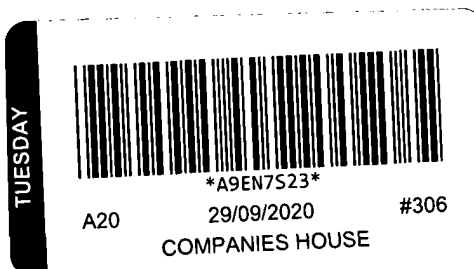


Semara Group Limited
Registered No: 1840454

Directors' Report and Financial Statements
For the year ended 31 December 2019



Semara Group Limited
Directors' Report and Financial Statements
For the year ended 31 December 2019

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Semara Group Limited

Directors and Professional Advisors

DIRECTORS

T J Morris
Y M Monaghan

COMPANY SECRETARY

Y M Monaghan

REGISTERED OFFICE

Johnson House
Abbots Park
Monks Way
Preston Brook
Cheshire
WA7 3GH

BANKERS

Lloyds Bank plc
40 Spring Gardens
Manchester M2 1EN

The Royal Bank of Scotland plc
2-8 Church Street
Liverpool
L1 3BG

Bank of Ireland
26 Cross Street
Manchester M2 7AF

LAWYERS

Hill Dickinson LLP
No1 St Paul's Square
Liverpool
L3 9SJ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
No.1 Spinningfields
Hardman Square
Manchester
M3 3EB

Semara Group Limited

Strategic Report

For the year ended 31 December 2019

The Directors present their Strategic Report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND OVERVIEW

Semara Group Limited's (the "Company") principal activity is that of an investment holding company. The Company is incorporated and domiciled in the UK, its registered number is 1840454 and the address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH.

RESULTS AND KEY PERFORMANCE INDICATORS ('KPIs')

The profit for the financial year is £11,803,000 (2018: £11,803,000).

GOING CONCERN, FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The Directors view the Covid-19 pandemic as a non-adjusting post-balance sheet event as there was no impact on the Company as at the balance sheet date. Following the declaration of Covid-19 as a global pandemic by the World Health Organisation in March 2020 and the subsequent measures implemented by the government to contain the virus, the trading company of the Group (comprising Semara Group Limited and its subsidiaries), Johnsons Textile Services Limited (formerly Johnsons Apparelmaster Limited), has seen significant disruption across each of its businesses. As Semara Group Limited does not trade and only holds investments, there is not anticipated to be any impact on the Company's ability to continue as a going concern. The Directors do not anticipate that Covid-19 would have resulted in an impairment of the Company's investment in subsidiaries had it been an adjusting event with impairment tests performed and sensitised using revised forecasts of the Group following the impact of Covid-19. The Directors believe the long term prospects of the business will not be significantly impacted by Covid-19.

As the Company has guaranteed the banking facilities of Johnson Service Group PLC, the Company's ultimate parent undertaking, and certain of its subsidiary undertakings under a cross guarantee arrangement, the Directors have also considered the financial position, forecasts of the wider Group and the availability of Group funding in supporting the preparation of the financial statements on a going concern basis.

The Group has always adopted a prudent approach to its cost base and capital allocation and, with the benefit of its ordinarily cash generative business model, has maintained a strong financial position. The Group has agreed with its banks that, whilst the June 2020 covenants would have been achieved, the test will be waived. In addition, the Group has secured access to an additional £40 million Accordion Facility, secured access to funding from the Bank of England Covid Corporate Financing Facility, withdrawn the proposed final dividend payment relating to 2019 and raised gross proceeds of approximately £85 million as a result of a share placing. Subsequently, the Group is deemed to have sufficient facility in each of the Group cash flow forecasts prepared by management.

Group Management has prepared cash flow forecasts for a period to December 2022 with the base case scenario including the benefits of actions already taken by management to mitigate the trading downsides brought by Covid-19 noted above. Assumptions include a phased return of revenue from July 2020 for the Group's Hotel, Restaurant and Catering businesses with revenue forecast to be back to 75% of pre-Covid-19 levels by December 2020. Downside scenarios forecast include a two-month delay in economic recovery so that the phased revenue return begins instead from September 2020. Given that the UK hospitality sector was able to reopen from 4 July, the Directors consider that such downside scenarios are also reflective of a possible second lockdown period in the UK, should that occur. In each downside scenario, the Group would have sufficient facility

There are currently no further significant changes expected within the next 12 months from the date of approving these financial statements.

PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties, along with mitigating actions taken by the Company are set out on pages 30 to 33 of the Johnson Service Group PLC Annual Report and Accounts for the year ended 31 December 2019 and pages 25 to 27 of the Johnson Service Group PLC Interim Report and Accounts for the half year ended 30 June 2020 which can be obtained from www.jsfg.com.

Semara Group Limited

Strategic Report (continued)

For the year ended 31 December 2019

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Semara Group Limited's (the "Company") principal activity is that of an investment holding company. The Company exceeds the threshold for Section 172 reporting due to its investment in its subsidiary undertaking Johnsons Textile Services Limited (formerly Johnsons Apparelmaster Limited) (Registered number 00464645), where the trading activity of the Group (comprising Johnson Investment Limited and its subsidiaries) takes place.

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way that they consider, 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.

As part of their induction, a Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent advisor. The Board confirms that, during the year, it has had regard to the matters set out above.

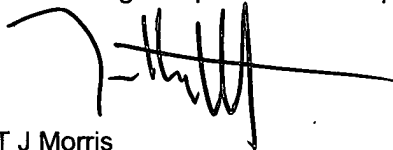
The Company's immediate parent undertaking is Johnson Investment Limited. The ultimate Parent Company and controlling party is Johnson Service Group PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Given the Company does not trade, the key stakeholder relationships, long term strategy and risk management strategies relate to that of the trading company within the Group, Johnsons Textile Services Limited (formerly Johnsons Apparelmaster Limited).

Dividends were paid during the year to offset the dividend income received and ensure that the ultimate Parent Company, Johnson Service Group PLC, can continue to maintain a progressive dividend cover.

For further details on how the Directors have promoted the success of the Company for the benefit of the shareholders as a whole, please see pages 9 to 10 of the Annual Report and Accounts of the ultimate Parent Company, Johnson Service Group PLC, for the year ended 31 December 2019 which can be obtained from www.jsq.com.

The Strategic Report has been approved and is signed on behalf of the Board by:



T J Morris
Director
25 September 2020

Semara Group Limited

Directors' Report

For the year ended 31 December 2019

The Directors present their report and audited financial statements for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The profit for the financial year was £11,803,000 (2018: £11,803,000).

The Directors do not recommend the payment of a final dividend (2018: £nil). During the year the Directors approved the payment of a dividend during the year of £11,803,000 at 21.96 pence per share (2018: £11,803,000 at 21.96 pence per share).

The Directors consider the financial position of the Company at 31 December 2019 to be satisfactory.

FINANCIAL RISK MANAGEMENT

The Company's principal asset relates to the value of the investments held and therefore the Company is exposed to the risk of impairment of these investments. The Company also has a receivable balance from the Parent Company. This balance is non-interest bearing and is repayable on demand. It is not the intention of the Company to request repayment of these amounts within the next 12 months. A further risk therefore relates to the Parent Company's ability to repay this balance.

The Directors do not anticipate that Covid-19 would have resulted in an impairment of the Company's investment in subsidiaries or impacted the recoverability of receivables from the Parent Company had it been an adjusting event. Investment in subsidiaries impairment tests are sensitised and the Directors believe the long term prospects of the business will not be significantly impacted by Covid-19.

Liquidity risk management involves maintaining sufficient cash reserves. There is a balance due to fellow Group undertakings which is non-interest bearing and is also repayable on demand, although it is not the intention of the Group undertakings to request payment of these amounts within the next 12 months.

MATTERS DISCLOSED ELSEWHERE WITHIN THE FINANCIAL STATEMENTS

Required disclosures in relation to the business review and principal activities, the Company's key performance indicators, future developments and post balance sheet events and principal risks and uncertainties have been included within the Company's Strategic Report on page 2 of these financial statements.

DIRECTORS

The Directors of the Company, all of whom served throughout the year and up to the date of approving this report, are listed on page 1.

DIRECTORS' INDEMNITY

In accordance with the Articles of Association and to the extent permitted by the laws of England and Wales, the Directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the Directors may not be indemnified, the Company maintained a qualifying directors' and officers' liability third party insurance policy throughout the financial year and up to the date of approval of these financial statements. Neither the indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently. No claim was made under this provision during the year.

ELECTIVE RESOLUTIONS

The Company has passed resolutions to dispense with the holding of Annual General Meetings, the laying of the report and financial statements before the Company and the obligation to appoint auditors annually.

INDEPENDENT AUDITORS

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The Board are satisfied with the independence, objectivity and effectiveness of the Auditors, and accordingly, confirm their reappointment.

