

COMPANY REGISTRATION NUMBER: 04189991

JOHNSONS LEISURE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED
30 August 2021

JOHNSONS LEISURE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 AUGUST 2021

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JOHNSONS LEISURE LIMITED

STRATEGIC REPORT

YEAR ENDED 30 AUGUST 2021

The directors are pleased to report substantial profits in a second year affected by the pandemic. This year and the previously reported year, despite the daily challenges of the pandemic, showed an increased consumer interest in home improvement purchases, predominantly influenced by government restrictions upon personal activity. Increased levels of presence within the home, resulted in a strong desire to refine it. The company demonstrated a dynamic approach and reacted positively to the unique and constantly changing retail climate, rapidly adapting to the market. Focus was shifted immediately, when required, resulting in enhancements of product offering and online presence, in particular with wellness products. Supply chains were constantly monitored. Sales were controlled within the period to maintain quality levels and standard of care to ensure that our high level of customer experience and quality could be maintained without the introduction of inexperienced staff. Material costs were monitored throughout, and sales prices adapted where needed. Johnsons continues to be well established in the South-East as the market leaders, within a niche market sector with products that are in strong demand. Two new outlets were added to the portfolio in the period. The expansion program continues. Johnsons considers itself a provider of high-level quality and service and the increase in sales of wellness products has highlighted the introduction of a liability provision in respect of warranties and services that are included as part of the initial sale. This is reflected in the liabilities for the first time this year and will be reported subsequently. The main risk to the business is currently the impact of the economic position on consumers, however sales continue to be steady in the light of the announcements already made. With a well-heeled, tried and tested business model, sustained across volatile periods, the expansion plan continues. Infrastructure will continue to be developed and more branches are planned in a slightly larger geographical area in the forthcoming year. Further innovation and new products are to be added to the consumer offering and increased levels of service administered.

This report was approved by the board of directors on 26 August 2022 and signed on behalf of the board by:

I T Johnson

Director

Registered office:

3 Lloyd Road

Broadstairs

Kent

CT10 1HY

JOHNSONS LEISURE LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 AUGUST 2021

The directors present their report and the financial statements of the company for the year ended 30 August 2021 .

Directors

The directors who served the company during the year were as follows:

I T Johnson

P R Hoyle

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

The strategic report is set out on page 1.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves 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 of directors on 26 August 2022 and signed on behalf of the board by:

I T Johnson

Director

Registered office:

3 Lloyd Road

Broadstairs

Kent

CT10 1HY

JOHNSONS LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHNSONS LEISURE LIMITED

YEAR ENDED 30 AUGUST 2021

Opinion

We have audited the financial statements of Johnsons Leisure Limited (the 'company') for the year ended 30 August 2021 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 30 August 2021 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 nature of the industry and sector, control environment and business performance including the design of remuneration policies, key drivers for directors' remuneration and bonus levels - results of our enquiries of management and assessment of the risks of irregularities; - any matters we identified having obtained and reviewed the documentation of their policies and procedures relating to: - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; - the internal controls established to mitigate risks of fraud or non-compliance with laws and; - the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, IT and financial instruments specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, patent law, tax legislation and pensions legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment and minimum wage legislation, health, safety and the environment ("HSE") and environmental regulations. The audit partner will assess the auditor to ensure they are competent in identifying irregularities and fraud by ensuring continuous professional development is up to date, along with reviewing audit planning to ensure significant areas are being audited at the appropriate level of risk. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.

Jon Williamson FCA

(Senior Statutory Auditor)

For and on behalf of

Levicks

Chartered Accountants & Business Advisers & Statutory Auditor

3 Lloyd Road

BROADSTAIRS

Kent

CT10 1HY

26 August 2022

JOHNSONS LEISURE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 AUGUST 2021

		2021	2020
	Note	£	£
TURNOVER	4	20,506,201	12,532,732
Cost of sales		(13,456,205)	(9,008,746)
		-----	-----
GROSS PROFIT		7,049,996	3,523,986
Administrative expenses		(4,356,724)	(3,630,984)
Other operating income		207,437	534,456
		-----	-----
OPERATING PROFIT	5	2,900,709	427,458
Other interest receivable and similar income	9	14	136
Interest payable and similar expenses	10	(60,603)	(51,305)
		-----	-----
PROFIT BEFORE TAXATION		2,840,120	376,289
Tax on profit	11	(622,782)	(107,769)
		-----	-----
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		2,217,338	268,520
		-----	-----
Dividends paid and payable	12	(1,500,000)	(350,000)
RETAINED EARNINGS AT THE START OF THE YEAR		1,573,950	1,655,430
		-----	-----
RETAINED EARNINGS AT THE END OF THE YEAR		2,291,288	1,573,950
		-----	-----

All the activities of the company are from continuing operations.

