

Registered number: 01701103

**NEVILLE JOHNSON LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2020**

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NEVILLE JOHNSON LIMITED

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COMPANY INFORMATION

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Directors	W K Bennett J Forrester L M Quinlan S P Meyrick N J Pailing
Company secretary	W K Bennett
Registered number	01701103
Registered office	Broad oak Business Park Ashburton Road West Trafford Park Manchester M17 1RW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Gartside Street Manchester M3 3EB
Bankers	Royal Bank of Scotland plc Mosley Street Manchester M60 2BE
Solicitors	Ward Hadaway LLP The Observatory Chapel Walks Manchester M2 1HL

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**NEVILLE JOHNSON LIMITED**

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**NEVILLE JOHNSON LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2020**

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**Business review**

In December 2019, a novel strain of coronavirus which causes COVID-19, was reported. In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The spread of this virus has caused business disruption which for Neville Johnson Limited was mainly from March 2020 when the government announced a lockdown for the majority of non-essential businesses. This resulted in the business closing its manufacturing sites from late March 2020 to early May 2020 and showrooms from late March 2020 until the beginning of June 2020. During the lockdown period the company's Health and Safety management team conducted risk assessments and introduced controls and measures to facilitate social distancing to enable all areas of the business, including customer facing functions such as sales and installation, to operate safely while complying with legislation and best practice.

The business was therefore not able to fulfil projects during this period and this affected the financial performance of the business. Despite the lockdown and shipment restrictions during late March and the whole of April, the company delivered an operating loss of £512,000 on sales of £28m compares to £1,648,000 operating profit on sale of £33m the previous year, due to the restriction on output.

The company grew its outstanding order book during the year to over £10m as at the end of FY20 which has then continued to grow into FY21.

Neville Johnson's customers were very supportive of the actions taken and the company has seen strong demand for its products in both new orders and shipments since the re-opening of facilities.

The company's strategy is to continue to increase its market share and position as the leading quality fitted furniture and staircase renovation provider throughout the UK. This will be achieved through substantial investment into increasing our showroom estate and building strong brand awareness from a multi-channel marketing strategy across digital, press and PR.

**Principal risks and uncertainties**

The company uses various financial instruments which comprise borrowings, some cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

**Price risk**

The company is exposed to price risk as a result of its operations, which are competitive in nature. However, the directors consider that they are close enough to the market to be able to react quickly to price changes and hence manage the impact on the company's performance.

**Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company continues to maintain adequate cash balances to fund its working capital requirement.

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**NEVILLE JOHNSON LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2020**

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**Fixed cost base risk**

The company has a strategy to minimise the risk of carrying fixed costs through committing as much as possible of its expenditure on overheads on a variable basis.

**Financial key performance indicators**

The Company has a number of key performance indicators used by management in the effective running of the business.

These include:

- Monthly measures on generation of leads, orders, and turnover (shipments)
- Strict cost and overhead controls
- Working capital and cash control measures and reporting

Other management KPI's which are confident to the business include measures on order intake and marketing data, order book outstanding and operational efficiencies.

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

*Keith Bennett*

**W K Bennett**

Director

Date: 23/10/2020

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## NEVILLE JOHNSON LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2020

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The directors present their report and the financial statements for the year ended 30 April 2020.

#### Principal activity

The Company's principal activity is the marketing, design, manufacture and installation of quality fitted furniture for the home including home studies, lounges, libraries, bedrooms and staircase renovations.

#### Results and dividends

The loss for the year, after taxation, amounted to £555,000 (2019: *profit* £1,373,000).

A dividend of £5,134,000 was paid in the year (2019: *£Nil*).

#### Directors

The directors who served during the year were:

W K Bennett  
J Forrester  
L M Quinlan  
S P Meyrick  
N J Pailing

#### Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**NEVILLE JOHNSON LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2020**

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**Future developments**

The Company's strategy is to continue to develop its presence as the leading provider of high-quality bespoke furniture for the home. To support this the group has committed substantial ongoing annual investment in support of its digital marketing strategy.

