Registered number: 02021685

JOHN MILLS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

JOHN MILLS LIMITED

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JOHN MILLS LIMITED

COMPANY INFORMATION

Directors	J A D Mills K J Daly S D Tebble B Keogh D H Grier L Angel
Registered number	02021685
Registered office	Chiswick Green 610 Chiswick High Road London W4 5RU
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

Introduction

The directors present the strategic report and financial statements for the year ended 31 December 2022.

The principal activities of the company during the year were that of distribution of consumer products via UK & Ireland Retail, through international partners and direct-to-consumer.

Business review

In 2022, company revenues were 7.29% lower compared with the previous year. The main area of decline was international distribution with a small reduction in UK retail volumes. Pressure on consumer incomes in developed markets globally along with relatively few new product successes have been the key factors. Direct to consumer revenues however remained broadly level with the previous year following a substantial increase in demand due to changing consumer behaviour during the Covid pandemic.

Loss in 2022 was impacted by rising expenses as a result of inflation.

The company's borrowing throughout the year was close to historically low levels with expenditure and working capital successfully managed.

The company has continued to invest in new product development, management is confident that the organisation is well placed to increase revenues as a result of these investments.

The core model of JML has remained successful and is central to future growth. That is, developing innovative consumer products, or licensing them from third parties, and then using video to market them online, in store and on TV under the JML brand and other subsidiary brands. Many of these products are in categories that have proved to be very popular with consumers who spend more time at home due to flexible working.

The coronavirus crisis accelerated a shift online for JML in the UK and Ireland. Internationally, a strategy remains which targets revenue through developing new products with high quality promotional video content to be distributed through partners already in place in over 50 territories. UK direct to consumer revenues are much higher than pre-pandemic as consumers shop more frequently from home, facilitated by the launch of a new, re- platformed website. The business has however reduced staff numbers in ecommerce and social media departments in favour of commissioning outside agencies. The intention is to improve digital marketing and drive sales growth online. Expanded retail distribution is being sought and additional space in key retailers is also important for increased revenues.

Organic growth is being targeted via the core JML brand online, in retail and via international distribution partners. Incremental revenues are being planned through the launch of business units that promote new product ranges under separate distinct brands that appeal to different groups of consumers. UK rights have been secured to third-party brands that have been successful elsewhere and the company is also developing its own ranges. The intention is to add revenue whilst leveraging existing infrastructure, customer base and expertise.

Principal risks and uncertainties

Global shipping costs increased dramatically in 2021 as result of the pandemic with capacity being taken out of service and Covid-19 disruption continuing in Asia. The situation has completely recovered with pricing at or below pre-pandemic levels in 2023 however there is always the risk that something similar may occur again.

JML uses a number of strategies to mitigate the impact of currency fluctuations. These include some currency hedging, adjusting selling prices, re-sourcing suppliers and changing the mix of sales to favour higher margin products. Increased international distribution can also dilute any currency exchange effects.

The loss of a major customer should be considered a risk to the business. Management is targeting a widening of the portfolio of distribution and growing the direct-to-consumer operation to ensure that no single customer is critical to the company's health. Furthermore, JML's largest customers are supermarkets and those with pharmacies which have continued to trade successfully.

The departure of key employees is a risk and JML has ensured an excellent track record of retaining talent and maintaining a culture which engenders high morale and staff motivation. Succession planning is a core element of strategy to ensure that senior managers could always be replaced by high calibre internal candidates.

The financial instruments used by the company arise wholly and directly from the company's operations. These comprise trade debtors, cash at bank, bank loans, invoice discounting facilities and trade creditors.

The company has put in place the following measures in order to manage the risks arising from these financial instruments:

1. The company undertakes credit checks on all customers in the United Kingdom and has a policy for the approval of a credit limit, which is notified to the customer. No overseas customers are allowed any credit, with the exception of those where a long trading relationship exists and where there is excellent knowledge of the business of the customer. The company regularly reviews customers' credit limits and will not, other than in exceptional circumstances, supply customers where an order results in a customer exceeding its credit limit.

2. JML's customers are subject to a Retention of Title clause as part of the company's trading terms.

3. The company manages its cash positions by regularly monitoring its cash flow, using cash flow forecasting and variance analysis.

4. The financial risk arising from the possible non-advance of credit by its trade creditors, either by exceeding agreed credit limits or by not paying with the specified terms, is managed by regularly monitoring the trade balance and credit limit terms from all suppliers.