JOHNSONS LEISURE LIMITED

BALANCE SHEET

30 August 2021

		2021		2020
	Note	£	£	£
FIXED ASSETS				
Tangible assets	14	2,420,973		2,224,757
CURRENT ASSETS				
Stocks	15	4,371,199	2,534,834	
Debtors	16	1,524,752	397,487	
Cash at bank and in hand		2,209,062	3,624,616	
		8,105,013	6,556,937	
CREDITORS: amounts falling due within one year	17	7,196,498	6,628,587	
NET CURRENT ASSETS/(LIABILITIES)			908,515	(71,650)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,329,488	2,153,107
CREDITORS: amounts falling due after more than one year	18		377,174	414,329
PROVISIONS				
Taxation including deferred tax	20	323,537	163,828	
Other provisions	20	336,489	—	
			660,026	163,828
NET ASSETS		2,292,288		1,574,950
CAPITAL AND RESERVES				
Called up share capital	24	1,000		1,000
Profit and loss account		2,291,288		1,573,950
SHAREHOLDERS FUNDS		2,292,288		1,574,950

These financial statements were approved by the board of directors and authorised for issue on 26 August 2022 , and are signed on behalf of the board by:

I T Johnson

Director

Company registration number: 04189991

JOHNSONS LEISURE LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 30 AUGUST 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,217,338	268,520
<i>Adjustments for:</i>		
Depreciation of tangible assets	623,584	594,725
Other interest receivable and similar income	(14)	(136)
Interest payable and similar expenses	60,603	51,305
Loss/(gains) on disposal of tangible assets	118,522	(13,249)
Tax on profit	622,782	107,769
Accrued (income)/expenses	(19,556)	35,125
<i>Changes in:</i>		
Stocks	(1,836,365)	(165,070)
Trade and other debtors	(1,127,265)	(5,233)
Trade and other creditors	105,137	2,467,855
Provisions	336,489	—
Cash generated from operations	1,101,255	3,341,611
Interest paid	(60,603)	(51,305)
Interest received	14	136
Tax paid	(44,503)	—
Net cash from operating activities	996,163	3,290,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(724,611)	(324,938)
Proceeds from sale of tangible assets	127,729	93,554
Net cash used in investing activities	(596,882)	(231,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(125,445)	(76,989)
Repayments of hire purchase and finance lease	(189,390)	(137,874)
Dividends paid	(1,500,000)	(350,000)
Net cash used in financing activities	(1,814,835)	(564,863)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,415,554)	2,494,195
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,624,616	1,130,421
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,209,062	3,624,616

JOHNSONS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 AUGUST 2021

1. General information

The company is a private company limited by shares, incorporated and registered in England and Wales. The address of the registered office is 3 Lloyd Road, Broadstairs, Kent, CT10 1HY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value in accordance with FRS 102. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

In the application of the group'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 associated 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 Review Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Where indicators exist, impairment reviews are carried out on the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance.

Stock Valuation Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stock. Calculation of these provisions requires judgements to be made, which include forecasting consumer demand, the promotional, competitive and economic environment and stock loss trends.

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.

Tangible fixed assets Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation are taken into account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Taxation

The taxation expense recognised in profit or loss represents the aggregate amount of current and deferred tax recognised in the reporting period. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	No longer depreciated
Improvements to leasehold property	-	10% straight line
Display cabins	-	25% straight line
Motor vehicles	-	25% reducing balance
Fixtures & equipment	-	15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised using the performance model. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provision for warranty claims

Provision for warranty claims are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provision for warranty claims are recognised as a liability on the balance sheet and the amount of the provision as an expense. Provision for warranty claims are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. The entity recognises a contract liability in respect of a free servicing arrangement whereby the first service on a specified delivery package is paid for by the entity. Change of Accounting Policy The inclusion of provision for warranty claims represents a change in accounting policy. This change in policy is because the company now has sufficient information to reliably estimate the cost of future warranty claims. As a consequence this change in policy has had the following effect to the figures in the financial statements:- Year ended 30/08/2021 : Profit and Loss Account Charge £188,247 Other Provisions £336,489 Year ended 30/08/2020 : Profit and Loss Account Charge £(18,669) Other Provisions £148,242 Year ended 30/08/2019 : Profit and Loss Account Charge £166,911 Other Provisions £166,911

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	20,506,201	12,532,732

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	623,584	594,725
Loss/(gains) on disposal of tangible assets	118,522	(13,249)
Operating lease rentals	26,104	28,768
Foreign exchange differences	47,496	20,379

6. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	13,500	12,000

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Administrative staff	149	155

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	4,111,502	3,923,781
Social security costs	407,771	366,426
Other pension costs	77,120	76,060
	4,596,393	4,366,267

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	78,788	77,360
Company contributions to defined contribution pension plans	1,317	1,315
	80,105	78,675

9. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	14	136

10. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	27,174	37,476
Interest on obligations under finance leases and hire purchase contracts	22,954	13,665
Other interest payable and similar charges	10,475	164
	60,603	51,305

