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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr John G Russell Mrs I M Russell Ms S J Wigfield Mr James G Russell Mr W K Russell Mr A W Poulton Mr D Paterson
<b>Company secretary</b>	Ms S J Wigfield
<b>Registered number</b>	SC021189
<b>Registered office</b>	Deanside Road Hillington Glasgow G52 4XB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Level 8 Glasgow G1 3BX
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2AD

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their reports and the financial statements of the group for the year ended 31 March 2019.

#### **Principal Activities and Business Review**

The company and the group are principally engaged in:

- Road, rail and intermodal freight transport
- Bonded and general warehousing
- Primary and secondary distribution
- Contract packing
- Engineering services
- Container hire repair and refurbishing
- Self-storage

#### **Strategy**

Our principal business strategy remains the achievement of a consistently high quality, robust, sustainable and cost-effective logistics service to UK industry and the development of mutually beneficial, long term business partnerships. A focus on new business development supported by a philosophy of innovation, as a means of achieving long term prosperity, is an essential part of this strategy.

The group maintains key performance indicators around business growth and trading margins in addition to a suite of operational performance statistics that measure customer service, asset utilisation, driver and vehicle efficiencies; established with and monitored by our customers. Exceeding our customers' expectations is the overall standard set for the group's activities and the directors have every confidence that this standard will continue to be achieved.

#### **Business Review**

The group continues to focus on improving asset utilisation in road, rail and warehousing.

#### **Group Result**

As a result of the focus on asset utilisation, the year saw an improvement in profit before tax to £5.4m (2018: £4.7m) on increased turnover of £68.1m (2018: £61.1m).

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### Capital Expenditure

The group continues to reinvest in regular fleet replacement. Asset investment was £4.6m (2018: £6.9m), reduction primarily driven by the significant investment in the Cumbernauld warehouse in prior year for which there is no current year equivalent.

#### Principal risks and uncertainties

##### Liquidity & price risk

Liquidity risks are managed by regular forward projection of group performance and capital requirements and ensuring any requisite facilities are in place. Risk associated with input prices, including fuel, is reduced through long term procurement strategies and in collaboration with customers through pricing transparency. Consolidated borrowings and related costs are measured and managed against net assets and PBIT to achieve an optimum level of working capital.

##### Trade Credit

Credit risk is monitored by way of in-house credit control functions, regular outside credit checking and, where appropriate, credit insurance.

##### Financing

Financial instruments comprise: amounts receivable from customers; amounts payable to suppliers; short-term hire purchase asset finance; bank borrowing through overdraft and term loans; supplier financing. Currency, short term borrowings generally incur interest based on variable base rates with long term a mix of variable and fixed rates. Interest rate risk is not considered material to the fair value of current borrowings.

##### Fluctuations in currency exchange rates

The business risk arising from exposure to foreign currency fluctuations is regarded as low.

##### Pension Scheme funding

Our defined benefit scheme closed to future accruals in 2010. We have committed to funding the current scheme deficit over a fixed period, with additional contributions considered annually in consultation with the trustees of the scheme. We do not anticipate that this will affect ongoing operations and business development. The company now maintains a defined contribution scheme, available for all employees.

##### Key Performance Indicators

Financial performance is measured in terms of sustainable sales and profit growth and an adequate return on capital employed being achieved from each business unit, in addition to the measurement of liquidity referred to above. Operational performance is measured accurately and closely with the latest fleet telematics, in terms of fuel efficiency, driver performance and time management, which also enhance the reporting of customer service performance, further tailored to each customer's expectations and subject to ongoing monitoring and review by both parties.

This report was approved by the board on 23 December 2019 and signed on its behalf.



Mr John G Russell  
Director

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### Results and dividends

The profit for the year, after taxation, amounted to £4,096,865 (2018: £3,715,454).

The result and dividends paid are fully detailed within the attached financial statements and reviewed within the Strategic report.

#### Directors

The directors who served during the year were:

Mr John G Russell  
Mrs I M Russell  
Ms S J Wigfield  
Mr James G Russell  
Mr W K Russell  
Mr A W Poulton  
Mr D Paterson

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the group and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### Future developments

The Group will continue to focus on activities on road, rail and in warehousing.

