

All Pallets Limited

Registered number: 02794548

Annual Report

For the year ended 31 May 2020

ALL PALLETS LIMITED

COMPANY INFORMATION

Directors	J W Hardisty C J Adam
Company secretary	J W Hardisty
Registered number	02794548
Registered office	C/O Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1FF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

ALL PALLETS LIMITED

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ALL PALLETS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2020**

The directors present their report and the audited financial statements for the year ended 31 May 2020.

Principal activity

The principal activity of the company is the sale of plastic pallets and RPTP, across the UK, working as sole distributors for four of mainland Europe's largest manufacturers of these products, with some further sales of products supplied by ad-hoc UK suppliers.

Results and dividends

The profit for the year, after taxation, amounted to £353,915 (2019: profit of £480,924).

Dividends of £367,430 were paid in the year (2019: £686,000).

Directors

The directors who served during the year and to the date of this report were:

J W Hardisty
C J Adam

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that these events will have on the company. The directors have continued to prepare the financial statements on the going concern basis.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. No claim or notice of claim in respect of these indemnities has been received in the period.

The withdrawal of the United Kingdom from the European Union

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks by closely monitoring developments, and are confident that the company and its subsidiaries will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

Coronavirus and the COVID-19 pandemic

The impact of the Coronavirus outbreak is not yet clear and at the date of this report it is not possible to evaluate all potential implications for the company's trade, customers, and suppliers. The directors consider that depending on the effect of the pandemic as well as government responses to it, the company may face different economic scenarios such as a slowdown or recession. This may directly affect the trade of the company. The directors are actively analysing possible consequences whilst directing the company's response to mitigate these risks. Their principal objectives are to protect the health and safety of personnel in the performance of their duties, ensure the continuity of operations, and to fully cooperate with public authorities on all matters within their scope.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

Between the year end and the date of this report, the COVID-19 pandemic emerged globally. The directors note that between the year end and the date of this report, the effects of the COVID-19 pandemic continue to develop. For more detail regarding the directors' view of this event please refer above.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ALL PALLETS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

J W Hardisty
Director

Date: 22 September 2020

ALL PALLETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALL PALLETS LIMITED

Opinion

We have audited the financial statements of All Pallets Limited (the 'company') for the year ended 31 May 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ALL PALLETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALL PALLETS LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

ALL PALLETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALL PALLETS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Elisabeth Maxwell (Senior statutory auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

28 September 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020**

	Note	2020 £	2019 £
Turnover		11,708,220	12,873,761
Cost of sales		<u>(9,161,354)</u>	<u>(10,114,780)</u>
Gross profit		2,546,866	2,758,981
Administrative expenses		<u>(2,104,165)</u>	<u>(2,146,994)</u>
Operating profit		442,701	611,987
Interest payable and similar expenses		<u>(3,206)</u>	<u>(2,699)</u>
Profit before tax		439,495	609,288
Tax on profit	7	<u>(85,580)</u>	<u>(128,364)</u>
Profit for the financial year		<u>353,915</u>	<u>480,924</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>353,915</u>	<u>480,924</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	296,369	210,078
Investments	10	-	1
		<u>296,369</u>	<u>210,079</u>
Current assets			
Stocks	11	884,208	756,159
Debtors: amounts falling due within one year	12	1,535,000	2,105,257
Cash at bank and in hand		1,142,082	822,334
		<u>3,561,290</u>	<u>3,683,750</u>
Creditors: amounts falling due within one year	13	(2,705,468)	(2,770,064)
Net current assets		<u>855,822</u>	<u>913,686</u>
Total assets less current liabilities		<u>1,152,191</u>	<u>1,123,765</u>
Creditors: amounts falling due after more than one year	14	(49,748)	(7,807)
Net assets		<u><u>1,102,443</u></u>	<u><u>1,115,958</u></u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account		<u>1,102,343</u>	<u>1,115,858</u>
Total equity		<u><u>1,102,443</u></u>	<u><u>1,115,958</u></u>

The company's financial statements have been prepared in accordance with the 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 by:

J W Hardisty
Director

Date: 22 September 2020

The notes on pages 10 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 June 2018	100	1,320,934	1,321,034
Comprehensive income for the year			
Profit for the year	-	480,924	480,924
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	480,924	480,924
Dividends: equity capital	-	(686,000)	(686,000)
Total transactions with owners	-	(686,000)	(686,000)
At 1 June 2019	100	1,115,858	1,115,958
Comprehensive income for the year			
Profit for the year	-	353,915	353,915
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	353,915	353,915
Dividends: equity capital	-	(367,430)	(367,430)
Total transactions with owners	-	(367,430)	(367,430)
At 31 May 2020	<u>100</u>	<u>1,102,343</u>	<u>1,102,443</u>

The notes on pages 10 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

All Pallets Limited is a private company, limited by shares and incorporated in England and Wales.