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	463,073	90,764
Deferred tax:		
Origination and reversal of timing differences	159,709	17,005
	-----	-----
Tax on profit	622,782	107,769
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	2021	2020
	£	£
Profit on ordinary activities before taxation	2,840,120	376,289
	-----	-----
Profit on ordinary activities by rate of tax	539,623	71,495
Effect of expenses not deductible for tax purposes	139	(2,112)
Effect of capital allowances and depreciation	(76,689)	21,381
Deferred tax charge/(credit)	159,709	17,005
	-----	-----
Tax on profit	622,782	107,769
	-----	-----

12. Dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	1,500,000	350,000
	-----	-----

13. Intangible assets

	Goodwill
	£
Cost	
At 31 August 2020 and 30 August 2021	125,000

Amortisation	
At 31 August 2020 and 30 August 2021	125,000

Carrying amount	
At 30 August 2021	—

At 30 August 2020	—

14. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 31 Aug 2020	137,500	1,032,195	441,292	857,526	1,656,698	4,125,211
Additions	–	109,276	156,224	406,893	393,658	1,066,051
Disposals	–	(186,476)	(18,494)	(228,651)	(285,849)	(719,470)
At 30 Aug 2021	137,500	954,995	579,022	1,035,768	1,764,507	4,471,792
Depreciation						
At 31 Aug 2020	27,500	417,349	293,372	493,976	668,257	1,900,454
Charge for the year	–	96,116	120,363	174,126	232,979	623,584
Disposals	–	(140,892)	(13,871)	(154,710)	(163,746)	(473,219)
At 30 Aug 2021	27,500	372,573	399,864	513,392	737,490	2,050,819
Carrying amount						
At 30 Aug 2021	110,000	582,422	179,158	522,376	1,027,017	2,420,973
At 30 Aug 2020	110,000	614,846	147,920	363,550	988,441	2,224,757

15. Stocks

	2021 £	2020 £
Raw materials and consumables	4,080,599	2,380,397
Work in progress	290,600	154,437
	4,371,199	2,534,834

16. Debtors

	2021 £	2020 £
Trade debtors	55,470	160,440
Prepayments and accrued income	153,726	135,475
Directors loan account	653,424	–
Other debtors	662,132	101,572
	1,524,752	397,487

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	174,823	163,599
Trade creditors	5,172,800	4,043,060
Accruals and deferred income	50,288	69,844
Corporation tax	554,685	136,115
Social security and other taxes	844,260	1,818,714
Obligations under finance leases and hire purchase contracts	202,139	149,603
Director loan accounts	–	20,729
Other creditors	197,503	226,923

7,196,498	6,628,587
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18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	110,468	247,136
Obligations under finance leases and hire purchase contracts	266,706	167,193
	<u>377,174</u>	<u>414,329</u>

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	202,139	149,603
Later than 1 year and not later than 5 years	266,706	167,193
	<u>468,845</u>	<u>316,796</u>

20. Provisions

	Warranties	Deferred tax (note 21)	Total
	£	£	£
At 31 August 2020	148,242	163,828	312,070
Additions	334,317	159,709	494,026
Charge against provision	(146,070)	—	(146,070)
	<u>336,489</u>	<u>323,537</u>	<u>660,026</u>
At 30 August 2021			

21. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£	£
Included in provisions (note 20)	323,537	163,828
	<u>323,537</u>	<u>163,828</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	323,537	163,828
	<u>323,537</u>	<u>163,828</u>

22. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 77,120 (2020: £ 76,060).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	207,437	534,456
	<u>207,437</u>	<u>534,456</u>

24. Called up share capital

Authorised share capital

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	1,000	1,000	1,000	1,000

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	1,000	1,000	1,000	1,000

25. Analysis of changes in net debt

	At 31 Aug 2020	Cash flows	New finance leases	Non-cash adjustment	At 30 Aug 2021
	£	£	£	£	£
Cash at bank and in hand	3,624,616	(1,415,554)		–	2,209,062
Debt due within one year	(333,931)	333,931	(96,723)	(280,239)	(376,962)
Debt due after one year	(414,329)	1,633	(244,717)	280,239	(377,174)
	2,876,356	(1,079,990)	(341,440)	–	1,454,926

26. Operating leases

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

	2021	2020
	£	£
Not later than 1 year	599,879	581,069
Later than 1 year and not later than 5 years	734,476	690,535
Later than 5 years	–	22,427
	1,334,355	1,294,031

27. Directors' advances, credits and guarantees

During the year the directors paid expenses on behalf of the company totalling £8,293 (2020 - £11,490) and the company advanced the directors £682,446 (2020 - £1,150). As at 30 August 2021 the directors owed the company £653,424 (2020 - the company owed the directors £20,729). The transactions with the directors are interest free, unsecured and repayable on demand. Since the year end this amount has now been repaid.

JOHNSONS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 AUGUST 2021

28. Controlling party

Johnsons Leisure Limited is under the control of Johnsons Holdings South East Limited which is incorporated in the United Kingdom and holds 100% of the company's issued share capital. The ultimate controlling party is I T Johnson .

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.