#### The directors and their interests

The directors who served the company during the year together with their benefit interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2019	At 1 April 2018
Mr John G Russell	10,208	10,208
Mrs I M Russell	10,208	10,208
Ms S J Wigfield	-	-
Mr James G Russell	4,971	4,971
Mr W K Russell	4,971	4,971
Mr K I A MacLeod CA (resigned 30 June 2017)	-	-
Mr A W Poulton	-	-
Mr D Paterson	-	-

#### Employee recruitment and engagement

In respect of advertising and applications for employment, we comply with the requirements of the Equality Act 2010. The Russell Group continues to invest in a blend of youth and experience to complement the existing teams within the business.

We recognise the benefits of an engaged workforce and will ensure employees have the correct levels of investment, in terms of training, and suitable, flexible reward packages. Employee engagement remains an area which we are developing.

#### Employment of disabled persons

We accept applications for employment from disabled persons whose aptitudes meet the requirements of the job, with consideration given to special training or facility needs. Following employment, a career plan will be developed so as to maintain future opportunities for each disabled person. Similar arrangements, with suitable retraining, will be made for any employees who become disabled to allow them to perform work appropriate to their abilities.

#### Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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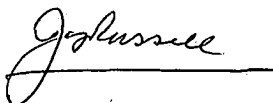
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 December 2019 and signed on its behalf.



**Mr John G Russell**  
Director





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN G RUSSELL (TRANSPORT) LIMITED**

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### **Opinion**

We have audited the financial statements of John G Russell (Transport) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's, or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN G RUSSELL (TRANSPORT) LIMITED (CONTINUED)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



**Grant Thornton**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN G RUSSELL (TRANSPORT) LIMITED  
(CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

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.

James Chadwick  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Glasgow

23 December 2019

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Group turnover	4	68,077,081	61,074,982
Operating charges		(38,950,488)	(35,582,379)
Staff costs	7	(23,476,770)	(20,525,697)
Grant release	19	167,642	170,494
<b>Operating profit</b>	5	<b>5,817,465</b>	<b>5,137,400</b>
Interest receivable and similar income		8,791	31,154
Interest payable and expenses		(265,213)	(283,665)
Other finance charges		(204,000)	(224,000)
<b>Profit before taxation</b>		<b>5,357,043</b>	<b>4,660,889</b>
Tax on profit	9	(1,260,178)	(945,435)
<b>Profit for the financial year</b>		<b>4,096,865</b>	<b>3,715,454</b>
Actuarial (losses)/gains on defined benefit pension scheme		(468,000)	154,000
Movement of deferred tax relating to pension deficit		131,750	(195,320)
<b>Other comprehensive income for the year</b>		<b>(336,250)</b>	<b>(41,320)</b>
<b>Total comprehensive income for the year</b>		<b>3,760,615</b>	<b>3,674,134</b>

All profit is attributable to the owners of the parent company.

All amounts relate to continuing operations.

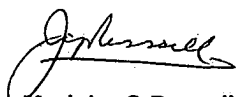
The notes on pages 17 to 41 form part of these financial statements.

**JOHN G RUSSELL (TRANSPORT) LIMITED**  
REGISTERED NUMBER: SC021189

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	33,287,364	32,918,407
Investments	11	49,789	45,787
		<u>33,337,153</u>	<u>32,964,194</u>
<b>Current assets</b>			
Stocks	12	328,820	373,340
Debtors	13	15,692,108	14,259,606
Cash at bank and in hand	14	7,671,599	5,941,599
		<u>23,692,527</u>	<u>20,574,545</u>
Creditors: amounts falling due within one year	15	(13,652,412)	(12,051,028)
<b>Net current assets</b>		<u>10,040,115</u>	<u>8,523,517</u>
<b>Total assets less current liabilities</b>		<u>43,377,268</u>	<u>41,487,711</u>
Creditors: amounts falling due after more than one year	16	(5,598,417)	(7,835,033)
<b>Provisions for liabilities</b>			
Government grants	19	(502,503)	(670,145)
<b>Net assets excluding pension liability</b>		<u>37,276,348</u>	<u>32,982,533</u>
Pension liability		(8,694,000)	(7,919,000)
<b>Net assets</b>		<u><u>28,582,348</u></u>	<u><u>25,063,533</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	40,300	40,300
Other reserves	22	1,610,164	1,610,164
Profit and loss account	22	26,931,884	23,413,069
		<u>28,582,348</u>	<u>25,063,533</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2019.

  
Mr John G Russell  
Director

The notes on pages 17 to 41 form part of these financial statements.

