

**Gnewt Cargo Limited**

**Annual Report and Accounts**

**for the period ended 31 December 2017**



Company number: 06467967

## **Gnewt Cargo Limited**

### **Corporate information**

**Directors** PRP McCourt (appointed 31 August 2017)  
GJ Michael (appointed 31 August 2017)  
MJ Linnecar (resigned 31 August 2017)  
IR Pain (resigned 31 August 2017)  
SN Clarke (resigned 31 August 2017)

**Registered office** 2 World Business Centre Heathrow  
Newall Road  
London Heathrow Airport  
Hounslow  
TW6 2SF, UK

**Auditors** Ernst & Young LLP  
144 Morrison Street  
Edinburgh  
EH3 8EX, UK

**Gnewt Cargo Limited**

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## **Gnewt Cargo Limited**

### **Strategic Report**

#### **Business review and future developments**

Ownership of the Company changed on 31 August 2017, following the acquisition of 100% of the share capital by Menzies Distribution. Menzies Distribution operates one of the largest overnight logistics networks in the UK and the Company is now able to draw on its expertise and resources.

#### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company as well as mitigating activities are outlined below:

##### ***Economic and environmental risk***

- The Directors undertake monthly reviews of results against budget and forecast, and there is a formally agreed three year strategic plan in place which is refreshed annually.
- Market trends in key product categories are reviewed monthly.

##### ***Financing risk***

- The Company is financed by its ultimate parent, John Menzies plc.
- The John Menzies plc board receives a treasury update from its chief financial officer at each board meeting and annually reviews treasury policy.

##### ***People risk***

- The Company believes in and is committed to investing in its people by attracting, developing and promoting the best talent. This in turn creates a supportive environment in which employees can learn and develop. The Company has policies and procedures in place to ensure that remuneration and benefit practices support this.
- The performance of employees is reviewed annually.
- The Company delivers a variety of personal, management and supervisory development programmes.

##### ***Health & Safety***

- The Company has established a forward thinking Health & Safety strategy to promote a proactive safety culture.
- Dedicated safety professionals work closely with management teams across the Company to ensure robust safety management systems are in place which identify, reduce or eliminate the likelihood of any accidents within the workplace. These systems are constantly under review through audit processes and are updated regularly.
- In addition to risk identification and mitigation, an on-going Health & Safety induction and training programme is in place and dedicated resources are available to ensure standards are continually raised and any residual risk is managed.

##### ***Technology risk***

- All Company data centres have adequate power and appropriate facilities for data centres ensuring that systems remain up to date with appropriate external firewalls where required.
- There is a tested disaster recovery plan and facility in place.

**Gnewt Cargo Limited**

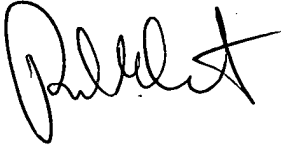
**Strategic Report (Continued)**

**Key performance indicators**

The Company measures turnover and operating profit margin within the business. Key indicators also include year on year movements in activity against budget.

KPI	11 months to 31-Dec-17	Year to 31-Jan-17
Turnover	3,630	3,640
Operating profit margin	-15.0%	-5.8%

On behalf of the Board



PRP McCourt  
29 June 2018

## **Directors' Report**

The Directors have pleasure in submitting their Directors' Report together with the audited accounts for the year ended 31 December 2017.

The Directors who served throughout the period were:

PRP McCourt (appointed 31 August 2017)

GJ Michael (appointed 31 August 2017)

MJ Linnecar (resigned 31 August 2017)

IR Pain (resigned 31 August 2017)

SN Clarke (resigned 31 August 2017)

### **Principal activities and results for the year**

The Company's main business is the distribution of parcels.

The results for the Company show a loss before tax for the 11 months of £443k (year ended 31 January 2017: £213k). The Directors do not recommend payment of a dividend (31 January 2017: £66k).

### **Change in Ownership**

Ownership of the Company changed on 31 August 2017, following acquisition of 100% of the share capital by Menzies Distribution Ltd. Menzies Distribution Ltd operates one of the largest overnight logistics networks in the UK, and the Company is now able to draw on its expertise and resources.