Its registered office address changed from Times House, Sixth Floor, Throwley Way, Sutton, Surrey, SM1 4JQ to C/O Mazars LLP, the Pinnacle, 160 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1FF on 19 September 2019. The principal place of activity of the company is 6 Alder Close, Eastbourne, BN23 6QF.

The principal activity of the company is the sale of plastic pallets and RPTP, across the UK, working as sole distributors for four of mainland Europe's largest manufacturers of these products, with some further sales of products supplied by ad-hoc UK suppliers.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and are 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that these events will have on the company. The directors have continued to prepare the financial statements on the going concern basis.

2.3 Exemption from preparing consolidated financial statements

The company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Fixtures & fittings	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.6 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 reporting 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.

2.7 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.

2.8 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.

2.9 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 2020

2. Accounting policies (continued)

2.10 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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.11 Foreign currency translation

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 Comprehensive Income 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 Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.12 Interest payable and similar expenses

Interest payable and similar expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.15 Hire purchases and finance leases: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognised in the year in which the estimate is revised, if the revision affects only that year, in the year of the revision and future years, if the revision affects both current and future years.

3.1 Critical judgements in applying the company's accounting policies

There were no critical judgements that the directors have made in the process of applying the company's accounting policies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers. There were no judgements in applying accounting policies and no key sources of estimation uncertainty.

(ii) Determining residual values and useful economic lives of property, plant and equipment

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

4. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>16,000</u>	<u>13,000</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

5. Employees

The average monthly number of employees, including the directors, during the year was 35 (2019: 33).

6. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	501,439	490,360
Company contributions to defined contribution pension schemes	<u>20,000</u>	<u>20,000</u>
	<u>521,439</u>	<u>510,360</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £268642 (2019: £259480).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10000 (2019: £10000).

7. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	87,856	128,450
Adjustments in respect of previous periods	-	10,129
	<u>87,856</u>	<u>138,579</u>
Deferred tax		
Origination and reversal of timing differences	(2,276)	(10,215)
	<u>(2,276)</u>	<u>(10,215)</u>
Taxation on profit on ordinary activities	<u>85,580</u>	<u>128,364</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>439,495</u>	<u>609,288</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	83,504	115,765
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	677	246
Capital allowances for year in excess of depreciation	1,034	1,022
Adjustments to tax charge in respect of previous periods	-	10,129
Adjust closing deferred tax to average rate of 19%	-	2,201
Adjust opening deferred tax to average rate of 19%	-	(999)
Remeasurement of deferred tax for changes in tax rates	365	-
Total tax charge for the year	<u>85,580</u>	<u>128,364</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

7. Taxation (continued)

Factors that may affect future tax charges

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%. If deferred tax had been calculated at 19% the deferred tax balances would have been £2,201 (2019: £2,201) higher at £20,911 (2019: £20,911).

8. Dividends

	2020	2019
	£	£
Dividend paid	367,430	686,000
	<u>367,430</u>	<u>686,000</u>

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

9. Tangible fixed assets

	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 June 2019	273,737	377,921	207,995	859,653
Additions	-	211,243	24,511	235,754
Disposals	-	(142,291)	-	(142,291)
At 31 May 2020	<u>273,737</u>	<u>446,873</u>	<u>232,506</u>	<u>953,116</u>
Depreciation				
At 1 June 2019	235,814	230,373	183,388	649,575
Charge for the year	25,019	68,401	15,059	108,479
Disposals	-	(101,307)	-	(101,307)
At 31 May 2020	<u>260,833</u>	<u>197,467</u>	<u>198,447</u>	<u>656,747</u>
Net book value				
At 31 May 2020	<u>12,904</u>	<u>249,406</u>	<u>34,059</u>	<u>296,369</u>
At 31 May 2019	<u>37,923</u>	<u>147,548</u>	<u>24,607</u>	<u>210,078</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020	2019
	£	£
Plant and machinery	43,870	7,970
Motor vehicles	227,083	63,771
	<u>270,953</u>	<u>71,741</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