**JOHN G RUSSELL (TRANSPORT) LIMITED**  
**REGISTERED NUMBER: SC021189**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**


	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	24,407,950	25,266,422
Investments	11	73,089	69,087
		<u>24,481,039</u>	<u>25,335,509</u>
<b>Current assets</b>			
Stocks	12	87,304	131,130
Debtors	13	10,823,333	9,846,561
Cash at bank and in hand	14	7,467,537	6,007,361
		<u>18,378,174</u>	<u>15,985,052</u>
Creditors: amounts falling due within one year	15	(14,889,770)	(15,241,469)
<b>Net current assets</b>		<u>3,488,404</u>	<u>743,583</u>
<b>Total assets less current liabilities</b>		<u>27,969,443</u>	<u>26,079,092</u>
Creditors: amounts falling due after more than one year	16	(4,791,328)	(6,714,163)
<b>Provisions for liabilities</b>			
Government grants	19	(502,503)	(670,145)
<b>Net assets excluding pension liability</b>		<u>22,675,612</u>	<u>18,694,784</u>
Pension liability		(8,694,000)	(7,919,000)
<b>Net assets</b>		<u><u>13,981,612</u></u>	<u><u>10,775,784</u></u>

**JOHN G RUSSELL (TRANSPORT) LIMITED**  
**REGISTERED NUMBER: SC021189**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2019**

	Note	31 March 2019 £	31 March 2018 £
<b>Capital and reserves</b>			
Called up share capital	21	40,300	40,300
Profit and loss account brought forward		10,735,484	7,098,192
Profit for the year		3,783,878	3,815,753
Other changes in the profit and loss account		(578,050)	(178,461)
Profit and loss account carried forward		13,941,312	10,735,484
		<u>13,981,612</u>	<u>10,775,784</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2019.

  
**Mr John G Russell**  
 Director

The notes on pages 17 to 41 form part of these financial statements.

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	<b>40,300</b>	<b>1,610,164</b>	<b>19,876,076</b>	<b>21,526,540</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	3,715,454	3,715,454
Deferred tax movements	-	-	(90,661)	(90,661)
Actuarial gains on defined benefit pension scheme	-	-	154,000	154,000
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,778,793</b>	<b>3,778,793</b>
Dividends: Equity capital	-	-	(241,800)	(241,800)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(241,800)</b>	<b>(241,800)</b>
<b>At 1 April 2018</b>	<b>40,300</b>	<b>1,610,164</b>	<b>23,413,069</b>	<b>25,063,533</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	4,096,865	4,096,865
Movement of deferred tax relating to pension deficit	-	-	131,750	131,750
Actuarial losses on defined benefit pension scheme	-	-	(468,000)	(468,000)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,760,615</b>	<b>3,760,615</b>
Dividends: Equity capital	-	-	(241,800)	(241,800)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(241,800)</b>	<b>(241,800)</b>
<b>At 31 March 2019</b>	<b>40,300</b>	<b>1,610,164</b>	<b>26,931,884</b>	<b>28,582,348</b>

The notes on pages 17 to 41 form part of these financial statements.



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JOHN G RUSSELL (TRANSPORT) LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	<b>40,300</b>	<b>7,098,192</b>	<b>7,138,492</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,815,753	3,815,753
Deferred tax movements	-	(90,661)	(90,661)
Actuarial gains on defined benefit pension scheme	-	154,000	154,000
	-	3,879,092	3,879,092
<b>Total comprehensive income for the year</b>			
Dividends: Equity capital	-	(241,800)	(241,800)
	-		
<b>At 1 April 2018</b>	<b>40,300</b>	<b>10,735,484</b>	<b>10,775,784</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,783,878	3,783,878
Movement of deferred tax relating to pension deficit	-	131,750	131,750
Actuarial losses on defined benefit pension scheme	-	(468,000)	(468,000)
	-	3,447,628	3,447,628
<b>Total comprehensive income for the year</b>			
Dividends: Equity capital	-	(241,800)	(241,800)
	-		
<b>At 31 March 2019</b>	<b>40,300</b>	<b>13,941,312</b>	<b>13,981,612</b>

The notes on pages 17 to 41 form part of these financial statements.

