

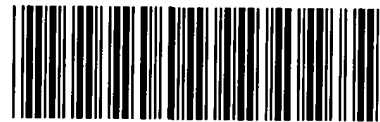
Registered number: 05174791

PALLETLINE LONDON LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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PALLETLINE LONDON LIMITED

COMPANY INFORMATION

Directors	G Baker G Leitch P E Elson
Company secretary	M McColl
Registered number	05174791
Registered office	The Palletline Centre Starley Way Birmingham West Midlands B37 7HB
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

PALLETLINE LONDON LIMITED

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PALLETLINE LONDON LIMITED
REGISTERED NUMBER: 05174791

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	18	6,814
Tangible assets	5	257,135	309,061
		<u>257,153</u>	<u>315,875</u>
Current assets			
Debtors	6	1,279,772	1,547,668
Cash at bank and in hand		80,057	55,912
		<u>1,359,829</u>	<u>1,603,580</u>
Creditors: amounts falling due within one year	7	(1,143,196)	(1,561,482)
Net current assets		<u>216,633</u>	<u>42,098</u>
Total assets less current liabilities		<u>473,786</u>	<u>357,973</u>
Creditors: amounts falling due after more than one year	8	(59,752)	(91,502)
Net assets		<u><u>414,034</u></u>	<u><u>266,471</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	414,033	266,470
		<u><u>414,034</u></u>	<u><u>266,471</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 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:

 ED3C5ED6D776427...
 G Wiltch
 Director

Date: 14 October 2020

The notes on pages 2 to 10 form part of these financial statements.

PALLETLINE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

Palletline London Limited 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 2020 (2019: year ended 30 June 2019).

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 2020 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. Prior to the year end there was an outbreak of Coronavirus which has become a global pandemic and is having a significant economic impact globally. At the time of signing these financial statements, it is relatively early days regarding an assessment of the impact of the virus on the global economy, but it is clear there will be a significant level of uncertainty in all markets around the world for a sustained period of time.

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. The directors are also directors of Palletline Limited and are therefore satisfied that the parent company has the financial resources to provide this financial support should it be required. As such, the directors believe the company is well placed to trade through the uncertain times caused by the Coronavirus pandemic due to the support from the parent company.

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.

PALLETLINE LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 Government grants

Government grants are recognised under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

1.7 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.

PALLETLINE LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 Intangible assets

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 and website development costs	-	3-5 years
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1.11 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.

PALLETLINE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.11 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:

Improvements to property	- over the period of the lease
Plant and machinery	- 20 - 33% straight line
Motor vehicles	- 10 - 20% straight line
Office equipment	-

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.

1.12 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.

1.13 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.

2. Other operating income

Other operating income of £183,424 (2019: £nil) relates to government grants receivable in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme.

PALLETLINE LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

3. Employees

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

	2020 No.	2019 No.
Direct operatives and warehouse staff	60	55
Administration and management	9	8
	<u>69</u>	<u>63</u>

4. Intangible assets

	Computer software and website development £
Cost	
At 1 July 2019	86,359
At 30 June 2020	<u>86,359</u>
Amortisation	
At 1 July 2019	79,545
Charge for the year	6,796
At 30 June 2020	<u>86,341</u>
Net book value	
At 30 June 2020	<u>18</u>
At 30 June 2019	<u>6,814</u>

PALLETLINE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

5. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2019	112,759	209,343	212,965	145,744	680,811
Additions	28,858	-	-	-	28,858
At 30 June 2020	<u>141,617</u>	<u>209,343</u>	<u>212,965</u>	<u>145,744</u>	<u>709,669</u>
Depreciation					
At 1 July 2019	43,932	162,746	35,695	129,377	371,750
Charge for the year	24,500	16,698	28,296	11,290	80,784
At 30 June 2020	<u>68,432</u>	<u>179,444</u>	<u>63,991</u>	<u>140,667</u>	<u>452,534</u>
Net book value					
At 30 June 2020	<u>73,185</u>	<u>29,899</u>	<u>148,974</u>	<u>5,077</u>	<u>257,135</u>
At 30 June 2019	<u>68,827</u>	<u>46,597</u>	<u>177,270</u>	<u>16,367</u>	<u>309,061</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	19,510	51,213
Motor vehicles	148,974	177,270
	<u>168,484</u>	<u>228,483</u>

During the year, the categories of certain assets have been reviewed which has resulted in a prior year reclassification of fixed assets.

PALLETLINE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. Debtors

	2020 £	2019 £
Trade debtors	876,046	1,121,142
Amounts owed by group undertakings	14,395	13,326
Other debtors	16,462	7,399
Prepayments and accrued income	372,869	405,801
	<u>1,279,772</u>	<u>1,547,668</u>

A gain on reversal of impairment of £1,107 (2019: impairment loss of £6,158) was recognised in administrative expenses against trade debtors during the year.

Amounts owed by group undertakings are repayable on demand.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	487,881	609,412
Amounts owed to group undertakings	321,112	657,768
Other taxation and social security	168,886	129,810
Obligations under finance lease and hire purchase contracts	45,320	60,886
Accruals and deferred income	119,997	103,606
	<u>1,143,196</u>	<u>1,561,482</u>

Amounts owed to group undertakings are payable on demand.

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>59,752</u>	<u>91,502</u>

PALLETLINE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	45,320	60,886
Between one and five years	59,752	91,502
	<u>105,072</u>	<u>152,388</u>

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

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019:1) ordinary share of £1.00	<u>1</u>	<u>1</u>

11. Reserves

Profit and loss account

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

12. 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 £3,585,200 (2019: £4,103,705).

13. Pension commitments

The company operates a defined contribution pension 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 £49,138 (2019: £34,885). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

14. 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.

PALLETLINE LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. 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.

16. 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.