

JOHN G RUSSELL (TRANSPORT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



JOHN G RUSSELL (TRANSPORT) LIMITED

COMPANY INFORMATION

Directors	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
Company secretary	Ms S J Wigfield
Registered number	SC021189
Registered office	Deanside Road Hillington Glasgow G52 4XB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Level 8 Glasgow G1 3BX
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2AD

JOHN G RUSSELL (TRANSPORT) LIMITED

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JOHN G RUSSELL (TRANSPORT) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their reports and the financial statements of the group for the year ended 31 March 2021.

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 £7.8m (2020: £7.4m) on increased turnover of £68.8m (2020: £68.7m).

JOHN G RUSSELL (TRANSPORT) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Capital Expenditure

The group continues to reinvest in regular fleet replacement. Asset investment was £6.6m (2020: £10.5m).

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.

JOHN G RUSSELL (TRANSPORT) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Section 172 statement

The Board of John G Russell (Transport) Limited acknowledges its responsibility under section 172 (1) of the Companies Act 2006:

'A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company'

The Board meet on a regular basis. Prior to Board meetings papers are circulated in respect of matters including, Health & Safety, HR, Operations, Commercial and Finance, amongst other matters. Board papers together with close day to day involvement with management and employees assist the Directors, individually and collectively, in discharging their broad duty but nevertheless single duty under section 172(1).

This report was approved by the board on 4/3/2022

and signed on its behalf.

John G Russell

Mr John G Russell
Director

JOHN G RUSSELL (TRANSPORT) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

Results and dividends

The profit for the year, after taxation, amounted to £6,011,964 (2020 - £5,484,927).

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

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.

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

JOHN G RUSSELL (TRANSPORT) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 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.

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 2021	At 1 April 2020
Mr John G Russell	9,208	10,208
Mrs I M Russell	9,208	10,208
Ms S J Wigfield	-	-
Mr James G Russell	4,971	4,971
Mr W K Russell	4,971	4,971
Mr A W Poulton	-	-
Mr D Paterson	-	-

JOHN G RUSSELL (TRANSPORT) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the year are:

Group Emissions in tonnes CO ₂ e	2021	2020
Scope 1	19,438	19,168
Scope 2	716	846
Intensity Ratio	101.79	104.78

Intensity ratio is tonnes of CO₂e per 100,000km.

Methodology: Road diesel (trucks, vans and cars) and off-road (plant) gas-oil consumption comprise the majority of the energy consumption compared to buildings and other plant and electricity.

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.

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 4/3/2022

and signed on its behalf.



Mr John G Russell
Director



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

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 2021, 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 2021 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 and the parent company 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent company's financial resources or ability to continue operations over the going concern period.



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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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.



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

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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. This description forms part of our Auditor's Report.



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the industry within it operates through our general commercial and sector experience, discussions with management and inspection of the company's environmental requirements. We determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (Financial Reporting Standard 102 and the Companies Act 2006;
- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of evaluation of the processes and controls which management has put in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates.
 - identifying and testing journal entries and any postings to revenue which were regarded as unusual or unexpected;
 - identifying and testing related party transactions;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provision of the applicable legislation, the regulators rules and related guidance and the application of the legal and regulatory requirements of Financial Reporting Standard 102 and the Companies Act 2006 as applicable to John G Russell Limited.



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

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its revenue sources and revenue recognition policy, the assessment of material judgements made by management and the design of the control environment for the overall financial reporting process within John G Russell Limited;
 - the company's control environment, including the policies and procedures implemented to comply with the requirements of Financial Reporting Standard 102 and the Companies Act 2006, the adequacy of procedures for authorisation of transactions within the business and the regularity of management's review of management accounts for indicators of material misstatement.

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.

