

**PALL-EX (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 JULY 2015**

TUESDAY



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COMPANIES HOUSE

# **PALL-EX (UK) LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015**

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**PALL-EX (UK) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

Mr K Buchanan  
Mr G M Gillo FCA, CMILT  
Mrs H L Devey

**Registered office**

Pall-Ex House  
Victoria Road  
Ellistown  
Leicestershire  
LE67 1FH

**Bankers**

HSBC Bank PLC  
Penman Way  
Grove Park  
Enderby  
Leicester  
LE19 1SY

Santander PLC  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Suite A, 7<sup>th</sup> Floor  
City Gate East  
Toll House Hill  
Nottingham  
NG1 5FS

# PALL-EX (UK) LIMITED

## STRATEGIC REPORT

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

The principal activity of the company during the period was the operation of a pallet network in the UK and the provision of distribution and logistics services.

#### Business review

During the course of the period there was a general improvement in volumes experienced in the sector in which the company operates. From 1 July 2014 the operations of Pall-Ex Logistics Limited and certain management functions from Pall-Ex Holdings Limited were transferred to the company as part of a group reorganisation.

As a result, turnover increased significantly from £52.7 million in the year to 31 January 2014 to £88.0 million in the 18 months to 31 July 2015 with margins declining to 14.6% (2014: 15.3%).

During the period, principally as a result of the reorganisation, the overhead base of the company also increased significantly. During the period the company incurred significant costs in respect of providing coverage in parts of the UK.

The directors believe that growth delivered will continue in 2015/16 but at a lower rate than 2014/15.

#### Future developments

The company continues to consider opportunities in those markets where they exist.

#### Financial risk management objective and policies

The directors have assessed the main risks facing the business as being its dependency on the performance of the UK economy, and credit risk. The company provides services to businesses primarily in the UK and is therefore heavily dependent on the performance of the UK economy. The principal credit risk arises from the company's trade debtors. In order to manage this risk, credit terms are set for new customers and regularly reviewed for existing customers. The company finances its business through a combination of bank funding and shareholder funds. The impact of any fluctuation in the bank interest rate is insignificant.

The company makes little use of financial instruments other than an operational bank account and hire purchase contracts, and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Signed on behalf of the directors

Mr K Buchanan  
Director

Approved by the directors on 31/5/16

# **PALL-EX (UK) LIMITED**

## **DIRECTORS' REPORT**

### **PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015**

The directors present their report and the financial statements of the company for the period from 1 February 2014 to 31 July 2015.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £537,000. The directors have not recommended a dividend.

#### **Directors**

The directors who served the company during the period were as follows:

Mr K Buchanan  
Mr A P Assi  
Mr A S Russell  
Mr C H Tancock  
Mr G M Gillo  
Mrs H L Devey  
Mr M P Field  
Mr F Macneill

Mr K Buchanan was appointed as a director on 24 November 2014.

Mr G M Gillo was appointed as a director on 22 July 2015.

Mr F Macneill resigned as a director on 12 September 2014.

Mr M P Field resigned as a director on 24 May 2016.

Mr A S Russell resigned as a director on 24 May 2016.

Mr A P Assi resigned as a director on 24 May 2016.

Mr C H Tancock resigned as a director on 24 May 2016.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# PALL-EX (UK) LIMITED

## DIRECTORS' REPORT *(continued)*

**PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015**

### Donations

During the period the company made the following contributions:

	Period to 31 July 2015 £	Year to 31 January 2014 £
Charitable	<u>4,352</u>	<u>-</u>

### Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors's Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

### Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) be reappointed as auditors of the company will be put at a General Meeting.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

Mr K Buchanan  
Director

Approved by the directors on 31/5/16

Company Registration Number: 3155761

**PALL-EX (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**PALL-EX (UK) LIMITED**  
**PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015**

We have audited the financial statements on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# PALL-EX (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PALL-EX (UK) LIMITED *(continued)*

PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

### Matters on which we are required to report by exception

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

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

*RSM UK Audit LLP*

Richard King (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

7<sup>th</sup> Floor

City Gate East

Toll House Hill

Nottingham

NG1 5FS

*31 May 2016*



**PALL-EX (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015**

	Note	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
<b>Turnover</b>	<b>2</b>	<b>87,975</b>	52,748
Cost of sales		<u>75,124</u>	<u>44,674</u>
<b>Gross profit</b>		<b>12,851</b>	8,074
Administrative expenses (including exceptional items of £524,000)		<u>13,313</u>	<u>7,705</u>
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(462)</b>	369
Interest receivable		1	-
Interest payable and similar charges	<b>6</b>	<u>(13)</u>	<u>(10)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(474)</b>	359
Tax on (loss)/profit on ordinary activities	<b>7</b>	<b>63</b>	95
<b>(Loss)/profit for the financial period</b>		<u><b>(537)</b></u>	<u>264</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 9 to 19 form part of these financial statements.