Development and performance

JML commits substantial resources to the ongoing development of new products and the production of video content with which to promote them.

Investment in IT and systems has been ongoing. Management believes that this will bring many benefits. However, infrastructure costs have reduced as the largest current projects have reached completion.

The directors consider the company to be adequately financed for the foreseeable future through a range of facilities, the largest of which funds stock and debtors from Shawbrook Bank.

JML is committed to employee engagement initiatives which include an ongoing programme of staff training, regular conferences, mental health and wellbeing projects, company intranet, charity and social events, company newsletters and a culture of open communication. A high-quality team is in place to take the company forward, a combination of long-standing staff and more recent recruits.

With a talented workforce and as a result of the investments made over the past few years, the directors believe that the company is poised for a period of improved profitability.

Key performance indicators

The key performance indicators used by the company include gross profit margin, which decreased from 51.04% to 50.27% Product sales income fell from £56.66m to £52.53m.

Management is confident that the company's governance is exemplary with the ongoing analysis of performance indicators to ensure full awareness of business performance, including monthly reporting of key metrics to the board.

The non-financial key performance indicators include ensuring that products and service are highly rated by customers whilst constantly striving to improve quality control measures. The company also identifies customer care services as being highly significant and measures these by aiming to maintain a Net Promoter Score of over 75, a Customer Satisfaction Score of over 85% and to achieve over 95% on time delivery. JML's Trustpilot score is currently 4.6 (out of 5.0).

In addition, other non-financial key performance indicators include raising brand awareness and the company profile measured by both customer and supplier loyalties and other attributes such as market share and size of database.

Key performance indicators are maintained across all parts of the business to ensure management are constantly monitoring and challenging results.

Directors' statement of compliance with duty to promote the success of the company

The board of directors of John Mills Limited consider, both individually and together, that they have acted in the way 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 in decisions taken during the year ended 31 December 2022. In particular:

- The strategy was designed to have a long-term beneficial impact on the company and to contribute to its success by delivering more sustainable earnings, continuous product and service improvements and an increasingly rewarding environment in which to work.

- JML's employees are fundamental to the delivery of the company's strategy. The business aims to be a responsible employer in its approach to the pay and benefits employees receive. The health, safety and well-being of staff is one of the primary considerations in the way JML conducts business.

Directors' statement of compliance with duty to promote the success of the company (Continued)

- The company takes its duty to customers extremely seriously, both business clients and consumers. Management strive to always provide the highest quality products and services and ensure any concerns or complaints are addressed quickly, efficiently and with an aim of completely satisfying the customer where possible and reasonable.

- The company takes its duty to suppliers extremely seriously. The business aims to maintain the highest reputation for being a good customer, treating suppliers in a friendly, respectful and collaborative way, paying fair prices and settling debts within agreed timeframes.

- JML's strategy has taken into account the impact of the company's operations on the community, environment and wider societal responsibilities. Several of the performance measures in the company's strategy will deliver sustainability improvements.

- The Board of Directors' intention is to behave responsibly and ensure that management operate the business in a responsible manner, maintaining the high standards of business conduct and good governance expected for a business such as JML and in doing so, will contribute to the delivery of the company's strategic plan. The intention is to nurture JML's reputation, through providing an excellent experience for customers, suppliers and other stakeholders when interacting with the business.

- The Board of Directors' intention is to always treat shareholders fairly and respect their views, so they too may benefit from the successful delivery of the company's strategic plan.

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

K J Daly
Director

Date: 29 September 2023

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £1,388,635 (2021 -profit £560,805).

An interim ordinary dividend of £300,000 (2021: £1,058,560) was paid in the year. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

J A D Mills
K J Daly
S D Tebble
B Keogh
D H Grier
L Angel
S A Hathaway (resigned 28 February 2022)
S M Aubrey-Cound (resigned 6 August 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Greenhouse gas emissions, energy consumption and energy efficiency action

As required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the company's energy use and greenhouse gas (GHG) emissions are set out below.

The data relates to the 12 month period from 1 January 2022 to 31 December 2022.