Grant Thornton UK LLP

James Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
Date: 4/3/2022

JOHN G RUSSELL (TRANSPORT) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	68,830,455	68,739,242
Operating charges		(36,394,290)	(36,651,709)
Staff costs		(25,166,774)	(24,161,243)
Grant release		35,302	35,506
Other operating income		991,120	-
Operating profit	5	8,295,813	7,961,796
Interest receivable and similar income		5,179	13,657
Interest payable expenses		(233,739)	(331,460)
Other finance charges		(240,000)	(202,000)
Profit before taxation		7,827,253	7,441,993
Tax on profit	9	(1,815,289)	(1,957,066)
Profit for the financial year		6,011,964	5,484,927
Actuarial gains/(losses) on defined benefit pension scheme		445,000	(2,234,000)
Movement of deferred tax relating to pension deficit		(84,550)	379,780
Other comprehensive income for the year		360,450	(1,854,220)
Total comprehensive income for the year		6,372,414	3,630,707

All profit attributable to the owners of the parent company.

All amounts relate to continuing operations.

The notes on pages 21 to 45 form part of these financial statements.

JOHN G RUSSELL (TRANSPORT) LIMITED
REGISTERED NUMBER: SC021189

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	40,122,780	38,972,055
Investments	11	51,790	49,789
		<u>40,174,570</u>	<u>39,021,844</u>
Current assets			
Stocks	12	343,592	430,583
Debtors	13	15,028,605	14,899,225
Cash at bank and in hand	14	13,410,810	10,092,004
		<u>28,783,007</u>	<u>25,421,812</u>
Creditors: amounts falling due within one year	15	(14,152,229)	(13,672,439)
Net current assets		<u>14,630,778</u>	<u>11,749,373</u>
Total assets less current liabilities		<u>54,805,348</u>	<u>50,771,217</u>
Creditors: amounts falling due after more than one year	16	(6,400,707)	(7,790,219)
Provisions for liabilities			
Deferred taxation	19	(148,066)	-
Other provisions		(431,686)	(466,997)
		<u>(579,752)</u>	<u>(466,997)</u>
Net assets excluding pension liability		<u>47,824,889</u>	<u>42,514,001</u>
Pension liability		(9,745,000)	(10,550,000)
Net assets		<u><u>38,079,889</u></u>	<u><u>31,964,001</u></u>

JOHN G RUSSELL (TRANSPORT) LIMITED
REGISTERED NUMBER: SC021189

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital		40,300	40,300
Other reserves	21	1,610,164	1,610,164
Profit and loss account	21	36,429,425	30,313,537
Equity attributable to owners of the parent company		<u>38,079,889</u>	<u>31,964,001</u>
		<u>38,079,889</u>	<u>31,964,001</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/3/2022

John G Russell

Mr John G Russell
 Director

The notes on pages 21 to 45 form part of these financial statements.

JOHN G RUSSELL (TRANSPORT) LIMITED
REGISTERED NUMBER: SC021189

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	27,967,745	29,028,735
Investments	11	75,090	73,089
		<u>28,042,835</u>	<u>29,101,824</u>
Current assets			
Stocks	12	75,294	106,489
Debtors	13	10,779,107	10,299,542
Cash at bank and in hand	14	12,830,707	9,376,562
		<u>23,685,108</u>	<u>19,782,593</u>
Creditors: amounts falling due within one year	15	(15,924,401)	(14,942,930)
Net current assets		<u>7,760,707</u>	<u>4,839,663</u>
Total assets less current liabilities		<u>35,803,542</u>	<u>33,941,487</u>
Creditors: amounts falling due after more than one year	16	(5,266,076)	(6,758,903)
Provisions for liabilities			
Governments grants		(431,686)	(466,997)
Net assets excluding pension liability		<u>30,105,780</u>	<u>26,715,587</u>
Pension liability		(9,745,000)	(10,550,000)
Net assets		<u><u>20,360,780</u></u>	<u><u>16,165,587</u></u>

