2,496)
Deferred tax movements not recognised	-	(2,156)
Chargeable gains	117	1,575
Additional deduction for land remediation expenditure	(4)	-
Remeasurement of deferred tax for changes in tax rates	226	14
Other differences leading to an increase in the tax charge	8	2
Group relief	-	89
<b>Total tax charge for the year</b>	<b>3,504</b>	<b>134</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

An increase to the UK Corporation tax rate from 19% to 25% was effective from 1 April 2023.

**13. DIVIDENDS**

	2023 £000	2022 £000
Dividends paid on equity capital	1,505	1,505

---

**HOWARD TENENS LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**14. TANGIBLE FIXED ASSETS****Group**

	<b>Land &amp; Buildings £000</b>	<b>Plant &amp; machinery £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures &amp; fittings £000</b>	<b>Total £000</b>
<b>COST</b>					
At 1 October 2022	25,725	22,389	1,425	7,005	56,544
Additions	-	4,042	770	860	5,672
Disposals	(5)	(3,488)	(99)	(157)	(3,749)
Transfers between classes	768	-	-	-	768
At 30 September 2023	26,488	22,943	2,096	7,708	59,235
<b>Depreciation</b>					
At 1 October 2022	977	11,772	889	4,462	18,100
Charge for the year on owned assets	22	649	234	737	1,642
Charge for the year on financed assets	-	2,362	-	-	2,362
Disposals	-	(2,797)	(99)	-	(2,896)
Transfers between classes	35	-	-	-	35
At 30 September 2023	1,034	11,986	1,024	5,199	19,243
<b>Net book value</b>					
At 30 September 2023	25,454	10,957	1,072	2,509	39,992
At 30 September 2022	24,748	10,617	536	2,543	38,444

Within the class Motor Vehicles, some assets have a residual value higher than cost and no depreciation has been charged. The value of these assets is £560,000 (2022 - £220,000)



---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**14. TANGIBLE FIXED ASSETS (CONTINUED)**

The net book value of land and buildings may be further analysed as follows:

	<b>2023</b>	<i>Restated</i>
	£000	2022 £000
Freehold	24,205	23,493
Long leasehold	1,249	1,255
	<u>25,454</u>	<u>24,748</u>

In the prior year, the financial statements inaccurately disclosed the split between Freehold properties and Long leasehold properties within the Tangible Fixed Assets note. The tangible fixed assets note has been restated to reflect the correct split, increasing the Long leasehold properties by £1,366,000 and reducing the Freehold properties accordingly. There is no overall impact on the net book value of tangible fixed assets at 30 September 2022. There has been no impact on the primary statements of the company.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2023</b>	<b>2022</b>
	£000	£000
Plant and machinery	8,268	8,382
	<u>8,268</u>	<u>8,382</u>

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**14. TANGIBLE FIXED ASSETS (CONTINUED)****Company**

	<b>Land &amp; Buildings £000</b>	<b>Plant &amp; machinery £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures &amp; fittings £000</b>	<b>Total £000</b>
<b>COST</b>					
At 1 October 2022	24,339	474	679	2,245	27,737
Additions	-	16	416	15	447
Disposals	(5)	(16)	(13)	(157)	(191)
Transfers between classes	768	-	-	-	768
At 30 September 2023	25,102	474	1,082	2,103	28,761
<b>Depreciation</b>					
At 1 October 2022	977	465	267	1,039	2,748
Charge for the year on owned assets	22	5	106	210	343
Disposals	-	(16)	(13)	-	(29)
Transfers between classes	35	-	-	-	35
At 30 September 2023	1,034	454	360	1,249	3,097
<b>Net book value</b>					
At 30 September 2023	24,068	20	722	854	25,664
At 30 September 2022	23,362	9	412	1,206	24,989

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**15. FIXED ASSET INVESTMENTS****Group**

	<b>Loans to associates £000</b>	<b>Other fixed asset investments £000</b>	<b>Loans to joint ventures £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 October 2022	2,244	2,193	3,285	7,722
Additions	3,031	-	240	3,271
At 30 September 2023	5,275	2,193	3,525	10,993
<b>Impairment</b>				
At 1 October 2022	-	1,000	3,285	4,285
Charge for the period	-	-	240	240
At 30 September 2023	-	1,000	3,525	4,525
<b>Net book value</b>				
At 30 September 2023	5,275	1,193	-	6,468
At 30 September 2022	2,244	1,193	-	3,437

