

Registered number: 01145369

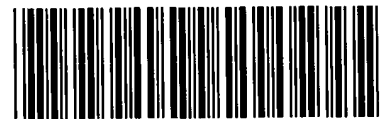
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**JOHNSON & JOHNSON FINANCE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**COMPANY INFORMATION**

<b>Directors</b>	E Haskell (appointed 23 August 2021) S Didier (appointed 9 February 2021) S Myers (appointed 9 February 2021) J Mclean (appointed 23 August 2021) C Vaughan-Read (appointed 23 August 2021)
<b>Registered number</b>	01145369
<b>Registered office</b>	Pinewood Campus Nine Mile Ride Wokingham Berkshire RG40 3EW
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH
<b>Bankers</b>	Royal Bank of Scotland PO Box 39978 2 1/2 Devonshire Square London EC2M 4WS

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## JOHNSON & JOHNSON FINANCE LIMITED

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### STRATEGIC REPORT FOR THE FINANCIAL YEAR ENDED 3 January 2021

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The directors present their Strategic report on the company for the financial year ended 3 January 2021.

#### Principal Activities

The principal activity of the company is the provision of finance for the sale and purchase of medical and other equipment and cars, the company also holds investment properties used by the group companies. The company also has a contract with an NHS hospital which involves managing the Orthopaedic theatre environment including supply chain, equipment, instrumentation and providing certain facility management services. This is hereafter referred to as 'managed service'.

#### Business review

The directors are satisfied with the performance of the company during the financial year and its financial position at the year end, given the external market conditions, there was a fall in revenues and profits during the financial year, however this was a resulting effect of COVID-19; more specifically, the managed service revenue line was impacted by a reduction in the number of elective orthopaedic procedures due to pandemic.

The key financial and other performance measures were as follows:

	Financial year ended 3 January 2021 £000	Financial year ended 29 December 2019 £000	Change
Revenue	26,052	26,317	(1)%
Operating (loss)	(2,948)	(1,269)	132 %
Total equity	22,940	26,896	(15)%

The results and dividend section within the Directors' report and the income statement on page 10 show the full results for the financial year.

Revenue has decreased by 1% (2019: increase by 68%) due to a reduction in managed services to £6,562,043 (2019: £8,170,310) partially offset by a £1,386,000 increase in operating lease income.

The directors offered a fellow group company a lease incentive of £1,240,075 to commit to a tenancy at the group properties from March 2021. Previously, in 2018, the directors had offered to the same fellow company a lease incentive of £2,480,150 to commit to tenancy at properties owned by the company from June 2020. The incentive was reduced due to the fact that the lessee postponed the moving into the property from the anticipated date due to COVID-19. The incentive reduction was in line with the months of delay.

Operating loss has increased by 132% (2019: decrease by 126%) primarily due to increased costs relating to the Thames Valley project and CBRE real estate.

The statement of financial position on page 11 of the financial statements shows the company's financial position at the end of the year.

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**JOHNSON & JOHNSON FINANCE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**Future outlook**

The Thames Valley project has been finalised in 2021 and with the commencement of the new tenancy the company will be profit making. The directors expect that the base business levels of activity will continue for the foreseeable future.



E Haskell

Date: 27/12/21

**DIRECTORS' REPORT  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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The directors present their annual report and the audited financial statements for the financial year ended 3 January 2021.

The company's reporting period ends on the Sunday closest to 31 December, being 3 January 2021 for the current year (53 weeks) and 29 December 2019 for the prior year (52 weeks).

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors 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.

**Directors' Confirmation**

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

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

**Future outlook**

The directors' expectation for the future of the business are set out in the Strategic report included within the annual report and financial statements.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**Financial risk Management**

The policies set by the Group are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage price risk, credit risk, liquidity risk interest rate cash flow risk and foreign exchange risk and circumstances where it would be appropriate to use financial instruments to manage these.