### **Going Concern**

The financial statements have been prepared under the going concern basis; notwithstanding the company has net current liabilities. The directors believe this basis to be appropriate as the parent company has provided the company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the company by fellow group undertakings. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

### **Payment policy**

The Company does not operate a standard code in respect of payment to suppliers. Payments to suppliers are made in accordance with the agreed terms, provided that the supplier has performed in accordance with all relevant terms and conditions.

### **Audit information**

Having made the requisite enquiries, so far as the Directors in office at the date of the signing of this report are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board



PRP McCourt  
29 June 2018

## **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the members of Gnewt Cargo Limited**

### **Opinion**

We have audited the financial statements of Gnewt Cargo Limited for the 11 months ended 31 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 19, 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 FRS 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 company's affairs as at 31 December 2017 and of its loss for the period 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 below. We are independent of the 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 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 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.



## Independent Auditor's Report to the members of Gnewt Cargo Limited (continued)

### 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 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 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 <https://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.

*Ernst & Young LLP*

Kevin Weston (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh

27/2018

## Gnewt Cargo Limited

### Income Statement

for the 11 months ended 31 December 2017

	Notes	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Turnover	3	3,630	3,640
Other income		137	232
Net operating costs		(4,310)	(4,082)
<b>Operating loss</b>	4	<b>(543)</b>	<b>(210)</b>
Exceptional items	6	100	-
Finance costs	7	-	(3)
<b>Loss before taxation</b>		<b>(443)</b>	<b>(213)</b>
Taxation	8	39	36
<b>Loss for the period</b>		<b>(404)</b>	<b>(177)</b>

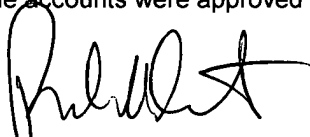
No separate Statement of Comprehensive Income has been prepared as the only item in total comprehensive income for both years is the loss for the period, which is reported above.

**Balance Sheet**

as at 31 December 2017

	Notes	31 Dec 17 £000	31 Jan 17 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	260	262
		<b>260</b>	<b>262</b>
<b>Current assets</b>			
Trade and other debtors	11	823	687
Cash at bank and in hand		36	181
		<b>859</b>	<b>868</b>
<b>Liabilities</b>			
<b>Creditors: amounts falling due within one year</b>			
Trade and other creditors	12	(1,387)	(1,011)
<b>Net current liabilities</b>		<b>(528)</b>	<b>(143)</b>
<b>Total assets less current liabilities</b>		<b>(268)</b>	<b>119</b>
<b>Creditors: amounts falling due after more than one year</b>			
Deferred tax liability	14	(1)	(17)
<b>Net (liabilities)/assets</b>		<b>(269)</b>	<b>102</b>
<b>Shareholder's equity</b>			
Ordinary shares	15	-	-
Retained earnings		(269)	102
<b>Total (deficit)/equity</b>		<b>(269)</b>	<b>102</b>

The accounts were approved by the Board of Directors on 29 June 2018 and signed on its behalf by:



PRR McCourt

**Statement of Changes in Equity**  
as at 31 December 2017

	Notes	Ordinary shares £000	Retained earnings £000	Total (deficit)/ equity £000
At 31 January 2017		-	102	102
Loss for the period		-	(404)	(404)
Dividends waived	9	-	33	33
<b>At 31 December 2017</b>		-	<b>(269)</b>	<b>(269)</b>
At 31 January 2016		-	345	345
Loss for the period		-	(177)	(177)
Dividends paid	9	-	(66)	(66)
At 31 January 2017		-	102	102

**Statement of Cash Flows**

as at 31 December 2017

	Notes	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	(69)	(57)
Tax refunded/(paid)		37	(45)
<b>Net cash flow from operating activities</b>		<b>(32)</b>	<b>(102)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(127)	(68)
Proceeds from sale of property, plant and equipment		10	7
<b>Net cash flow used in investing activities</b>		<b>(117)</b>	<b>(61)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	16	20	20
Dividends paid to ordinary shareholders	9	(17)	(17)
<b>Net cash flow used in financing activities</b>		<b>3</b>	<b>3</b>
<b>Decrease in net cash and cash equivalents</b>	16	<b>(145)</b>	<b>(160)</b>
Opening net cash and cash equivalents		181	341
<b>Closing net cash and cash equivalents</b>	16	<b>36</b>	<b>181</b>

