

Company Registration No. 04387621 (England and Wales)

PALTANK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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PALTANK LIMITED

COMPANY INFORMATION

Directors	K D Pomford	
	C M Pomford	
	C Leboe	(Appointed 1 April 2016)
	H Doyle	(Appointed 1 April 2016)
	M Rice	(Appointed 1 April 2016)
	C Pomford	(Appointed 1 April 2016)

Secretary	C M Pomford
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Company number	04387621
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Registered office	72 London Road St Albans Herts AL1 1NS
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Auditor	Mercer & Hole Chartered Accountants Gloucester House 72 London Road St Albans Hertfordshire AL1 1NS
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Business address	3 - 5 Leicester Street Southport PR9 0ER
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Bankers	Bank of Scotland 43 South Gyle Crescent Edinburgh EH12 9BB
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PALTANK LIMITED

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PALTANK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report for the year ended 31 March 2016.

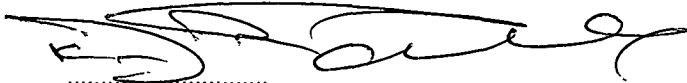
Fair review of the business

This year has seen profits before tax rise to £125,372, turnover has increased from £17,332,601 in 2015 to £18,334,649, and we have continued to see improvements in the gross margin due to the hard work of the operations department and the purchasing department. This is an area we continue to be focused on and hope to still see improvements going forward.

The company is still committed to developing its IT systems and has invested throughout the year into Monitor.

The company remains focused on driving turnover up and, having restructured the sales department, we have already seen improvement in the current year, and with continued development of staff it is expected that the company will continue to grow and become a more significant supplier of wine and spirits dedicated transportation.

On behalf of the board



K D Pomford

Director

19 December 2016

PALTANK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The company's major activity is the International transportation of bulk wines and spirits in a fleet of dedicated tank containers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K D Pomford	
C M Pomford	
C Leboe	(Appointed 1 April 2016)
H Doyle	(Appointed 1 April 2016)
M Rice	(Appointed 1 April 2016)
C Pomford	(Appointed 1 April 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial Instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, and invoice discounting arrangement with its bank. The main purpose of these instruments is to finance the company's operations and working capital.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between continuity of funding and flexibility through the use of overdrafts at fixed/floating rates of interest.

The company manages the liquidity risk by ensuring that they draw down sufficient funds from their invoice discounting arrangements to meet liabilities as and when they fall due.

Future developments

There are no future developments.

Auditor

The auditors, Mercer & Hole Chartered Accountants, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

PALTANK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

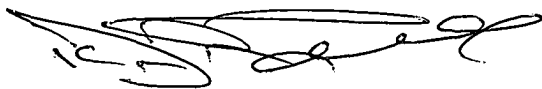
Principal Risks and Uncertainties

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, recoverable balances are monitored on an ongoing basis.

Key Performance Indicators

The directors have focused the management on the achievement of gross margin and profit before tax.

On behalf of the board



K D Pomford

Director

19 December 2016

PALTANK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALTANK LIMITED

We have audited the financial statements of Paltank Limited for the year ended 31 March 2016 set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PALTANK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PALTANK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Paul Webster FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole Chartered Accountants

21 December 2016

Chartered Accountants
Statutory Auditor

Gloucester House
72 London Road
St Albans
Hertfordshire
AL1 1NS

PALTANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£	as restated £
Turnover	3	18,334,649	17,332,601
Cost of sales		(16,312,444)	(15,618,603)
Gross profit		<u>2,022,205</u>	<u>1,713,998</u>
Administrative expenses		(1,837,878)	(1,707,693)
Operating profit	4	<u>184,327</u>	<u>6,305</u>
Interest payable and similar charges	7	(58,955)	(65,691)
Profit/(loss) before taxation		<u>125,372</u>	<u>(59,386)</u>
Taxation	8	(53,889)	(18,174)
Profit/(loss) for the financial year		<u><u>71,483</u></u>	<u><u>(77,560)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PALTANK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9	3,212,545		3,427,587	
Investments	10		1		1
		3,212,546		3,427,588	
Current assets					
Debtors	13	3,542,365		2,891,240	
Cash at bank and in hand		19,189		10,322	
		3,561,554		2,901,562	
Creditors: amounts falling due within one year	14	(6,408,576)		(5,625,848)	
Net current liabilities		(2,847,022)		(2,724,286)	
Total assets less current liabilities		365,524		703,302	
Creditors: amounts falling due after more than one year	15	(95,238)		(558,388)	
Provisions for liabilities	18	(139,190)		(85,301)	
Net assets		131,096		59,613	
Capital and reserves					
Called up share capital	21	150,000		150,000	
Profit and loss reserves		(18,904)		(90,387)	
Total equity		131,096		59,613	

The financial statements were approved by the board of directors and authorised for issue on 19 December 2016 and are signed on its behalf by:



