

All Pallets Limited

Registered number: 02794548

Annual Report

For the year ended 31 May 2021

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 2021**

The directors present their report and the audited financial statements for the year ended 31 May 2021.

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 £694,606 (2020: £353,915).

Dividends of £366,492 were paid in the year (2020: £367,430).

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; 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

The directors have assessed the company's ability to continue as a going concern and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the company will continue as a going concern and so the financial statements have been prepared on this 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 a claim in respect of these indemnities has been received in the period.

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. Under these arrangements, the company's products are still imported from the EU with no tariffs, and unrestricted by any quotas. The company acted quickly to ensure it could undertake the import and export Customs procedures in house, and this has proven very successful so far, with very few delays. The directors have also taken action to mitigate any issues relating to future inter EU sales transactions.

Economic impact of the COVID-19 pandemic

Whilst the Covid-19 pandemic continues to affect the UK and Global economies to varying degrees, the company's closeness to both the Pharmaceutical and Food industry Supply Chains in the UK, has strengthened it through the last financial year. At the time of signing this report, the directors see that all social restrictions in the UK have been lifted, and they expect to witness a growth in the UK and Global economies, lead initially by on-line retail in the UK. However, the directors remain cautious about the on-going potential threat of the pandemic to the company's staff, and customers, and continue to follow current guidance to ensure the safety of both.

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

There have been no significant events affecting the company since the year end.

Auditor

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

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.

ALL PALLETS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021**

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

J W Hardisty
Director

Date: 7 October 2021

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 2021 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

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 course of 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 and take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of the 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 either the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

ALL PALLETS LIMITED

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

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.

Gerhard Bonthuys (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

12 October 2021

ALL PALLETS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021**

	Note	2021 £	Restated 2020 £
Turnover		12,233,233	11,708,220
Cost of sales		(9,472,617)	(9,161,354)
Gross profit		<u>2,760,616</u>	<u>2,546,866</u>
Administrative expenses		(1,912,087)	(2,113,946)
Other operating income	3	3,890	9,781
Operating profit		<u>852,419</u>	<u>442,701</u>
Interest payable and similar expenses		(4,017)	(3,206)
Profit before tax		<u>848,402</u>	<u>439,495</u>
Tax on profit	6	(153,796)	(85,580)
Profit for the financial year		<u><u>694,606</u></u>	<u><u>353,915</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>694,606</u></u>	<u><u>353,915</u></u>

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

The notes on pages 11 to 23 form part of these financial statements.

ALL PALLETS LIMITED
REGISTERED NUMBER: 02794548

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	195,531	296,369

			<u>195,531</u>	<u>296,369</u>
Current assets				
Stocks	9	800,348	884,208	
Debtors: amounts falling due within one year	10	2,944,952	1,535,000	
Cash at bank and in hand		1,567,565	1,142,082	
		<u>5,312,865</u>	<u>3,561,290</u>	
Creditors: amounts falling due within one year	11	(4,067,159)	(2,705,468)	
Net current assets			<u>1,245,706</u>	<u>855,822</u>
Total assets less current liabilities			<u>1,441,237</u>	<u>1,152,191</u>
Creditors: amounts falling due after more than one year	12		(10,680)	(49,748)
Net assets			<u><u>1,430,557</u></u>	<u><u>1,102,443</u></u>
Capital and reserves				
Called up share capital	15		100	100
Profit and loss account			1,430,457	1,102,343
Total equity			<u><u>1,430,557</u></u>	<u><u>1,102,443</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J W Hardisty
Director

Date: 7 October 2021

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital £	Profit and loss account £	Total equity £
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 1 June 2020	100	1,102,343	1,102,443
Comprehensive income for the year			
Profit for the year	-	694,606	694,606
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	694,606	694,606
Dividends: equity capital	-	(366,492)	(366,492)
Total transactions with owners	-	(366,492)	(366,492)
At 31 May 2021	<u>100</u>	<u>1,430,457</u>	<u>1,430,557</u>

The notes on pages 11 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. General information

All Pallets Limited is a private company, limited by shares and incorporated in England and Wales. The company's registered number is 02794548. The address of its registered office is C/O Mazars LLP, the Pinnacle, 160 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1FF. 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.

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.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have assessed the company's ability to continue as a going concern and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the company will continue as a going concern and so the financial statements have been prepared on this basis.

2.3 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.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentation currency is GBP.

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 in administrative expenses.

2.5 Interest payable and similar expenses

Finance costs are charged to profit or loss 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.

2.6 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.

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.6 Tangible fixed assets (continued)**

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%
Motor vehicles	-	25%
Fixtures & fittings	-	25%

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 profit or loss.

2.7 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.

2.8 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.

2.9 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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets

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 identified, an impairment loss is recognised in the statement of income and retained earnings.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying

amount and its recoverable amount, which is an estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitute a financing transaction, where the debt instrument is measured at the present value of the future receipts discontinued at a rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transactions price and subsequently measured at amortised costs.

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.

2.12 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the company used the furlough scheme and deferral of VAT payments. The income from the furlough scheme has been recognised within 'Other operating income'. The income is recognised when the company has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

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 profit or loss 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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.18 Restatement of prior year

During the year the directors have reviewed the accounting treatment in respect of Furlough income received from the government under the Coronavirus Job Retention Scheme (CJRS) and make an adjustment to the prior year. The impact of this adjustment is to increase administrative expenses by £9,781 in 2020 with an equal increase in other operating income. This adjustment has no impact on the profit and loss or net assets of the company.

