

# Report and Financial Statements of Johnnie Johnson Developments Limited

For the year ended 31 March 2020

Registered Company No: 03895031



# Johnnie Johnson Developments Limited

## Report and Financial Statements for the year ended 31 March 2020

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# Johnnie Johnson Developments Limited

Executives and advisors for the year ended 31 March 2020

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Board of Directors	Tom Miskell OBE Geoff Clarke Ralph Middlemore Anthony Keith Riley (resigned 31st March 2020) Steve Secker Yvonne Joan Castle
Registered Office	Astra House Spinners Lane Poynton Cheshire SK12 1GA
Registered Number	Registered Company No: 03895031
Auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
Solicitor	Trowers & Hamlins LLP 55 Princess Street Manchester M2 4EW
Banker	National Westminster Bank Plc Royal Bank of Scotland Bankside 3 90 – 100 Southwark Street London SE1 0SW
Secretary	Geoff Clarke

# Johnnie Johnson Developments Limited

## Report of the Board of Directors for the year ended 31 March 2020

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The Board presents its report and the audited financial statements for the year ended 31 March 2020 for Johnnie Johnson Developments Limited (JJD).

### Principal Activities

JJD operates throughout northern England with a head office in Poynton, Cheshire and is a subsidiary of Johnnie Johnson Housing Trust Limited (JJH). The company provides housing development services.

The business plan for JJH includes the development of up to 1000 properties over the next 11 years. It is the plan that JJD will be engaged to deliver these for JJH.

### Review of the Year

The Statement of Comprehensive Income shows a profit of £21k for the year ending 31 March 2020. This is generated from the construction of completed builds in the year and ongoing construction. The Statement of Comprehensive Income is set out on page 8. All profit will be gifted to the parent company Johnnie Johnson Housing within 9 months of the year end.

Due to the Covid-19 pandemic lockdown measures there has been a short period where contractors have not been on site. There have been no issues with the contracts in place and post year-end work has recommenced with no issues in the supply chain.

### The Board of Directors

The Board of Directors are listed on page 2.

### Auditor

A resolution to appoint BDO LLP as auditor of the company was passed at a meeting of the directors on 29<sup>th</sup> July 2020.

### Provision of information to auditor

At the date of making this report each of the company's directors, as set out on page 2, confirm the following:

- so far as each director is aware, there is no relevant information needed by the company's auditor in connection with preparing their report of which the company's auditor is unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

At the date on which this report was approved, and throughout the financial year, the Company has provided an indemnity in respect of all the Companies' Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the financial year and remain in force for all Directors of the Company.

In preparing this director's report, advantage has been taken of the small companies' exemption.

### By order of the Board



**Geoff Clarke**  
Secretary

# Johnnie Johnson Developments Limited

## Statement of Board's Responsibilities

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The directors are responsible for preparing 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 FRS102 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are 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.

# Johnnie Johnson Developments Limited

## Independent auditor's report to the members of Johnnie Johnson Developments Limited

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### Opinion

We have audited the financial statements of Johnnie Johnson Developments Limited ("the Company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, statement of changes in reserves 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 31 March 2020 and of its results 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.

### 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 annual report 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.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, other than the financial statements and our auditor's report thereon. Our opinion on the annual report 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.

# Johnnie Johnson Developments Limited

## Independent auditor's report - 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 Report of the Board of Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors' has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of Directors

As explained more fully in the Statement of Board's Responsibilities, 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.

# Johnnie Johnson Developments Limited

## Independent auditor's report - continued

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### 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.

BDO LLP

Helen Knowles (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester

Date: 24 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Johnnie Johnson Developments Limited

## Statement of comprehensive income for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover		862	2,257
Operating Costs		(841)	(2,192)
<b>Operating surplus</b>		<u>21</u>	<u>65</u>
Tax on surplus on ordinary activities		-	-
<b>Surplus for the year</b>		<u>21</u>	<u>65</u>
<b>Total comprehensive Income for the year</b>		<u>21</u>	<u>65</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The notes on pages 11 to 14 form part of these financial statements.

# Johnnie Johnson Developments Limited

## Statement of financial position as at 31 March 2020

Registered Company No: 03895031

	Note	2020 £'000	2019 £'000
<b>Current Assets</b>			
Debtors	6	157	383
		<u>157</u>	<u>383</u>
<b>Creditors: amounts falling due within one year</b>	7	(136)	(318)
Net current assets		21	65
<b>Total assets less current liabilities</b>		<u>21</u>	<u>65</u>
<b>Total net assets</b>		<u>21</u>	<u>65</u>
<b>Reserves</b>			
Non-equity share capital	8	-	-
Revenue reserve		21	65
<b>Total reserves</b>		<u>21</u>	<u>65</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board of Directors and authorised for issue on 17<sup>th</sup> June 2020.



Geoff Clarke  
Company Secretary

Date: 10<sup>th</sup> July 2020

The notes on pages 11 to 14 form part of these financial statements.