# PALL-EX (UK) LIMITED

## BALANCE SHEET

31 JULY 2015

	Note	£000	31 Jul 15 £000	31 Jan 14 £000
<b>Fixed assets</b>				
Tangible assets	9		586	196
Investments	10		766	—
			<u>1,352</u>	<u>196</u>
<b>Current assets</b>				
Stocks	11	60		39
Debtors	12	14,347		9,919
Cash at bank		2		26
		<u>14,409</u>		<u>9,984</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>14,223</u>		<u>8,192</u>
<b>Net current assets</b>			<u>186</u>	<u>1,792</u>
<b>Total assets less current liabilities</b>			<u>1,538</u>	<u>1,988</u>
<b>Creditors: Amounts falling due after more than one year</b>	14		41	15
<b>Provisions for liabilities</b>				
Deferred taxation	16		61	—
			<u>1,436</u>	<u>1,973</u>
<b>Capital and reserves</b>				
Called up equity share capital	20		1	1
Profit and loss account	21		1,435	1,972
<b>Shareholder's funds</b>	22		<u>1,436</u>	<u>1,973</u>

These accounts were approved by the directors and authorised for issue on 31/5/16, and are signed on their behalf by:

Mr K Buchanan  
Director

Company Registration Number: 3155761

The notes on pages 9 to 19 form part of these financial statements.

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### Turnover

The turnover shown in the profit and loss account primarily represents amounts earned for freight moved during the year.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	20% - 25% straight line
Fixtures & Fittings	-	20% - 33.3% straight line
Motor Vehicles	-	20% - 25% straight line

#### Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

### 1. Accounting policies *(continued)*

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Instalments payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

### 1. Accounting policies *(continued)*

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

#### Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
United Kingdom	<u>87,975</u>	<u>52,748</u>

### 3. Operating profit

Operating profit is stated after charging/(crediting):

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Depreciation of owned fixed assets	386	23
Depreciation of assets held under hire purchase agreements	29	51
(Profit)/Loss on disposal of fixed assets	(5)	5
Auditor's remuneration		
- as auditor	64	3
Operating lease costs:		
- Plant and equipment	521	279
Net loss on foreign currency translation	2	-
Exceptional items	<u>524</u>	<u>-</u>

Exceptional items of £524,000 have been incurred relating to provisions made against balances no longer considered recoverable.

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 4. Particulars of employees

The average number of persons employed by the company during the financial period, including the directors, amounted to 140 (2014 - 99).

The aggregate payroll costs of the above were:

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Wages and salaries	4,768	2,166
Social security costs	474	192
Other pension costs	108	42
	<u>5,350</u>	<u>2,400</u>

#### 5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Remuneration receivable	217	155
Value of company pension contributions to money purchase schemes	22	8
	<u>239</u>	<u>163</u>

#### Remuneration of highest paid director:

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Total remuneration (excluding pension contributions)	164	83
Company pension contributions to money purchase schemes	<u>16</u>	<u>5</u>
	<u>180</u>	<u>88</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 1 Feb 14 to 31 Jul 15 No	Year to 31 Jan 14 No
Money purchase schemes	<u>2</u>	<u>2</u>

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 6. Interest payable and similar charges

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Interest payable on bank borrowing	1	2
Finance charges	7	8
Other similar charges payable	5	-
	<u>13</u>	<u>10</u>

#### 7. Taxation on ordinary activities

##### (a) Analysis of charge in the period

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 21% (2014 - 23%)	-	90
Under provision in prior year	2	5
Total current tax	<u>2</u>	<u>95</u>
Deferred tax:		
Origination and reversal of timing differences	61	-
Tax on profit on ordinary activities	<u>63</u>	<u>95</u>

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 7. Taxation on ordinary activities *(continued)*

##### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
(Loss)/profit on ordinary activities before taxation	<u>(474)</u>	<u>359</u>
Profit on ordinary activities by rate of tax	(99)	83
Expenses not deductible for tax purposes	5	-
Capital allowances for period in excess of depreciation	(7)	5
Tax chargeable at lower rates	-	1
Adjustments to tax charge in respect of previous periods	2	5
Group relief	<u>101</u>	<u>1</u>
Total current tax (note 7(a))	<u>2</u>	<u>95</u>

##### (c) Factors that may affect future tax charges

From 1 April 2015, the UK taxation rate has been 20%. Legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 was enacted in October 2015.