Semara Group Limited

Directors' Report (continued)

For the year ended 31 December 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

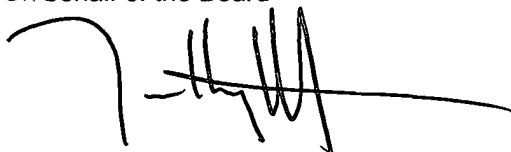
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

In the case of each Director in office at the date the Directors' Report is approved:

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

On behalf of the Board



T J Morris
Director
25 September 2020
Semara Group Limited
Registered in England and Wales number 1840454

Semara Group Limited

Independent Auditors' Report to the Members of Semara Group Limited

For the year ended 31 December 2019

Report on the audit of the financial statements

Opinion

In our opinion, Semara Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; the Statement of Significant Accounting Policies; and the Notes to the Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent

Semara Group Limited
Independent Auditors' Report to the Members of Semara Group
Limited (continued)
For the year ended 31 December 2019

Reporting on other information (continued)

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Semara Group Limited
Independent Auditors' Report to the Members of Semara Group Limited (continued)
For the year ended 31 December 2019

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
25 September 2020

Semara Group Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

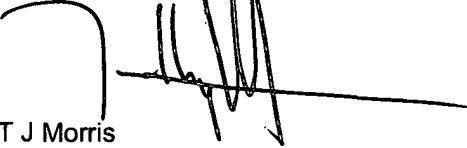
Note	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Dividends received	11,803	11,803
PROFIT BEFORE TAXATION	11,803	11,803
3 Tax on profit	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	11,803	11,803

Semara Group Limited
Balance Sheet
As at 31 December 2019

Note		As at 31 December 2019 £000	As at 31 December 2018 £000
	NON-CURRENT ASSETS		
5	Investments	234,356	234,356
6	Trade and other receivables	8,924	8,924
		243,280	243,280
	TOTAL ASSETS	243,280	243,280
	CAPITAL AND RESERVES		
8	Share capital	53,755	53,755
9	Share premium	189,258	189,258
	Retained earnings	267	267
	TOTAL SHAREHOLDERS' FUNDS	243,280	243,280

The notes on pages 15 to 18 are an integral part of these financial statements.

The financial statements on pages 9 to 18 were approved by the Board of Directors on 25 September 2020 and signed on its behalf by:


T J Morris
Director

Semara Group Limited
Registered No: 1840454

Semara Group Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Share Capital £000	Share Premium £000	Retained Earnings £000	Total Shareholders' Funds £000
Balance at 1 January 2018	53,755	189,258	267	243,280
Profit and total comprehensive income for the financial year	-	-	11,803	11,803
Dividends paid (note 4)	-	-	(11,803)	(11,803)
Balance at 31 December 2018	53,755	189,258	267	243,280
Balance at 1 January 2019	53,755	189,258	267	243,280
Profit and total comprehensive income for the financial year	-	-	11,803	11,803
Dividends paid (note 4)	-	-	(11,803)	(11,803)
Balance at 31 December 2019	53,755	189,258	267	243,280

Semara Group Limited

Statement of Significant Accounting Policies

For the year ended 31 December 2019

BASIS OF PREPARATION

Semara Group Limited's (the "Company") principal activity is that of an investment holding company. The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The Company's registered number is 1840454. The address of its registered office is Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006 (the 'Act') as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared on a going concern basis, as the Directors confirm that they have reasonable expectation that the Company has adequate resources to continue in operational existence for a period of greater than 12 months from the date of approving these financial statements.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (Statement of cash flows)
 - 16 (statement of compliance with all IFRS), and
 - 111 (cash flow information)
- IAS 7, 'Statement of cash flows'
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- IFRS 7, 'Financial Instruments, Disclosures'
- The requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'

JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the course of preparing these financial statements, no judgements have been made by the Company in the process of applying the Company's accounting policies.

SOURCES OF ESTIMATION AND UNCERTAINTY

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed on the following page:

Semara Group Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2019

SOURCES OF ESTIMATION AND UNCERTAINTY (continued)

(a) *Investments*

Investments are carried at cost less accumulated impairment losses. The Directors consider annually whether there are any indicators of impairment in relation to investments. The net asset position, future trading profits and environmental factors which may affect the company and subsequent investment value are taken into consideration. No such indicators have been identified in the current period.

(b) *Recoverability of receivables*

Indicators that a trade receivable is impaired include significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments. In addition, IFRS 9 requires the Company to consider forward looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Company considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses. See note 6 for the net carrying amount of the receivables.

