

Registered number: 04642773

MIKE WATSON TRANSPORT LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

THURSDAY



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COMPANIES HOUSE

MIKE WATSON TRANSPORT LTD
REGISTERED NUMBER: 04642773

BALANCE SHEET
AS AT 30 JUNE 2021

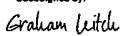
	Note	2021 £	2020 £
Fixed assets			
Intangible assets	3	8,945	6,300
Tangible assets	4	215,023	188,358
		<u>223,968</u>	<u>194,658</u>
Current assets			
Debtors	5	1,043,153	470,925
Cash at bank and in hand		26,631	139,302
		<u>1,069,784</u>	<u>610,227</u>
Creditors: amounts falling due within one year	6	<u>(1,012,045)</u>	<u>(523,493)</u>
Net current assets		<u>57,739</u>	<u>86,734</u>
Total assets less current liabilities		<u>281,707</u>	<u>281,392</u>
Creditors: amounts falling due after more than one year	7	(82,856)	(119,434)
Provisions for liabilities			
Deferred tax	9	(27,738)	-
Other provisions	10	(50,400)	(32,400)
Net assets		<u>120,713</u>	<u>129,558</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	120,711	129,556
		<u>120,713</u>	<u>129,558</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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with 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:

DocuSigned by:

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G Leitch
 Director

Date: 25 October 2021

The notes on pages 2 to 11 form part of these financial statements.

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Mike Watson Transport Ltd is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 30 June 2021 (2020: year ended 30 June 2020).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, including section 1A of FRS 102, 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 accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Palletline Limited as at 30 June 2021 and these financial statements may be obtained from its registered office.

1.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

At the time of signing these accounts, the directors have considered the ongoing effects of the Coronavirus on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing.

The parent company has confirmed that, if required, it will provide financial support as necessary to enable the company to meet its liabilities as they fall due, and will not seek repayment of balances until the company has sufficient financial resources to enable any payment to be made without detriment to the company's trading position.

On this basis, the directors are confident that the company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

MIKE WATSON TRANSPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Accounting policies (continued)

1.4 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. Turnover from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The above conditions are satisfied when the service is complete, which is generally upon completion of delivery.

1.5 Leasing and hire purchase

Assets that are held by the company under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance lease. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Finance costs

Finance costs are charged to the profit and loss account 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.

1.7 Pensions

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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting policies (continued)

1.8 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

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

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

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

Deferred tax is calculated using the tax rates and laws that have been enacted to substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.9 Intangible assets

Goodwill arising on incorporation of the business is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life.

Other intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	3 - 5 years
Goodwill	-	17 years

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting policies (continued)

1.10 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.

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 and machinery	-	25% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line
Improvements to property	-	10% 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 profit and loss account.

1.11 Holiday pay accrual

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

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.13 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.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost, less any impairment.

Financial assets that are measured at 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 profit and loss account. Any impairment loss is based on the difference between the asset's carrying value and the best estimate of its recoverable value at the balance sheet date.

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Direct operatives and warehouse staff	20	13
Administration and management	5	4
	<u>25</u>	<u>17</u>

3. Intangible assets

	Computer software and website development £	Goodwill £	Total £
Cost			
At 1 July 2020	21,000	75,000	96,000
Additions	9,215	-	9,215
At 30 June 2021	<u>30,215</u>	<u>75,000</u>	<u>105,215</u>
Amortisation			
At 1 July 2020	14,700	75,000	89,700
Charge for the year	6,570	-	6,570
At 30 June 2021	<u>21,270</u>	<u>75,000</u>	<u>96,270</u>
Net book value			
At 30 June 2021	<u>8,945</u>	<u>-</u>	<u>8,945</u>
At 30 June 2020	<u>6,300</u>	<u>-</u>	<u>6,300</u>