JOHN G RUSSELL (TRANSPORT) LIMITED
REGISTERED NUMBER: SC021189

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

	Note	31 March 2021 £	31 March 2020 £
Capital and reserves			
Called up share capital		40,300	40,300
Profit and loss account brought forward	16,125,287	13,941,312	
Profit for the year	4,091,269	4,287,249	
Other changes in the profit and loss account	103,924	(2,103,274)	
		<u>20,320,480</u>	<u>16,125,287</u>
Profit and loss account carried forward		<u>20,360,780</u>	<u>16,165,587</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/3/2022

John G Russell
Mr John G Russell
 Director

The notes on pages 21 to 45 form part of these financial statements.

JOHN G RUSSELL (TRANSPORT) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2019	40,300	1,610,164	26,931,884	28,582,348
Comprehensive income for the year				
Profit for the year	-	-	5,484,927	5,484,927
Movement of deferred tax relating to pension deficit	-	-	379,780	379,780
Actuarial losses on defined benefit pension scheme	-	-	(2,234,000)	(2,234,000)
Total comprehensive income for the year	-	-	3,630,707	3,630,707
Dividends: Equity capital	-	-	(249,054)	(249,054)
Total transactions with owners	-	-	(249,054)	(249,054)
At 1 April 2020	40,300	1,610,164	30,313,537	31,964,001
Comprehensive income for the year				
Profit for the year	-	-	6,011,964	6,011,964
Movement of deferred tax relating to pension deficit	-	-	(84,550)	(84,550)
Actuarial gains on defined benefit pension scheme	-	-	445,000	445,000
Total comprehensive income for the year	-	-	6,372,414	6,372,414
Dividends: Equity capital	-	-	(256,526)	(256,526)
Total transactions with owners	-	-	(256,526)	(256,526)
At 31 March 2021	40,300	1,610,164	36,429,425	38,079,889

The notes on pages 21 to 45 form part of these financial statements.

JOHN G RUSSELL (TRANSPORT) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	40,300	13,941,312	13,981,612
Comprehensive income for the year			
Profit for the year	-	4,287,249	4,287,249
Deferred tax movements	-	379,780	379,780
Actuarial losses on defined benefit pension scheme	-	(2,234,000)	(2,234,000)
	-	2,433,029	2,433,029
Total comprehensive income for the year			
Dividends: Equity capital	-	(249,054)	(249,054)
	40,300	16,125,287	16,165,587
At 1 April 2020			
Comprehensive income for the year			
Profit for the year	-	4,091,269	4,091,269
Movement of deferred tax relating to pension deficit	-	(84,550)	(84,550)
Actuarial gains on defined benefit pension scheme	-	445,000	445,000
	-	4,451,719	4,451,719
Total comprehensive income for the year			
Dividends: Equity capital	-	(256,526)	(256,526)
	40,300	20,320,480	20,360,780

The notes on pages 21 to 45 form part of these financial statements.

JOHN G RUSSELL (TRANSPORT) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	6,011,964	5,484,927
Adjustments for:		
Depreciation of tangible assets	5,113,001	4,682,785
Gain on disposal of tangible assets	(100,846)	(266,061)
Interest paid	233,739	331,460
Interest received	(5,179)	(13,657)
Taxation charge	1,815,289	1,957,066
Decrease/(increase) in stocks	86,991	(101,763)
(Increase)/decrease in debtors	(220,464)	619,871
(Decrease) in creditors	475,992	(1,203,467)
(Decrease) in provisions	(35,311)	(35,506)
Corporation tax (paid)	(1,501,181)	(1,194,712)
Pension scheme notional finance charges	240,000	202,000
Pension scheme payments	(600,000)	(580,000)
Net cash generated from operating activities	11,513,995	9,882,943
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,489,599)	(7,839,993)
Sale of tangible fixed assets	456,249	385,208
Interest received	5,179	13,657
Net cash from investing activities	(3,028,171)	(7,441,128)