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JOHN G RUSSELL (TRANSPORT) LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	4,096,865	3,715,454
<b>Adjustments for:</b>		
Depreciation of tangible assets	4,040,820	4,117,272
Interest paid	265,213	283,665
Interest received	(8,791)	(31,154)
Taxation charge	1,260,178	945,435
Decrease in stocks	44,520	47,342
(Increase)/decrease in debtors	(1,467,546)	298,292
Increase/(decrease) in creditors	1,530,392	(313,221)
(Decrease) in provisions	(167,642)	(170,494)
Corporation tax (paid)	(1,009,395)	(1,204,600)
Gain on sale of fixed assets	(225,953)	(6,175)
Equalisation adjustment	583,000	-
Pension scheme notional finance charges	204,000	224,000
Pension scheme payments	(480,000)	(608,000)
<b>Net cash generated from operating activities</b>	<b>8,665,661</b>	<b>7,297,816</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,334,574)	(3,454,747)
Sale of tangible fixed assets	407,045	133,615
Purchase of unlisted and other investments	(4,002)	-
Interest received	8,791	31,154
<b>Net cash from investing activities</b>	<b>(2,922,740)</b>	<b>(3,289,978)</b>

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	2,850,000
Repayment of loans	(1,089,987)	(1,532,457)
Repayment of finance leases	(2,415,921)	(2,284,647)
Dividends paid	(241,800)	(241,800)
Interest paid	(265,213)	(283,665)
<b>Net cash used in financing activities</b>	<b>(4,012,921)</b>	<b>(1,492,569)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,730,000</b>	<b>2,515,269</b>
Cash and cash equivalents at beginning of year	5,941,599	3,426,330
<b>Cash and cash equivalents at the end of year</b>	<b>7,671,599</b>	<b>5,941,599</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	7,671,599	5,941,599

The notes on pages 17 to 41 form part of these financial statements.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1. Company information

John G Russell (Transport) Limited is a group registered in Scotland. The registered office is based at Deanside Road, Hillington, Glasgow, G52 4XB. The principal activity of the group is freight transport, bonded and general warehousing and self-storage.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The individual accounts of John G Russell (Transport) Limited have also adopted the following disclosure exemptions:

- The requirements to present a statement of cash flows and related notes
- Financial Instruments disclosures, including
  - Categories of financial instruments
  - Items of income, expenses, gains and losses related to financial instruments,
  - Exposure to and management of financial risks.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### 2.3 Going concern

The group has agreed bank facilities in place and expect to continue to renew the facilities in the normal course of business. The group has prepared trading projections which shows it should stay within the facilities for the foreseeable future; at least 12 months from the date of approval of the financial statements. On this basis, the directors are satisfied that they can continue to adopt the going concern basis of accounting in preparing the financial statements.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents income from road and rail transport, and other activities listed within the Strategic Report. Distribution revenue is recognised on the occurrence of a critical event, such as the delivery of goods.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, less their estimated residual value on the following basis:.

Depreciation is provided on the following basis:

Freehold property	- 2 - 10%
Leasehold property	- Period of lease
Plant and machinery	- 10 - 33%
Motor vehicles	- 10 - 33%
Lease containers	- 10 - 25%
Equipment	- 10 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.6 Investments

Investments are included at cost less amounts provided or written off.

##### 2.7 Stocks

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

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.9 Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

##### 2.10 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future installments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future installments.

##### 2.11 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

##### 2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.13 Financial instruments (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

##### 2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.18 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

##### 2.19 Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.



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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.20 Pensions costs and other post-retirement benefits

###### Defined benefit scheme

The defined benefit pension scheme for employees, closed to new members since 2004, was closed to future accruals as from 5 June 2010. The assets of this scheme are held separately from those of the group.

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

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## JOHN G RUSSELL (TRANSPORT) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.20 Pensions costs and other post-retirement benefits (continued)

###### Defined contribution scheme

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.21 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### 2.22 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

##### 2.23 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

##### Defined benefit pension scheme

The deficit on the defined pension scheme is included in the balance sheet in line with FRS 102. The deficit is arrived at by obtaining a valuation from the Scheme Actuary, and is underpinned by a series of actuarial assumptions. A change in these assumptions may have a material impact on the valuation of the deficit. More information is contained in note 25.

##### Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed and amended when necessary.

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**4. Turnover**

The turnover and profit before tax are attributable to the principle activities of the group.