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 September 2023

---

**15. FIXED ASSET INVESTMENTS (CONTINUED)**

**Company**

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Loans to associates £000	Other fixed asset investments £000	Loans to joint ventures £000	Total £000
<b>Cost</b>						
At 1 October 2022	1	8,597	2,244	2,193	3,285	16,320
Additions	-	-	3,031	-	240	3,271
Disposals	-	(1,000)	-	-	-	(1,000)
At 30 September 2023	1	7,597	5,275	2,193	3,525	18,591
<b>Impairment</b>						
At 1 October 2022	-	-	-	1,000	3,285	4,285
Charge for the period	-	2,098	-	-	240	2,338
At 30 September 2023	-	2,098	-	1,000	3,525	6,623
<b>Net book value</b>						
At 30 September 2023	1	5,499	5,275	1,193	-	11,968
At 30 September 2022	1	8,597	2,244	1,193	-	12,035

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Howard Tenens (North West) Limited	Property	Ordinary	100%
Howard Tenens Logistics Limited	Storage and distribution	Ordinary	100%
Howard Tenens Development Limited	Property	Ordinary	100%

The registered office of all of the above subsidiaries is Tenens House, Kingfisher Business Park, London Road, Thrupp, Stroud, Gloucestershire GL5 2BY.

The subsidiary, Howard Tenens Development Limited, is exempt from the requirements of the Companies Act 2006, relating to the audit of accounts under section 479A, by virtue of a parent company guarantee.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**16. INVESTMENT PROPERTY****Group**

	<b>Freehold investment property £000</b>	<b>Long term leasehold investment property £000</b>	<b>Total £000</b>
<b>Valuation</b>			
At 1 October 2022	116,470	10,884	127,354
Surplus on revaluation	607	107	714
Transfers between classes	(719)	(14)	(733)
<b>At 30 September 2023</b>	<b>116,358</b>	<b>10,977</b>	<b>127,335</b>

The fair value at the year end was calculated by the directors with reference to an external valuation carried out by CBRE Limited in 2021, on the basis of open market value at that time. The calculations include a review of the properties occupied by group companies which are reported as land and buildings in tangible fixed assets.

The calculations include a review of the impact to these values of any perceived environmental risks and also the impact of current economic conditions, increasing interest rates leading to devaluations.

**At 30 September 2023**

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2023 £000</b>	<b>2022 £000</b>
Historic cost	77,167	81,002
Accumulated depreciation and impairments	(1,263)	(1,298)
<b>AT 30 SEPTEMBER 2023</b>	<b>75,904</b>	<b>79,704</b>

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**16. INVESTMENT PROPERTY (CONTINUED)****Company**

	<b>Freehold investment property £000</b>	<b>Long term leasehold investment property £000</b>	<b>Total £000</b>
<b>Valuation</b>			
At 1 October 2022	104,087	10,884	114,971
Surplus on revaluation	1,464	107	1,571
Transfers between classes	(719)	(14)	(733)
<b>At 30 September 2023</b>	<b>104,832</b>	<b>10,977</b>	<b>115,809</b>

The fair value at the year end was calculated by the directors with reference to an external valuation carried out by CBRE Limited in 2021, on the basis of open market value at that time.

**17. STOCKS**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
Finished goods and goods for resale	258	208
	<b>258</b>	<b>208</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £8,765,000 (2022 - £8,716,000).

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**18. DEBTORS**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
<b>Due after more than one year</b>				
Loans receivable	440	676	129	111
Financial instruments	1,744	2,807	1,744	2,807
	<u>2,184</u>	<u>3,483</u>	<u>1,873</u>	<u>2,918</u>
<b>Due within one year</b>				
Trade debtors	16,830	16,645	199	694
Amounts owed by group undertakings	-	-	836	2,773
Amounts owed by associates	716	579	714	579
Other debtors	3,187	5,361	1,872	2,461
Prepayments and accrued income	8,376	6,214	1,430	546
Loans receivable	583	792	360	-
	<u>31,876</u>	<u>33,074</u>	<u>7,284</u>	<u>9,971</u>

Amounts due after more than one year are broken down as follows:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Interest bearing loans to directors	129	111	129	111
Loans receivable	311	565	-	-
	<u>440</u>	<u>676</u>	<u>129</u>	<u>111</u>

£534,000 (2022 - £1,357,000) of loans receivable relates to commercial client agreements whereby contract start up costs have been loaned interest free. In accordance with FRS102, an inherent finance charge has been calculated and charged as interest income. These agreements are to be repaid within 4 years with £311,000 (2022 - £565,000) due after more than one year.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**19. CASH AND CASH EQUIVALENTS**