JOHN G RUSSELL (TRANSPORT) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	-	5,000,000
Repayment of loans	(1,871,207)	(1,474,655)
Repayment of finance leases	(2,805,546)	(2,966,241)
Dividends paid	(256,526)	(249,054)
Interest paid	(233,739)	(331,460)
Net cash used in financing activities	(5,167,018)	(21,410)
Net increase in cash and cash equivalents	3,318,806	2,420,405
Cash and cash equivalents at beginning of year	10,092,004	7,671,599
Cash and cash equivalents at the end of year	13,410,810	10,092,004
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,410,810	10,092,004
	13,410,810	10,092,004

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 requirement 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.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 profit or loss.

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.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.13 Financial instruments (continued)**

Investments in non-derivative instruments that are equity to the issuer 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 profit or loss 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.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 profit or loss 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.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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'.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 profit or loss using the effective interest method.

2.22 Borrowing costs

All borrowing costs are recognised in profit or loss 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 profit or loss 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 23.

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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:

	2021 £	2020 £
Gain on sale of fixed assets	(100,846)	(266,061)
Amortisation of government grants	35,311	35,506
Depreciation of owned fixed assets	3,895,073	3,374,172
Depreciation of assets held under finance leases/hire purchase agreements	1,217,387	1,308,613
Operating lease rentals - motor vehicles	140,834	200,663
Operating lease rentals - land & buildings	487,481	424,053
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2021 £	2020 £
Auditor's remuneration - audit of the financial statements	46,000	43,790
Auditor's remuneration - all other services	13,700	13,410
	<u> </u>	<u> </u>

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	21,981,027	21,143,426	11,875,100	10,881,975
Social security costs	2,348,777	2,265,238	1,242,837	1,196,635
Defined contribution pension scheme costs	836,970	752,579	464,832	401,203
	<u>25,166,774</u>	<u>24,161,243</u>	<u>13,582,769</u>	<u>12,479,813</u>

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

	2021 No.	2020 No.
Drivers	300	296
Warehouse, handling and ancillary	158	172
Engineering	63	57
Administration & head office	172	143
	<u>693</u>	<u>668</u>

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	797,673	779,954
Company contributions to defined contribution pension schemes	60,501	57,148
	<u>858,174</u>	<u>837,102</u>

Emoluments of highest paid director:

	2021 £	2020 £
Emoluments	126,628	155,938
Pension contributions to money purchase pension schemes	24,710	16,625
	<u>151,338</u>	<u>172,563</u>

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

	2021 £	2020 £
Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	1,647,324	1,403,888
Adjustments in respect of previous periods	13,488	-
Total current tax	<u>1,660,812</u>	<u>1,403,888</u>
Deferred tax		
Deferred taxation: origination and reversal of timing differences	380,989	536,737
Deferred taxation: rate change	(211,000)	-
Deferred taxation: adjustments in respect of previous periods	(15,512)	16,441
Taxation on profit on ordinary activities	<u>1,815,289</u>	<u>1,957,066</u>

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>7,827,253</u>	<u>7,441,993</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,487,178	1,413,979
Effects of:		
Income not taxable for tax purposes	(68,400)	(71,820)
Expenses not deductible for tax purposes	148,916	74,998
Fixed asset differences	460,619	382,109
Adjustment in respect of prior period - corporation tax	13,488	(6,251)
Adjustment in respect of prior period - deferred tax	(15,512)	(16,441)
Difference in tax rates	-	140,876
Rate change	(211,000)	-
Chargeable gains	-	39,616
Total tax charge for the year	<u><u>1,815,289</u></u>	<u><u>1,957,066</u></u>

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020, and therefore, deferred tax has been recognised at 19%. To note, in the Spring Budget 2021, the Government announced that from 1 April 2023, the tax rate will increase to 25% for large companies. This new law was substantively enacted on 24 May 2021 (post year end) therefore the balances have continued to be recognised at 19% at 31 March 2021.

