

Registered number: 08080040

Pellet Systems Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 May 2019

Chartered Accountants' Report to the Director on the preparation of the Unaudited Statutory Financial Statements of Pellet Systems Limited for the Year Ended 31 May 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pellet Systems Limited for the year ended 31 May 2019 which comprise the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the director of Pellet Systems Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Pellet Systems Limited and state those matters that we have agreed to state to the director of Pellet Systems Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pellet Systems Limited and its director for our work or for this report.

It is your duty to ensure that Pellet Systems Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Pellet Systems Limited. You consider that Pellet Systems Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Pellet Systems Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

Chartered Accountants

37 St Margaret's Street

Canterbury

Kent

CT1 2TU

28 February 2020

Balance Sheet
As at 31 May 2019

	Note	2019 £	2018 £
Current assets			
Stocks		115	-
Debtors: amounts falling due within one year	4	6,107	-
Cash at bank and in hand		249	88
		<u>6,471</u>	<u>88</u>
Creditors: amounts falling due within one year	5	(15,714)	(24,777)
Net current liabilities		(9,243)	(24,689)
Total assets less current liabilities		(9,243)	(24,689)
Net liabilities		(9,243)	(24,689)
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account		(9,245)	(24,691)
		<u>(9,243)</u>	<u>(24,689)</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2020.

S M Sillibourne
Director

The notes on pages 3 to 6 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 May 2019**

1. General information

Pellet System Limited is a private company limited by shares and incorporated in England and Wales. The registered trading address is 37 St. Margarets Street, Canterbury, Kent, England, CT1 2TU.

The financial statements are presented in Pounds Sterling and rounded to the nearest pound.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The director has confirmed that they will continue to give financial support to the company until such time as its position improves. In addition the director has confirmed that they will not recall their loans within 12 months. The directors consider that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the financial support were withdrawn.

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

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

**Notes to the Financial Statements
For the Year Ended 31 May 2019**

2. Accounting policies (continued)

2.4 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.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

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.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 May 2019**

2. Accounting policies (continued)

2.9 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 the Statement of Income and Retained Earnings 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 Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2018 - 1).

4. Debtors

	2019	2018
	£	£
Trade debtors	1,057	-
Other debtors	4,500	-
Prepayments and accrued income	550	-
	6,107	-

**Notes to the Financial Statements
For the Year Ended 31 May 2019**

5. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	919	-
Other taxation and social security	535	-
Other creditors	12,460	24,777
Accruals and deferred income	1,800	-
	<u>15,714</u>	<u>24,777</u>

6. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

7. Controlling party

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.