*Credit risk*

The company has no significant exposure to credit risk outside of the Johnson & Johnson group. The company has implemented policies that require appropriate checks on potential new lessees before occupation commences and the amount of any individual counterparty is subject to regular reviews by the company's management.

*Liquidity risk*

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

*Interest rate cash flow risk*

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets earn interest at a variable rate.

*Residual value risk*

The company issues both finance and operating leases, which include future residual values. These residuals are valued using reputable third party market research. The directors monitor the residual values closely and maintain a provision against any likely loss.

*Foreign exchange risk*

The company makes sales and purchases in foreign currencies. The company manages its foreign exchange risk by hedging its significant exposures through a group hedging scheme.

**Business Impact in Relation to Brexit**

The United Kingdom (UK) withdrew from the European Union (EU) on 31 January 2020. The transition period lasted until 31 December 2020, at which point the UK completed its withdrawal from the EU Customs Union and single market.

During the transition period, negotiations were completed and a trade agreement between the two parties was reached. There is no tangible impact on the company's activities as a result of this agreement as the Company ensured that plans were made to minimise disruption.

**Results and dividends**

The income statement for the financial year is set out on page 9.

The company's loss for the financial year amounted to £3,519,000 (2019 loss: £2,648,000). The aggregate dividends on the ordinary shares recognised during the year amounts to £nil (2019: £nil). There are no proposed dividends awaiting approval at 3 January 2021 (2019: £nil).

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**JOHNSON & JOHNSON FINANCE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**Events since the year end**

On 23 June 2021 the Company entered into a new loan in the amount of £65,000,000 with Cilag Holding Treasury Company repayable on 23 June 2031, bearing interest at 1.184%.

There have been no other significant events affecting the company since the year end.

**Going concern**

Notwithstanding net current liabilities of £55,270,000 (2019: £45,418,000) and net assets of £22,940,000 (2019: £26,896,000) as at the balance sheet date, the directors believe that preparing the financial statements on a going concern basis is appropriate. In forming this view the directors have taken into account the long term financing in place (Note 22), considered the impact of the COVID-19 pandemic and have reviewed forecasts and future cash flows.

**Directors**

The directors who served during the financial year and up to the date of signing the financial statements, unless otherwise stated are given below:

S T O'Callaghan (resigned 10 March 2020)  
W Bowler (resigned 9 February 2021)  
V Dawkins (resigned 23 August 2021)  
S Didier (appointed 9 February 2021)  
S Myers (appointed 9 February 2021)  
K Sidey (resigned 23 August 2021)  
E Haskell (appointed 23 August 2021)  
J Mclean (appointed 23 August 2021)  
C Vaughan-Read (appointed 23 August 2021)

**Independent auditors**

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place in accordance with s487 of the Companies Act 2006 for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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



E Haskell

Date: 22/12/21



# Independent auditors' report to the members of Johnson & Johnson Finance Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Johnson & Johnson Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2021 and of its loss for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 3 January 2021; the Income Statement and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **Reporting on other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 3 January 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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## JOHNSON & JOHNSON FINANCE LIMITED

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Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of results through posting of fraudulent journals as well as adjustments between the trial balance and the financial statements. Audit procedures performed by the engagement team included:

- Enquiry of management and directors around known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings with the Board of Directors; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations that represent a material misstatement due to fraud or are posted outside of the trial balance for financial statement purposes only.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

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

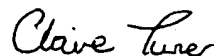
## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Claire Turner (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