Total energy consumption	2,045,697 kWh
Emissions from combustion of gas (scope 1)	402 tCO2e
Emissions from combustion of fuel for the purposes of transport (scope 1)	21 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles	0 tCO2e
the company is responsible for purchasing the fuel (scope 3)	
Emissions from purchased electricity (scope 2)	43 tCO2e
Total gross emissions	466 tCO2e
Intensity ratio	8.27 tCO2e/£1m Turnover

Comparison to previous financial year

The data relates to the 12 month period from 1 January 2021 to 31 December 2021.

Total energy consumption	2,073,501 kWh
Emissions from combustion of gas (scope 1)	396 tCO2e
Emissions from combustion of fuel for the purposes of transport (scope 1)	27 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles	1 tCO2e
the company is responsible for purchasing the fuel (scope 3)	
Emissions from purchased electricity (scope 2)	50 tCO2e
Total gross emissions	474 tCO2e
Intensity ratio	8.03 tCO2e/£1m Turnover

Primary energy efficiency measures implemented

No specific energy efficiency actions were undertaken in 2022.

Methodology

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2022 carbon conversion factors for all fuels.

Matters covered in the Strategic report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies (Accounts and Reports) Regulations 2008', in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

K J Daly
Director

Date: 29 September 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MILLS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of John Mills Limited for the year ended 31 December 2022, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss 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 United Kingdom, including the Financial Reporting Council'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

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the retail sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Russell Tenzer FCA (Senior Statutory Auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

29 September 2023

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover		**52,526,789**	56,656,751
Cost of sales		**(26,119,408)**	(27,738,150)
Gross profit		**26,407,381**	28,918,601
Distribution costs		**(14,952,322)**	(15,808,336)
Administrative expenses		**(12,806,326)**	(13,261,290)
Other operating income	5	**168,788**	222,351
Fair value movements		**-**	59,785
Operating (loss)/profit	6	**(1,182,479)**	131,111
Profit on disposal of investments		**-**	754,795
Interest receivable and similar income	10	-	8,980
Interest payable and similar expenses	11	**(321,240)**	(259,290)
(Loss)/profit before tax		**(1,503,719)**	635,596
Tax on (loss)/profit	12	**115,084**	(74,791)
(Loss)/profit for the financial year		**(1,388,635)**	560,805

There are no items of other comprehensive income for 2022 or 2021 other than the (loss)/profit for the year. As a result, no separate Statement of comprehensive income has been presented.

The notes on pages 19 to 41 form part of these financial statements.

JOHN MILLS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	14		-		187,176
Tangible assets	15		**708,760**		845,934
Investments	16		**122,382**		124,102
			831,142		1,157,212
Current assets					
Stocks	17	**6,168,127**		9,453,072	
Debtors: amounts falling due after more than one year	18	**379,045**		1,416,655	
Debtors: amounts falling due within one year	18	**16,375,113**		13,509,608	
Cash at bank and in hand	19	**884,939**		54,583	
		23,807,224		24,433,918	
Creditors: amounts falling due within one year	20	**(12,795,141)**		(11,993,007)	
Net current assets			**11,012,083**		12,440,911
Total assets less current liabilities			**11,843,225**		13,598,123
Creditors: amounts falling due after more than one year	21		**(117,606)**		(182,659)
Net assets			**11,725,619**		13,415,464
Capital and reserves					
Called up share capital	26		**435,463**		435,463
Capital redemption reserve	27		**67,837**		67,837
Profit and loss account	27		**11,222,319**		12,912,164
Total equity			**11,725,619**		13,415,464

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2023.

K J Daly
Director

The notes on pages 19 to 41 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	453,719	49,151	13,927,997	14,430,867
Comprehensive income for the year				
Profit for the year	-	-	560,805	560,805
Dividends: Equity capital	-	-	(1,058,560)	(1,058,560)
Purchase of own shares	-	18,686	(518,078)	(499,392)
Shares issued during the year	430	-	-	430
Shares redeemed during the year	(18,686)	-	-	(18,686)
At 1 January 2022	435,463	67,837	12,912,164	13,415,464
Comprehensive income for the year				
Loss for the year	-	-	(1,388,635)	(1,388,635)
Dividends: Equity capital	-	-	(301,210)	(301,210)
At 31 December 2022	435,463	67,837	11,222,319	11,725,619