JOHN G RUSSELL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 April 2020	36,349,044	11,807,836	43,039,059	152,644	91,348,583
Additions	1,885,840	309,642	4,428,548	-	6,624,030
Disposals	(80,289)	(15,137)	(2,468,201)	(65,868)	(2,629,495)
At 31 March 2021	38,154,595	12,102,341	44,999,406	86,776	95,343,118
Depreciation					
At 1 April 2020	14,518,662	8,290,310	29,567,556	-	52,376,528
Charge for the year on owned assets	1,563,032	607,360	2,942,609	-	5,113,001
Disposals	-	(15,134)	(2,254,057)	-	(2,269,191)
At 31 March 2021	16,081,694	8,882,536	30,256,108	-	55,220,338
Net book value					
At 31 March 2021	22,072,901	3,219,805	14,743,298	86,776	40,122,780
At 31 March 2020	21,830,382	3,517,526	13,471,503	152,644	38,972,055

Included within the net book value of £40,122,782 (2020: £38,972,055) is £11,280,690 (2020: £8,151,184) 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 £1,217,386 (2020: £679,459).

JOHN G RUSSELL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 April 2020	33,636,928	9,419,188	14,671,998	152,644	57,880,758
Additions	317,564	237,144	1,869,993	-	2,424,701
Disposals	(80,289)	(4,201)	(1,544,241)	(65,868)	(1,694,599)
At 31 March 2021	33,874,203	9,652,131	14,997,750	86,776	58,610,860
Depreciation					
At 1 April 2020	12,624,454	6,173,518	10,054,051	-	28,852,023
Charge for the year on owned assets	1,491,976	489,427	1,244,143	-	3,225,546
Disposals	-	(4,199)	(1,430,255)	-	(1,434,454)
At 31 March 2021	14,116,430	6,658,746	9,867,939	-	30,643,115
Net book value					
At 31 March 2021	19,757,773	2,993,385	5,129,811	86,776	27,967,745
At 31 March 2020	21,012,474	3,245,670	4,617,947	152,644	29,028,735

Included within the net book value of £27,967,745 (2019: £29,028,735) is £7,296,102 (2020: £4,631,367) 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 £762,199 (2019: £629,154).

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Fixed asset investments

Group

	Other investments £
Cost or valuation	
At 1 April 2020	49,789
Additions	2,001
At 31 March 2021	51,790
Net book value	
At 31 March 2021	51,790
<i>At 31 March 2020</i>	<i>49,789</i>

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	Group companies £	Associate undertakings £	Other investments £	Total £
Cost or valuation				
At 1 April 2020	397,150	455,555	49,789	902,494
Additions	-	-	2,001	2,001
At 31 March 2021	397,150	455,555	51,790	904,495
Impairment				
At 1 April 2020	373,850	455,555	-	829,405
At 31 March 2021	373,850	455,555	-	829,405
Net book value				
At 31 March 2021	23,300	-	51,790	75,090
At 31 March 2020	23,300	-	49,789	73,089

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%

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

The following was an indirect subsidiary undertaking 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 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Raw materials and consumables	305,223	383,382	75,294	106,489
Work in progress	38,369	47,201	-	-
	343,592	430,583	75,294	106,489

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

JOHN G RUSSELL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	13,821,822	<i>13,670,316</i>	9,560,747	<i>9,055,009</i>
Amounts owed by group undertakings	-	-	49,000	<i>271,421</i>
Other debtors	165,387	<i>186,004</i>	165,387	<i>186,004</i>
Prepayments and accrued income	1,041,396	<i>951,821</i>	644,719	<i>373,689</i>
Deferred taxation	-	<i>91,084</i>	359,254	<i>413,419</i>
	15,028,605	<i>14,899,225</i>	10,779,107	<i>10,299,542</i>

14. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	13,410,810	<i>10,092,004</i>	12,830,707	<i>9,376,562</i>
Less: bank overdrafts	-	-	(6,355,606)	<i>(5,294,129)</i>
	13,410,810	<i>10,092,004</i>	6,475,101	<i>4,082,433</i>

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15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	-	6,355,606	5,294,129
Bank loans	1,871,207	1,871,207	1,871,207	1,871,207
Trade creditors	2,870,185	2,880,866	1,789,109	1,586,793
Amounts owed to group undertakings	-	-	1,800	327,839
Corporation tax	887,692	741,549	434,955	445,100
Other taxation and social security	2,413,671	2,369,066	1,039,955	1,288,271
Obligations under finance lease and hire purchase contracts	2,272,198	2,425,003	1,052,069	1,234,768
Other creditors	652,935	550,901	607,316	505,901
Accruals and deferred income	3,184,341	2,833,847	2,772,384	2,388,922
	14,152,229	13,672,439	15,924,401	14,942,930

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	4,328,405	6,199,612	4,328,405	6,199,612
Net obligations under finance leases and hire purchase contracts	2,072,302	1,590,607	937,671	559,291
	6,400,707	7,790,219	5,266,076	6,758,903

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

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

Repayments on bank loans are as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts payable within 1 year	1,871,207	1,871,207	1,871,207	1,871,207
Amounts payable between 1 and 2 years	1,724,655	1,871,207	1,724,655	1,871,207
Amounts payable between 2 and 5 years	2,603,750	4,328,405	2,603,750	4,328,405
Amounts payable over 5 years	-	-	-	-
	<u>6,199,612</u>	<u>8,070,819</u>	<u>6,199,612</u>	<u>8,070,819</u>

17. Leasing commitments

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts payable within 1 year	2,272,198	2,425,004	1,052,069	1,234,768
Amounts payable between 1 and 5 years	2,072,302	1,590,611	937,671	559,291
	<u>4,344,500</u>	<u>4,015,615</u>	<u>1,989,740</u>	<u>1,794,059</u>

At 31 March 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	379,842	380,762	281,430	291,505
Later than 1 year and not later than 5 years	768,062	1,057,374	514,462	710,291
Later than 5 years	1,174,740	1,350,454	1,174,740	1,350,453
	<u>2,322,644</u>	<u>2,788,590</u>	<u>1,970,632</u>	<u>2,352,249</u>

Included within group operating lease commitments is £2,322,644 (2020: £2,744,506) of long term lease commitments for plant & property utilised by group companies.

Included within company operating lease commitments is £1,970,632 (2020: £2,338,165) of long term lease commitments for plant & property utilised by the company.

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18. Deferred government grants

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Received and receivable:				
At 1 April 2020 and 31 March 2021	3,769,924	3,769,924	3,769,924	3,769,924
Amortisation:				
At 1 April 2020	3,302,927	3,267,421	3,302,927	3,267,421
Credit to profit and loss account	35,311	35,506	35,311	35,506
At 31 March 2021	3,338,238	3,302,927	3,338,238	3,302,927
Net balance at 31 March 2021	431,686	466,997	431,686	466,997

The government grant provision is recognised over:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Less than one year	35,311	35,506	35,311	35,506
More than one year	396,375	431,491	396,375	431,491
	431,686	466,997	431,686	466,997

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19. Deferred taxation

Deferred taxation provided for at 19% (2020: 17%) in the financial statements is set out below:

Group

	2021 £	2020 £
At beginning of year	91,084	435,484
Charged to profit	(365,600)	(724,180)
Charged to other comprehensive income	(84,550)	379,780
Rate change	211,000	-
At end of year	(148,066)	91,084

Company

	2021 £	2020 £
At beginning of year	413,419	553,866
Charged to profit	(180,615)	(520,227)
Charged to other comprehensive income	(84,550)	379,780
Rate change	211,000	-
At end of year	359,254	413,419

The deferred taxation balance is made up as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Accelerated capital allowances	(913,089)	(373,494)	(392,834)	(255,112)
Short timing difference	46,673	(195,743)	33,738	8,210
Deferred tax on pension liability	1,851,916	1,793,886	1,851,916	1,793,886
Rolled over gains	(1,133,566)	(1,133,565)	(1,133,566)	(1,133,565)
	(148,066)	<i>91,084</i>	359,254	<i>413,419</i>

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20. Share capital

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. 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.

