

Statement of Consent to Prepare Abridged Financial Statements

All of the members of Pallet Logistics Limited have consented to the preparation of the abridged statement of income and retained earnings and the abridged statement of financial position for the year ending 31 March 2017 in accordance with Section 444(2A) of the Companies Act 2006.

COMPANY REGISTRATION NUMBER: SC183528

Pallet Logistics Limited

Filleted Unaudited Abridged Financial Statements

31 March 2017

Pallet Logistics Limited
Abridged Financial Statements

Year ended 31 March 2017

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Pallet Logistics Limited
Officers and Professional Advisers

The board of directors

A Gibson
R W MacLean
N R Scott
T J Trotter

Registered office

Unit 7
Halbeath Interchange Business Park
Kingseat Road
Halbeath
Dunfermline
KY11 8RY

Accountants

FourM Limited
Chartered Accountants
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

Bankers

The Royal Bank of Scotland
23-25 Rosslyn Street
Kirkcaldy
KY1 3HA

Pallet Logistics Limited
Abridged Statement of Financial Position

31 March 2017

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	7	1,106,464	1,324,157
Investments	8	101,400	660,000
		-----	-----
		1,207,864	1,984,157
Current assets			
Stocks		522,664	387,967
Debtors		1,172,012	1,117,310
Cash at bank and in hand		494,366	232,791
		-----	-----
		2,189,042	1,738,068
Creditors: amounts falling due within one year	9	1,453,509	1,272,010
		-----	-----
Net current assets		735,533	466,058
		-----	-----
Total assets less current liabilities		1,943,397	2,450,215
Creditors: amounts falling due after more than one year	10	333,379	329,975
Provisions for liabilities			
Deferred taxation		146,067	138,351
		-----	-----
Net assets		1,463,951	1,981,889
		-----	-----

Pallet Logistics Limited

Abridged Statement of Financial Position *(continued)*

31 March 2017

		2017	2016
	Note	£	£
Capital and reserves			
Called up share capital	12	10,000	10,000
Other reserves		20,000	20,000
Profit and loss account	13	1,433,951	1,951,889
		-----	-----
Members funds		1,463,951	1,981,889
		-----	-----

These abridged financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the abridged statement of income and retained earnings has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements .

These abridged financial statements were approved by the board of directors and authorised for issue on 19 December 2017 , and are signed on behalf of the board by:

N R Scott Director

Company registration number: SC183528

Pallet Logistics Limited

Notes to the Abridged Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Unit 7, Halbeath Interchange Business Park, Kingseat Road, Halbeath, Dunfermline, KY11 8RY.

2. Statement of compliance

These abridged financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 17.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The turnover in the Statement of Income and Retained Earnings represents the sale of pallets and associated goods during the year, exclusive of Value Added Tax. Income is recognised on the delivery of the goods to the customer.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis. Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. .

Depreciation

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

Freehold property	-	2% straight line
Plant and machinery	-	14%-33% Straight line
Motor vehicles	-	20% straight line
Office equipment	-	20% straight line

Investments

Investments held as fixed assets are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its costs or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

Investment income is recognised in the financial statement when the company becomes entitled to its share of profit from the fixed asset investment.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the abridged statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the abridged statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 53 (2016: 45).

5. Director remuneration

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

	2017	2016
	£	£
Remuneration	8,060	24,877

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

	2017	2016
	No.	No.
Defined contribution plans	1	1

6. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	121,114	68,607
Adjustments in respect of prior periods	15,000	—
Total current tax	136,114	68,607
Deferred tax:		
Origination and reversal of timing differences	7,715	63,956
Tax on profit	143,829	132,563

7. Tangible assets

	£
Cost	
At 1 April 2016	3,492,986
Additions	465,833
Disposals	(560,279)
At 31 March 2017	3,398,540
Depreciation	
At 1 April 2016	2,168,829
Charge for the year	254,621
Disposals	(131,374)
At 31 March 2017	2,292,076
Carrying amount	
At 31 March 2017	1,106,464
At 31 March 2016	1,324,157
Capital commitments	
	2017
	£
Contracted for but not provided for in the abridged financial statements	—

8. Investments

	£
Cost	
At 1 April 2016	660,000
Disposals	(558,600)

At 31 March 2017	101,400

Impairment	
At 1 April 2016 and 31 March 2017	—

Carrying amount	
At 31 March 2017	101,400

At 31 March 2016	660,000

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	—	21,350
Trade creditors	937,230	714,930
Accruals and deferred income	85,124	46,900
Corporation tax	136,114	68,607
Social security and other taxes	126,317	129,872
Obligations under finance leases and hire purchase contracts	168,274	167,857
Director loan accounts	—	116,769
Other creditors	450	5,725
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	1,453,509	1,272,010
	-----	-----

10. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	—	21,837
Obligations under finance leases and hire purchase contracts	333,379	308,138
	-----	-----
	333,379	329,975
	-----	-----

11. Deferred tax

The deferred tax included in the abridged statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions for liabilities	146,067	138,351
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	146,067	138,351
	-----	-----

12. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £ 1 each	10,000	10,000	10,000	10,000
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13. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company . Profit and loss account - This reserve records retained earnings and accumulated losses.

14. Operating leases

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

	2017	2016
	£	£
Later than 1 year and not later than 5 years	255,717	22,868

15. Related party transactions

Under the terms of a settlement with HMRC, an investment held by the company was commuted in value by £548,600 and this amount was treated as a dividend to Mr M Went, previously a director of the company. Including this amount, Mr M Went received dividends of £580,255 (2016 - £12,157). Shefer Limited, a company owned and controlled by Mr M Went, acquired the company's freehold land and buildings as well as an investment owned by company at their market values. Subsequently, the balance due by Shefer Limited of £660,000, which arose as a result of these transactions, was written off. These transactions are reflected in these accounts.

16. Controlling party

The company was under the control of Mr M Went until 15 June 2017 when the entire share capital was purchased by Scott Timber Ltd . Following the share transfer, the company was under the control of John Scott and Norman Scott who are the owners of the ultimate parent company, Scott Group Investments Ltd.

17. Transition to FRS 102

These are the first abridged financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity

	1 April 2015			31 March 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	1,712,814	—	1,712,814	1,984,157	—	1,984,157
Current assets	1,754,061	—	1,754,061	1,738,068	—	1,738,068
Creditors: amounts falling due within one year	(1,696,060)	(15,376)	(1,711,436)	(1,252,848)	(19,162)	(1,272,010)
Net current assets	58,001	(15,376)	42,625	485,220	(19,162)	466,058
Total assets less current liabilities	1,770,815	(15,376)	1,755,439	2,469,377	(19,162)	2,450,215
Creditors: amounts falling due after more than one year	(203,888)	(4,147)	(208,035)	(325,767)	(4,208)	(329,975)
Provisions for liabilities	(74,395)	—	(74,395)	(138,351)	—	(138,351)
Net assets	1,492,532	(19,523)	1,473,009	2,005,260	(23,371)	1,981,889
Capital and reserves	1,492,532	(19,523)	1,473,009	2,005,260	(23,371)	1,981,889

FRS102 requires that an accrual for holiday pay entitlement earned but not taken at the year end requires to be recognised as a liability. This has resulted in an additional charge of £15,376 being recognised at the transition date. FRS102 requires that interest due on financial liabilities must be calculated using the effective interest method. This has resulted in an additional interest charge and increase to the hire purchase liability of £4,147 at the transition date, together with an additional £3,848 increase at 31 March 2016 in order to restate the comparative figures in accordance with FRS102.

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.