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Gain on sale of fixed assets	(225,953)	(6,175)
Amortisation of government grants	167,642	170,494
Depreciation of owned fixed assets	2,979,272	2,635,705
Depreciation of assets held under finance leases/hire purchase agreements	1,061,548	1,481,567
Operating lease rentals - motor vehicles	128,080	135,359
Operating lease rentals - land & buildings	357,071	456,218
Defined contribution cost	678,498	630,463

**6. Auditor's remuneration**

Auditor's remuneration - audit of the financial statements	42,520	42,520
Auditor's remuneration - all other services	13,500	13,750
	<u>56,020</u>	<u>56,270</u>

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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	20,595,151	18,000,040	10,907,338	9,244,317
Social security costs	2,203,121	1,895,194	1,178,001	977,666
Defined contribution pension scheme costs	678,498	630,463	380,269	349,907
	<u>23,476,770</u>	<u>20,525,697</u>	<u>12,465,608</u>	<u>10,571,890</u>

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

	2019 No.	2018 No.
Drivers	303	279
Warehouse, handling and ancillary	146	131
Engineering	56	49
Administration & head office	144	139
	<u>649</u>	<u>598</u>

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**8. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	711,479	733,094
Pension contributions to money purchase pension schemes	66,090	64,024
	<u>777,569</u>	<u>797,118</u>

Emoluments of highest paid director:

	2019 £	2018 £
Emoluments	138,276	150,171
Pension contributions to money purchase pension schemes	27,806	27,805
	<u>166,082</u>	<u>177,976</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2019 £	2018 £
Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

**9. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,082,459	933,711
Adjustments in respect of previous periods	10,925	31,930
<b>Total current tax</b>	<u>1,093,384</u>	<u>965,641</u>
<b>Deferred tax</b>		
Deferred taxation: origination and reversal of timing differences	123,750	6,730
Deferred taxation: adjustments in respect of previous periods	43,044	(26,936)
<b>Taxation on profit on ordinary activities</b>	<u>1,260,178</u>	<u>945,435</u>

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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>5,357,044</u>	<u>4,660,889</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	1,017,838	885,569
Effects of:		
Income not taxable for tax purposes	-	(105,354)
Expenses not deductible for tax purposes	67,601	7,961
Fixed asset differences	107,506	153,058
Adjustment in respect of prior period - corporation tax	10,925	31,930
Adjustment in respect of prior period - deferred tax	43,044	(26,936)
Difference in tax rates	(14,559)	(793)
Chargeable gains	27,823	-
Total tax charge for the year	<u>1,260,178</u>	<u>945,435</u>

A reduction in the corporation tax rate to 17% will take effect from 1 April 2020 and has been substantively enacted in Finance Act 2016 on 15 September 2016. The recognised deferred tax balances have been remeasured at 17%.

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**10. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>					
At 1 April 2018	30,248,086	11,345,251	38,368,513	47,207	80,009,057
Additions	571,831	522,338	3,388,759	107,941	4,590,869
Disposals	(75,225)	(32,272)	(1,670,573)	-	(1,778,070)
At 31 March 2019	30,744,692	11,835,317	40,086,699	155,148	82,821,856
<b>Depreciation</b>					
At 1 April 2018	12,388,518	7,762,802	26,939,330	-	47,090,650
Charge for the year on owned assets	805,082	370,275	2,865,463	-	4,040,820
Disposals	-	(23,335)	(1,573,643)	-	(1,596,978)
At 31 March 2019	13,193,600	8,109,742	28,231,150	-	49,534,492
<b>Net book value</b>					
At 31 March 2019	17,551,092	3,725,575	11,855,549	155,148	33,287,364
At 31 March 2018	17,859,568	3,582,449	11,429,183	47,207	32,918,407

Included within the net book value of £33,287,364 (2018: £32,918,407) is £9,336,598 (2018: £9,389,974) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,061,548 (2018: £1,481,567).

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**10. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>					
At 1 April 2018	27,535,970	9,094,549	13,555,638	47,207	50,233,364
Additions	571,831	388,951	638,734	107,941	1,707,457
Disposals	(75,225)	(9,139)	(763,925)	-	(848,289)
At 31 March 2019	28,032,576	9,474,361	13,430,447	155,148	51,092,532
<b>Depreciation</b>					
At 1 April 2018	10,617,525	5,805,842	8,543,575	-	24,966,942
Charge for the year on owned assets	723,374	230,319	1,473,389	-	2,427,082
Disposals	-	(9,116)	(700,326)	-	(709,442)
At 31 March 2019	11,340,899	6,027,045	9,316,638	-	26,684,582
<b>Net book value</b>					
At 31 March 2019	16,691,677	3,447,316	4,113,809	155,148	24,407,950
At 31 March 2018	16,918,445	3,288,707	5,012,063	47,207	25,266,422

Included within the net book value of £24,407,950 (2017: £25,266,422) is £5,709,761 (2018: £6,131,620) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £498,614 (2018: £1,049,809).