23 December 2021

# JOHNSON & JOHNSON FINANCE LIMITED

## INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

		Financial Year ended 3 January 2021 £000	Financial Year ended 29 December 2019 £000
	Note		
Revenue	4	26,052	26,317
Cost of sales		<u>(6,031)</u>	<u>(7,985)</u>
<b>Gross profit</b>		<b>20,021</b>	<b>18,332</b>
Administrative expenses		<u>(22,969)</u>	<u>(19,601)</u>
<b>Operating loss</b>	5	<b>(2,948)</b>	<b>(1,269)</b>
Interest payable and similar expenses	9	<u>(908)</u>	<u>(907)</u>
<b>Loss before income tax</b>		<b>(3,856)</b>	<b>(2,176)</b>
Income tax credit/(charge)	10	<u>337</u>	<u>(472)</u>
<b>Loss for the financial year</b>		<b><u>(3,519)</u></b>	<b><u>(2,648)</u></b>

The company has no other comprehensive income for 2020 or 2019 other than the result above and therefore no separate statement of other comprehensive income has been prepared.

All amounts relate to continuing operations.

The notes on pages 13 to 30 form part of these financial statements.

**JOHNSON & JOHNSON FINANCE LIMITED**  
**REGISTERED NUMBER: 01145369**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 3 JANUARY 2021**

	Note	3 January 2021 £000	29 December 2019 £000 *Restated
<b>Non-current assets</b>			
Property, plant and equipment	11	31,738	25,895
Intangible assets	13	1,249	1,749
Investment property	12	80,805	82,322
Trade and other receivables: amounts falling due after more than one year	15	12,555	13,064
		<u>126,347</u>	<u>123,030</u>
<b>Current assets</b>			
Inventories	14	1,275	2,868
Trade and other receivables: amounts falling due within one year	15	6,226	5,083
Cash and cash equivalents		110	567
		<u>7,611</u>	<u>8,518</u>
Trade and other payables: amounts falling due within one year	16	(62,881)	(53,936)
<b>Net current liabilities</b>		<u>(55,270)</u>	<u>(45,418)</u>
<b>Total assets less current liabilities</b>		<u>71,077</u>	<u>77,612</u>
Trade and other payables: amounts falling due more than one year	17	(47,483)	(49,803)
		<u>23,594</u>	<u>27,809</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(653)	(912)
Other provisions	19	(1)	(1)
		<u>(654)</u>	<u>(913)</u>
<b>Net assets</b>		<u>22,940</u>	<u>26,896</u>
<b>Capital and reserves</b>			
Called-up share capital	20	123	123
Share premium account		169	169
Retained earnings		22,648	26,604
<b>Total equity</b>		<u>22,940</u>	<u>26,896</u>

\*Please refer to Note 15 for restatement details.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

E Haskell

Date:

22/12/21

The notes on pages 13 to 30 form part of these financial statements.

**JOHNSON & JOHNSON FINANCE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

	Called-up share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
<b>At 31 December 2018</b>	<b>123</b>	<b>169</b>	<b>29,273</b>	<b>29,565</b>
Loss for the financial year	—	—	(2,648)	(2,648)
<b>Total comprehensive expense for the financial year</b>	<b>—</b>	<b>—</b>	<b>(2,648)</b>	<b>(2,648)</b>
Charge from parent for equity-settled share-based payments	—	—	(21)	(21)
<b>Total transactions with the owners</b>	<b>—</b>	<b>—</b>	<b>(21)</b>	<b>(21)</b>
<b>At 29 December 2019</b>	<b>123</b>	<b>169</b>	<b>26,604</b>	<b>26,896</b>
Loss for the financial year	—	—	(3,519)	(3,519)
<b>Total comprehensive expense for the financial year</b>	<b>—</b>	<b>—</b>	<b>(3,519)</b>	<b>(3,519)</b>
Charge from parent for equity-settled share-based payments	—	—	(456)	(456)
Credit relating to equity-settled share-based payments	—	—	19	19
<b>Total transactions with the owners</b>	<b>—</b>	<b>—</b>	<b>(437)</b>	<b>(437)</b>
<b>At 3 January 2021</b>	<b>123</b>	<b>169</b>	<b>22,648</b>	<b>22,940</b>

The notes on pages 13 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**1. General information**

Johnson & Johnson Finance Limited ("the Company") is a private company limited by shares incorporated and domiciled in the United Kingdom. The address of its registered office is Pinewood Campus, Nine Mile Ride, Wokingham, Berkshire, RG40 3EW. The company provides finance for the sale and purchase of medical and other equipment and cars.