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	**(1,388,635)**	560,805
Adjustments for:		
Amortisation of intangible assets	**187,176**	190,794
Depreciation of tangible assets	**470,936**	521,843
Profit on disposal of investments	**-**	(754,795)
Loss on disposal of tangible assets	**(70,886)**	(17,310)
Interest paid	**321,240**	259,290
Interest received	**-**	(8,980)
Taxation charge	**(115,084)**	74,791
Decrease/(increase) in stocks	**3,284,945**	(2,204,742)
(Increase)/decrease in debtors	**(1,997,362)**	3,490,917
Decrease in amounts owed by group companies	**203,990**	650,315
(Increase) in amounts owed by joint ventures	**(93,656)**	(134,039)
Decrease in amounts owed by participating interests	**-**	242,741
(Decrease) in creditors	**(1,476,235)**	(1,573,711)
Increase in amounts owed to group companies	**80,250**	179,732
Net fair value losses/(gains) recognised in profit or loss	**-**	(59,785)
Corporation tax (paid)	**(115,657)**	(474,367)
Net cash generated from operating activities	**(708,978)**	943,499
Cash flows from investing activities		
Purchase of tangible fixed assets	**(192,653)**	(381,238)
Sale of tangible fixed assets	**87,035**	17,772
Purchase of unlisted and other investments	**-**	(7,802)
Sale of unlisted and other investments	**510**	754,795
Sale of fixed asset investments	**1,210**	-
Interest received	**-**	8,980
Hire purchase loan interest paid	**(20,458)**	(9,989)
Net cash from investing activities	**(124,356)**	382,518
Cash flows from financing activities		
Issue of ordinary shares	**-**	430
Purchase of ordinary shares	**-**	(518,078)
Repayment of other loans	**(13,902)**	(1,593,563)
Repayment of finance leases	**(78,249)**	27,418
Dividends paid	**(301,210)**	(1,058,560)
Interest paid	**(300,782)**	(249,301)
Net cash used in financing activities	**(694,143)**	(3,391,654)

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Net (decrease) in cash and cash equivalents	**(1,527,477)**	(2,065,637)
Cash and cash equivalents at beginning of year	**(5,159,955)**	(3,094,318)
Cash and cash equivalents at the end of year	**(6,687,432)**	(5,159,955)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**884,939**	54,583
Bank overdrafts	**(7,572,371)**	(5,214,538)
	(6,687,432)	(5,159,955)

The notes on pages 19 to 41 form part of these financial statements.

1. General information

John Mills Limited distributes consumer products via international partners, direct-to-consumer, online and through television home shopping.

The company is a private company limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is Chiswick Green, 610 Chiswick High Road, London, W4 5RU.

The financial statements are presented in Sterling (£). Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

During the year, there was a group reconstruction whereby the shareholders of John Mills Limited exchanged their shares for holdings in JML Hold Co Limited, which then became the 100% parent company of John Mills Limited.

The company is therefore a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Therefore these financial statements are for this company only and not the wider group.

2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer upon despatch;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within administrative expenses. All other foreign exchange gains and losses are presented in profit or loss within operating activities.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

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

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

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	33 % straight line

2.14 Tangible fixed assets

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

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Fixtures and fittings	-	33%
Video units and studio equipment	-	25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Associates and joint ventures

An entity is treated as a joint venture where the company is a party to a contractual agreement with one or more parties from outside the company to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the company exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

2.17 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.18 Stocks

Stocks represent homeware and household goods for resale and are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods includes labour and attributable overheads including freight costs and landing costs.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.19 Cash and cash equivalents

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

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.20 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price, which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

Such financial assets are subsequently measured at fair value through profit or loss, where they are publicly traded, or fair value can be measured reliably, for example by using a valuation technique. Where fair value cannot be measured reliably, the financial asset is measured at cost less impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Accounting policies (continued)

Financial instruments (continued)

Derivative contracts

Derivatives contracts such as foreign exchange forward contracts, are not basic financial instruments.

Derivatives contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in interest payable and similar expenses or interest receivable and similar income as appropriate.

Impairment of financial assets

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Dividends

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

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of trade debtors

The company reviews trade debtor balances for impairment and this is performed on a regular basis. Those balances which are considered to be recoverable remain in debtors and those which are not, are impaired and the impairment loss is recorded in the profit and loss. In making this judgement, the company evaluates, among other factors, the duration and the financial health of and short-term business outlook for the trade debtors, including factors such as industry and sector performance. The accounting policy of trade debtors is described in note 2.20. At the year end the carrying amount of trade debtors is stated in note 18.