The Directors view the Covid-19 pandemic as a non-adjusting post-balance sheet event as there was no impact on the Company as at the balance sheet date. The Directors do not anticipate that Covid-19 would have resulted in an impairment of the Company's investment in subsidiaries or impacted the recoverability of receivables from the Parent Company had it been an adjusting event. Investment in subsidiaries impairment tests are sensitised and the Directors believe the long term prospects of the business will not be significantly impacted by Covid-19.

FORWARD LOOKING STATEMENTS

The terms 'expect', 'should be', 'will be', 'is likely to' and similar expressions identify forward looking statements. Although the Board believes that the expectations reflected in these forward looking statements are reasonable, such statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently expressed or implied in such forward looking statements.

Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in the Company's markets; exchange and interest rate fluctuations; and legislative, fiscal and regulatory developments.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Figures within the financial statements are expressed in thousands (£'000).

INVESTMENTS

Investments are carried at cost less accumulated impairment losses. The Directors consider annually whether there are any indicators of impairment and test accordingly. Where an impairment is identified, it is charged to the Statement of Comprehensive Income. Investments that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

TAXATION

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amounts of the Company's trade and other receivables on the Balance Sheet are denominated in Sterling (2018: Sterling).

Under IFRS 9, effective from 1 January 2018, the Company elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that result from

Semara Group Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2019

transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not.

Under IFRS 9, the Company continues to establish a provision for impairment of trade receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, IFRS 9 requires the Company to consider forward looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Company considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Income Statement.

Trade and other receivables, which have no fixed date of repayment, are classified as current assets unless the Company has provided confirmation that there is no intention for amounts to be called within the next 12 months, in which case they are presented as non-current assets. Where trade and other receivables are non-interest bearing, or interest bearing at off market rates, the effect of discounting the receivable is considered, based on the risk free rate of return over one year (being the earliest point at which the receivable would be called). Where the effect of discounting would not be material, the receivable is stated at its undiscounted amount and the difference between the undiscounted and discounted amount is disclosed in the notes to the financial statements.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing.

Trade and other payables, which have no fixed date of payment, are classified as current liabilities unless the Company has received confirmation that there is no intention for amounts to be called within the next 12 months, in which case they are presented as non-current liabilities. Where trade and other payables are non-interest bearing, or interest bearing at off market rates, the effect of discounting the payable is considered, based on the risk free rate of return over one year (being the earliest point at which the payable would be called). Where the effect of discounting would not be material, the payable is stated at its undiscounted amount and the difference between the undiscounted and discounted amount is disclosed in the notes to the financial statements.

DIVIDEND DISTRIBUTION

Dividends to holders of equity instruments declared after the balance sheet date are not recognised as a liability as at the balance sheet date. Final dividend distributions to the Company's Shareholders are recognised in the Company's financial statements in the period in which the dividends are approved by the Company's Shareholders. Interim dividends are recognised when paid.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

SHARE PREMIUM

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

Semara Group Limited
Notes to the Financial Statements
For the year ended 31 December 2019

1 AUDITORS' REMUNERATION

Auditors' remuneration is borne by Johnson Service Group PLC, the Company's ultimate parent.

2 DIRECTORS AND EMPLOYEES

The Directors received no emoluments for their services to the Company during the year (2018: £nil). The Company had no employees during the year (2018: none).

3 TAX ON PROFIT

	2019	2018
	£000	£000
Current tax		
UK corporation tax charge for the year at 19% (2018: 19%)	-	-
Total tax charge for the year	-	-

The tax charge for the year is the lower than (2018: lower than) the standard rate of UK corporation tax.

	2019	2018
	£000	£000
Current tax		
Profit before taxation per the Statement of Comprehensive Income	11,803	11,803
Profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2018: 19%)	2,243	2,243
Non-taxable dividend income	(2,243)	(2,243)
Total tax charge for the year	-	-

The income tax expense for the year is based on the standard United Kingdom statutory rate of Corporation Tax for the year of 19% (2018: 19%).

4 DIVIDENDS PAID

	2019	2018
	£000	£000
Dividend paid (21.96 pence per share) (2018: 21.96 pence per share)	11,803	11,803

Semara Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

5 INVESTMENTS

	2019	2018
	£000	£000
Cost or valuation		
At 1 January and 31 December	234,356	234,356
Impairment		
At 1 January and 31 December	-	-
Carrying amount		
At 1 January and 31 December	234,356	234,356

The Company's subsidiary undertakings as at the balance sheet date are as follows:

<u>Company</u>	<u>Activity</u>	<u>Registered Office</u>
* Johnsons Apparelmaster Limited	Textile services	1
* Semara Contract Services Limited	Investment holding	1
Semara Estates Limited	Property investment and dealing	1
JSG PLC	Non-trading	1

* Direct subsidiary undertaking

In the table above, references to Registered Offices are as follows:

1) Johnson House, Abbots Park, Monks Way Preston Brook, Runcorn, Cheshire, WA7 3GH.