Johnson & Johnson Management Limited, a company incorporated in the United Kingdom, is the company's immediate parent company.

Johnson & Johnson, incorporated in the United States of America, is the company's ultimate parent undertaking.

Johnson & Johnson prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up and of which Johnson & Johnson Finance Limited is a member. Copies of the consolidated financial statements may be obtained from the Secretary, Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, USA.

As the company is a wholly owned subsidiary of Johnson & Johnson, the group financial statements of which are publicly available, advantage is also taken of the exemption from disclosing transactions with group companies and from presenting a cash flow statement.

These financial statements are the company's separate financial statements for the financial year beginning 30 December 2019 and ending 3 January 2021.

The company's reporting period ends on the Sunday closest to 31 December, being 3 January 2021 for the current year (53 weeks) and 29 December 2019 for the prior year (52 weeks).

**2. Accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared on the going concern basis in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on the historical cost convention, unless otherwise stated in the notes to the financial statements and in accordance with the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Notwithstanding net current liabilities of £55,270,000 (2019: £45,418,000) and net assets of £22,940,000 (2019: £26,896,000) as at the balance sheet date, the directors believe that preparing the financial statements on a going concern basis is appropriate. In forming this view the directors have taken into account the long term financing in place (Note 22), considered the impact of the COVID-19 pandemic and have reviewed forecasts and future cash flows.

As permitted by the Companies Act 2006, the directors have adapted the prescribed format of the income statement in a manner appropriate to the nature of the company's business.

The preparation of financial statements in conformity with FRS 101 requires the use of certain accounting estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 (critical accounting estimates and judgements).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**2. Accounting policies (continued)**

**2.1 Basis of preparation (continued)**

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Details of the company's parent and from where its consolidated financial statements prepared in accordance with a Generally Accepted Accounting Practice considered to be an equivalent to IFRS may be obtained are set out in note 1 to the financial statements.

In accordance with FRS 101, the company has availed of an exemption, where applicable, from the following requirements of IFRS.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The remaining exemptions available under the framework are not applicable to the company at this time.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**2. Accounting policies (continued)**

**2.2 New standards, amendments and IFRIC interpretations**

IFRS 16 is a new accounting standard that is effective for accounting period starting on or after 1 January 2019. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 3 January 2021 that have had a material impact on the company's financial statements.

**2.3 Foreign currency translation**

**(a) Functional and presentation currency**

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

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re measured. Foreign exchange gains and losses from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2.4 Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Plant and machinery	-20%
Motor vehicles	-over the life of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**2. Accounting policies (continued)**

**2.5 Intangible assets**

Intangible assets consist of computer software.

Costs associated with maintaining intangible assets are recognised as an expense as incurred within 'administrative expenses' in the income statement.

Intangible assets are amortised over their estimated useful lives as follows:

Computer software - 20.00%.

**2.6 Investment property**

All investment property is stated at historical cost less depreciation in the same manner as outlined for 'property, plant and equipment' above.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings - 3.33%

Building equipment - over the life of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

**2.7 Impairment of non-financial assets**

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.8 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de recognised when they are discharged or when the contractual terms expire. The company's accounting policy in respect of financial instruments transactions are explained below.

*(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

*(b) Financial assets at amortised cost*

Financial assets at amortised costs are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise Trade and other receivables' in the Statement of financial position.

*(c) Financial liabilities*

The company classifies all of its financial liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method which ensures that any interest expense over the period to repayments is at a constant rate on the balance of the liability carried into the Statement of financial position.