	<b>Group 2023</b>	<b>Group 2022</b>	<b>Company 2023</b>	<b>Company 2022</b>
	£000	£000	£000	£000
Cash at bank and in hand	12,707	8,970	7,066	5,220
	<u>12,707</u>	<u>8,970</u>	<u>7,066</u>	<u>5,220</u>

**20. CREDITORS: Amounts falling due within one year**

	<b>Group 2023</b>	<b>Group 2022</b>	<b>Company 2023</b>	<b>Company 2022</b>
	£000	£000	£000	£000
Other loans	14,304	12,521	14,304	12,521
Trade creditors	6,750	6,900	1,138	1,457
Amounts owed to associates	38	21	30	21
Corporation tax	247	-	90	-
Other taxation and social security	2,721	1,379	251	345
Obligations under finance lease and hire purchase contracts	2,486	2,977	-	-
Other creditors	2,192	1,958	173	249
Accruals and deferred income	20,441	19,290	10,548	9,504
	<u>49,179</u>	<u>45,046</u>	<u>26,534</u>	<u>24,097</u>

**21. CREDITORS: Amounts falling due after more than one year**

	<b>Group 2023</b>	<b>Group 2022</b>	<b>Company 2023</b>	<b>Company 2022</b>
	£000	£000	£000	£000
Bank loans	30,000	35,000	30,000	35,000
Net obligations under finance leases and hire purchase contracts	2,700	3,667	-	-
	<u>32,700</u>	<u>38,667</u>	<u>30,000</u>	<u>35,000</u>



---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**22. LOANS**

Analysis of the maturity of loans is given below:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
<b>Amounts falling due within one year</b>				
Other loans	14,304	12,521	14,304	12,521
<b>Amounts falling due 2-5 years</b>				
Bank loans	30,000	35,000	30,000	35,000
<b>Total loans</b>	<u>44,304</u>	<u>47,521</u>	<u>44,304</u>	<u>47,521</u>

The £30 million bank loan represents the value drawn down from the £55 million sustainability linked loan. This is secured against the freehold assets of group and connected companies.

Other loans represents loans from The Peter Morris 2004 Discretionary Trust £1,070,000 (2022 - £885,000), The Peter Morris 1995 Settlement Trust £765,000 (2022 - £400,000), The Peter Morris 2017 Trust £2,073,000 (2022 - £1,443,000), PE Morris £2,377,000 (2022 - £2,733,000), BJ Morris £259,000 (2022 - £800,000), DC Morris £250,000 (2022 - £250,000), EJ Lucas £250,000 (2022 - £250,000), Tenens PTC £260,000 (2022 - £260,000), Tenens Associates £1,500,000 (2022 - £NIL), and Tenens (Lakeside) Ltd £5,500,000 (2022 - £5,500,000).

**23. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
Within one year	2,486	2,977
Between 1-5 years	2,700	3,667
	<u>5,186</u>	<u>6,644</u>

The hire purchase and finance leases are secured against the assets financed.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**24. FINANCIAL INSTRUMENTS**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	14,451	11,777	8,809	8,026
Financial assets that are debt instruments measured at amortised cost	24,322	24,781	4,281	5,659
	<u>38,773</u>	<u>36,558</u>	<u>13,090</u>	<u>13,685</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(77,676)	(69,591)	(56,207)	(59,631)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**25. DEFERRED TAXATION**

**Group**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	(8,863)	(8,747)
Charged to profit or loss	(724)	(80)
Adjustments in respect of previous periods	-	(36)
<b>At end of year</b>	<b>(9,587)</b>	<b>(8,863)</b>

**Company**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	(7,424)	(7,161)
Charged to profit or loss	(707)	(263)
<b>At end of year</b>	<b>(8,131)</b>	<b>(7,424)</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fixed asset timing differences	(2,726)	(1,646)	(749)	(391)
Capital gains	(7,613)	(7,480)	(7,494)	(7,130)
Short term timing differences	603	263	112	97
Losses and other deductions	149	-	-	-
	<b>(9,587)</b>	<b>(8,863)</b>	<b>(8,131)</b>	<b>(7,424)</b>

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**26. PROVISIONS****Group**

	<b>Dilapidation</b> £000	<b>Total</b> £000
At 1 October 2022	2,366	2,366
Charged to profit or loss	186	186
Utilised in year	(165)	(165)
<b>At 30 September 2023</b>	<b>2,387</b>	<b>2,387</b>

Dilapidation provisions for warehouse facilities, on repairing leases, are estimated based either on prior experience specific to each relevant facility or, when relevant, on a priced assessment of a schedule of dilapidation.