10. Fixed asset investments

	Investments in associates
	£
At 1 June 2019	1
Disposals	(1)
At 31 May 2020	<u>-</u>
Net book value	
At 31 May 2020	<u>-</u>
At 31 May 2019	<u><u>1</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

11. Stocks

	2020	2019
	£	£
Raw materials and consumables	59,315	52,347
Finished goods and goods for resale	824,893	703,812
	<u>884,208</u>	<u>756,159</u>

Stocks are stated net of provisions for impairment of £nil (2019: £nil).

12. Debtors

	2020	2019
	£	£
Trade debtors	1,413,308	1,989,680
Amounts owed by group undertakings	53,937	53,937
Other debtors	7,971	5,432
Prepayments and accrued income	38,798	37,498
Deferred taxation	20,986	18,710
	<u>1,535,000</u>	<u>2,105,257</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,857,712	2,196,767
Corporation tax	87,856	128,450
Other taxation and social security	561,253	295,666
Obligations under finance lease and hire purchase contracts	64,305	29,564
Other creditors	79,095	80,924
Accruals and deferred income	55,247	38,693
	<u>2,705,468</u>	<u>2,770,064</u>

The obligations under hire purchase contracts are secured over the fixed asset connected with the lease agreement.
The company hold Bonds, Guarantees, Indemnities or other undertakings of €170,000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

14. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Net obligations under finance leases and hire purchase contracts	49,748	7,807
	<u>49,748</u>	<u>7,807</u>

Secured loans

The obligations under hire purchase contracts are secured over the fixed asset connected with the lease agreement.

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Within one year	64,305	29,564
Between 1-2 years	49,748	7,807
	<u>114,053</u>	<u>37,371</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

16. Deferred taxation

	2020 £	2019 £
At beginning of year	18,710	8,495
Charged to profit or loss	2,276	10,215
At end of year	<u>20,986</u>	<u>18,710</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	20,986	17,707
Short term timing differences	-	1,003
	<u>20,986</u>	<u>18,710</u>

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
45 (2019: 45) Ordinary A shares of £1.00 each	45	45
45 (2019: 45) Ordinary B shares of £1.00 each	45	45
10 (2019: 10) Ordinary C shares of £1.00 each	10	10
	<u>100</u>	<u>100</u>

All shares carry equal voting rights, equal rights to distribution on winding up and there is no likelihood of redemption. Each class of shares has a separate right to a dividend entitlement.

18. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge represents contributions payable by the group to the fund and amounted to £66,377 (2019: £58,525). Contributions totalling £4782 (2019: £5900) were payable to the fund at the reporting date and are included in creditors.

19. Commitments under operating leases

At 31 May 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	128,575	140,090
Later than 1 year and not later than 5 years	251,200	380,176
	<u>379,775</u>	<u>520,266</u>

20. Related party transactions

At the year end the company was owed £53,937 (2019: £53,937) by its parent company, All Management Limited, and this is disclosed in note 12 to the financial statements.

At the year end the company was owed £nil (2019: £2,219) by UK Pallet Management Limited, an associate undertaking, and this is disclosed in note 12 to the financial statements.

During the year, the company paid dividends totaling £318,430 (2019: £622,000) to All Management Limited.

At 31 May 2020, the company was owed £1,246 (2019: £3,213) by C J Adam, a director, and this is disclosed in note 12.

The company also owed £69,682 (2019: £467) to J W Hardisty, a director, and this is disclosed in note 13.

21. Post balance sheet events

Between the year end and the date of this report, the COVID-19 pandemic emerged globally. The directors note that between the year end and the date of this report, the effects of the COVID-19 pandemic continue to develop. For more detail regarding the directors' view of this event please refer to the Directors' Report.

22. Controlling party

The ultimate parent company is All Management Limited a company registered in England and Wales. The address of its registered office is C/O Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, Buckinghamshire, United Kingdom, MK9 1FF. All Management Limited is controlled by its directors who own 100% of its entire issued share capital. There is no overall controlling party.

