

**Semara Group Limited**  
Registered No: 1840454

**Directors' Report and Financial Statements**  
For the year ended 31 December 2021



# Semara Group Limited

## Directors' Report and Financial Statements

For the year ended 31 December 2021

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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  
10th Floor, The Plaza  
100 Old Hall Street  
Liverpool L3 9QJ

Bank of Ireland  
26 Cross Street  
Manchester M2 7AF

### **LAWYERS**

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

### **INDEPENDENT AUDITORS**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4PB

# Semara Group Limited

## Strategic Report

For the year ended 31 December 2021

The Directors present their Strategic Report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2021.

### 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 result for the financial year is £nil (2020: £nil).

### GOING CONCERN

The Directors have considered the impact of the COVID-19 pandemic on the Company. 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. Impairment tests have been performed and sensitised using forecasts adjusted for the impact of COVID-19 and there is no impairment of the Company's investment in the subsidiaries. The receivable from the Parent Company is deemed to be recoverable due to the future forecasts of the Group.

The Company has received a letter of support from Johnson Service Group PLC, the ultimate parent company, that it will continue to provide financial support to enable the Company to meet its financial obligations over the next 12 months from 29 April 2022.

Due to the letter of support, and 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 current and plausible future impact of COVID-19 and the related macroeconomic environment on the Group's activities and performance has been considered by the Board in preparing its going concern assessment. The Group has prepared a Base Case scenario, reflecting an initial set of assumptions around financial projections and trading performance, together with various, more pessimistic, expectations for market developments over 2022 and into 2023 to reflect subdued trading conditions.

After considering the current financial scenarios, the severe but plausible sensitivities and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2023. As a consequence, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

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 46 to 52 of the Johnson Service Group PLC Annual Report and Accounts for the year ended 31 December 2021 which can be obtained from [www.jsg.com](http://www.jsg.com).

### 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 (Registered number 00464645), where the trading activity of the Group (comprising Johnson Investment Limited and its subsidiaries) takes place.

# Semara Group Limited

## Strategic Report (continued)

For the year ended 31 December 2021

### **DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (continued)**

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 main trading company within the Group, Johnsons Textile Services Limited.

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 16 to 17 of the Annual Report and Accounts of the ultimate Parent Company, Johnson Service Group PLC, for the year ended 31 December 2021 which can be obtained from [www.jsq.com](http://www.jsq.com).

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



Y M Monaghan  
Director  
29 April 2022

# Semara Group Limited

## Directors' Report

For the year ended 31 December 2021

The Directors present their report and audited financial statements for the year ended 31 December 2021.

### RESULTS AND DIVIDENDS

The result for the financial year was £nil (2020: £nil).

The Directors do not recommend the payment of a final dividend (2020: £nil). The Directors did not approve the payment of a dividend during the year (2020: £nil).

The Directors consider the financial position of the Company at 31 December 2021 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 deem the receivable balance and investments to be recoverable due to the future forecasts of the Group. Investment in subsidiaries impairment tests are sensitised and there remains significant headroom, such that there is no reasonable scenario in which impairment would be required either now or in the coming year.

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, going concern 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, Grant Thornton, 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 2021

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic Report and 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, including FRS 101 'Reduced Disclosure Framework'). 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 company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company'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's auditor is aware of that information.

On behalf of the Board



Y M Monaghan  
Director  
29 April 2022  
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 2021

### Opinion

We have audited the financial statements of Semara Group Limited (the 'company') for the year ended 31 December 2021, which comprise Statement of Comprehensive Income, Balance Sheet, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result 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 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 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 company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the 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 company's financial resources or ability to continue operations over the going concern period.

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 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 Directors' 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.



# Semara Group Limited

## Independent Auditors' Report to the Members of Semara Group Limited (continued)

For the year ended 31 December 2021

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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 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 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Semara Group Limited

## Independent Auditors' Report to the Members of Semara Group Limited (continued)

For the year ended 31 December 2021

### **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 applicable to company and the industry in which it operates. We determined that the most significant are those which relate to the reporting frameworks (FRS 101 and the Companies Act 2006);
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management in significant accounting estimates;
  - Identifying and testing journal entries, in particular any journal with unusual characteristics;
- 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 non-compliance 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 knowledge of the industry in which the company operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.