**27. SHARE CAPITAL**

	<b>2023</b> £000	<b>2022</b> £000
<b>Allotted, called up and fully paid</b>		
44,261 (2022 - 44,261) Ordinary shares of £10.00 each	443	443

**28. RESERVES****Revaluation reserve**

This reserve relates to fair value adjustments to freehold property.

**Capital redemption reserve**

This reserve relates to an historic capital reduction.

**Merger Reserve**

This reserve was the result of the share for share exchange as consideration for acquiring three companies in 2014, which gave rise to a share premium.

---

**HOWARD TENENS LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**29. PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £597,000 (2022 - £529,000). Contributions totalling £136,000 (2022 - £159,000) were payable to the fund at the balance sheet date.

**30. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
<b>Land and buildings</b>				
Not later than 1 year	3,426	3,882	276	276
Later than 1 year and not later than 5 years	6,502	5,964	1,103	1,103
Later than 5 years	24,107	24,966	22,312	22,587
	<u>34,035</u>	<u>34,812</u>	<u>23,691</u>	<u>23,966</u>
	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
<b>Other</b>				
Not later than 1 year	1,181	1,262	-	3
Later than 1 year and not later than 5 years	1,254	1,584	-	-
	<u>2,435</u>	<u>2,846</u>	<u>-</u>	<u>3</u>

---

**HOWARD TENENS LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**Leases as lessor**

The future minimum lease payments receivable under non-cancellable leases are as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than 1 year	19,871	13,892	21,249	18,345
Later than 1 year and not later than 5 years	51,552	51,253	70,474	69,702
Later than 5 years	52,581	59,843	81,434	93,636
	<u>124,004</u>	<u>124,988</u>	<u>173,157</u>	<u>181,683</u>

The above figures include leases which have the option to extend the lease period.

The Directors believe that this option will be exercised and have therefore included commitments in respect of the full lease period.

**31. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption in FRS 102, 33.2, and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Sales	-	-
Purchases	110	110
Loan funding (received)	(2,680)	(580)
New investment loans paid	2,819	97

At 30 September 2023, purchases from related parties comprised £75,000 from Pearce Tenens LLP, and £35,000 from Howard Tenens Distribution.

At 30 September 2023, the Group had provided interest bearing loans to the following directors of the Company: PE Morris £116,000 (2022 - £63,000), JM Beecham £8,000 (2022 - £20,000), BJ Morris £5,000 (2022 - £17,000) and DP Morris £NIL (2022 - £39,000). The loans bear interest at 3%-4% per annum.

---

**HOWARD TENENS LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**


---

**33. RELATED PARTY TRANSACTIONS (CONTINUED)**

The group has provided long term loans to and received loans due on demand (from) the following connected companies/individuals:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
PE Morris	(2,377)	(2,733)
BJ Morris	(259)	(800)
DC Morris	(250)	(250)
EJ Lucas	(250)	(250)
Pearce Tenens LLP (see note 15)	3,525	3,285
Tenens (Lakeside) Limited	(5,500)	(5,500)
Tenens Associates Limited	(1,500)	-
The Peter Morris 1995 Settlement Trust	(765)	(400)
The Peter Morris 2004 Discretionary Trust	(1,070)	(885)
The Peter Morris 2017 Trust	(2,073)	(1,443)
Tenens PTC Limited	(260)	(260)

Please refer to note 22 Loans for those loans received.

Pearce Tenens LLP is a related party by virtue of the Company being a 50% member of the LLP. Interest is charged at 3% plus the Company's external funding costs. This loan has been impaired in the year (see Note 15).

Each of the trusts are shareholders in the Company and Tenens PTC Limited is the trustee of said trusts, making them all related parties.

**32. CAPITAL COMMITMENTS**

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Contracted for but not provided for - Fleet vehicles	10,334	5,219
	<u>10,334</u>	<u>5,219</u>

Capital commitments comprise £10,334,000 (2022 - £5,219,000) of Howard Tenens Logistics fleet vehicles that have been ordered and committed, with delivery expected in stages between November 2023 and July 2025.

---

**HOWARD TENENS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 September 2023**

---

**33. CONTROLLING PARTY**

The parent company of HTL is Tenens PTC Limited.

The ultimate controlling party is PE Morris.

The registered office of Tenens PTC Limited is Tenens House, Kingfisher Business Park, London Road, Thrupp, Stroud, Gloucestershire GL5 2BY.