K D Pomford
Director

Company Registration No. 04387621

PALTANK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 March 2015:					
Balance at 1 April 2014		150,000	707,245	(720,072)	137,173
Year ended 31 March 2015:					
Loss and total comprehensive income for the year		-	-	(77,560)	(77,560)
Transfers		-	(707,245)	707,245	-
Balance at 31 March 2015		150,000	-	(90,387)	59,613
Year ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	71,483	71,483
Balance at 31 March 2016		150,000	-	(18,904)	131,096

PALTANK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	25	442,295		403,793	
Interest paid		(58,955)		(65,691)	
Net cash inflow from operating activities		<u>383,340</u>		<u>338,102</u>	
Investing activities					
Purchase of tangible fixed assets		(93,112)		(82,931)	
Net cash used in investing activities		<u>(93,112)</u>		<u>(82,931)</u>	
Financing activities					
Repayment of bank loans		(214,286)		(214,285)	
Payment of finance leases obligations		(217,179)		(205,498)	
Net cash used in financing activities		<u>(431,465)</u>		<u>(419,783)</u>	
Net decrease in cash and cash equivalents		<u>(141,237)</u>		<u>(164,612)</u>	
Cash and cash equivalents at beginning of year		(1,004,496)		(839,884)	
Cash and cash equivalents at end of year		<u><u>(1,145,733)</u></u>		<u><u>(1,004,496)</u></u>	
Relating to:					
Cash at bank and in hand		19,189		10,322	
Bank overdrafts included in creditors payable within one year		<u><u>(1,164,922)</u></u>		<u><u>(1,014,818)</u></u>	

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Paltank Limited is a company limited by shares incorporated in England and Wales. The registered office is 72 London Road, St Albans, Herts, AL1 1NS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Paltank Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company will continue to rely on the support of the director, and the financial statements do not include any adjustments that would result from the withdrawal of such support.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	5% straight line
Fixtures, fittings & equipment	15% straight line
Computer equipment	15% and 33.33% straight line

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Transport of wines and spirits	18,334,649	17,332,601

Turnover analysed by geographical market

	2016 £	2015 £
UK	18,334,649	17,332,601

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	(38,690)
Fees payable to the company's auditor for the audit of the company's financial statements	10,500	7,500
Depreciation of owned tangible fixed assets	250,554	241,577
Depreciation of tangible fixed assets held under finance leases	57,600	72,129
Operating lease charges	48,527	46,506

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2016 Number	2015 Number
33	31

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	813,490	734,039
Social security costs	77,455	67,884
Pension costs	11,398	11,116
	<u>902,343</u>	<u>813,039</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	90,000	84,000
Company pension contributions to defined contribution schemes	1,350	-
	<u>91,350</u>	<u>84,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 0).

7 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	57,229	64,203
Interest on finance leases and hire purchase contracts	1,726	1,488
	<u>58,955</u>	<u>65,691</u>

8 Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	62,419	18,174
Changes in tax rates	(8,530)	-
Total deferred tax	<u>53,889</u>	<u>18,174</u>

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	125,372	(59,386)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	25,074	(12,471)
Tax effect of expenses that are not deductible in determining taxable profit	3,675	3,058
Change in unrecognised deferred tax assets	-	98
Depreciation on assets not qualifying for tax allowances	183	182
Other permanent differences	161	105
Adjust closing deferred tax to average rate of 20%	(11,457)	-
Deferred tax not recognised	36,253	-
2015 restated	-	27,202
Taxation for the year	53,889	18,174

9 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	4,225,733	104,041	219,601	4,549,375
Additions	45,291	16,433	31,388	93,112
At 31 March 2016	4,271,024	120,474	250,989	4,642,487
Depreciation and impairment				
At 1 April 2015	919,394	54,754	147,640	1,121,788
Depreciation charged in the year	254,652	14,768	38,734	308,154
At 31 March 2016	1,174,046	69,522	186,374	1,429,942
Carrying amount				
At 31 March 2016	3,096,978	50,952	64,615	3,212,545
At 31 March 2015	3,307,051	48,574	71,962	3,427,587

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

9 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	1,225,600	1,283,200
Fixtures, fittings & equipment	-	14,534
	<u>1,225,600</u>	<u>1,297,734</u>
Depreciation charge for the year in respect of leased assets	<u>57,600</u>	<u>72,129</u>

At 31 March 2012 the directors carried out a review of tangible fixed assets and in their opinion the open market value of the owned tankers included within plant and machinery was considerably in excess of their carrying values. As such the owned tankers were revalued to their open market value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	2015 £
Cost	4,027,029	3,993,916
Accumulated depreciation	<u>1,669,981</u>	<u>1,264,623</u>
Carrying value	<u>2,357,048</u>	<u>2,729,293</u>

All the assets of the company present and future have been pledged as security to secure borrowing of the company.

During the year £24,450 (2015 - £35,572) of interest costs directly attributable to the financing of plant & machinery were capitalised at the weighted average cost of the related borrowings. The total capitalised interest at 31 March 2016 was £252,552 (2015 - £228,102).