**2.9 Impairment of financial assets**

*Assets carried at amortised cost.*

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**2.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a FIFO basis and is all purchased finished goods. Impairment provision is made, where necessary, for obsolete, slow moving and defective inventory.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**2. Accounting policies (continued)**

**2.11 Other receivables**

Other receivables are amounts due for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognised at fair value less provisions for impairments.

**2.12 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less.

**2.13 Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

Accruals and deferred income comprise expenses relating to the current year, which will not be invoiced until after the date of the statement of financial position, and income received in advance relating to the following year.

**2.14 Leases**

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made to the company under operating leases (net of any incentives received from the lessor) are recognised in the income statement on a straight line basis over the period of the lease.

**2.15 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**2. Accounting policies (continued)**

**2.15 Current and deferred income tax (continued)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2.16 Provisions**

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.17 Revenue Recognition**

Operating lease revenue is measured at the fair value of the consideration received or receivable, and primarily represents lease income from fellow group companies. Managed service revenue is measured at the fair value of the consideration received or receivable in line with the terms of the contract entered into. The company recognises revenue in relation to managed service as the principal in the transactions.

The company recognises revenue when the amount can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when the criteria included in sales agreements have been met.

**2.18 Other operating income**

Other operating income represents income receivable from fellow group companies for services provided. It is recognised when the related expenses are incurred by the company.

**2.19 Dividend distributions**

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**2.20 Called up share capital**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021

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**3 Critical accounting estimates and judgements**

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

**3.1 Critical accounting estimates and assumptions**

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

*(a) Useful economic lives of property, plant and equipment, investment property and intangible software assets*

The annual depreciation charge for investment property, intangible assets, and property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

*(b) Impairment of investment property*

Impairment of investment property under the cost model occurs when the property's carrying amount exceeds the recoverable amount. Previous impairment losses are reversed when the recoverable amount exceeds the carrying amount and there has been a change in the estimate used to determine the recoverable amount of the property. Due to the nature of the property and its use, and the potential for significant changes in value on the market, a large degree of judgement is required in forming such estimates

**3.2 Critical judgements in applying the entity's accounting policies**

The company's management considers that there are no significant judgements impacting the financial statements.

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**JOHNSON & JOHNSON FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**4 Revenue**

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

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Finance lease income	226	270
Operating lease income	19,264	17,877
Managed services income	6,562	8,170
	<b>26,052</b>	<b>26,317</b>

**Analysis of turnover by country of destination**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
United Kingdom	25,826	26,047
Rest of Europe	226	270
	<b>26,052</b>	<b>26,317</b>

**5 Operating loss**

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

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Profit on disposal of property, plant and equipment (note 11)	(701)	(1,041)
Depreciation of tangible fixed assets (note 11)	3,680	3,992
Amortisation of intangible assets (note 13)	500	497
Depreciation of investment property (note 12)	2,629	2,514
Investment property maintenance costs	5,075	3,559
Impairment charge in inventory	137	104
Foreign exchange differences	(10)	(27)
Inventory recognised as an expense	5,893	6,693

**JOHNSON & JOHNSON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

**6 Auditors' remuneration**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Audit of entity financial statements	<u>95</u>	<u>72</u>

**7 Employees**

The company did not have any employees during the financial year (2019: none). The company receives a recharge for staff services provided by individuals employed by other companies in the Johnson & Johnson group. The value of the recharge is based on the cost of services provided during the financial year plus a suitable arm's length mark-up.

**8 Directors' emoluments**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Directors' emoluments	260	326
Compensation for loss of office	298	—
	<u>558</u>	<u>326</u>

Post-employment benefits are accruing to two directors (2019: two directors) under the company's defined benefit pension scheme and to no directors (2019: no directors) under the money purchase scheme. No directors (2019: two directors) exercised share options in the ultimate parent company during the financial period.

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
<b>Highest paid director</b>		
Total amounts of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	129	201
Compensation for loss of office	298	—
Defined benefit pension scheme:		
- Accrued pension at the end of the year	29	29
	<u>456</u>	<u>230</u>

The highest paid director did not exercise share options in the year (2019: options exercised).