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Improvements to property £	Total £
Cost						
At 1 July 2020	21,976	244,865	35,915	13,288	-	316,044
Additions	-	137,236	-	37,488	15,750	190,474
Disposals	(4,964)	(160,000)	(7,360)	(2,188)	-	(174,512)
At 30 June 2021	17,012	222,101	28,555	48,588	15,750	332,006
Depreciation						
At 1 July 2020	21,423	75,209	24,549	6,505	-	127,686
Charge for the year	553	38,715	4,833	8,599	442	53,142
Disposals	(4,964)	(49,333)	(7,360)	(2,188)	-	(63,845)
At 30 June 2021	17,012	64,591	22,022	12,916	442	116,983
Net book value						
At 30 June 2021	-	157,510	6,533	35,672	15,308	215,023
At 30 June 2020	553	169,656	11,366	6,783	-	188,358

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

	2021 £	2020 £
Motor vehicles	-	163,972

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Debtors

	2021 £	2020 £
Trade debtors	745,449	377,802
Amounts owed by group undertakings	66,432	8,238
Other debtors	-	12,797
Prepayments and accrued income	231,272	72,088
	<u>1,043,153</u>	<u>470,925</u>

An impairment loss of £437 (2020: £700) was recognised in administrative expenses against trade debtors during the year.

Amounts owed by group undertakings are repayable on demand.

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	435,226	189,990
Amounts owed to group undertakings	257,962	200,605
Other taxation and social security	126,567	81,078
Obligations under finance lease and hire purchase contracts	39,904	39,903
Accruals and deferred income	152,386	11,917
	<u>1,012,045</u>	<u>523,493</u>

Amounts owed to group undertakings are payable on demand.

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>82,856</u>	<u>119,434</u>

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**8. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	39,903	39,903
Between one and five years	82,856	119,434
	<u>122,759</u>	<u>159,337</u>

Hire purchase creditors are secured on the assets to which they relate.

9. Deferred taxation

	2021 £
At the beginning of the year	-
Charged to the profit and loss account	27,738
At the end of the year	<u>27,738</u>

The provision for deferred taxation is made up as follows:

	2021 £
Accelerated capital allowances	<u>27,738</u>

10. Provisions

	Dilapidations £
At 1 July 2020	32,400
Charged to the profit and loss account	18,000
At 30 June 2021	<u>50,400</u>

The provision for dilapidations on the property occupied by the company is expected to be utilised at the end of the lease term.

MIKE WATSON TRANSPORT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

12. Reserves

Profit and loss account

The profit and loss account includes all current and prior year retained profit and losses.

13. Contingent liabilities

The company has a cross guarantee with its parent company for group bank borrowings. At the year end the liabilities covered by these guarantees totalled £3,383,417 (2020: £3,585,200).

14. Pension commitments

The company operates a defined benefit contribution scheme for its employees. The assets of the scheme are administered in a fund independent from those of the company. The total contributions paid in the year amounted to £12,785 (2020: £7,453). There is a pension creditor at the end of the year of £3,184 (2020: £1,678).

15. Commitments under operating leases

At 30 June 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	311,048	141,605
Later than 1 year and not later than 5 years	796,281	221,504
Later than 5 years	1,559,833	-
	<u>2,667,162</u>	<u>363,109</u>

16. Related party transactions

The company is a wholly owned subsidiary of Palletline Limited and has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with Palletline Limited or other wholly owned subsidiaries within the group.

Key management personnel represents the directors of the company as they have the responsibility for planning, directing and controlling the activities of the entity directly or indirectly. During the year, the key management personnel remuneration was borne by the company's ultimate parent company, Palletline Limited.

MIKE WATSON TRANSPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

17. Controlling party

The company is a wholly owned subsidiary of Palletline Logistics Limited, which is the parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Palletline Limited, incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.

18. Auditor's information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The auditor was Cooper Parry Group Limited.

Paul Rowley BA ACA signed the auditor's report as senior statutory auditor.