3. Other operating income

	2021	Restated 2020
	£	£
Other operating income	<u>3,890</u>	<u>9,781</u>

During the year, the company received £3,890 (2020: £9,781) from the government under the Coronavirus Job Retention Scheme (CJRS).

4. Employees

The average monthly number of employees, including the directors, during the year was 29 (2020: 35).

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

5. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	455,147	501,439
Company contributions to defined contribution pension schemes	8,333	20,000
	<u>463,480</u>	<u>521,439</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £239,400 (2020: £268,642).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,167 (2020: £10,000).

6. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	175,279	87,856
Adjustments in respect of previous periods	(7,969)	-

Total current tax	<u>167,310</u>	<u>87,856</u>
Deferred tax		
Origination and reversal of timing differences	<u>(13,514)</u>	<u>(2,276)</u>
Total deferred tax	<u>(13,514)</u>	<u>(2,276)</u>
Taxation on profit on ordinary activities	<u>153,796</u>	<u>85,580</u>

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6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>848,402</u>	<u>439,495</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	161,196	83,504
Effects of:		
Expenses not deductible for tax purposes	57	677
Capital allowances for year in excess of depreciation	904	1,034
Remeasurement of deferred tax for changes in tax rates	(392)	365
Adjustment in respect of previous periods	<u>(7,969)</u>	<u>-</u>
Total tax charge for the year	<u><u>153,796</u></u>	<u><u>85,580</u></u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

7. Dividends

	2021 £	2020 £
Interim dividend paid	<u>366,492</u>	<u>367,430</u>

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

8. Tangible fixed assets

	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 June 2020	273,737	446,873	232,506	953,116
Additions	-	28,168	9,072	37,240
Disposals	(10,140)	(74,490)	(20,450)	(105,080)
At 31 May 2021	<u>263,597</u>	<u>400,551</u>	<u>221,128</u>	<u>885,276</u>
Depreciation				
At 1 June 2020	260,833	197,467	198,447	656,747
Charge for the year	9,834	69,621	15,707	95,162
Disposals	(10,140)	(31,574)	(20,450)	(62,164)
At 31 May 2021	<u>260,527</u>	<u>235,514</u>	<u>193,704</u>	<u>689,745</u>
Net book value				
At 31 May 2021	<u>3,070</u>	<u>165,037</u>	<u>27,424</u>	<u>195,531</u>
At 31 May 2020	<u>12,904</u>	<u>249,406</u>	<u>34,059</u>	<u>296,369</u>

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

	2021	2020
	£	£
Plant and machinery	43,870	43,870
Motor vehicles	142,995	227,083
	<u>186,865</u>	<u>270,953</u>

ALL PALLETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

9. Stocks

	2021	2020
	£	£
Raw materials and consumables	84,189	59,315
Finished goods and goods for resale	716,159	824,893
	<u>800,348</u>	<u>884,208</u>

10. Debtors

	2021	2020
	£	£
Trade debtors	2,814,205	1,413,308
Amounts owed by group undertakings	53,937	53,937
Other debtors	2,211	7,971
Prepayments	40,099	38,798
Deferred taxation	34,500	20,986
	<u>2,944,952</u>	<u>1,535,000</u>

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

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,009,091	1,857,712
Corporation tax	175,280	87,856
Other taxation and social security	764,211	561,253
Obligations under finance lease and hire purchase contracts	37,031	64,305
Other creditors	13,897	79,095
Accruals	67,649	55,247
	<u>4,067,159</u>	<u>2,705,468</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>10,680</u>	<u>49,748</u>

Secured loans

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

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	37,031	64,305
Between 1-2 years	<u>10,680</u>	<u>49,748</u>
	<u>47,711</u>	<u>114,053</u>

Hire purchase leases comprise leases for motor vehicles over fixed terms of 2 to 4 years.

14. Deferred taxation

	2021 £	2020 £
At beginning of year	20,986	18,710
Charged to profit or loss	<u>13,514</u>	<u>2,276</u>
At end of year	<u>34,500</u>	<u>20,986</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	33,807	20,986
Short term timing differences	<u>693</u>	<u>-</u>
	<u>34,500</u>	<u>20,986</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

15. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
45 (2020: 45) Ordinary A shares of £1 (2020: £1) each	45	45
45 (2020: 45) Ordinary B shares of £1 (2020: £1) each	45	45
10 (2020: 10) Ordinary C shares of £1 (2020: £1) 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.

16. 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. Contributions totalling £2,771 (2020: £4,782) were payable to the fund at the reporting date and are included in creditors.

17. Commitments under operating leases

At 31 May 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	125,600	128,575
Later than 1 year and not later than 5 years	125,600	251,200
	<u>251,200</u>	<u>379,775</u>

18. Related party transactions

At 31 May 2021, the company owed £1,423 (2020: £1,246 owed by) to C J Adam, a director. The balance is included in other creditors as disclosed in note 11.

The company also owed £3,720 (2020: £69,682) to J W Hardisty, a director. The balance is also included in other creditors as disclosed in note 11.

19. Post balance sheet events

There have been no significant events affecting the company since the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

20. 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.