The business's management team meet regularly to review product development opportunities and has a continuous flow of new products being launched to the market.

Neville Johnson Limited is a wholly owned subsidiary of the Bespoke Home Interior Design Group (BHID Group). The Company is one of the leading providers of quality bespoke fitted home furniture, while its Staircase division has a dominant position as the market leader for staircase renovations. These developments help position the group as the 'go to' brand for high end clients looking to furnish their home.

**Charitable donations**

The Company supports a number of national and local charities including Centrepoin for the homeless. We also encourage employees to support various charity fund raising events. Charitable contributions for 2020 were £13,000 (2019: £2,000).

**Qualifying third party indemnity provisions**

The company insures against third party indemnity risks through its Directors' and Officers' (D&O) liability insurance policy.

**Going concern**

Management have assessed the suitability of the going concern assumption on a Group basis due to the Group facilities in place. COVID-19 has caused significant market disruption and the Group like most businesses suffered a reduction in revenues during the lockdown period introduced by the government to help contain the pandemic.

The Group operates in the Home Improvement market designing and installing quality fitted furniture and staircase renovations. These markets have seen a good recovery which together with the strong demand for its brands and increasing market share has enabled the business to return towards pre COVID activity levels.

The Group has therefore seen a strong cash generation since the 30 April and has not sought any support from the government backed COVID loan schemes but accessed the government furlough scheme, in order to retain jobs in all areas of the business during lockdown period when there was no sales activity.

The Group regularly updates its forecasts on profit, cash and debt position, and it produces these forecasts on a prudent basis with sufficient potential headroom to cover reasonable levels of downturn.

The directors have together with management, having reviewed the company's budgets and forecasts for the 12 months from the date of this report, its cash generation, resources and medium term plans, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

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**NEVILLE JOHNSON LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2020**

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**Post balance sheet events**

There have been no significant events since the end of the reporting period in April 2020.

The economic disruption caused by the COVID-19 pandemic continued into the new financial year. The Company's manufacturing facilities and showrooms closed in line with government lockdown recommendations in March 2020. The manufacturing sites reopened in early May 2020 and showrooms in early June 2020 with appropriate COVID procedures and appropriate social distancing in place following the Groups Health and Safety department conducting extensive risk assessments.

Since reopening facilities, the Company has seen demand for its products return strongly towards pre COVID levels whilst maintaining social distancing controls. All of the Company's premises are fully open and are operating at levels to support this demand.

Accordingly, the financial position and results for the year ended 31 April 2020 have not been adjusted and the Company has determined that no additional subsequent events occurred that would require recognition or disclosure in these financial statements.

**Disclosure of information to auditor**

The directors confirm that:

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

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

*Keith Bennett*

**W K Bennett**

Director

Date: 23/10/2020





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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEVILLE JOHNSON LIMITED

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### Opinion

We have audited the financial statements of Neville Johnson Limited (the 'company') for the year ended 30 April 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEVILLE JOHNSON LIMITED (CONTINUED)

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the company will continue in operation.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEVILLE JOHNSON LIMITED (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

### **Matters on which we are required to report by exception**

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

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

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

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.



Grant Thornton

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEVILLE JOHNSON LIMITED (CONTINUED)

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### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Stuart Muskett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date: 23/10/2020

## NEVILLE JOHNSON LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2020

	Note	2020 £000	2019 £000
Turnover	4	28,146	32,900
Cost of sales		(13,368)	(14,790)
<b>Gross profit</b>		<b>14,778</b>	<b>18,110</b>
Distribution costs		(13,491)	(14,627)
Administrative expenses		(2,172)	(1,845)
Other operating income	5	373	10
<b>Operating (loss)/profit</b>	6	<b>(512)</b>	<b>1,648</b>
Interest receivable and similar income	10	1	1
Interest payable and expenses	11	(6)	(6)
<b>(Loss)/profit before tax</b>		<b>(517)</b>	<b>1,643</b>
Tax on (loss)/profit	12	(38)	(270)
<b>(Loss)/profit for the financial year</b>		<b>(555)</b>	<b>1,373</b>
<b>Total comprehensive income for the year</b>		<b>(555)</b>	<b>1,373</b>