#### 8. Dividends

##### Equity dividends

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Paid during the year:		
Equity dividends on ordinary shares	<u>-</u>	<u>450</u>



# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

### 9. Tangible assets

	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 February 2014	386	27	247	660
Additions	287	86	46	419
Disposals	—	—	(102)	(102)
Transfers	170	213	19	402
<b>At 31 July 2015</b>	<b>843</b>	<b>326</b>	<b>210</b>	<b>1,379</b>
<b>Depreciation</b>				
At 1 February 2014	314	25	125	464
Charge for the period	134	200	81	415
On disposals	—	—	(86)	(86)
<b>At 31 July 2015</b>	<b>448</b>	<b>225</b>	<b>120</b>	<b>793</b>
<b>Net book value</b>				
<b>At 31 July 2015</b>	<b>395</b>	<b>101</b>	<b>90</b>	<b>586</b>
At 31 January 2014	72	2	122	196

#### Hire purchase agreements

Included within the net book value of £586,000 is £107,000 (2014 - £96,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £29,000 (2014 - £51,000).

### 10. Investments

	Subsidiaries £000	Associates £000	Total £000
<b>Cost</b>			
Additions	764	2	766
<b>At 31 July 2015</b>	<b>764</b>	<b>2</b>	<b>766</b>
<b>Net book value</b>			
<b>At 31 July 2015</b>	<b>764</b>	<b>2</b>	<b>766</b>
At 31 January 2014	—	—	—

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 10. Investments *(continued)*

On 22 July 2015 as a result of a group restructuring the company acquired the following subsidiaries and associates.

The investment in group companies represents 100% of the ordinary share capital of the following companies, all of whom are incorporated in England & Wales:

Name	Principal activity
Pall-Ex Logistics Limited	Dormant
Pall-Ex Property Limited	Property Management
Pall-Ex Nottingham Limited	Dormant
Pall-IT Limited	Dormant
Intercounty Distribution Limited	Logistics and distribution

The associates comprise of a 20% holding in the ordinary share capital of Pall-Ex South-West Limited and a 26% holding in the ordinary share capital of Shears Brothers (Transport) Limited. Pall-Ex South-West Limited and Shears Brothers (Transport) Limited are incorporated in England & Wales. The principal activity of Pall-Ex South-West Limited and Shears Brothers (Transport) Limited is that of logistics and distribution. Pall-Ex South-West Limited draws up its financial statements to 31 October each year. Shears Brothers (Transport) Limited draws up its financial statements to 30 November each year. At 31 July the aggregate capital and reserves of Shears Brothers (Transport) Limited was £(242,873) and the loss for the period ended 31 July 2015 was £154,300.

#### 11. Stocks

	31 Jul 15	31 Jan 14
	£000	£000
Finished goods	<u>60</u>	<u>39</u>

#### 12. Debtors

	31 Jul 15	31 Jan 14
	£000	£000
Trade debtors	12,576	8,767
Amounts owed by group undertakings	247	970
Amounts owed by undertakings in which the company has a participating interest	456	70
Other debtors	123	89
Prepayments and accrued income	945	23
	<u>14,347</u>	<u>9,919</u>

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 13. Creditors: Amounts falling due within one year

	31 Jul 15	31 Jan 14
	£000	£000
Trade creditors	11,485	7,599
Amounts owed to group undertakings	2,118	–
Corporation tax	–	193
Other taxation and social security	246	59
Hire purchase agreements	35	45
Other creditors	13	250
Accruals and deferred income	326	46
	<u>14,223</u>	<u>8,192</u>

The amounts owed to hire purchase creditors are secured on the assets to which the finance relates.