## **Notes to the financial statements**

### **1 Authorisation of financial statements and statement of compliance with FRS 102**

These financial statements for the period ended 31 December 2017 were approved and authorised for issue in accordance with a resolution of the Directors on 29 June 2018 and the Balance Sheet was signed on the Board's behalf by PRP McCourt.

These financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 as it applies to the financial statements of the Company for the period ended 31 December 2017.

### **2 Accounting Policies**

A summary of the more significant accounting policies, which have been consistently applied, is set out below.

#### **Basis of preparation**

The financial statements are prepared and presented in GBP which is the functional currency of the Company and rounded to the nearest £000.

#### **Going concern**

The financial statements have been prepared under the going concern basis; notwithstanding the company has net current liabilities. The directors believe this basis to be appropriate as the parent company has provided the company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the company by fellow group undertakings. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

#### **Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. These estimates will, by definition, seldom equal the related actual results particularly given changes in economic conditions and the level of uncertainty regarding their duration and severity.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The most important estimates and judgements are set out below:

#### **Taxation**

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in Note 8.

#### **Turnover recognition**

Judgement must be exercised to ensure that turnover is recognised in accordance with contractual terms.

**Notes to the financial statements (continued)**

**2 Accounting policies (continued)**

**Significant accounting policies**

**Turnover**

The turnover shown in the Income Statement represents amounts receivable for services provided during the period, exclusive of Value Added Tax.

**Grants**

Grants are recognised in the Income Statement so as to match them with the expenditure to which they relate. Amounts received relating to capital assets are recognised over the useful economic life of the assets and amounts relating to revenue are recognised on an accruals basis over the period of the grant agreement.

**Tangible assets**

Tangible assets are stated at cost, including acquisition expenses, less accumulated depreciation. Depreciation is provided on a straight-line basis at the following rates:

Plant and machinery - over 5 years

Fixture and fittings - over 5 years

Motor vehicles - over 5 years

Computer and other - over 5 years

**Pensions**

The Company operates a defined contribution pension scheme. The Income Statement charge represents contributions made and the Company has no liability other than for the payment of those contributions.

**Taxation**

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period.

Deferred tax is recognised in respect of all timing differences arising when items are included in the tax assessment in one period and recognised in the financial statements in another. Deferred tax arising from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. Deferred tax liabilities represent tax payable in future periods in respect of taxable timing differences. Deferred tax assets represent tax recoverable in future periods in respect of deductible timing differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax is determined using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that the reversal of deferred tax liabilities or future taxable profits will be available against which the asset can be utilised.

Current and deferred tax is recognised in the Income Statement except if it relates to an item recognised directly in equity or in other comprehensive income, in which case it is recognised directly in equity or in the Statement of Comprehensive Income respectively.

**Leases**

Rental payments under operating leases are charged to the Income Statement on a straight-line basis over applicable lease periods.

Notes to the financial statements (continued)

2 Accounting policies (continued)

**Cash at bank and in hand**

Cash at bank and in hand in the Balance Sheet comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**Trade debtors**

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. If there is objective evidence that the Company will not be able to collect all of the amounts due under the terms of the original invoice, a provision on the respective debtor is recognised. In such an instance the carrying value is reduced with the amount of the loss recognised in the Income Statement.

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Share capital**

Ordinary shares are classed as equity.

**Dividend distributions**

Final ordinary dividends are recognised as liabilities in the accounts in the period in which the dividends are approved by the Company's shareholders.

3 Turnover

Turnover recognised in the Income Statement is derived from parcel distribution services. All turnover is attributable to services provided in the United Kingdom.

