

PALLET LOGISTICS LIMITED
ABBREVIATED ACCOUNTS
31 MARCH 2005



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PALLET LOGISTICS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2005

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PALLET LOGISTICS LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS	2		
Tangible assets		<u>368,452</u>	<u>339,888</u>
CURRENT ASSETS			
Stocks		159,734	158,679
Debtors		511,976	431,051
Cash at bank and in hand		<u>316</u>	<u>200</u>
		672,026	589,930
CREDITORS: Amounts falling due within one year	3	<u>467,500</u>	<u>427,099</u>
NET CURRENT ASSETS		<u>204,526</u>	<u>162,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>572,978</u>	<u>502,719</u>
CREDITORS: Amounts falling due after more than one year	4	259,680	267,535
PROVISIONS FOR LIABILITIES AND CHARGES		<u>5,010</u>	<u>6,077</u>
		<u>308,288</u>	<u>229,107</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	20,000	20,000
Other reserves		10,000	10,000
Profit and loss account		<u>278,288</u>	<u>199,107</u>
SHAREHOLDERS' FUNDS		<u>308,288</u>	<u>229,107</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 30 September 2005 and are signed on their behalf by:

MR M. WENT



The notes on pages 2 to 4 form part of these abbreviated accounts.

PALLET LOGISTICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

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 June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

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	- 25% 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 with 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.

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.

PALLET LOGISTICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES *(continued)*

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.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 April 2004	632,410
Additions	109,740
At 31 March 2005	<u>742,150</u>
DEPRECIATION	
At 1 April 2004	292,522
Charge for year	81,176
At 31 March 2005	<u>373,698</u>
NET BOOK VALUE	
At 31 March 2005	<u>368,452</u>
At 31 March 2004	<u>339,888</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:

	2005 £	2004 £
Bank loans and overdrafts	<u>121,930</u>	<u>56,006</u>

PALLET LOGISTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2005

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:

	2005	2004
	£	£
Bank loans and overdrafts	<u>251,647</u>	<u>267,535</u>

Included within creditors falling due after more than one year is an amount of £171,647 (2004 - £126,867) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. RELATED PARTY TRANSACTIONS

The company obtained legal services throughout the year on a normal commercial basis from the Grant Smith Law Practice. The company is associated with the Grant Smith Law Practice by virtue of Mrs S. Ritchie being a director of the company as well as a partner in the law practice.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities.

6. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>