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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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11. Fixed asset investments

Group

	Other investments £
<b>Cost or valuation</b>	
At 1 April 2018	45,787
Additions	4,002
At 31 March 2019	<u>49,789</u>
<b>Net book value</b>	
At 31 March 2019	<u>49,789</u>
At 31 March 2018	<u>45,787</u>

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**11. Fixed asset investments (continued)**

**Company**

	Group companies £	Associate undertakings £	Other investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	397,150	455,555	45,787	898,492
Additions	-	-	4,002	4,002
At 31 March 2019	397,150	455,555	49,789	902,494
<b>Impairment</b>				
At 1 April 2018	373,850	455,555	-	829,405
At 31 March 2019	373,850	455,555	-	829,405
<b>Net book value</b>				
At 31 March 2019	23,300	-	49,789	73,089
At 31 March 2018	23,300	-	45,787	69,087

**Subsidiary undertakings**

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Carntyne Transport Co Limited	440 Petershill Road, Springburn, Glasgow, G21 4AA	Road Haulage	Ordinary	100%
R.D. Spittal Limited	Deanside Road, Hillington, Glasgow, G52 4XB	Dormant	Ordinary	100%
Deanside Transit Limited	Deanside Road, Hillington, Glasgow, G52 4XB	Dormant	Ordinary	100%
Storage Services (Leith) Limited	Deanside Road, Hillington, Glasgow, G52 4XB	Dormant	Ordinary	100%

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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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11. Fixed asset investments (continued)

Participating interests

The following was an associate of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Impact Holdings (UK) Plc	7 St. Petersgate, Stockport, Cheshire, SK1 1EB	Credit granting	Ordinary	23%

12. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	293,889	323,427	87,304	131,130
Work in progress	34,931	49,913	-	-
	<u>328,820</u>	<u>373,340</u>	<u>87,304</u>	<u>131,130</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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13. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	14,129,467	12,956,980	9,461,429	8,549,637
Amounts owed by group undertakings	-	-	171,155	151,684
Other debtors	145,603	32,692	145,602	16,938
Prepayments and accrued income	1,152,942	970,794	662,669	838,004
Deferred taxation	264,096	299,140	382,478	290,298
	<u>15,692,108</u>	<u>14,259,606</u>	<u>10,823,333</u>	<u>9,846,561</u>

14. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	7,671,599	5,941,599	7,467,537	6,007,361
Less: bank overdrafts	-	-	(5,485,822)	(6,655,859)
	<u>7,671,599</u>	<u>5,941,599</u>	<u>1,981,715</u>	<u>(648,498)</u>

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Bank overdrafts	-	-	5,485,822	6,655,859
Bank loans	871,207	1,089,987	871,207	1,089,987
Trade creditors	4,919,828	3,147,544	2,884,525	1,758,384
Amounts owed to group undertakings	-	-	344,344	273,073
Corporation tax	532,373	448,496	350,300	255,142
Other taxation and social security	1,914,523	1,820,924	1,090,066	949,376
Obligations under finance lease and hire purchase contracts	2,411,071	2,205,288	1,135,605	1,168,876
Other creditors	427,304	246,451	382,303	198,946
Accruals and deferred income	2,576,106	3,092,338	2,345,598	2,891,826
	<b>13,652,412</b>	<b>12,051,028</b>	<b>14,889,770</b>	<b>15,241,469</b>

The bank overdrafts and business term loans are subject to a standard security and a bond and floating charge over the assets of the company and group. The hire purchase obligations are secured over the relevant assets.