**JOHNSON & JOHNSON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

**9 Interest payable and similar expenses**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Interest payable on UK group banking arrangements	902	901
Interest paid on preference shares (note 17)	6	6
	<u>908</u>	<u>907</u>

**10 Income tax expense**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
<b>Corporation tax</b>		
UK corporation tax on profits for the period	138	216
Adjustments in respect of previous periods	(216)	18
<b>Total current tax</b>	<u>(78)</u>	<u>234</u>
<b>Deferred tax</b>		
Current year tax	(233)	(45)
Adjustments in respect of previous periods	(26)	183
Changes in tax rates or laws	—	100
<b>Total deferred tax</b>	<u>(259)</u>	<u>238</u>
<b>Taxation on profit</b>	<u>(337)</u>	<u>472</u>

**Factors affecting tax charge for the year**

The tax assessed for the period is higher (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

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**JOHNSON & JOHNSON FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 3 JANUARY 2021**

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**10 Income tax expense (continued)**

	<b>Financial year ended 3 January 2021 £000</b>	<i>Financial year ended 29 December 2019 £000</i>
Loss before tax	<u><b>(3,856)</b></u>	<u><b>(2,176)</b></u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>(733)</b>	<b>(413)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>638</b>	<b>584</b>
Adjustments in respect of previous periods	<b>(242)</b>	<b>201</b>
Remeasurement of deferred tax due to change in UK tax rate	<b>—</b>	<b>100</b>
<b>Total tax (credit)/charge</b>	<u><b>(337)</b></u>	<u><b>472</b></u>

**Factors affecting tax charge for the year**

In the Spring Budget 2021, the Government announced from 1 April 2023 the corporation tax rate would increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be trivial.

**JOHNSON & JOHNSON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

**11 Property, plant and equipment**

	Plant and Machinery £000	Motor Vehicles £000	Construction in progress £000	Total £000
<b>Cost</b>				
At 30 December 2019	3,797	20,468	12,146	36,411
Additions	131	3,349	7,504	10,984
Disposals	(925)	(5,667)	—	(6,592)
Transfers	—	480	(480)	—
At 3 January 2021	<u>3,003</u>	<u>18,630</u>	<u>19,170</u>	<u>40,803</u>
<b>Depreciation</b>				
At 30 December 2019	1,929	8,587	—	10,516
Charge for the year on owned assets	453	3,227	—	3,680
Disposals	(911)	(4,220)	—	(5,131)
At 3 January 2021	<u>1,471</u>	<u>7,594</u>	<u>—</u>	<u>9,065</u>
<b>Net book value</b>				
At 3 January 2021	<u>1,532</u>	<u>11,036</u>	<u>19,170</u>	<u>31,738</u>
At 29 December 2019	<u>1,868</u>	<u>11,881</u>	<u>12,146</u>	<u>25,895</u>

**12 Investment Property**

	Building equipment £000	Freehold land and buildings £000	Total £000
<b>Cost or valuation</b>			
At 30 December 2019	1,427	90,593	92,020
Additions	—	1,501	1,501
Disposals	—	(651)	(651)
At 3 January 2021	<u>1,427</u>	<u>91,443</u>	<u>92,870</u>
<b>Accumulated depreciation</b>			
At 30 December 2019	1,384	8,314	9,698
Charge for the period	43	2,586	2,629
Disposals	—	(262)	(262)
At 3 January 2021	<u>1,427</u>	<u>10,638</u>	<u>12,065</u>
<b>Net book value</b>			
At 3 January 2021	<u>—</u>	<u>80,805</u>	<u>80,805</u>
29 December 2019	<u>43</u>	<u>82,279</u>	<u>82,322</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

**12 Investment Property (continued)**

The amount recognised in the income statement for rental income from investment property is £14,375,000 (2019: £12,252,000). £13,079,000 (2019: ££8,692,000) of direct operating expenses arose from investment property in the year, all of which generated rental income (2019: *all generated*).

