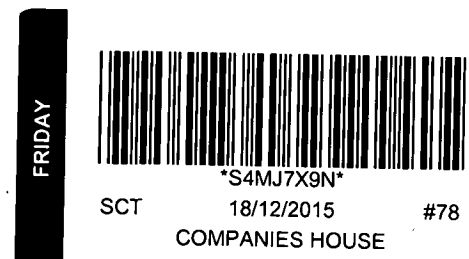


PALLET LOGISTICS LIMITED
ABBREVIATED ACCOUNTS
31 MARCH 2015



FOURM LIMITED
Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

PALLET LOGISTICS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2015

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PALLET LOGISTICS LIMITED
INDEPENDENT AUDITOR'S REPORT TO PALLET LOGISTICS
LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Pallet Logistics Limited for the year ended 31 March 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

PALLET LOGISTICS LIMITED
INDEPENDENT AUDITOR'S REPORT TO PALLET LOGISTICS
LIMITED *(continued)*

UNDER SECTION 449 OF THE COMPANIES ACT 2006

OTHER INFORMATION

On 11 December 2015 we reported as auditor to the members of the company on the full financial statements prepared under Section 396 of the Companies Act 2006 and our report was as follows:

We have audited the financial statements of Pallet Logistics Limited for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

With respect to stock having a carrying value of £569,910 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2015, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

QUALIFIED OPINION

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

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

OTHER MATTER

The comparative figures stated in the current year financial statements were unaudited, as there was no requirement to audit the year ended 31 March 2014 financial statements.

PALLET LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO PALLET LOGISTICS LIMITED (continued)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in 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

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



Karen Henderson, MCIBS, BA(HONS), CA
(Senior Statutory Auditor)

For and on behalf of
FourM Limited
Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

11 December 2015

PALLET LOGISTICS LIMITED

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS	2		
Tangible assets		1,052,814	1,132,891
Investments		660,000	-
		<u>1,712,814</u>	<u>1,132,891</u>
CURRENT ASSETS			
Stocks		569,910	517,588
Debtors		1,177,684	1,155,488
Cash at bank and in hand		6,467	-
		<u>1,754,061</u>	<u>1,673,076</u>
CREDITORS: Amounts falling due within one year	3	<u>1,696,059</u>	<u>1,233,502</u>
NET CURRENT ASSETS		<u>58,002</u>	<u>439,574</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,770,816</u>	<u>1,572,465</u>
CREDITORS: Amounts falling due after more than one year	4	203,889	273,546
PROVISIONS FOR LIABILITIES		74,395	61,682
		<u>1,492,532</u>	<u>1,237,237</u>
CAPITAL AND RESERVES			
Called up equity share capital	6	10,000	10,000
Other reserves		20,000	20,000
Profit and loss account		1,462,532	1,207,237
SHAREHOLDERS' FUNDS		<u>1,492,532</u>	<u>1,237,237</u>

The Balance sheet continues on the following page.

The notes on pages 6 to 9 form part of these financial statements.

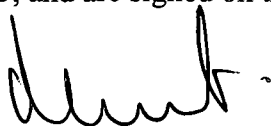
PALLET LOGISTICS LIMITED

BALANCE SHEET *(continued)*

31 MARCH 2015

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These accounts were approved by the directors and authorised for issue on 11 December 2015, and are signed on their behalf by:



Mr M. Went
Director

Company Registration Number: SC183528

The notes on pages 6 to 9 form part of these financial statements.

PALLET LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

The turnover in the profit and loss account 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.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Freehold Property	-	2% Straight line
Plant & Machinery	-	14%-33% Straight line
Motor Vehicles	-	20% Straight line
Office Equipment	-	20% Straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

PALLET LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

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 for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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.

Fixed asset 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 cost 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 profits from the fixed asset investment.

PALLET LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST			
At 1 April 2014	2,920,531	–	2,920,531
Additions	179,210	660,000	839,210
At 31 March 2015	<u>3,099,741</u>	<u>660,000</u>	<u>3,759,741</u>
DEPRECIATION			
At 1 April 2014	1,787,640	–	1,787,640
Charge for year	259,287	–	259,287
At 31 March 2015	<u>2,046,927</u>	<u>–</u>	<u>2,046,927</u>
NET BOOK VALUE			
At 31 March 2015	<u>1,052,814</u>	<u>660,000</u>	<u>1,712,814</u>
At 31 March 2014	<u>1,132,891</u>	<u>–</u>	<u>1,132,891</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	2014
	£	£
Bank loans and overdrafts	<u>30,772</u>	<u>170,548</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015	2014
	£	£
Bank loans and overdrafts	<u>43,772</u>	<u>76,143</u>

PALLET LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

5. RELATED PARTY TRANSACTIONS

The company was under the control of Mr M. Went, the managing director and sole shareholder, throughout the current and previous year.

At the year end there is a directors current account balance of £514,125 due to Mr M. Went (2014 - £114,904 due from Mr M. Went). This is unsecured, interest free and has no fixed terms of repayment.

On 4 March 2015, the company purchased a trust interest in possession for consideration of £650,000. The directors consider that this was an arm's length transaction made at market value.

At 31 March 2015, Mr M. Went owed £650,000 to the trust in which the company holds an interest in possession. Interest is paid on the outstanding balance annually at the lower of 4% over Bank of England Base rate or 5%

Pallet Logistics Recycling Limited

Mr M. Went is a director and shareholder of Pallet Logistics Recycling Limited. At the year end, the company has provided a loan of £11,031 (2014 - £15,281) to Pallet Logistics Recycling Limited. This loan remains outstanding at the balance sheet date. This loan is due to be repaid within 12 months and is included in Other debtors in the above note 'Debtors'.

Also, during the current year, Pallet Logistics Recycling Limited invoiced the company £78,097 for goods and services supplied (2014 - the company invoiced Pallet Logistics Recycling Limited £28,828 for goods and services). At the balance sheet date, there is an outstanding balance of £39,079 due to Pallet Logistics Recycling Limited in relation to these transactions and this is included in the above note 'Creditors' (2014 - Pallet Logistics Recycling Limited was due to pay the company £13,447, which is included in the above note 'Debtors').

6. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>