#### 14. Creditors: Amounts falling due after more than one year

	31 Jul 15	31 Jan 14
	£000	£000
Hire purchase agreements	<u>41</u>	<u>15</u>

The amounts owed to hire purchase creditors are secured on the assets to which the finance relates.

#### 15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	31 Jul 15	31 Jan 14
	£000	£000
Amounts payable within 1 year	35	45
Amounts payable between 1 and 2 years	27	12
Amounts payable between 3 and 5 years	14	3
	<u>76</u>	<u>60</u>
Hire purchase agreements are analysed as follows:		
Current obligations	35	45
Non-current obligations	41	15
	<u>76</u>	<u>60</u>

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 16. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Profit and loss account movement arising during the period	61	-
Provision carried forward	61	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31 Jul 15 £000	31 Jan 14 £000
Excess of taxation allowances over depreciation on fixed assets	61	-
	61	-

#### 17. Derivatives

The company has no financial instruments that fall to be classified as derivatives.

#### 18. Contingencies

The company has guaranteed the bank facilities of HLD Holdings Limited, Pall-Ex International Limited, Pall-Ex Logistics Limited, Pall-Ex Properties Limited, Pall-IT Limited and Pall-Ex Nottingham Limited. At the year end these group companies had borrowings of £NIL (2014: £551,929).

#### 19. Related party transactions

The company is a wholly owned subsidiary of Pall-Ex Group Limited which is itself ultimately owned by HLD Holdings Limited. HLD Holdings Limited has prepared consolidated financial statements for the year ended 31 July 2015 and therefore, the company has relied on the exemptions contained within Financial Reporting Standard 8 in respect of the disclosure of related party transactions within the group.

The company is related to Pall-Ex South-West Limited by virtue of its 20% interest in the shares of Pall-Ex South-West Limited. During the period, the company sold services amounting to £1,155,091 (2014: £687,832) to, and purchased services amounting to £1,645,402 (2014: £1,150,820) from, Pall-Ex South-West Limited. At 31 July 2015 an amount £167,662 (2014: £104,351) was owed by and an amount of £304,909 (2014: £197,579) was owed to Pall-Ex South-West Limited.

The company is related to Shears Brothers (Transport) Limited by virtue of its 26% interest in the ordinary shares of Shears Brothers (Transport) Limited. During the period, the company sold services amounting to £1,029,282 (2014: £693,398) to, and purchased services amounting to £1,903,446 (2014: £905,994) from, Shears Brothers (Transport) Limited. At 31 July 2015 an amount £557,998 (2014: £350,238) was owed by and an amount of £282,495 (2014: £149,123) was owed to Shears Brothers (Transport) Limited.

# PALL-EX (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 FEBRUARY 2014 TO 31 JULY 2015

#### 20. Share capital

Allotted, called up and fully paid:

	31 Jul 15		31 Jan 14	
	No	£000	No	£000
Ordinary shares of £1 each	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>

#### 21. Profit and loss account

	Period from 1 Feb 14 to 31 Jul 15 £000	Year to 31 Jan 14 £000
Balance brought forward	1,972	2,158
(Loss)/profit for the financial period	(537)	264
Equity dividends	–	(450)
Balance carried forward	<u>1,435</u>	<u>1,972</u>

#### 22. Reconciliation of movements in shareholder's funds

	31 Jul 15 £000	31 Jan 14 £000
(Loss)/profit for the financial period	(537)	264
Equity dividends	–	(450)
Net reduction to shareholder's funds	(537)	(186)
Opening shareholder's funds	<u>1,973</u>	<u>2,159</u>
Closing shareholder's funds	<u>1,436</u>	<u>1,973</u>

#### 23. Acquisition

On 1 July 2014, the company acquired the trade and assets of Pall-Ex Logistics Limited, a fellow subsidiary company of HLD Holdings Limited, for consideration of £2,118,000. At the acquisition date, the fair value of the assets acquired was equal to the book carrying value of £2,118,000 and consisted of £766,000 of investments in subsidiary undertakings, £402,000 of tangible fixed assets and £950,000 of net current assets.

#### 24. Ultimate parent company and ultimate controlling party

The company is controlled by Mrs H L Devey, by way of her 100% interest in the share capital of the company's ultimate holding company, HLD Holdings Limited. HLD Holdings Limited is incorporated in England and Wales and the financial statements for that company can be obtained from Companies House.

HLD Holdings Limited is the smallest and largest group in which these results are consolidated.