The Company owns 100% of the issued Ordinary shares of the direct subsidiary undertakings with the exception of Johnsons Apparelmaster Limited (Registered number 00464645) which is 79.4% owned. All subsidiaries are registered in England and Wales. As permitted under Section 400 of the Companies Act 2006, consolidated financial statements have not been prepared. The results and position of the Company and its subsidiaries are included within the consolidated financial statements of Johnson Service Group PLC.

On 6 January 2020, Johnsons Apparelmaster Limited swapped names with Johnsons Textile Services Limited (Registered number 11687539).

Warrender Aircraft Services Limited was also an indirect subsidiary undertaking via Semara Contract Services Limited. During the prior year, Semara Contract Services Limited disposed of this investment in Warrender Aircraft Services Limited and the company was struck off on 9 January 2018.

The Directors view the Covid-19 pandemic as a non-adjusting post-balance sheet event as there was no impact on the Company as at the balance sheet date. The Directors do not anticipate that Covid-19 would have resulted in an impairment of the Company's investment in subsidiaries had it been an adjusting event with impairment tests performed and sensitised using revised forecasts of the Group following the impact of Covid-19. The Directors believe the long term prospects of the business will not be significantly impacted by Covid-19.

Following the annual impairment review, other than disclosed above, no impairment indicators were identified and as such, no investment impairment is considered to be required.

Semara Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

6 TRADE AND OTHER RECEIVABLES

	2019	2018
	£000	£000
Amounts falling due after more than one year:		
Amounts owed by Parent Company	8,924	8,924

Amounts owed by the Parent Company are unsecured and have no fixed date of repayment. There is no intention to request repayment of these amounts within the next 12 months and as such they have been presented as non-current assets. The Directors have considered the difference between the book value and fair value of amounts receivable from the Parent Company. Taking into account the one year risk free rate of return of 0.57% (2018: 0.74%), as at the balance sheet date, the fair value of amounts due from Parent Company would be circa £8,873,000 (2018: £8,858,000). It is considered that the Parent Company has sufficient facility in order to repay the amounts due were they to be demanded by the Company at the balance sheet date. As such, no further impairment is required.

7 CONTINGENT LIABILITIES

The Company is a party in the credit facility of the Parent Company and fellow subsidiary companies. Under this facility the bank has a right of set-off.

The Company has guaranteed the banking facilities of Johnson Service Group PLC and certain of its subsidiary undertakings under a cross guarantee arrangement. No losses are expected to result from this arrangement.

8 SHARE CAPITAL

	2019		2018
	£000		£000
Issued and fully paid		Shares	
Ordinary shares of £1 each			
At start and end of the year	53,754,528	53,755	53,754,528

9 SHARE PREMIUM

	2019	2018
	£000	£000
Share premium	189,258	189,258

10 EVENTS AFTER THE REPORTING PERIOD

The Directors view the Covid-19 pandemic as a non-adjusting post-balance sheet event as there was no impact on the Company as at the balance sheet date. Following the declaration of Covid-19 as a global pandemic by the World Health Organisation in March 2020 and the subsequent measures implemented by the government to contain the virus, the trading company of the Group (comprising Semara Group Limited and its subsidiaries), Johnsons Textile Services Limited (formerly Johnsons Apparelmaster Limited), has seen significant disruption across each of its businesses. As Semara Group Limited does not trade and only holds investments, there is not anticipated to be any impact on the Company's ability to continue as a going concern. The Directors do not anticipate that Covid-19 would have resulted in an impairment of the Company's investment in subsidiaries had it been an adjusting event with impairment tests performed and sensitised using revised forecasts of the Group following the impact of Covid-19. The Directors believe the long term prospects of the business will not be significantly impacted by Covid-19.

As the Company has guaranteed the banking facilities of Johnson Service Group PLC, the Company's immediate and ultimate parent undertaking, and certain of its subsidiary undertakings under a cross guarantee arrangement, the Directors have also considered the financial position, forecasts of the wider Group and the availability of Group funding in supporting the preparation of the financial statements on a going concern basis.

Semara Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

11 ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Johnson Investment Limited. The ultimate Parent Company and controlling party is Johnson Service Group PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Johnson Service Group PLC may be obtained from The Company Secretary, Johnson Service Group PLC, Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH.