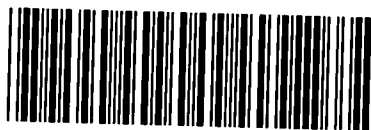


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016
FOR
DYCE CARRIERS LIMITED**

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FOR THE YEAR ENDED 31 JANUARY 2016**

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DYCE CARRIERS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2016

DIRECTORS: J D W Moir
Mrs C K Moir

SECRETARY: Mrs C K Moir

REGISTERED OFFICE: Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

REGISTERED NUMBER: SC067039 (Scotland)

SENIOR STATUTORY AUDITOR: Susan M Hepburn CA ATT

AUDITORS: Leiper & Summers
Statutory Auditors
4 Charlotte Street
Fraserburgh
Aberdeenshire
AB43 9JE

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2016**

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

The company's principal activity is that of road hauliers within the UK. There have not been any significant changes in the company's principal activity during the year under review and at the date of signing this report, the directors have no plans to change the trade in the future.

REVIEW OF BUSINESS

Dyce Carriers have strategically given itself a strong foothold in a very competitive market, both in Aberdeen and Nationally. Using the depot in Dalgety Bay as a central hub, we are able to operate next day services throughout the UK. In addition to our day to day deliveries we work in conjunction with our business partners nationwide enabling us to offer deliveries in Ireland, Isle of Man and the Benelux Region. On the 1st of March 2015, we opened our 4th depot in Alness to supply the emerging renewables and decommissioning market within The Highlands. This depot has not seen the growth we would have liked, however, this is due to the current downturn in the oil industry and we firmly believe having a presence in the area is still a benefit to the business. Due to the current down turn within the oil industry, all depots have experienced a decrease in turnover which in turn has resulted in a slowdown in growth. Dyce Carriers operates an effective, efficient and excellent service which has helped generate a diverse customer portfolio and resulted in us obtaining a strong, competitive reputation within the industry.

The company's objectives are to keep supplying our current customer base with an exemplary service at competitive prices. We are constantly looking to expand our customer base, however, we understand that in the current climate new customers are not in abundance. Using our distinctive and modern fleet of vehicles as a unique marketing strategy, we continue to keep a high presence within the haulage sector.

Dyce Carriers has invested both time and money into new sectional buildings in the Aberdeen depot. We feel as Directors this has had a positive impact on staff moral and we feel their working environment has improved immensely allowing us to get the best out of our staff. The company has continued to reinvest in the fleet and asset investment can be seen on page 18 which was funded from working capital and new finance agreements. The capital investment, along with utilising our mechanics in all depots, results in maintaining a healthy fleet which allows us to deliver a high standard of service to our customers and help reduce the associated fleet maintenance costs. Continued investment into computer hardware and software as well as up to date tracking devices allows us to work more efficiently and effectively to streamline our operation.

From review of the Income Statement on page 6, the company has seen a decrease in sales with sales decreasing by 19% against 2015. Although turnover has decreased, wages have remained the same, however, sub-contractors have seen a decrease. As Directors we value our current staff and their work ethics. We feel it crucial to retain these members of staff in order to be in an advantageous position when the market increases. We therefore feel taking this impact on wages will be beneficial in the long run.

The downturn in trade has resulted in a decrease in profitability, generating pre-tax profits of £40,851. However, the company's cash position has remained strong and this can be seen on the Cash Flow Statement on page 10.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

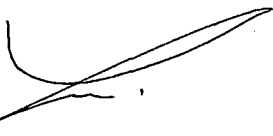
The biggest exposure the company faces is the current downturn in the Oil & Gas sector. This is predominantly affecting the Aberdeen and Poole Depots. The Alness depot has seen a decrease in staff members, however, this is run as a satellite depot which means overheads are at a minimum. The Dalgety Bay depot does not rely on the Oil & Gas sector as heavily as the other three depots, thus remaining and continuing to be busy. In past years, the company has relied on subcontractors to satisfy the work that we were unable to fulfil ourselves, due to the downturn we are now able to decrease the use of these subcontractors and utilise our own fleet to help manage the associated risk. The construction industry has remained buoyant and where we see a downturn in work on the Oil & Gas side, we are able to utilise the fleet in the construction side. With the Aberdeen bypass under construction, we have seen an increase in work relating to this sector.

As Directors we are aware of the fact that we are in the grips of a downturn and the next year to year and a half will be challenging. However, by diversifying and consolidating we feel we have a firm grasp on the situation and although we have been through tough times the company is in an excellent position to ride the storm. We are immensely proud of the exemplary service we provide at a competitive price thus staying one step ahead of the competition, whilst satisfying the customers' needs.

The directors manage the cash and borrowing requirements of the business in house in order to maximise interest income and minimise interest expense, whilst ensuring there is sufficient liquid resources to meet the operating needs of the business.

This year represents the transition to FRS102 and the transitional adjustments are reflected within the financial statements, the company's financial profitability and position has not been materially affected.

ON BEHALF OF THE BOARD:



J D W Moir - Director

25 October 2016

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2016**

The directors present their report with the financial statements of the company for the year ended 31 January 2016.

DIVIDENDS

The total distribution of dividends for the year ended 31 January 2016 will be £109,570.

FUTURE DEVELOPMENTS

The directors continue to assess the fleet and review the requirements for future capital investment.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2015 to the date of this report.

J D W Moir
Mrs C K Moir

DONATIONS

The company made charitable donations during the year of £5,672 (2015 - £5,783).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Leiper & Summers, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



J D W Moir - Director

25 October 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DYCE CARRIERS LIMITED

We have audited the financial statements of Dyce Carriers Limited for the year ended 31 January 2016 on pages six to twenty six. 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 Financial Reporting Standard 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Strategic Report and the Report of the Directors 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 January 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 matter prescribed by the Companies Act 2006

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

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.



Susan M Hepburn CA ATT (Senior Statutory Auditor)
for and on behalf of Leiper & Summers
Statutory Auditors
4 Charlotte Street
Fraserburgh
Aberdeenshire
AB43 9JE

25 October 2016

**INCOME STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2016**

	Notes	2016 £	2015 £
TURNOVER	3	11,313,963	14,018,401
Cost of sales		9,564,711	10,823,829
GROSS PROFIT		1,749,252	3,194,572
Administrative expenses		1,679,967	1,730,770
		69,285	1,463,802
Other operating income		31,078	52,000
OPERATING PROFIT	5	100,363	1,515,802
Interest receivable and similar income		488	327
		100,851	1,516,129
Interest payable and similar charges	6	60,000	55,418
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,851	1,460,711
Tax on profit on ordinary activities	7	31,296	300,198
PROFIT FOR THE FINANCIAL YEAR		9,555	1,160,513

The notes form part of these financial statements

DYCE CARRIERS LIMITED (REGISTERED NUMBER: SC067039)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		9,555	1,160,513
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,555</u>	<u>1,160,513</u>

The notes form part of these financial statements

BALANCE SHEET
31 JANUARY 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	4,104,336	3,915,030
CURRENT ASSETS			
Stocks	10	45,852	67,472
Debtors	11	2,189,984	3,031,431
Cash at bank and in hand		1,273,929	1,180,887
		<u>3,509,765</u>	<u>4,279,790</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,111,973</u>	<u>2,618,253</u>
NET CURRENT ASSETS		<u>1,397,792</u>	<u>1,661,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,502,128</u>	<u>5,576,567</u>
CREDITORS			
Amounts falling due after more than one year	13	(826,980)	(832,700)
PROVISIONS FOR LIABILITIES	17	<u>(260,294)</u>	<u>(228,998)</u>
NET ASSETS		<u><u>4,414,854</u></u>	<u><u>4,514,869</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	182	182
Revaluation reserve	19	386,670	398,148
Capital redemption reserve	19	22	22
Retained earnings	19	<u>4,027,980</u>	<u>4,116,517</u>
SHAREHOLDERS' FUNDS		<u><u>4,414,854</u></u>	<u><u>4,514,869</u></u>

The financial statements were approved by the Board of Directors on 25 October 2016 and were signed on its behalf by:



