

Registered number: 01701103

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**NEVILLE JOHNSON LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2018**



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**NEVILLE JOHNSON LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	W K Bennett J Forrester L M Quinlan S P Meyrick N J Pailing
<b>Company secretary</b>	W K Bennett
<b>Registered number</b>	01701103
<b>Registered office</b>	Broadoak Business Park Ashburton Road West Trafford Park Manchester M17 1RW
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Royal Bank of Scotland plc Mosley Street Manchester M60 2BE
<b>Solicitors</b>	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 2018**

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**Business review**

The company has had another year of growth recording increases in turnover for both furniture and staircase divisions thereby building on the success of the previous year.

The company continues to invest in new plant and equipment as the business ensures its' resources and facilities reflect latest technology. The latest major new manufacturing equipment is being installed in May 2018 at the Trafford Park facility.

The directors are forecasting another year of growth in both sales and profit reflecting its' leading position in the market sectors it operates in.

**Principal risks and uncertainties**

The company uses various financial instruments which comprise borrowings, some cash, 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.

**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.

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NEVILLE JOHNSON LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2018

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**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 orders and turnover(shipments). Annual figures show turnover growth of 6%
- Working capital and cash control measures with cash balances closing at £4,400k.

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

This report was approved by the board on 27/09/2018 and signed on its behalf.



**W K Bennett**  
Director

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## NEVILLE JOHNSON LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018

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The directors present their report and the financial statements for the year ended 30 April 2018.

#### Principal activity

The company's principal activity is the marketing, design, manufacture and installation of quality fitted furniture for home studies, lounges, home cinemas, offices, bedrooms and staircases.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,102,000 (2017: £1,835,000).

#### 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 2018**

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**Future developments**

The business continues to invest in product development and has a continuous flow of new products being launched to the market reflecting the latest styles and trends for quality fitted furniture and staircases for the home.

Neville Johnson is a wholly owned subsidiary of the Bespoke Home Interior Design Group (BHID Group) and these developments help position the group as the 'go-to' brand for high end clients looking to furnish their home.

**Post balance sheet events**

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

**Disclosure of information to auditor**

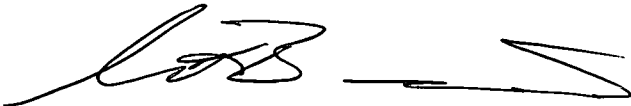
The directors confirm that:

- 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.



**W K Bennett**  
Director

Date: 27/09/2018



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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 for the year ended 30 April 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Who we are reporting to

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.

### 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.





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

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**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.

**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 by 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.



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

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement 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.

**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.

*Grant Thornton UK LLP*

Stuart Muskett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date: *19 October 2018*

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NEVILLE JOHNSON LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2018

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	Note	2018 £000	2017 £000
Turnover	4	32,402	30,642
Cost of sales		(14,216)	(13,645)
<b>Gross profit</b>		<b>18,186</b>	<b>16,997</b>
Distribution costs		(13,909)	(13,318)
Administrative expenses		(1,782)	(1,483)
Other operating income	5	10	10
<b>Operating profit</b>	6	<b>2,505</b>	<b>2,206</b>
Interest receivable and similar income	10	1	3
Interest payable and expenses	11	(6)	(6)
<b>Profit before tax</b>		<b>2,500</b>	<b>2,203</b>
Tax on profit	12	(452)	(368)
<b>Profit for the financial year</b>		<b>2,048</b>	<b>1,835</b>
<b>Total comprehensive income for the year</b>		<b>2,048</b>	<b>1,835</b>

All amounts relate to continuing operations.

The notes on pages 11 to 24 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	13	1,492	1,401
		<u>1,492</u>	<u>1,401</u>
<b>Current assets</b>			
Stocks	14	402	296
Debtors: amounts falling due within one year	15	6,005	2,976
Cash at bank and in hand	16	4,400	4,828
		<u>10,807</u>	<u>8,100</u>
Creditors: amounts falling due within one year	17	(8,304)	(7,498)
<b>Net current assets</b>		<u>2,503</u>	<u>602</u>
<b>Total assets less current liabilities</b>		<u>3,995</u>	<u>2,003</u>
Creditors: amounts falling due after more than one year	18	(101)	(157)
<b>Net assets</b>		<u><u>3,894</u></u>	<u><u>1,846</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	11	11
Profit and loss account	21	3,883	1,835
		<u>3,894</u>	<u>1,846</u>

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

27/09/2018



**W K Bennett**  
 Director

The notes on pages 11 to 24 form part of these financial statements.

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NEVILLE JOHNSON LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2018

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	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2017	11	1,835	1,846
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,048	2,048
<b>At 30 April 2018</b>	<b>11</b>	<b>3,883</b>	<b>3,894</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2017

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	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2016	11	-	11
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,835	1,835
<b>At 30 April 2017</b>	<b>11</b>	<b>1,835</b>	<b>1,846</b>

The notes on pages 11 to 24 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 2018

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#### 1. Company information

Neville Johnson Limited is a registered Limited company, registered in England and Wales. Its registered office is 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 2018 and these financial statements may be obtained from Broadoak Business Park Ashburton Road West, Trafford Park, Manchester, Greater Manchester, M17 1RW.

##### 2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern.

##### 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 despatch of the product from the company's premises.

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**NEVILLE JOHNSON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018**

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**2. Accounting policies (continued)**

**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.

**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.

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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**2. Accounting policies (continued)**

**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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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 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.