**16. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Bank loans	3,674,267	4,545,474	3,674,267	4,545,474
Net obligations under finance leases and hire purchase contracts	1,924,150	3,289,559	1,117,061	2,168,689
	<b>5,598,417</b>	<b>7,835,033</b>	<b>4,791,328</b>	<b>6,714,163</b>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**16. Creditors: Amounts falling due after more than one year (continued)**

Repayments on bank loans are as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts payable within 1 year	871,207	1,089,987	871,207	1,089,987
Amounts payable between 1 and 2 years	871,207	653,405	871,207	653,405
Amounts payable between 2 and 5 years	2,803,060	3,892,069	2,803,060	3,892,069
Amounts payable over 5 years	-	-	-	-
	<u>4,545,474</u>	<u>5,635,461</u>	<u>4,545,474</u>	<u>5,635,461</u>

**17. Leasing commitments**

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts payable within 1 year	2,411,071	2,205,288	1,135,605	1,168,876
Amounts payable between 1 and 5 years	1,924,150	3,289,559	1,117,061	2,168,689
	<u>4,335,221</u>	<u>5,494,847</u>	<u>2,252,666</u>	<u>3,337,565</u>

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	384,067	399,877	285,655	294,810
Later than 1 year and not later than 5 years	1,239,694	1,182,042	846,046	1,028,442
Later than 5 years	1,467,017	1,627,633	1,410,240	1,536,740
	<u>3,090,778</u>	<u>3,209,552</u>	<u>2,541,941</u>	<u>2,859,992</u>

Included within group operating lease commitments is £3,067,538 (2018: £3,177,157) of long term property lease commitments for property utilised by group companies.

Included within company operating lease commitments is £2,518,702 (2018: £2,827,597) of long term property lease commitments for property utilised by the company.

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Financial instruments**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Financial assets</b>				
Financial assets measured at amortised cost	<u>21,946,669</u>	<u>18,931,271</u>	<u>17,245,723</u>	<u>14,725,620</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(16,803,933)</u>	<u>(17,616,641)</u>	<u>(18,240,732)</u>	<u>(20,751,114)</u>

Financial assets measured at amortised cost include trade and other debtors and cash.

Financial liabilities measured at amortised cost include all creditors excluding corporation tax and other tax and social security due.

**19. Deferred government grants**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Received and receivable:</b>				
At 1 April 2018 and 31 March 2019	3,769,924	3,769,924	3,769,924	3,769,924
<b>Amortisation:</b>				
At 1 April 2017	3,099,779	2,929,285	3,099,779	2,929,285
Credit to profit and loss account	167,642	170,494	167,642	170,494
At 31 March 2019	<u>3,267,421</u>	<u>3,099,779</u>	<u>3,267,421</u>	<u>3,099,779</u>
Net balance at 31 March 2019	<u>502,503</u>	<u>670,145</u>	<u>502,503</u>	<u>670,145</u>

The government grant provision is recognised over:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Less than one year	167,642	170,494	167,642	170,494
More than one year	334,861	499,651	334,861	499,651
	<u>502,503</u>	<u>670,145</u>	<u>502,503</u>	<u>670,145</u>

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Deferred taxation**

Deferred taxation provided for at 17% (2018: 17%) in the financial statements is set out below:

**Group**

	2019 £	2018 £
At beginning of year	299,140	369,595
Charged to profit	(166,794)	20,206
Charged to other comprehensive income	131,750	(90,661)
<b>At end of year</b>	<b>264,096</b>	<b>299,140</b>

**Company**

	2019 £	2018 £
At beginning of year	290,298	369,639
Charged to profit	(39,570)	11,320
Charged to other comprehensive income	131,750	(90,661)
<b>At end of year</b>	<b>382,478</b>	<b>290,298</b>

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(235,087)	(93,188)	(116,705)	(102,030)
Deferred tax on pension liability	1,477,980	1,346,230	1,477,980	1,346,230
Rolled over gains	(978,797)	(953,902)	(978,797)	(953,902)
	<b>264,096</b>	<b>299,140</b>	<b>382,478</b>	<b>290,298</b>



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JOHN G RUSSELL (TRANSPORT) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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21. Called up share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
40,300 (2018: 40,300) ordinary shares of £1 each	40,300	40,300

22. Reserves

Investment property revaluation reserve

Represents the nominal value of share that have been issued.

Other reserves

Other reserves contains pre acquisition reserves.

Profit and loss account

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

23. Capital commitments

There are capital commitments at Group level of £861,245 for plant and equipment (2018: £1,097,600) and at company level of £nil (2018: £Nil).

24. Contingent liabilities

The company has unlimited cross-guarantees with its subsidiary entities. At 31 March 2019, the net bank borrowings of other companies in the group amounted to £nil (2018: £Nil).