Stock

Stock is valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends. The accounting policy of stocks is described in note 2.18. At the year end the carrying amount of stocks is stated in note 17.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life of intangible fixed assets

Intangible assets are amortised over their useful life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, market information and management considerations. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account. The accounting policy of intangible fixed assets is described in note 2.13. The carrying amount of the company's intangible fixed assets in the balance sheet is disclosed in note 14 of the financial statements.

Useful lives of tangible fixed assets

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of these tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy of tangible fixed assets is described in note 2.14. The carrying amount of the company's tangible fixed assets in the balance sheet is disclosed in note 15 of the financial statements.

Volume and price markdown rebates given to customers

Rebates are given to customers, in accordance with customer contracts, when cumulative turnover exceeds a predefined level or if the customer sells on goods at a marked down price. Provision is made for these "retro-rebates" at the year-end. The provision is based on past rebates given and is necessarily an estimate.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Retail sales	**34,879,448**	36,659,689
Mail order and catalogue sales	**575,395**	595,429
TV channel and online sales	**13,945,701**	14,087,164
Export sales	**3,126,245**	5,314,469
	52,526,789	56,656,751

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	**46,475,064**	48,081,623
European Union	**3,483,577**	3,963,493
Rest of the World	**2,568,148**	4,611,635
	52,526,789	56,656,751

5. Other operating income

	2022	2021
	£	£
Other operating income	**96,843**	148,051
Royalty receivable	**71,945**	74,300
	168,788	222,351

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022 £	2021 £
Research and development charged as an expense	**50,598**	38,947
Exchange differences	**(380,224)**	278,674
Other operating lease rentals	**490,385**	509,365
Depreciation of owned tangible fixed assets	**273,167**	375,101
Depreciation of assets held under finance leases	**197,769**	146,742
Profit on disposal of fixed assets	**(70,886)**	(17,310)
Amortisation of intangible fixed assets	**187,176**	190,794
Costs of stocks recognised as an expense	**25,829,597**	27,390,827

7. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

	2022 £	2021 £
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	**70,000**	70,000
Fees payable to the company's auditor and its associates in respect of:		
All non-audit services not included above	**54,122**	1,500

8. Employees

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

	2022 £	2021 £
Wages and salaries	**7,221,055**	6,996,671
Social security costs	**750,388**	726,987
Pension costs	**803,745**	890,332
	8,775,188	8,613,990

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

	2022 No.	2021 No.
Management	**5**	5
Sales	**102**	105
Warehouse	**23**	23
Administration	**78**	93
	208	226

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	**742,212**	640,937
Company contributions to defined contribution pension schemes	**77,639**	119,021
	819,851	759,958

During the year retirement benefits were accruing to 3 directors (2021 -3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £271,500 (2021 -£242,874).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £27,617 (2021 -£34,164).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	**-**	8,980

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	**299,490**	220,580
Other loan interest payable	**1,264**	28,721
Finance leases and hire purchase contracts	**20,458**	9,989
Other interest payable	**28**	-
	321,240	259,290

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	**(115,084)**	115,084
Adjustments in respect of previous periods	**-**	(40,293)
	(115,084)	74,791
Total current tax	**(115,084)**	74,791
Deferred tax		
Total deferred tax	**-**	-
Taxation on (loss)/profit on ordinary activities	**(115,084)**	74,791

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 -lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19 %). The differences are explained below:

	2022	2021
	£	£
(Loss)/profit on ordinary activities before tax	(1,503,719)	635,596
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	(285,707)	120,763
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	45,635	2,324
Capital allowances for year in excess of depreciation	(1,971)	(4,715)
Adjustments to tax charge in respect of prior periods	-	(40,293)
Book profit on chargeable assets	(13,468)	(3,288)
Unrelieved tax losses carried forward	140,427	-
Total tax charge for the year	(115,084)	74,791

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Dividends

	2022	2021
	£	£
Dividends payable	301,210	1,058,560

14. Intangible assets

	Computer software £
Cost	
At 1 January 2022	**585,613**
At 31 December 2022	**585,613**
Amortisation	
At 1 January 2022	**398,437**
Charge for the year on owned assets	**187,176**
At 31 December 2022	**585,613**
Net book value	
At 31 December 2022	**-**
At 31 December 2021	187,176

Software with a carrying value of £nil (2021: £187,176) is amortised on a 33.3% straight line basis. The asset was previously under development and became available for use in December 2019. Accordingly, amortisation was charged from this point.