## Johnnie Johnson Developments Limited

### Statement of changes in reserves for the year ended 31 March 2020

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		2020	2019
	Note	£'000	£'000
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Opening total funds		65	-
Total recognised surplus relating to the year		21	65
Gift aid Payable	13	(65)	-
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Closing total funds		21	65

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# Johnnie Johnson Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2020

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## 1. General Information

Johnnie Johnson Developments Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The Address of the registered office is given on the company information page and the nature of the Company's operations and principal activity is set out in the director's report.

## 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the Financial Reporting standard exemption not to produce an individual JJD cashflow statement. A group cashflow statement has been produced in the consolidated financial statements of Johnnie Johnson Housing Trust Limited.

### 2.2 Turnover

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

Sale of goods

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

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

Turnover represents development activity income billed each month on contracts received from Johnnie Johnson Housing Trust Limited.

### 2.3 Group Structure

Johnnie Johnson Developments Limited forms part of a group controlled by Johnnie Johnson Housing Trust Limited.

### 2.4 Judgements & Estimates

There are no significant judgements or estimates.

### 2.5 Gift Aid and payments

A legal ruling has led to a change, under FRS102, in the distribution of profits and Gift Aid payments. This should now be treated as a dividend payment from JJD and income to JJH. This means that the surplus will be taken to reserves and will be gift aided to the parent company JJH within 9 months of the year end.

### 2.6 Going Concern

The directors consider that the company will continue to operate for the foreseeable future.

The group company Johnnie Johnson Housing is planning to expand its development programme and this will lead to an increase in transactions through Johnnie Johnsons Development Limited.

# Johnnie Johnson Developments Limited

## Notes forming part of the financial statements for the year ended 31 March 2020 - continued

There has been limited impact to the Company with regards to Covid-19. Some contracts closed sites for circa two months but post year-end are back on site with minimal disruption to existing schemes. Given the subcontracted nature of the work, both costs and income were on hold during the lockdown period, hence there has been no disruption to cashflows or liquidity.

### 3 Tax on profit on ordinary activities

	2020	2019
	£'000	£'000
Profit on ordinary activities before tax	21	65
Corporation tax on ordinary activities at 19% (if not gift aided)	4	12
Gift aid payment not subject to UK tax	(21)	(65)
Corporation tax if gift aided to parent	-	-
Corporation tax charge	-	-

### 4 Employees

Johnnie Johnson Developments Limited has no employees (2019: no employees). The employees of the parent company Johnnie Johnson Housing Trust Limited perform work for Johnnie Johnson Developments Limited and cost is recharged in line with the intercompany agreement.

### 5 Board Members and Executive Directors

The Board of Directors did not receive any remuneration during the year from this company (2019: nil). The remuneration and expenses were paid by the parent company Johnnie Johnson Housing Trust Limited.

### 6 Debtors amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	153	376
Other taxes	4	7
	157	383

Amounts owed by group undertakings are interest free and repayable on demand

# Johnnie Johnson Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2020 - continued

## 7 Creditors – Amounts falling due within one year

	2020	2019
	£'000	£'000
Accruals and Deferred Income	132	183
Other Creditors	4	135
	136	318

## 8 Share Capital

	2020	2019
	£	£
<b>Allotted and fully paid</b>		
1 Ordinary share of £1 each	1	1

Johnnie Johnson Housing Trust Limited holds one £1 share in the company. No other shares have been issued.

## 9 Reserves

The company's capital and reserves are as follows:

### Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

### Revenue Reserve

Revenue Reserve represents cumulative profits or losses net of dividends paid and other adjustments.

## 10 Financial Commitments

There were contracted capital expenditure commitments of £2,744k at 31 March 2020 relating to the remaining spend on the current developments (2019: £357k). Non contracted commitments were zero.

# Johnnie Johnson Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2020 - continued

## 11 Ultimate Parent Company

The ultimate parent company is Johnnie Johnson Housing Trust Limited, a Registered Social Landlord. The parent company is incorporated in England. Copies of the accounts of Johnnie Johnson Housing Trust Limited can be obtained from its registered office, Astra House, Spinners Lane, Poynton, Cheshire SK12 1GA or from its website [www.jjhousing.co.uk](http://www.jjhousing.co.uk).

## 12 Related Party Transactions

There were no related party transactions in the current or prior period.

## 13 Gift aid

Charitable donations (referred to as gift aid) from a trading subsidiary to its parent should be accounted for consistently with dividends (as a movement within reserves). Trading subsidiaries should not accrue for gift aid payments unless a legal obligation to make the payment exists at the reporting date. The figure below shows the prior year trading profit taken to reserves which has been paid this financial year.

	2020	2019
	£'000	£'000
Gift aid to parent company – Johnnie Johnson Housing Trust Limited	65	-

The surplus shown in the Statement of comprehensive income will be taken to reserves and will be gift aided to the parent company (JJH) within 9 months of the year end.