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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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**2. Accounting policies (continued)**

**2.13 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.

**2.14 Interest income**

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

**2.15 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 2018**

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**2. Accounting policies (continued)**

**2.16 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.

**2.17 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.

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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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.

5. Other operating income

	2018 £000	2017 £000
Other operating income	10	10

6. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets - owned by the company	449	378
Depreciation of tangible fixed assets - held under finance leases	56	59
Operating lease rentals - land & buildings	416	363
Operating lease rentals - other operating leases	534	543

7. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	25	24
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Other services - taxation	10	10

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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8. Staff Costs

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

	2018 £000	2017 £000
Wages and salaries	6,777	6,551
Social security costs	765	713
Cost of defined contribution scheme	199	197
	<u>7,741</u>	<u>7,461</u>

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

	2018 No.	2017 No.
Production and Installation	92	89
Sales, marketing and design	117	109
Administration	17	16
	<u>226</u>	<u>214</u>

9. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	715	696
Company contributions to defined contribution pension schemes	49	48
	<u>764</u>	<u>744</u>

During the year retirement benefits were accruing to directors 6 (2017: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £192,000 (2017: £188,000).

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 (2017: £10,000).

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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10. Interest receivable

	2018 £000	2017 £000
Bank interest receivable	1	3

11. Interest payable and similar charges

	2018 £000	2017 £000
Finance costs amortisation	6	6

12. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	472	358
Adjustments in respect of previous periods	6	32
	<u>478</u>	<u>390</u>
<b>Total current tax</b>	<u>478</u>	<u>390</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(29)	(21)
Adjustments in respect of prior periods	3	(1)
	<u>(26)</u>	<u>(22)</u>
<b>Total deferred tax</b>	<u>(26)</u>	<u>(22)</u>
<b>Taxation on profit on ordinary activities</b>	<u>452</u>	<u>368</u>

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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12. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.92%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	2,500	2,203
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.92%)	475	437
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1	1
Depreciation in excess of capital allowances	11	11
Adjustments in respect of prior periods	6	32
Other timing differences	6	4
Group relief	(47)	(117)
<b>Total tax charge for the year</b>	<b>452</b>	<b>368</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**NEVILLE JOHNSON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Tangible fixed assets**

	L/Term Leasehold Property £000	Plant & machinery £000	Office equipment £000	Total £000
<b>Cost</b>				
At 1 May 2017	381	1,139	1,070	2,590
Additions	228	67	301	596
At 30 April 2018	609	1,206	1,371	3,186
<b>Depreciation</b>				
At 1 May 2017	153	681	355	1,189
Depreciation charge	79	128	298	505
At 30 April 2018	232	809	653	1,694
<b>Net book value</b>				
At 30 April 2018	377	397	718	1,492
At 30 April 2017	228	458	715	1,401

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

	2018 £000	2017 £000
Long leasehold	377	228

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14. Stocks

	2018 £000	2017 £000
Raw materials and consumables	247	210
Work in progress	155	86
	<u>402</u>	<u>296</u>

Stock recognised in cost of sales during the year as an expense was £4,512k (2017 - £4,223k).

An impairment loss of £20k (2017 - £11k) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	2018 £000	2017 £000
Trade debtors	409	341
Amounts owed by group undertakings	4,148	1,525
Other debtors	567	559
Prepayments and accrued income	851	548
Deferred taxation	30	3
	<u>6,005</u>	<u>2,976</u>

The debtors includes a provision for impairment of £101k (2017: £126k).

16. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	<u>4,400</u>	<u>4,828</u>



**NEVILLE JOHNSON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Creditors: Amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	2,493	1,741
Amounts owed to group undertakings	-	453
Corporation tax	116	117
Other taxation and social security	967	989
Obligations under finance lease and hire purchase contracts	56	56
Payments on account	4,363	3,788
Accruals and deferred income	309	354
	8,304	7,498

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

	2018 £000	2017 £000
Net obligations under finance leases and hire purchase contracts	101	157
	101	157

**19. Deferred taxation**

	2018 £000	2017 £000
At beginning of year	3	(19)
(Credited)/charged to profit or loss	27	22
<b>At end of year</b>	<b>30</b>	<b>3</b>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Fixed asset timing differences	30	(3)
Other timing differences	-	6
	30	3

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NEVILLE JOHNSON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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20. Share capital

	2018 £000	2017 £000
<b>Allotted, called up and fully paid</b>		
11,110 Ordinary shares of £1 each	11	11

21. Reserves

**Profit & loss account**

Includes all current and prior period retained profits and losses.

22. 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 2018 was £14,850,000 (2017: £15,750,000).

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 £5,387,000 (2017: £5,387,000).

23. Capital commitments

Amounts contracted for but not provided in the accounts amounted to £Nil (2017: £Nil).

24. 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 (2017: £Nil) were payable to the fund at the statement of financial position date and are included in creditors.

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**25. Commitments under operating leases**

At 30 April 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>516</b>	<b>346</b>
Later than 1 year and not later than 5 years	<b>1,555</b>	<b>1,030</b>
Later than 5 years	<b>3,078</b>	<b>2,348</b>
	<b>5,149</b>	<b>3,724</b>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>479</b>	<b>408</b>
Later than 1 year and not later than 5 years	<b>370</b>	<b>322</b>
	<b>849</b>	<b>730</b>

**26. 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.

**27. 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.