15. Tangible fixed assets

	Video units & studio equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022	769,635	1,822,752	560,769	1,815,920	4,969,076
Additions	59,913	182,958	83,791	23,249	349,911
Disposals	(149,900)	(288,082)	(199,782)	(232,853)	(870,617)
At 31 December 2022	679,648	1,717,628	444,778	1,606,316	4,448,370
Depreciation					
At 1 January 2022	590,216	1,431,707	439,783	1,661,436	4,123,142
Charge for the year on owned assets	81,082	-	72,863	119,222	273,167
Charge for the year on financed assets	-	197,769	-	-	197,769
Disposals	(149,900)	(272,171)	(199,782)	(232,615)	(854,468)
At 31 December 2022	521,398	1,357,305	312,864	1,548,043	3,739,610
Net book value					
At 31 December 2022	158,250	360,323	131,914	58,273	708,760
At 31 December 2021	179,419	391,045	120,986	154,484	845,934

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£	£
Motor vehicles	360,323	381,954

The depreciation charge in respect of such assets amounted to £197,769 (2021: £146,742).

16. Fixed asset investments

	Investments in subsidiary companies	Unlisted investments	Investment in joint ventures	Total
	£	£	£	£
Cost				
At 1 January 2022	26,560	82,542	15,000	124,102
Disposals	(1,210)	(510)	-	(1,720)
At 31 December 2022	25,350	82,032	15,000	122,382

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
JML Central Europe GmbH	Congruentia Knapp GbR Steuerberater Rheinstraße 3 63225 Langen Germany	Dormant	Ordinary	100 %
JML Direct Limited	610 Chiswick High Road Chiswick Green, London W4 5RU	Dormant	Ordinary	100 %
JML GmbH	Congruentia Knapp GbR Steuerberater Rheinstraße 3 63225 Langen Germany	Sale of consumer products through TV and catalogue	Ordinary	100 %
JML Hong Kong Limited	Three Exchange Square 8 Connaught Place Central Hong Kong	Dormant	Ordinary	100 %
JML Media Limited	610 Chiswick High Road Chiswick Green LondonW4 5RU	Rental of TV Licences	Ordinary	100 %
JML USA Inc	18000 Studebaker Rd Suite 700 Cerritos CA 90 703	Dormant	Ordinary	100 %
JML America LLC	18000 Studebaker Rd Suite 700 Cerritos CA 90 703	Dormant	Ordinary	100 %
John Angus Mills Ireland Limited	Unit 3 Orion Business Campus, Northwest Business Park, Blanchardstown Dublin 15	Dormant	Ordinary	100 %

Associates

The following was an associate of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Allied Brands International GmbH	Schneiderstraße 1a,2620 Neunkirchen, Austria	Development and marketing of products for retail	Ordinary	25 %

Joint ventures

The following were joint ventures of the company:

Name	Registered office	Principal activity	Holding
DeVancer Limited	Unit 13 Warsop, Enterprise Centre, Warsop, Mansfield, Nottinghamshire, NG20 0AF	Sale of consumer products through the internet and retailers	50 %
Medicap Nutrition UK Limited	610 Chiswick High Road, Chiswick Green, London, W4 5RU	Dormant	50 %

17. Stocks

	2022 £	2021 £
Goods for resale	**6,168,127**	9,453,072

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

Stock values are after impairment provisions of £390,546 (2021: £186,916).

18. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts owed by group undertakings	-	1,060,305
Prepayments and accrued income	**343,657**	320,962
Deferred tax asset - note 25	**35,388**	35,388
	379,045	1,416,655

18. Debtors (continued)

	2022	2021
	£	£
Due within one year		
Trade debtors	**11,312,029**	9,043,896
Amounts owed by group undertakings	**1,486,315**	630,000
Amounts owed by joint ventures and associated undertakings	**303,449**	384,010
Other debtors	**1,983,886**	2,545,115
Prepayments and accrued income	**1,174,350**	906,587
Tax recoverable	**115,084**	-
	16,375,113	13,509,608

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

19. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	**884,939**	54,583
Less: bank overdrafts	**(7,572,371)**	(5,214,538)
	(6,687,432)	(5,159,955)

20. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	7,572,371	5,214,538
Trade creditors	2,252,318	4,155,778
Amounts owed to group undertakings	259,982	179,732
Corporation tax	-	115,657
Other taxation and social security	1,609,963	909,638
Obligations under finance lease and hire purchase contracts	146,303	190,360
Other creditors	292,956	263,561
Accruals and deferred income	661,248	963,743
	12,795,141	11,993,007

The bank overdrafts represent an asset-based lending facility provided by the company's bankers and are secured by way of a fixed and floating charge over all group assets and by way of a cross guarantee to which JML Media Limited and JML Direct Limited are party.

21. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	2,300	16,202
Net obligations under finance leases and hire purchase contracts	115,306	166,457
	117,606	182,659

22. Loans

Analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due 1-2 years		
Other loans	2,300	16,202

Other loans represent amounts advanced by a director shareholder and are secured by way of a legal charge over the assets of the company. Interest is payable at 5% per annum.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	**146,303**	190,360
Between 1-5 years	**115,306**	166,457
	261,609	356,817

The finance leases relate to video units, studio equipment and motor vehicles. The remaining lease terms are up to 36 months.

24. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	**12,196,968**	9,098,479
Financial liabilities		
Financial liabilities measured at amortised cost	**9,824,689**	9,370,316
Other financial liabilities measured at fair value through profit or loss	**261,609**	356,817
	10,086,298	9,727,133

Financial assets measured at amortised cost through profit or loss comprise cash at bank and trade debtors.

Other financial liabilities measured at amortised cost through profit or loss comprise hire purchase creditors.

25. Deferred taxation

	2022 £
At beginning of year	**35,388**
At end of year	**35,388**

25. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Decelerated capital allowances	**35,388**	35,388

26. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
4,321,630 (2021 -4,321,630) Ordinary shares of £0.100000 each	**432,163**	432,163
1,169,600 (2021 -1,169,600) Ordinary 'A' shares of £0.001000 each	**1,170**	1,170
170,000 (2021 -170,000) Ordinary 'B' shares of £0.010000 each	**1,700**	1,700
430,000 (2021 -430,000) Ordinary 'C' shares of £0.001000 each	**430**	430
	435,463	435,463

The holders of all shares have the right to receive notice of and to attend, speak and vote at all general meetings of the company and to receive and vote on proposed written resolutions of the company.

One or more classes of shares, to the exclusion of the other classes or in respect of all classes of shares are entitled to dividends, by ordinary resolution.

During the previous year, the company repurchased 186,860 Ordinary shares for a total consideration of £518,078 and issued 430,000 Ordinary 'C' shares of £0.001000 for cash consideration.

27. Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve arising from the redemption or purchase of the company's own shares.

Profit and loss account

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

28. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	54,583	830,356	884,939
Bank overdrafts	(5,214,538)	(2,357,833)	(7,572,371)
Debt due after 1 year	(16,202)	13,902	(2,300)
Finance leases	(356,817)	95,208	(261,609)
	(5,532,974)	(1,418,367)	(6,951,341)

29. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	559,916	526,228
Later than 1 year and not later than 5 years	2,035,441	2,104,912
Later than 5 years	-	341,615
	2,595,357	2,972,755

30. Related party transactions

The company has taken advantage of the exemption available in FRS102 Section 33.1A "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

The amount due to a director and shareholder of the company, at the year end was £2,300 (2021: £16,202). The loan is secured and interest of £1,264 (2021: £28,721), charged at a market rate, was payable on this loan for the year. The loan is not due for repayment within 1 year.

At the year end, the company was owed £303,449 (2021: £384,010) by companies in which John Mills Limited has a joint venture. The loans are provided interest free, unsecured and are repayable on demand.

At the year end, the company owed £nil (2021: £58,498) to companies in which John Mills Limited has a non-controlling interest. The loans are provided interest free and is unsecured. There are no formal terms and conditions regarding repayment of the loan.

At the year end, the company owed £nil (2021: £81,939) to an associate company. The loans are provided interest free, unsecured and are repayable on demand.

31. Directors' transactions

Dividends totalling £252,746 (2021: £838,669) were paid in the year in respect of shares held by the company's directors.

32. Ultimate parent undertaking and controlling party

The immediate parent undertaking is JML Hold Co Limited.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is JML Hold Co Limited, whose registered office is at Chiswick Green, 610 Chiswick High Street, London, W4 5RU. Copies of these group financial statements are available to the public from its registered office.

The ultimate controlling party is J A D Mills, a director of the company, by virtue of his shareholding in JML Hold Co Limited