10 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	11	<u>1</u>	<u>1</u>

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2015 & 31 March 2016	1
Carrying amount	
At 31 March 2016	1
At 31 March 2015	1

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Paljuice Limited England & Wales	Dormant	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Paljuice Limited	-	1

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,478,706	2,849,936
Equity instruments measured at cost less impairment	1	1
Carrying amount of financial liabilities		
Measured at amortised cost	5,717,610	5,219,017

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,478,706	2,849,936
Prepayments and accrued income	63,659	41,304
	<u>3,542,365</u>	<u>2,891,240</u>

14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	1,351,137	1,240,669
Obligations under finance leases	17	272,413	201,092
Trade creditors		3,846,284	2,960,726
Other taxation and social security		58,030	115,331
Other creditors		152,538	258,142
Accruals and deferred income		728,174	849,888
		<u>6,408,576</u>	<u>5,625,848</u>

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	95,238	269,888
Obligations under finance leases	17	-	288,500
		<u>95,238</u>	<u>558,388</u>

16 Loans and overdrafts

	2016 £	2015 £
Bank loans	281,453	495,739
Bank overdrafts	1,164,922	1,014,818
	<u>1,446,375</u>	<u>1,510,557</u>
Payable within one year	1,351,137	1,240,669
Payable after one year	95,238	269,888
	<u>1,446,375</u>	<u>1,510,557</u>

The bank loans are secured by fixed and floating charges over the undertaking and all property and assets present and future.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

16 Loans and overdrafts

(Continued)

The long term loans are repayable by equal month capital repayments, Interest is payable monthly in arrears and is calculated at 5.3% over the Bank of Scotland base rate or 9% fixed rate.

17 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	272,435	217,642
In two to five years	-	272,684
	<u>272,435</u>	<u>490,326</u>
Less: future finance charges	(22)	(734)
	<u>272,413</u>	<u>489,592</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	19	139,190	85,301
		<u>139,190</u>	<u>85,301</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
ACAs	457,228	521,289
Tax losses	(306,338)	(391,323)
Short term timing differences	(11,700)	(44,665)
	<u>139,190</u>	<u>85,301</u>

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

19 Deferred taxation

(Continued)

	2016 £
Movements in the year:	
Liability at 1 April 2015	85,301
Charge to profit or loss	84,527
Liability at 31 March 2016	<u>169,828</u>

The deferred tax liability set out above is expected to reverse within 20 years and relates to accelerated capital allowances that are expected to mature within the same period along with tax losses expected to reverse in the next few years.

20 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>11,398</u>	<u>11,116</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £11,398 (2015 - £11,116).

21 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of 1 each	100,000	100,000
50,000 Ordinary A shares of 1 each	50,000	50,000
	<u>150,000</u>	<u>150,000</u>

The Ordinary shares have voting rights and participate in dividends. The Ordinary A shares have no voting rights and can be participate in dividends at the directors discretion.

22 Financial commitments, guarantees and contingent liabilities

The director K D Pomford has given a personal guarantee of £1,150,000 (2015: £1,150,000) to the company's finance providers.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	2,871,804	2,407,044
Between two and five years	5,419,399	4,912,895
In over five years	722,912	523,866
	<u>9,014,115</u>	<u>7,843,805</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>237,133</u>	<u>218,478</u>

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Key management personnel	<u>148,083</u>	<u>253,083</u>
	<u>148,083</u>	<u>253,083</u>

No guarantees have been given or received.

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

25 Cash generated from operations

	2016 £	2015 £
Profit/(loss) for the year after tax	71,483	(77,560)
Adjustments for:		
Taxation charged	53,889	18,174
Finance costs	58,955	65,691
Depreciation and impairment of tangible fixed assets	308,154	313,706
Movements in working capital:		
(Increase)/decrease in debtors	(651,125)	264,488
Increase/(decrease) in creditors	600,939	(180,706)
Cash generated from operations	<u>442,295</u>	<u>403,793</u>

26 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 April 2014 £	31 March 2015 £
Equity as reported under previous UK GAAP and under FRS 102	137,173	193,444
Adjustments to prior year (note 27)	-	(133,831)
As restated	<u>137,173</u>	<u>59,613</u>

Reconciliation of profit/(loss) for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	56,271
Adjustments to prior year (note 27)	(133,831)
As restated	<u>(77,560)</u>

PALTANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

27 Prior period adjustment

Changes to the balance sheet

Balances as restated before FRS 102 transition adjustments:	At 31 March 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	3,025,071	(133,831)	2,891,240
Capital and reserves			
Revaluation reserve	707,245	(707,245)	-
Profit and loss	(663,801)	573,414	(90,387)
Total equity	193,444	(133,831)	59,613

Changes to the profit and loss account

Balances as restated before FRS 102 transition adjustments:	Period ended 31 March 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(1,573,862)	(133,831)	(1,707,693)
Profit/(loss) for the financial period	56,271	(133,831)	(77,560)