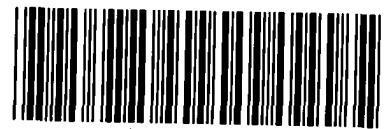


Financial Statements
for the Period 1 April 2017 to 31 December 2017
for
Pallet Logistics Limited

SATURDAY



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29/09/2018 #150
COMPANIES HOUSE

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for the Period 1 April 2017 to 31 December 2017**

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Pallet Logistics Limited

**Company Information
for the Period 1 April 2017 to 31 December 2017**

DIRECTORS:

Mrs T J Trotter
A Gibson
R Maclean
N R Scott

REGISTERED OFFICE:

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

REGISTERED NUMBER:

SC183528 (Scotland)

AUDITORS:

Campbell Dallas Audit Services
Accountants
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Balance Sheet
31 December 2017

| | | 2017 | | 2017 as restated | |
|--|-------|------------------|------------------|---------------------|------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 914,801 | | 1,535,369 |
| Investments | 5 | | <u>-</u> | | <u>101,400</u> |
| | | | 914,801 | | 1,636,769 |
| CURRENT ASSETS | | | | | |
| Stocks | | 503,334 | | 522,664 | |
| Debtors | 6 | 1,817,594 | | 1,172,012 | |
| Cash at bank and in hand | | <u>691,771</u> | | <u>494,366</u> | |
| | | 3,012,699 | | 2,189,042 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>2,018,165</u> | | <u>1,453,509</u> | |
| NET CURRENT ASSETS | | | <u>994,534</u> | | <u>735,533</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,909,335 | | 2,372,302 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 8 | | (167,974) | | (333,379) |
| PROVISIONS FOR LIABILITIES | | | <u>(99,924)</u> | | <u>(146,067)</u> |
| NET ASSETS | | | <u>1,641,437</u> | | <u>1,892,856</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 10,000 | | 10,000 |
| Capital redemption reserve | | | 20,000 | | 20,000 |
| Retained earnings | | | <u>1,611,437</u> | | <u>1,862,856</u> |
| SHAREHOLDERS' FUNDS | | | <u>1,641,437</u> | | <u>1,892,856</u> |

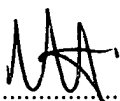

The notes form part of these financial statements

Balance Sheet - continued
31 December 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26/09/2018 and were signed on its behalf by:


.....

Director

**Notes to the Financial Statements
for the Period 1 April 2017 to 31 December 2017**

1. STATUTORY INFORMATION

Pallet Logistics Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

These financial statements cover a period of 9 months to 31 December 2017. The company shortened its accounting period from 31 March 2018 to align with its parent undertaking following a change of ownership during the period. As a result, the comparative figures are not entirely comparable.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of Financial Statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Turnover

Turnover is recognised when the risks and rewards of ownership have passed to the customer which is generally on delivery.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on cost and at varying rates on cost

Stocks

Raw material stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock. Cost is calculated on an average cost of purchase over a defined period plus carriage.

Finished goods include labour and attributable overheads and net realisable value is based on estimated selling price less additional costs to disposal.

**Notes to the Financial Statements - continued
for the Period 1 April 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of tax payable on income in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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 calculated 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.

The tax expense is presented either in profit or loss or other comprehensive income depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company pays contributions towards employees' pension schemes. Contributions are charged to the profit and loss account in the period to which they relate.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate, and receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

**Notes to the Financial Statements - continued
for the Period 1 April 2017 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 60 (2017 - 53).

4. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Totals £ |
|------------------------|----------------------------|------------------------------------|------------------|
| COST | | | |
| At 1 April 2017 | 560,279 | 3,398,540 | 3,958,819 |
| Additions | - | 897 | 897 |
| Disposals | <u>(560,279)</u> | <u>(205)</u> | <u>(560,484)</u> |
| At 31 December 2017 | <u>-</u> | <u>3,399,232</u> | <u>3,399,232</u> |
| DEPRECIATION | | | |
| At 1 April 2017 | 131,374 | 2,292,076 | 2,423,450 |
| Charge for period | 1,709 | 192,355 | 194,064 |
| Eliminated on disposal | <u>(133,083)</u> | <u>-</u> | <u>(133,083)</u> |
| At 31 December 2017 | <u>-</u> | <u>2,484,431</u> | <u>2,484,431</u> |
| NET BOOK VALUE | | | |
| At 31 December 2017 | <u>-</u> | <u>914,801</u> | <u>914,801</u> |
| At 31 March 2017 | <u>428,905</u> | <u>1,106,464</u> | <u>1,535,369</u> |

5. FIXED ASSET INVESTMENTS

| | Other investments £ |
|-----------------------|---------------------------|
| COST | |
| At 1 April 2017 | 101,400 |
| Disposals | <u>(101,400)</u> |
| At 31 December 2017 | <u>-</u> |
| NET BOOK VALUE | |
| At 31 December 2017 | <u>-</u> |
| At 31 March 2017 | <u>101,400</u> |

**Notes to the Financial Statements - continued
for the Period 1 April 2017 to 31 December 2017**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2017 as restated |
|---------------|------------------|---------------------|
| | £ | £ |
| Trade debtors | 1,755,138 | 1,142,982 |
| Other debtors | <u>62,456</u> | <u>29,030</u> |
| | <u>1,817,594</u> | <u>1,172,012</u> |

Included within trade debtors is £1,755,138 (March 2017 - £nil) which is subject to an invoice discounting arrangement.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2017 as restated |
|------------------------------------|------------------|---------------------|
| | £ | £ |
| Hire purchase contracts | 197,150 | 168,274 |
| Trade creditors | 766,559 | 937,230 |
| Amounts owed to group undertakings | 434,071 | - |
| Taxation and social security | 458,172 | 262,431 |
| Other creditors | <u>162,213</u> | <u>85,574</u> |
| | <u>2,018,165</u> | <u>1,453,509</u> |

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 | 2017 as restated |
|-------------------------|----------------|---------------------|
| | £ | £ |
| Hire purchase contracts | <u>167,974</u> | <u>333,379</u> |

9. SECURED DEBTS

The following secured debts are included within creditors:

| | 2017 | 2017 as restated |
|-------------------------|----------------|---------------------|
| | £ | £ |
| Hire purchase contracts | <u>365,124</u> | <u>501,653</u> |

At the year end HSBC Bank plc held a fixed and floating charge over the whole assets of the company together with cross guarantees and letters of offset between Pallet Logistics Limited and group companies: Scott Group Investments Limited; Scott Timber Limited; Scott Direct Limited; Scott Packaging Limited, HLC (Wood Products) Limited and Whirlowdale Trading Company Limited.

Hire purchase liabilities are secured over the assets they were used to acquire.

**Notes to the Financial Statements - continued
for the Period 1 April 2017 to 31 December 2017**

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion

Because we were appointed auditors of the Company after 31 March 2017, we were not able to observe the counting of the physical inventories at that date or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for 2017. Our opinion on the current period's financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services

The comparative figures shown in the financial statements are not audited.

11. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption provided by Paragraph 33.1A of Financial Reporting Standard 102 and accordingly has not disclosed any transactions with group undertakings.

Dividends of £105,400 (March 2017: £548,600) were paid to a former director of the company in the period.

During the period, freehold property was disposed of to a company under the control of a former director for a consideration of £650,000 in exchange for a related party receivable. The resultant related party receivable was written off to the profit and loss account in the period.

12. POST BALANCE SHEET EVENTS

On 19 March 2018, the company disposed of its trade and assets to Scott Timber Limited, the immediate parent company. The net assets were transferred for a consideration equal to the net book value in exchange for an intercompany loan.

13. ULTIMATE CONTROLLING PARTY

The immediate parent is Scott Timber Limited, a company registered in Scotland.

The ultimate parent is Scott Group Investments Limited, a company registered in Scotland.

The largest and smallest group into which the results of the company are consolidated is that headed by Scott Group Investments Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House.

No other group accounts include the results of the company.

The ultimate controlling party is J C Scott by virtue of his majority shareholding in Scott Group Investments Limited.