### **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*

Michael Frankish  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
29 April 2022

**Semara Group Limited**  
**Statement of Comprehensive Income**  
For the year ended 31 December 2021

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
<b>RESULT AND TOTAL COMPREHENSIVE RESULT FOR THE FINANCIAL YEAR</b>	-	-

# Semara Group Limited

## Balance Sheet

As at 31 December 2021

Note		As at 31 December 2021 £000	As at 31 December 2020 £000
	<b>NON-CURRENT ASSETS</b>		
3	Investments	234,356	234,356
4	Trade and other receivables	9,023	8,924
		<b>243,379</b>	<b>243,280</b>
	<b>NON-CURRENT LIABILITIES</b>		
5	Trade and other payables	99	-
		<b>99</b>	<b>-</b>
	<b>TOTAL ASSETS</b>	<b>243,280</b>	<b>243,280</b>
	<b>CAPITAL AND RESERVES</b>		
7	Share capital	53,755	53,755
	Share premium	189,258	189,258
	Retained earnings	267	267
	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>243,280</b>	<b>243,280</b>

The notes on pages 16 to 17 are an integral part of these financial statements.

The financial statements on pages 9 to 17 were approved by the Board of Directors on 29 April 2022 and signed on its behalf by:

*Yvonne Monaghan*

Y M Monaghan  
Director

Semara Group Limited  
Registered No: 1840454

**Semara Group Limited**  
**Statement of Changes in Equity**  
For the year ended 31 December 2021

	Share Capital £000	Share Premium £000	Retained Earnings £000	Total Shareholders' Funds £000
<b>Balance at 1 January 2020 and 31 December 2020 and 31 December 2021</b>	<b>53,755</b>	<b>189,258</b>	<b>267</b>	<b>243,280</b>

# Semara Group Limited

## Statement of Significant Accounting Policies

For the year ended 31 December 2021

### **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). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006. 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 the next 12 months.

The Company is a qualifying entity for the purposes of FRS 101. Note 8 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 IFRS that are necessary to achieve compliance with the Act and related Regulations. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 13.

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'

### **GOING CONCERN**

The Directors have considered the impact of the COVID-19 pandemic on the Company. 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. Impairment tests have been performed and sensitised using forecasts adjusted for the impact of COVID-19 and there is no impairment of the Company's investment in the subsidiaries. The receivable from the Parent Company is deemed to be recoverable due to the future forecasts of the Group.

# Semara Group Limited

## Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2021

### GOING CONCERN (continued)

The Company has received a letter of support from Johnson Service Group PLC, the ultimate parent company, that it will continue to provide financial support to enable the Company to meet its financial obligations over the next 12 months from 29 April 2022.

Due to the letter of support, and 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 current and plausible future impact of COVID-19 and the related macroeconomic environment on the Group's activities and performance has been considered by the Board in preparing its going concern assessment. The Group has prepared a Base Case scenario, reflecting an initial set of assumptions around financial projections and trading performance, together with various, more pessimistic, expectations for market developments over 2022 and into 2023 to reflect subdued trading conditions.

After considering the current financial scenarios, the severe but plausible sensitivities and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2023. As a consequence, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

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

### 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 below:

#### (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 receivable-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses. See note 4 for the net carrying amount of the receivables.

The Directors deem the investment to be recoverable due to the future forecasts of the Group. The receivable from the Parent Company is not yet due or impaired.

# Semara Group Limited

## Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2021

### 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 year 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 (2020: Sterling).

Under IFRS 9, 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 transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not.

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 receivable-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.



## Semara Group Limited

### Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2021

#### **TRADE AND OTHER RECEIVABLES (continued)**

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

## Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2021

### 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 (2020: £nil). The Company had no employees during the year (2020: none).

### 3 INVESTMENTS

	2021 £000	2020 £000
Cost and Carrying amount at 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>
* Johnsons Textile Services Limited	Textile services
* Semara Contract Services Limited	Investment holding
Semara Estates Limited	Property investment and dealing
JSG PLC	Non-trading

\* Direct subsidiary undertaking. The remainder are held indirectly.

The registered office for all the companies listed above is 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 Textile Services 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.

The Directors deem the investments to be recoverable due to the future forecasts of the Group. Following the annual impairment review, no investment impairment is considered to be required.

### 4 TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
Amounts falling due after more than one year:		
Amounts owed by Parent Company	9,023	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 0.41% (2020: -0.15%), as at the balance sheet date, the fair value of amounts due from Parent Company would be circa £8,986,000 (2020: £8,937,000). 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.

**Semara Group Limited**  
**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2021

**5 TRADE AND OTHER PAYABLES**

	2021 £000	2020 £000
Amounts falling due after more than one year:		
Amounts due to Parent Company	99	-

Amounts due to the Parent Company are unsecured and have no fixed date of repayment. The Company has no expectation of repayment in the next 12 months and therefore the amounts have been presented as non-current liabilities. 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 0.41% (2020: - 0.15%), as at the balance sheet date, the fair value of amounts due from Parent Company would be circa £99,000 (2020: £nil).

**6 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.

**7 SHARE CAPITAL**

	Number of shares	2021 £000	Number of shares	2020 £000
<b>Issued and fully paid</b>				
Ordinary shares of £1 each				
At start and end of the year	53,754,528	53,755	53,754,528	53,755

**8 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.