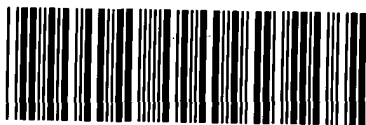


TRANSPAN (SCOTLAND) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
PAGES FOR FILING WITH REGISTRAR



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TRANSPAN (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors	G J Baxter C J Baxter
Secretary	L C Secretaries Limited
Company number	SC124530
Registered office	Markethill TURRIFF AB53 4PA
Auditor	Johnston Carmichael LLP Commerce House South Street ELGIN IV30 1JE

TRANSPAN (SCOTLAND) LIMITED

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TRANSPAN (SCOTLAND) LIMITED

BALANCE SHEET

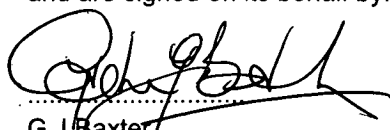
AS AT 30 JUNE 2016

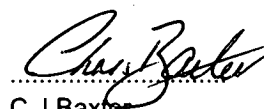
	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3		2,029,021		1,748,652
Current assets					
Stocks		24,898		24,898	
Debtors	4	875,400		921,034	
Cash at bank and in hand		3,451		715	
		<u>903,749</u>		<u>946,647</u>	
Creditors: amounts falling due within one year	5	<u>(2,143,536)</u>		<u>(1,922,578)</u>	
Net current liabilities			<u>(1,239,787)</u>		<u>(975,931)</u>
Total assets less current liabilities			<u>789,234</u>		<u>772,721</u>
Creditors: amounts falling due after more than one year	6		<u>(296,844)</u>		<u>(289,465)</u>
Net assets			<u><u>492,390</u></u>		<u><u>483,256</u></u>
Capital and reserves					
Called up share capital	7		150,000		150,000
Profit and loss reserves			<u>342,390</u>		<u>333,256</u>
Total equity			<u><u>492,390</u></u>		<u><u>483,256</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 1/2/17 and are signed on its behalf by:


G J Baxter
Director


C J Baxter
Director

Company Registration No. SC124530

TRANSPAN (SCOTLAND) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2014	150,000	575,858	725,858
Effect of transition to FRS 102	-	(27,347)	(27,347)
As restated	150,000	548,511	698,511
Year ended 30 June 2015:			
Loss and total comprehensive income for the year	-	(215,255)	(215,255)
Balance at 30 June 2015	150,000	333,256	483,256
Year ended 30 June 2016:			
Profit and total comprehensive income for the year	-	9,134	9,134
Balance at 30 June 2016	<u>150,000</u>	<u>342,390</u>	<u>492,390</u>

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Transpan (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is Markethill, Turriff, AB53 4PA.

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, Section 1A applicable to Small Entities" ("FRS 102 Section 1A") 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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Transpan (Scotland) 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 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

1.2 Going concern

The company had a net current liability position at the year end of £1,239,787 (2015 - £975,931). The directors of The Harbro Group Limited, the parent company, have confirmed that the group will continue to provide any required support to the company.

1.3 Turnover

Turnover represents amounts receivable for haulage services and motor engineering net of VAT and trade discounts. Turnover is recognised at the point of completion of delivery.

Revenue for the provision of haulage services is recognised at the point of completion of delivery.

1.4 Tangible fixed assets

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

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

Plant and machinery	- over 5 to 20 years
Fixtures, fittings & equipment	- over 2 to 10 years
Motor vehicles	- 15% to 25% 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.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.5 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) 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

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.

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.

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.

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 and loans from fellow group companies 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.

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.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

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.