**13 Intangible assets**

	<b>Software</b>
	<b>£000</b>
<b>Cost</b>	
At 30 December 2019	2,495
At 3 January 2021	<u>2,495</u>
<b>Amortisation</b>	
At 30 December 2019	746
Charge for the year	500
At 3 January 2021	<u>1,246</u>
<b>Net book value</b>	
At 3 January 2021	<u>1,249</u>
At 29 December 2019	<u>1,749</u>

**14 Inventories**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Finished goods and goods for resale	1,275	2,868
	<u>1,275</u>	<u>2,868</u>

Inventory is stated after the provision for impairment of £138,000 (2019: £104,000).

The replacement cost of inventory does not differ materially from the value stated in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

**15 Trade and other receivables**

	3 January 2021 £000	29 December 2019 £000 <i>*Restated</i>
<b>Current trade and other receivables</b>		
Amounts owed by group undertakings	5,280	4,358
Other receivables	946	725
	<u>6,226</u>	<u>5,083</u>
<b>Non-current trade and other receivables</b>		
Corporation tax receivable	399	—
Other receivables	12,156	13,064
	<u>12,555</u>	<u>13,064</u>

\*Amounts owed by group undertakings of £4,358,000 have been reclassified from non-current to current receivables position to reflect the correct presentation, given the expectation that amounts would be repaid within 12 months.

Amounts due by group undertakings are repayable by demand.

Other receivables include £6,649,000 (2019: £6,897,000) relating to lease receivable contracts, with £946,000 (2019: £725,000) being the current portion and £5,703,000 (2019: £6,172,000) the non-current portion. The majority of the lease receivable amounts relate to contracts with Guy's and St. Thomas' NHS Foundation Trust, with a total receivable amount of £6,533,000 (2019: £6,172,000).

Non-current other receivables also include £4,314,000 (2019: £3,047,000) relating to capital for future finance leases for Managed Services activity, as well as a lease incentive receivable of £1,240,000 (2019: £2,480,000) offered to fellow group company to commit to a tenancy at the group properties from March 2021. Previously, the directors had offered to commit to tenancy at properties owned by the company from June 2020. The incentive was reduced due to the fact that the lessee postponed the moving into the property from the anticipated date due to COVID-19. The incentive reduction was in line with the months of delay.

The remaining balance relate to VAT refundable, prepayments and other miscellaneous receivables.

Amounts owed by group undertakings include an amount of £Nil (2019: £Nil) owed by the In- House Treasury Cash Pool.

The company, together with other UK based affiliate companies, participates in one or more In-House Treasury Cash Pool arrangements administrated by J.C. General Services CVBA, a company incorporated under Belgian law with registered office at Turnhoutseweg 30, 2340 Beerse, Belgium. The centralised financial management provided in relation to the In-House Treasury Cash Pool is intended to, among other things, enable the Cash Pool participants, by acting collectively, to have access to the broadest range of credit options at arm's length conditions, while optimising the use and investment of the liquidities available within the In-House Treasury Cash Pool.

All balances with J.C. General Services CVBA are made on behalf of the UK group companies by Johnson & Johnson Management Limited. Transactions between Johnson & Johnson Management Limited and UK group affiliates in respect of these balances are treated as separate arrangements.

**JOHNSON & JOHNSON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

**16 Trade and other payables: amounts falling due within one year**

	<b>3 January 2021 £000</b>	<i>29 December 2019 £000</i>
Amounts owed to group undertakings	<b>56,595</b>	41,940
Corporate tax payable	<b>—</b>	55
Other creditors	<b>3,091</b>	5,180
Accruals and deferred income	<b>3,195</b>	6,761
	<b>62,881</b>	53,936

Amounts owed to group undertakings includes loans payable due within one year to Johnson & Johnson International services company, a group company incorporated in Ireland. £nil interest bearing of 1.565% (2019: £21,531,000), £nil interest bearing of 0.627% (2019: £3,019,000). Amount owed to group undertakings also include loans payable due within one year to Cilag Holding Treasury UC, a company incorporated in Ireland. £2,320,000 (2019: £2,320,000) interest bearing of 1.078%.