J D W Moir - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 February 2014	182	3,136,004	398,148	22	3,534,356
Changes in equity					
Dividends	-	(180,000)	-	-	(180,000)
Total comprehensive income	-	1,160,513	-	-	1,160,513
Balance at 31 January 2015	<u>182</u>	<u>4,116,517</u>	<u>398,148</u>	<u>22</u>	<u>4,514,869</u>
Changes in equity					
Dividends	-	(109,570)	-	-	(109,570)
Total comprehensive income	-	21,033	(11,478)	-	9,555
Balance at 31 January 2016	<u><u>182</u></u>	<u><u>4,027,980</u></u>	<u><u>386,670</u></u>	<u><u>22</u></u>	<u><u>4,414,854</u></u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,164,146	2,069,283
Interest paid		(23,887)	(19,676)
Interest element of hire purchase payments paid		(36,113)	(35,742)
Tax paid		(270,837)	(236,943)
Net cash from operating activities		<u>833,309</u>	<u>1,776,922</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(985,675)	(694,131)
Sale of tangible fixed assets		179,100	59,400
Interest received		488	327
Net cash from investing activities		<u>(806,087)</u>	<u>(634,404)</u>
Cash flows from financing activities			
New loans in year		850,225	433,212
Loan repayments in year		(77,029)	(53,302)
Capital repayments in year		(602,622)	(500,837)
Amount introduced by directors		4,816	-
Amount withdrawn by directors		-	(3,196)
Equity dividends paid		(109,570)	(180,000)
Net cash from financing activities		<u>65,820</u>	<u>(304,123)</u>
Increase in cash and cash equivalents		<u>93,042</u>	<u>838,395</u>
Cash and cash equivalents at beginning of year	2	<u>1,180,887</u>	<u>342,492</u>
Cash and cash equivalents at end of year	2	<u><u>1,273,929</u></u>	<u><u>1,180,887</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	40,851	1,460,711
Depreciation charges	569,402	540,526
Loss on disposal of fixed assets	47,867	50,765
Finance costs	60,000	55,418
Finance income	(488)	(327)
	717,632	2,107,093
Decrease in stocks	21,620	105
Decrease/(increase) in trade and other debtors	841,447	(482,796)
(Decrease)/increase in trade and other creditors	(416,553)	444,881
Cash generated from operations	1,164,146	2,069,283

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 January 2016

	31.1.16	1.2.15
	£	£
Cash and cash equivalents	1,273,929	1,180,887

Year ended 31 January 2015

	31.1.15	1.2.14
	£	£
Cash and cash equivalents	1,180,887	507,583
Bank overdrafts	-	(165,091)
	1,180,887	342,492

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

1. COMPANY INFORMATION

Dyce Carriers Limited is a company limited by shares incorporated in Scotland. The registered office is Commercial House, 2 Rubislaw Terrace, Aberdeen, AB10 1XE.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 on 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 January 2016 are the first financial statements of Dyce Carriers Limited prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. The date of transition to FRS102 was 1 February 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

Significant judgements and estimates

In the application of the company's accounting policies, 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.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. 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:

Freehold property - 2% Straight line

Plant and machinery - 15 to 20% Reducing balance

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

2. ACCOUNTING POLICIES - continued

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.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Rents received

Rent received in respect of land owned by the company is accounted for in the period to which it relates.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

At each reporting 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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents 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.

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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

2. ACCOUNTING POLICIES - continued

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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.

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

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

Derecognition of financial liabilities

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

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Haulage	11,313,963	14,018,401
	<u>11,313,963</u>	<u>14,018,401</u>

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	11,313,963	14,018,401
	<u>11,313,963</u>	<u>14,018,401</u>

4. STAFF COSTS

	2016 £	2015 £
Wages and salaries	3,844,591	3,831,649
Social security costs	370,153	379,533
Other pension costs	100,364	145,234
	<u>4,315,108</u>	<u>4,356,416</u>

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

	2016	2015
Directors	2	2
Administration	5	7
Logistics	10	9
Drivers	85	82
Mechanics	4	5
	<u>106</u>	<u>105</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Hire of plant and machinery	807,806	921,779
Depreciation - owned assets	286,079	232,543
Depreciation - assets on hire purchase contracts	283,323	307,983
Loss on disposal of fixed assets	47,867	50,765
Auditors' remuneration	9,000	10,500
	<u>1,433,975</u>	<u>1,523,570</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016

5. OPERATING PROFIT - continued

Directors' remuneration	68,150	78,766
Directors' pension contributions to money purchase schemes	<u>61,333</u>	<u>120,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest	207	1,537
Bank loan interest	23,680	18,139
Hire purchase	<u>36,113</u>	<u>35,742</u>
	<u>60,000</u>	<u>55,418</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	-	270,837
Corporation tax - prior year	<u>-</u>	<u>(3)</u>
Total current tax	-	270,834
Deferred tax	<u>31,296</u>	<u>29,364</u>
Tax on profit on ordinary activities	<u>31,296</u>	<u>300,198</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>40,851</u>	<u>1,460,711</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.200% (2015 - 21.330%)	8,252	311,570
Effects of:		
Expenses not deductible for tax purposes	1,696	1,444
Capital allowances in excess of depreciation	(41,707)	(52,170)
Utilisation of tax losses	22,090	-
Adjustments to tax charge in respect of previous periods	-	(1)
(Gain)/Loss on disposal of fixed assets	9,669	10,828
Deferred tax charge	31,296	29,364
Marginal relief	-	(837)
Total tax charge	<u>31,296</u>	<u>300,198</u>

The UK corporation tax rate was reduced from 21% to 20% effective 1 April 2015 and deferred tax assets/liabilities have been remeasured using the rates substantively enacted at 31 January 2016.

8. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	<u>109,570</u>	<u>180,000</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 February 2015	1,501,349	5,959,945	7,461,294
Additions	79,569	906,106	985,675
Disposals	-	(951,475)	(951,475)
At 31 January 2016	<u>1,580,918</u>	<u>5,914,576</u>	<u>7,495,494</u>
DEPRECIATION			
At 1 February 2015	142,853	3,403,411	3,546,264
Charge for year	8,622	560,780	569,402
Eliminated on disposal	-	(724,508)	(724,508)
At 31 January 2016	<u>151,475</u>	<u>3,239,683</u>	<u>3,391,158</u>
NET BOOK VALUE			
At 31 January 2016	<u>1,429,443</u>	<u>2,674,893</u>	<u>4,104,336</u>
At 31 January 2015	<u>1,358,496</u>	<u>2,556,534</u>	<u>3,915,030</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

9. TANGIBLE FIXED ASSETS - continued

The freehold property subject to the revaluation reserve was valued by J & E Shepherd, Chartered Surveyors on 17th July 2013 at £1,100,000 on the basis of an open market valuation for existing use. The comparative historical cost for the freehold property included in the valuation is £588,014 (2015 - £508,445). Freehold property includes additional land not included in the 17th July 2013 valuation and the directors feel there is no change in the value of the additional land from the original cost of £594,756 (2015 - £594,756). Accumulated historical cost amounts to £1,182,770 (2015 - £1,103,201). The revaluation reserve prior to movements for deferred tax amounts to £398,148 (2015 - £398,148).

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 February 2015	2,041,576
Additions	519,995
Transfer to ownership	(748,428)
Reclassification/transfer	23,500
At 31 January 2016	1,836,643
DEPRECIATION	
At 1 February 2015	596,558
Charge for year	283,323
Transfer to ownership	(311,646)
Reclassification/transfer	3,917
At 31 January 2016	572,152
NET BOOK VALUE	
At 31 January 2016	1,264,491
At 31 January 2015	1,445,018

10. STOCKS

	2016 £	2015 £
Stocks	45,852	67,472

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	1,994,707	2,645,837
Other debtors	3,000	142,000
Prepayments and accrued income	192,277	243,594
	2,189,984	3,031,431

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 14)	96,460	55,924
Hire purchase contracts (see note 15)	578,513	442,754
Trade creditors	907,855	1,126,757
Tax	-	270,837
Social security and other taxes	96,514	115,713
VAT	255,735	272,231
Other creditors	106,988	113,939
Directors' current accounts	5,376	561
Accrued expenses	64,532	219,537
	<u>2,111,973</u>	<u>2,618,253</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans (see note 14)	473,092	290,685
Hire purchase contracts (see note 15)	353,888	542,015
	<u>826,980</u>	<u>832,700</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>96,460</u>	<u>55,924</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>378,450</u>	<u>161,867</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>94,642</u>	<u>128,818</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Gross obligations repayable:		
Within one year	605,762	473,947
Between one and five years	378,587	570,459
	<u>984,349</u>	<u>1,044,406</u>
Finance charges repayable:		
Within one year	27,249	31,193
Between one and five years	24,699	28,444
	<u>51,948</u>	<u>59,637</u>
Net obligations repayable:		
Within one year	578,513	442,754
Between one and five years	353,888	542,015
	<u>932,401</u>	<u>984,769</u>
	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	133,340	38,535
Between one and five years	1,136,246	1,301,558
	<u>1,269,586</u>	<u>1,340,093</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	569,552	346,609
Hire purchase contracts	932,401	984,769
	<u>1,501,953</u>	<u>1,331,378</u>

The bank overdraft and loans are secured over the freehold premises and land at 15 and 32 Kirkton Avenue, Pitmedden Road Industrial Estate, Dyce, Aberdeen, AB21 0BF and a bond and floating charge over the assets of the company.

17. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	260,294	228,998

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 February 2015	228,998
Accelerated capital allowances	19,818
Revaluation reserve	11,478
	<u>260,294</u>
Balance at 31 January 2016	<u>260,294</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
		£1	£	£
182	Ordinary		182	182
			<u>182</u>	<u>182</u>

19. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 February 2015	4,116,517	398,148	22	4,514,687
Profit for the year	9,555			9,555
Dividends	(109,570)			(109,570)
Deferred tax on revaluation	11,478	(11,478)	-	-
	<u>4,027,980</u>	<u>386,670</u>	<u>22</u>	<u>4,414,672</u>
At 31 January 2016	<u>4,027,980</u>	<u>386,670</u>	<u>22</u>	<u>4,414,672</u>

20. PENSION COMMITMENTS

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.

At the balance sheet date, unpaid contributions of £2,837 (2015 - £3,190) were due to the fund and are included within Other creditors. The charge to the profit and loss in respect of defined contribution schemes was £100,364 (2015 - £145,234).

21. CAPITAL COMMITMENTS

	2016	2015
	£	£
Contracted but not provided for in the financial statements	222,350	12,066
	<u>222,350</u>	<u>12,066</u>

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £109,570 (2015 - £180,000) were paid to the directors.

Included within Directors' current accounts are loans due to the directors, J D W Moir £2,688 (2015 - £281) and Mrs C K Moir £2,688 (2015 - £281).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2016**

23. ULTIMATE CONTROLLING PARTY

The controlling party is the directors who beneficially own all the company's shares.

RECONCILIATION OF EQUITY
1 FEBRUARY 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		3,871,590	-	3,871,590
CURRENT ASSETS				
Stocks		67,577	-	67,577
Debtors		2,548,635	-	2,548,635
Cash at bank and in hand		507,583	-	507,583
		3,123,795	-	3,123,795
CREDITORS				
Amounts falling due within one year		(2,338,304)	-	(2,338,304)
NET CURRENT ASSETS		785,491	-	785,491
TOTAL ASSETS LESS CURRENT LIABILITIES		4,657,081	-	4,657,081
CREDITORS				
Amounts falling due after more than one year		(923,091)	-	(923,091)
PROVISIONS FOR LIABILITIES		(199,634)	-	(199,634)
NET ASSETS		3,534,356	-	3,534,356
CAPITAL AND RESERVES				
Called up share capital		182	-	182
Revaluation reserve		398,148	-	398,148
Capital redemption reserve		22	-	22
Retained earnings		3,136,004	-	3,136,004
SHAREHOLDERS' FUNDS		3,534,356	-	3,534,356

RECONCILIATION OF EQUITY - continued
31 JANUARY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		3,915,030	-	3,915,030
CURRENT ASSETS				
Stocks		67,472	-	67,472
Debtors		3,031,431	-	3,031,431
Cash at bank and in hand		1,180,887	-	1,180,887
		4,279,790	-	4,279,790
CREDITORS				
Amounts falling due within one year		(2,618,253)	-	(2,618,253)
NET CURRENT ASSETS		1,661,537	-	1,661,537
TOTAL ASSETS LESS CURRENT LIABILITIES		5,576,567	-	5,576,567
CREDITORS				
Amounts falling due after more than one year		(832,700)	-	(832,700)
PROVISIONS FOR LIABILITIES		(228,998)	-	(228,998)
NET ASSETS		4,514,869	-	4,514,869
CAPITAL AND RESERVES				
Called up share capital		182	-	182
Revaluation reserve		398,148	-	398,148
Capital redemption reserve		22	-	22
Retained earnings		4,116,517	-	4,116,517
SHAREHOLDERS' FUNDS		4,514,869	-	4,514,869

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 JANUARY 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	14,018,401	-	14,018,401
Cost of sales	(10,823,829)	-	(10,823,829)
GROSS PROFIT	3,194,572	-	3,194,572
Administrative expenses	(1,730,770)	-	(1,730,770)
Other operating income	52,000	-	52,000
OPERATING PROFIT	1,515,802	-	1,515,802
Interest receivable and similar income	327	-	327
Interest payable and similar charges	(55,418)	-	(55,418)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,460,711	-	1,460,711
Tax on profit on ordinary activities	(300,198)	-	(300,198)
PROFIT FOR THE FINANCIAL YEAR	1,160,513	-	1,160,513