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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

2 Employees

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

	2016 Number	2015 Number
Total	59	57

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2015	3,509,919
Additions	748,072
Disposals	(344,752)
At 30 June 2016	3,913,239
Depreciation and impairment	
At 1 July 2015	1,761,267
Depreciation charged in the year	433,489
Eliminated in respect of disposals	(310,538)
At 30 June 2016	1,884,218
Carrying amount	
At 30 June 2016	2,029,021
At 30 June 2015	1,748,652

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

4 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	484,159	330,901
Corporation tax recoverable	-	44,502
Amounts due from group undertakings	316,353	474,597
Other debtors	74,037	69,205
	<u>874,549</u>	<u>919,205</u>
Amounts falling due after one year:		
Deferred tax asset	851	1,829
	<u>851</u>	<u>1,829</u>
Total debtors	<u>875,400</u>	<u>921,034</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	1,243,330	967,638
Trade creditors	386,474	330,252
Other taxation and social security	61,644	54,643
Other creditors	452,088	570,045
	<u>2,143,536</u>	<u>1,922,578</u>

Net obligations under hire purchase contracts amounting to £373,546 are secured over the assets which the agreements relate to.

Bank borrowings are secured by a bond and floating charge over the whole assets of the company.

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>296,844</u>	<u>289,465</u>

Net obligations under hire purchase contracts amounting to £296,844 are secured over the assets which the agreements relate to.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

7 Called up share capital

	2016 £	2015 £
Ordinary share capital		
150,000 Ordinary shares of £1 each	150,000	150,000

8 Audit report information

As the income statement 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 senior statutory auditor was David McBain.

The auditor was Johnston Carmichael LLP.

9 Operating lease commitments

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	279,903	190,178
Between two and five years	562,850	443,273
	<u>842,753</u>	<u>633,451</u>

10 Financial commitments, guarantees and contingent liabilities

The company has provided its bankers with a cross guarantee in respect of borrowings due by other group companies.

11 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of property, plant and equipment	-	18,600

12 Parent company

The ultimate holding company is The Harbro Group Limited, a company registered in Scotland, which owns 100% of the issued ordinary share capital of Transpan (Scotland) Limited. A copy of the group financial statements can be obtained from the company's registered office.

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

Notes	At 1 July 2014			At 30 June 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets						
Tangible assets	1,835,058	-	1,835,058	1,748,652	-	1,748,652
Current assets						
Stocks	31,987	-	31,987	24,898	-	24,898
Debtors - deferred tax (i)	-	-	-	-	1,829	1,829
Debtors - other	820,363	-	820,363	919,205	-	919,205
Bank and cash	-	-	-	715	-	715
	852,350	-	852,350	944,818	1,829	946,647
Creditors due within one year						
Loans and overdrafts	(622,274)	-	(622,274)	(967,638)	-	(967,638)
Finance leases	(374,683)	-	(374,683)	(373,956)	-	(373,956)
Taxation	(47,129)	-	(47,129)	(54,643)	-	(54,643)
Other creditors (i)	(372,173)	(33,350)	(405,523)	(489,842)	(36,499)	(526,341)
	(1,416,259)	(33,350)	(1,449,609)	(1,886,079)	(36,499)	(1,922,578)
Net current liabilities	(563,909)	(33,350)	(597,259)	(941,261)	(34,670)	(975,931)
Total assets less current liabilities	1,271,149	(33,350)	1,237,799	807,391	(34,670)	772,721
Creditors due after one year						
Finance leases	(430,298)	-	(430,298)	(289,465)	-	(289,465)
Provisions for liabilities						
Deferred tax (i)	(14,993)	6,003	(8,990)	(4,741)	4,741	-
Other provisions	(100,000)	-	(100,000)	-	-	-
	(114,993)	6,003	(108,990)	(4,741)	4,741	-
Net assets	725,858	(27,347)	698,511	513,185	(29,929)	483,256
Capital and reserves						
Share capital	150,000	-	150,000	150,000	-	150,000
Profit and loss (i)	575,858	(27,347)	548,511	363,185	(29,929)	333,256
Total equity	725,858	(27,347)	698,511	513,185	(29,929)	483,256

TRANSPAN (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

(i) Holiday pay accrual

In line with section 28 of FRS 102 a holiday pay accrual has been recognised on transition along with the related deferred tax.