All amounts relate to continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

**NEVILLE JOHNSON LIMITED**  
**REGISTERED NUMBER:01701103**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	14	1,445	1,752
		<u>1,445</u>	<u>1,752</u>
<b>Current assets</b>			
Stocks	15	415	378
Debtors: amounts falling due within one year	16	15,583	11,824
Cash at bank and in hand	17	1,450	2,540
		<u>17,448</u>	<u>14,742</u>
Creditors: amounts falling due within one year	18	(19,311)	(11,182)
<b>Net current (liabilities)/assets</b>		<u>(1,863)</u>	<u>3,560</u>
<b>Total assets less current liabilities</b>		<u>(418)</u>	<u>5,312</u>
Creditors: amounts falling due after more than one year	19	(4)	(45)
<b>Net (liabilities)/assets</b>		<u><u>(422)</u></u>	<u><u>5,267</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	11	11
Profit and loss account	22	(433)	5,256
		<u><u>(422)</u></u>	<u><u>5,267</u></u>

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

*Keith Bennett*

**W K Bennett**

Director

Date: 23/10/2020

The notes on pages 13 to 28 form part of these financial statements.

## NEVILLE JOHNSON LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 May 2019	11	5,256	5,267
<b>Comprehensive income for the year</b>			
Loss for the year	-	(555)	(555)
Dividends: Equity capital	-	(5,134)	(5,134)
<b>At 30 April 2020</b>	<b>11</b>	<b>(433)</b>	<b>(422)</b>

The dividend was approved prior to the onset of COVID-19 impacts. At the time of dividend approval there were sufficient available reserves

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 May 2018	11	3,883	3,894
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,373	1,373
<b>At 30 April 2019</b>	<b>11</b>	<b>5,256</b>	<b>5,267</b>

The notes on pages 13 to 28 form part of these financial statements.

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**1. Company information**

Neville Johnson Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Broadoak Business Park, Ashburton Road West, Trafford Park, Manchester, M17 1RW.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

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

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

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of BHID Group Limited as at 30 April 2020 and these financial statements may be obtained from Broadoak Business Park Ashburton Road West, Trafford Park, Manchester, Greater Manchester, M17 1RW.



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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**2. Accounting policies (continued)****2.3 Going concern**

Management have assessed the suitability of the going concern assumption on a Group basis due to the Group facilities in place. COVID-19 has caused significant market disruption and the Group like most businesses suffered a reduction in revenues during the lockdown period introduced by the government to help contain the pandemic.

The Group operates in the Home Improvement market designing and installing quality fitted furniture and staircase renovations. These markets have seen a good recovery which together with the strong demand for its brands and increasing market share has enabled the business to return towards pre COVID activity levels.

The Group has therefore seen a strong cash generation since the 30 April and has not sought any support from the government backed COVID loan schemes but accessed the government furlough scheme, in order to retain jobs in all areas of the business during lockdown period when there was no sales activity.

The Group regularly updates its forecasts on profit, cash and debt position, and it produces these forecasts on a prudent basis with sufficient potential headroom to cover reasonable levels of downturn.

The directors have together with management, having reviewed the company's budgets and forecasts for the 12 months from the date of this report, its cash generation, resources and medium term plans, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

**2.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised upon delivery and installation of the product with the customer.

**2.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over remainder of the lease
Plant & machinery	-	7 - 25%
Office equipment	-	20 - 33%

**2.6 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**2. Accounting policies (continued)****2.7 Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw material, consumable and finished goods - purchase cost on a first-in, first-out basis. Work in progress - cost of direct materials and labour plus attributable overheads based on normal levels of activity.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

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

**2.10 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**2. Accounting policies (continued)****2.10 Financial instruments (continued)**

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

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

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Furlough income, which is a grant awarded by the government, is recognised in income over the periods in which the company recognises the related costs for which the grant is intended to compensate.

**2.13 Finance costs**

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

**2.14 Dividends**

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

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**2. Accounting policies (continued)**

**2.15 Pensions**

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

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.16 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**2. Accounting policies (continued)****2.18 Current and deferred taxation**

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

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

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

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

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

**2.19 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements are estimates have been made include:

- Stock provision,
- Useful economic lives of tangible fixed assets for depreciation.

**4. Turnover**

Turnover is attributable to one continuing activity, the marketing, design, manufacture and installation of quality fitted furniture for home studies, lounges, home cinemas, offices, bedrooms and staircases.

All turnover arose within the United Kingdom.

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020

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**5. Other operating income**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Other operating income	-	10
Government grants receivable	<b>373</b>	-
	<u><b>373</b></u>	<u>-</u>

In the current year, the government grants income related to furlough income received in relation to the COVID-19 outbreak.

**6. Operating (loss)/profit**

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Depreciation of tangible fixed assets- owned by the company	<b>598</b>	555
Depreciation of tangible fixed assets- held under finance leases	<b>40</b>	40
Operating lease rentals - land & buildings	<b>513</b>	512
Operating lease rentals - other operating leases	<b>485</b>	525
	<u><b>1636</b></u>	<u>1632</u>

**7. Auditor's remuneration**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>35</b>	25
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Other services relating to taxation	<b>10</b>	10
	<u><b>45</b></u>	<u>35</u>

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020

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**8. Staff Costs**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,537	7,822
Social security costs	810	837
Cost of defined contribution scheme	291	218
	<u>8,638</u>	<u>8,877</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Production and Installation	89	94
Sales, marketing and design	127	132
Administration	19	20
	<u>235</u>	<u>246</u>

**9. Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	737	735
Company contributions to defined contribution pension schemes	55	50
	<u>792</u>	<u>785</u>

During the year retirement benefits were accruing to 6 directors (2019: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £199,000 (2019: £197,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2019: £10,000).

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020

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## 10. Interest receivable

	2020 £000	2019 £000
Bank interest receivable	1	1

## 11. Interest payable and similar expenses

	2020 £000	2019 £000
Finance costs amortisation	6	6

## 12. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on profits for the year	38	293
Adjustments in respect of previous periods	-	(17)
<b>Total current tax</b>	38	276
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(6)
<b>Total deferred tax</b>	-	(6)
<b>Taxation on profit on ordinary activities</b>	38	270



## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020

## 12. Taxation (continued)

## Factors affecting tax charge for the year

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

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	(517)	1,643
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(98)	312
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1	1
Depreciation in excess of capital allowances	13	12
Adjustments in respect of prior periods	3	(17)
Adjust closing deferred tax to average rate of 19%	-	4
Adjust opening deferred tax to average rate of 19%	(2)	(3)
Adjustments to tax charge in respect of previous periods - deferred tax	19	-
Group relief	102	(39)
<b>Total tax charge for the year</b>	<b>38</b>	<b>270</b>

## Factors that may affect future tax charges

Following the budget announcement on 11 March 2020 the corporation tax rate applicable from 1 April 2020 remains at 19%, rather than the previously enacted reduction to 17%. This was substantively enacted for UK GAAP purposes on 17 March 2020 and therefore, deferred tax has been remeasured using the rate of 19% at the year end.

## 13. Dividends

	2020 £000	2019 £000
Dividends	5,134	-

On 22 October 2019, a dividends of £462.10 per ordinary share was paid.

## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020

## 14. Tangible fixed assets

	L/Term Leasehold Property £000	Plant & machinery £000	Office equipment £000	Total £000
<b>Cost</b>				
At 1 May 2019	756	1,477	1,679	3,912
Additions	5	24	314	343
Disposals	(207)	(32)	(399)	(638)
At 30 April 2020	554	1,469	1,594	3,617
<b>Depreciation</b>				
At 1 May 2019	340	859	961	2,160
Charge for the year on owned assets	106	154	378	638
Disposals	(196)	(31)	(399)	(626)
At 30 April 2020	250	982	940	2,172
<b>Net book value</b>				
At 30 April 2020	304	487	654	1,445
At 30 April 2019	416	618	718	1,752

The net book value of land and buildings may be further analysed as follows:

	2020 £000	2019 £000
Long leasehold	304	416

## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**15. Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>230</b>	240
Work in progress	<b>185</b>	138
	<b>415</b>	378

Stocks are stated after provisions for impairment of £62k (2019: £46k).

**16. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>257</b>	504
Amounts owed by group undertakings	<b>13,553</b>	9,956
Other debtors	<b>1,025</b>	677
Prepayments and accrued income	<b>473</b>	591
Corporation tax	<b>273</b>	60
Deferred taxation	<b>2</b>	36
	<b>15,583</b>	11,824

The trade debtors includes a provision for impairment of £207k (2019: £132k).

**17. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>1,450</b>	2,540

## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**18. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>2,766</b>	2,511
Amounts owed to group undertakings	<b>10,602</b>	3,548
Other taxation and social security	<b>1,197</b>	850
Obligations under finance lease and hire purchase contracts	<b>45</b>	56
Payments on account	<b>4,222</b>	3,982
Accruals and deferred income	<b>479</b>	235
	<b>19,311</b>	11,182

**19. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net obligations under finance leases and hire purchase contracts	<b>4</b>	45

Finance leases and hire purchase contracts are secured on the assets to which they relate.

## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**20. Deferred taxation**

	2020 £000	2019 £000
At beginning of year	36	30
Charged to profit or loss	(34)	6
<b>At end of year</b>	<b>2</b>	<b>36</b>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Fixed asset timing differences	(19)	31
Short term timing differences	21	5
	<b>2</b>	<b>36</b>

**21. Share capital**

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
11,110 (2019: 11,110) Ordinary shares of £1 each	11	11

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**22. Reserves****Profit & loss account**

Includes all current and prior period retained profits and losses.

**23. Contingent liabilities**

The company is subject to a joint bank guarantee with its parent undertaking, the BHID Group and its subsidiaries. The contingent liability at 30 April 2020 was £12,450,000 (2019: £13,650,000).

The company is a joint obligator under a security trust deed dated 29 May 2014, of which Alcuin Capital Partners LLP is the security trustee, in respect of loan notes owed to shareholders totalling £3,096,000 (2019: £3,096,000).

## NEVILLE JOHNSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**24. Capital commitments**

Amounts contracted for but not provided in the accounts amounted to £Nil (2019: £Nil).

**25. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and are detailed in note 8. Contributions totalling £Nil (2019: £Nil) were payable to the fund at the statement of financial position date and are included in creditors.

**26. Commitments under operating leases**

At 30 April 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
<b>Land &amp; Buildings</b>		
Not later than 1 year	469	436
Later than 1 year and not later than 5 years	1,682	1,462
Later than 5 years	2,881	2,716
	<u>5,032</u>	<u>4,614</u>
	2020 £000	2019 £000
<b>Other</b>		
Not later than 1 year	391	456
Later than 1 year and not later than 5 years	319	362
	<u>710</u>	<u>818</u>

**27. Related party transactions**

The company has taken advantage of the exemption with FRS 102 (section 33) and has not disclosed transactions with fellow group undertakings. Management determine that key management personnel are the directors of the company whose remuneration is disclosed in note 9.

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2020**

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**28. Parent undertaking and controlling party**

The directors consider that the ultimate undertaking of the company is BHID Group Limited which is registered in England and Wales. Alcuin Capital Partners LLP (Alcuin) holds 49% shareholding in BHID Group Limited. The immediate parent undertaking is Neville Johnson Offices Limited which is registered in England and Wales.