4 Operating loss

	11 months to 31 Dec 17	Year to 31 Jan 2017
Other income includes:	£000	£000
Grant income	137	232

	11 months to 31 Dec 17	Year to 31 Jan 2017
Net operating costs include:	£000	£000
Other operating charges	3,509	3,777
Staff costs	5	229
Depreciation	10	76
Loss on disposal of fixed assets	64	-
	4,310	4,082

	11 months to 31 Dec 17	Year to 31 Jan 2017
Other operating charges include:	£000	£000
Operating leases and hire charges - plant and machinery	175	192
Rent of properties	258	250
Loss on disposal of fixed assets	64	-

The auditors were remunerated by Menzies Distribution Limited during the period. The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of its ultimate parent John Menzies plc.



## Notes to the financial statements (continued)

## 5 Employees

Staff costs	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Wages and salaries	633	210
Social security costs	37	19
	670	229
Pension charge	12	-
	682	229

The average number of people employed during the year was:	11 months to 31 Dec 17 Number	Year to 31 Jan 2017 Number
	92	117

## Directors' emoluments

	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Aggregate remuneration in respect of qualifying services	423	153
Aggregate amounts due under long-term incentive plans	71	-

	11 months to 31 Dec 17 Number	Year to 31 Jan 2017 Number
Directors who received shares in respect of qualifying services	1	-
Directors who exercised share options	1	-
Directors accruing benefits under defined benefit schemes	-	-
Directors accruing benefits under defined contribution schemes	1	-

	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
In respect of the highest paid Director:		
Aggregate remuneration	233	89

The highest paid Director exercised share options during the year and received shares under the long-term incentive schemes of John Menzies plc, the ultimate holding company.

The Directors of the Company are also directors of other subsidiary companies within the John Menzies plc group. The Directors do not believe that it is practicable to apportion the aggregate remuneration receivable between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

## Pensions

The principal pension scheme to which employees contribute is the John Menzies plc Money Purchase Pension Scheme in the UK. Until it was closed to future accrual on 31 March 2017, certain employees contributed to the John Menzies plc group funded defined benefit scheme (Menzies Pension Fund) in the UK.

## Notes to the financial statements (continued)

## 6 Exceptional items

Exceptional items included in loss before taxation	Notes	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Loans forgiven	(i)	100	-
		100	-

(i) During the period an associated company forgave a loan of £100k made to the company.

## 7 Finance costs

Finance costs	11 months to £000	Year to £000
<b>Finance charges</b>		
Other interest payable and similar charges	-	3
Net finance charges	-	3

## 8 Taxation

Analysis of tax credit in the period	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
<b>Current tax</b>		
UK corporation tax on losses for the period	(23)	(37)
Total current tax	(23)	(37)
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(16)	1
Total deferred tax	(16)	1
Total tax credit in the Income Statement	(39)	(36)

The income tax credit all relates to continuing operations.

**Reconciliation of the total tax charge**

The tax expense in the Income Statement is different to the standard rate of 19.25% (2016: 20.0%). The differences are reconciled below:

Loss before taxation	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Loss before taxation	(443)	(213)
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20.0%)	(85)	(43)
Expenses not deductible for tax purposes	4	8
Tax rate changes	7	-
Deferred tax movement	-	(1)
Losses not recognised	35	-
Total tax charge reported in the Income Statement	(39)	(36)

**Unrecognised tax losses**

The Company has unrecognised tax losses totalling £35k at the balance sheet date (31 January 2017: £Nil), owing to the uncertainty of future profitability.

**Change in corporation tax rate**

The main rate of UK corporation tax reduced from 20% to 19% from 1 April 2017 and is legislated to reduce further to 17% from 1 April 2020.

Gnewt Cargo Limited

Notes to the financial statements (continued)

8 Taxation (continued)

Deferred tax

The deferred tax included in the Company Balance Sheet is:

	31 Dec 17 £000	31 Jan 17 £000
<b>Deferred tax liability</b>		
Accelerated capital allowances	(1)	(17)

Disclosed on the Balance Sheet:

Deferred tax liability	(1)	(17)
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Deferred tax

	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
<b>Deferred tax in the Income Statement</b>		
(Decelerated)/accelerated capital allowances	(16)	1
Deferred tax (credit)/charge	(16)	1

9 Dividends paid

	11 months to 31 Dec 17 £000	Year to 31 Jan 2017 £000
Dividends paid on equity shares	-	66

No dividend was paid in the period. A final dividend of £66.00 per ordinary share was declared during the year ending 31 January 2017, amounting to £66k.