22. Contingent liabilities

The company has unlimited cross-guarantees with its subsidiary entities. At 31 March 2021, the net bank borrowings of other companies in the group amounted to £Nil (2020: £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 2021 or 31 March 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. 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 £480,000p.a.

	2021 £	2020 £
Liability	(32,167,000)	(29,229,000)
Asset	22,422,000	18,679,000
Net liability	(9,745,000)	(10,550,000)

	2021 £	2020 £
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at 1 April	(29,229,000)	(28,806,000)
Interest expense	(675,000)	(685,000)
Actuarial losses	(3,238,000)	(293,000)
Benefits paid	975,000	555,000
Defined benefit obligation at 31 March	(32,167,000)	(29,229,000)

	2021 £	2020 £
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at 1 April	18,679,000	20,112,000
Interest income	435,000	483,000
Return on Scheme assets less interest income	3,683,000	(1,941,000)
Contributions by the group	600,000	580,000
Benefits paid	(975,000)	(555,000)
Fair value of plan assets at 31 March	22,422,000	18,679,000

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NOTES TO THE FINANCIAL STATEMENTS
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	2021 £	2020 £
Defined benefit costs recognised in profit or loss		
Net interest cost	240,000	202,000
Defined benefit costs recognised in profit or loss	240,000	202,000
	2021 £	2020 £
Defined benefit gain/(costs) recognised in Other Comprehensive Income		
Return on Scheme assets less interest income	3,683,000	(1,941,000)
Experience gains on the plan liabilities	(118,000)	(48,000)
Impact of changes in actuarial assumptions on the Scheme's liabilities	(3,120,000)	(245,000)
Total amount recognised in other comprehensive income - gain/(loss)	445,000	(2,234,000)
	2021 %	2020 %
Assets		
Equities	63	63
Bonds	14	14
Property	7	7
Cash	5	5
Other	11	11
Total assets	100	100

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.

	2021	2020
Assumptions		
Discount rate	2.10%	2.35%
RPI inflation	3.40%	2.70%
CPI inflation	2.70%	2.00%

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The impact of changes in key assumptions are as follows:

	Impact on liabilities 2021 %	Impact on liabilities 2021 £000s
Discount rate - move by 0.25%	4.6%	1,480
Inflation - move by 0.25%	2%	643
Life expectancy - move by 1 year	3.8%	1,222

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

Defined benefit pension schemes

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Defined benefit obligation	(32,167)	(29,229)	(28,806)	(27,230)	(27,528)
Scheme assets	22,422	18,679	20,112	19,311	19,071
Net pension liability	(9,745)	(10,550)	(8,694)	(7,919)	(8,457)
Experience adjustment on Scheme assets	1	1	1	576	2,834

24. Controlling party

Mr John G Russell, together with his wife, Mrs I M Russell, control the company by virtue of a combined 46% shareholding in John G Russell (Transport) Limited.

25. Analysis of net debt

	At 1 April 2020 £	Cash flows £	Other movements £	At 31 March 2021 £
Cash at bank and in hand	10,092,004	3,318,805	-	13,410,809
Debt due after 1 year	(6,199,612)	-	1,871,207	(4,328,405)
Debt due within 1 year	(1,871,207)	1,871,207	(1,871,207)	(1,871,207)
Finance leases	(4,015,610)	2,805,546	(3,134,436)	(4,344,500)
	(1,994,425)	7,995,558	(3,134,436)	2,866,697