In March 2010, the company granted its defined benefit pension scheme, the John G Russell (Transport) Ltd 1989 Retirement Benefit Scheme, a partial security against the Scheme's future obligations, in the form of a contingent assets, over freehold property at Ward Park Road, Cumbernauld, valued at around £900,000.

The group had no other contingent liabilities at 31 March 2019 or 31 March 2018.

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**JOHN G RUSSELL (TRANSPORT) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**25. Defined benefit pension scheme**

The Company sponsors the Scheme which is a defined benefit pension plan. It is a separate trustee administered entity holding assets to meet long term pension liabilities. The last formal actuarial valuation of the Scheme was carried out as at 1 April 2014 and updated to 31 March 2017 by a qualified independent actuary. The major assumptions used by the actuary are shown below.

The results of the actuarial valuation as at 1 April 2017 showed a deficit of £3,142,000. The Company has agreed with the Trustees to target removal of this deficit over a period of 7 years and 3 month from 1 April 2017 by payment of contributions of £480,000 p.a.

	2019 £	2018 £
Liability	(28,806,000)	(27,230,000)
Asset	20,112,000	19,311,000
<b>Net liability</b>	<b>(8,694,000)</b>	<b>(7,919,000)</b>

	2019 £	2018 £
<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>		
Defined benefit obligation at 1 April	(27,230,000)	(27,528,000)
Interest expense	(713,000)	(744,000)
Scheme changes - GMP equalisation	(583,000)	-
Actuarial (losses)/gains	(961,000)	98,000
Benefits paid	681,000	944,000
<b>Defined benefit obligation at 31 March</b>	<b>(28,806,000)</b>	<b>(27,230,000)</b>

	2019 £	2018 £
<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Fair value of plan assets at 1 April	19,311,000	19,071,000
Interest income	509,000	520,000
Return on Scheme assets less interest income	493,000	56,000
Contributions by the group	480,000	608,000
Benefits paid	(681,000)	(944,000)
<b>Fair value of plan assets at 31 March</b>	<b>20,112,000</b>	<b>19,311,000</b>

**JOHN G RUSSELL (TRANSPORT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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	2019 £	2018 £
<b>Defined benefit costs recognised in profit or loss</b>		
Net interest cost	787,000	224,000

<b>Defined benefit costs recognised in profit or loss</b>	<u>787,000</u>	<u>224,000</u>
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	2019 £	2018 £
<b>Defined benefit gain/(costs) recognised in Other Comprehensive Income</b>		
Return on Scheme assets less interest income	493,000	56,000
Experience gains on the plan liabilities	28,000	136,000
Impact of changes in actuarial assumptions on the Scheme's liabilities	(989,000)	(38,000)

<b>Total amount recognised in other comprehensive income - gain/(loss)</b>	<u>(468,000)</u>	<u>154,000</u>
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	2019 %	2018 %
<b>Assets</b>		
Equities	63	62
Bonds	14	14
Property	7	6
Cash	5	4
Other	11	14
<b>Total assets</b>	<u>100</u>	<u>100</u>

None of the fair values of the assets shown above include any of the group's own financial instruments or any property occupied by, or other assets used by the group.

	2019	2018
<b>Assumptions</b>		
Discount rate	2.40%	2.65%
RPI inflation	3.10%	3.00%
CPI inflation	2.10%	2.00%

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**NOTES TO THE FINANCIAL STATEMENTS  
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The impact of changes in key assumptions are as follows:

	Impact on liabilities 2019 %	Impact on liabilities 2019 £000s
Discount rate - move by 0.25%	4.7	1,354
Inflation - move by 0.25%	2.2	634
Life expectancy - move by one year	3.4	979

Amounts for the current and previous four periods are as follows:

**Defined benefit pension schemes**

	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Defined benefit obligation	(28,806)	(27,230)	(27,528)	(24,287)	(25,205)
Scheme assets	20,112	19,311	19,071	16,333	16,796
<b>Net pension liability</b>	<b>(8,694)</b>	<b>(7,919)</b>	<b>(8,457)</b>	<b>(7,954)</b>	<b>(8,409)</b>
Experience adjustment on Scheme assets	1	576	2,834	(347)	520

**26. Controlling party**

Mr John G Russell, together with his wife, Mrs I M Russell, control the company by virtue of a combined 51% shareholding in John G Russell (Transport) Limited.