During the period, dividends totalling £33k were waived.

10 Tangible assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Computer and other £000	Total £000
<b>Cost</b>					
At 31 January 2017	22	84	278	113	497
Additions	125	-	-	2	127
Disposals	(5)	(4)	(171)	(17)	(197)
<b>At 31 December 2017</b>	<b>142</b>	<b>80</b>	<b>107</b>	<b>98</b>	<b>427</b>
<b>Depreciation</b>					
At 31 January 2017	(5)	(51)	(150)	(29)	(235)
Charge for the period	(4)	(13)	(18)	(20)	(55)
Disposals	1	2	115	5	123
<b>At 31 December 2017</b>	<b>(8)</b>	<b>(62)</b>	<b>(53)</b>	<b>(44)</b>	<b>(167)</b>
<b>Net book value</b>					
At 31 December 2017	134	18	54	54	260
At 31 January 2017	17	33	128	84	262

## Notes to the financial statements (continued)

## 11 Trade and other debtors

	Notes	31 Dec 17 £000	31 Jan 17 £000
Trade debtors		536	287
Prepayments and accrued income		264	297
Group relief	8	23	-
Corporation tax	8	-	37
Other debtors		-	66
		<b>823</b>	<b>687</b>

All debtors are due within one year.

## 12 Trade and other creditors

	31 Dec 17 £000	31 Jan 17 £000
<b>Due within one year</b>		
Trade creditors	102	346
Other creditors	413	337
Other taxes and social security costs	96	199
Dividends payable	-	49
Loans from shareholder	-	80
Amounts due to group company	776	-
	<b>1,387</b>	<b>1,011</b>

## 13 Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Property		Other	
	31 Dec 17 £000	31 Jan 17 £000	31 Dec 17 £000	31 Jan 17 £000
Within one year	51	71	293	100
Between one and five years	-	-	315	-
	<b>51</b>	<b>71</b>	<b>608</b>	<b>100</b>

## 14 Provisions

	Note	31 Dec 17 £000	31 Jan 17 £000
<b>Deferred tax</b>			
At beginning of the year:			
Non-current		17	16
Movement during the year:			
Income Statement		(16)	1
At end of the year		1	17
Non-current		1	17

## 15 Called up share capital

	31 Dec 17 £	31 Jan 17 £
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £0.10 each	100	100

Notes to the financial statements (continued)

16 Notes to the Statement of Cash Flows

Cash generated from operations

	Note	31 Dec 17 £000	31 Jan 17 £000
Operating profit		(443)	(213)
Depreciation of tangible fixed assets	10	55	76
Loss on sale of fixed assets		64	-
Loans forgiven		(100)	
(Increase)/decrease in debtors	11	(150)	110
Increase/(decrease) in creditors	12	505	(30)
		(69)	(57)

Analysis of changes in net borrowings

	31 Jan 17 £000	Cash flows £000	Non-cash flows £000	31 Dec 17 £000
Cash at hand and in bank	181	(145)	-	36
Loans from shareholder	(80)	(20)	100	-
Net borrowings	101	(165)	100	36

17 Contingent liabilities

There are contingent liabilities in the normal course of business which are not expected to give rise to any significant loss to the Company.

18 Related party transactions

During the period an associated company forgave a loan of £100,000 made to the company.

At 31 December 2017, £776k was owed to the immediate parent of the Company. At 31 January 2017, £49k was due to the Shareholders of the Company.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

19 Ultimate parent

The immediate parent is Menzies Distribution Ltd. The ultimate holding company is John Menzies plc, which is registered in Scotland. Copies of the accounts for John Menzies plc and its group can be obtained from The Secretary, John Menzies plc, 2 Lochside Avenue, Edinburgh Park, Edinburgh, EH12 9DJ, UK.