The company, together with other UK based affiliate companies, participates in one or more In-House Treasury Cash Pool arrangements administrated by J.C. General Services CVBA, a company incorporated under Belgian law with registered office at Turnhoutseweg 30, 2340 Beerse, Belgium. The centralised financial management provided in relation to the In-House Treasury Cash Pool is intended to, among other things, enable the Cash Pool participants, by acting collectively, to have access to the broadest range of credit options at arm's length conditions, while optimising the use and investment of the liquidities available within the In-House Treasury Cash Pool.

Amounts owed to group undertakings include an amount of £50,670,000 (2019: £8,780,000) owed to the In-House Treasury Cash Pool.

All balances with J.C. General Services CVBA are made on behalf of the UK group companies by Johnson & Johnson Management Limited. Transactions between Johnson & Johnson Management Limited and UK group affiliates in respect of these balances are treated as separate arrangements.

**17 Trade and other payables: amounts falling due after more than one year**

	<b>3 January 2021 £000</b>	<i>29 December 2019 £000</i>
Amounts owed to group undertakings	<b>47,360</b>	49,680
Preference share capital treated as debt	<b>123</b>	123
	<b>47,483</b>	49,803

Amounts owed to group undertakings relate to loans payable due after more than one but less than five years to Johnson & Johnson International Services Company, a group company incorporated in Ireland, which bear interest of 1.078% (2019: £49,680,000).

**JOHNSON & JOHNSON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

**18 Deferred tax**

	<b>Accelerated/ decelerated capital allowances</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b>At 30 December 2018</b>	<b>674</b>	<b>674</b>
Charge to the income statement	56	56
Prior year adjustment	182	182
<b>At 29 December 2019</b>	<b>912</b>	<b>912</b>
Charge to the income statement	(233)	(233)
Prior year adjustment	(26)	(26)
<b>At 3 January 2021</b>	<b>653</b>	<b>653</b>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Deferred tax assets	—	—
Deferred tax liabilities	653	912
<b>Net deferred tax provision reported in the statement of financial position</b>	<b>653</b>	<b>912</b>

At 3 January 2021, the company has no unused tax losses available for offset against future profits.

**19 Other provisions**

The company had the following provisions during the year:

	<b>Employer's national insurance on share- based payments £000</b>
As at 30 December 2019	(1)
Increase/(decrease) in provision	—
As at 3 January 2021	(1)

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**JOHNSON & JOHNSON FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 JANUARY 2021 (continued)**

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**20 Called up share capital**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,233,065 (2019: 1,233,065) Ordinary shares of £0.10 each	<u><b>123</b></u>	<u><b>123</b></u>
<b>Preference shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
1,233,065 (2019: 1,233,065) 5% preference shares of £0.10 each	<u><b>123</b></u>	<u><b>123</b></u>

**21 Commitments receivable under operating leases**

At the end of the year the company had future minimum receivable lease payments under non-cancellable operating leases as follows:

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Land and buildings</b>		
Within one year	<b>8,349</b>	<b>9,639</b>
In two to five years	<b>26,921</b>	<b>29,568</b>
Over five years	<b>76,834</b>	<b>84,708</b>
	<u><b>112,104</b></u>	<u><b>123,915</b></u>

**22 Events since the year end**

On 23 June 2021 the Company entered into a new loan in the amount of £65,000,000 with Cilag Holding Treasury Company repayable on 23 June 2031, bearing interest at 1.184%.

There have been no other significant events affecting the company since the year end.