



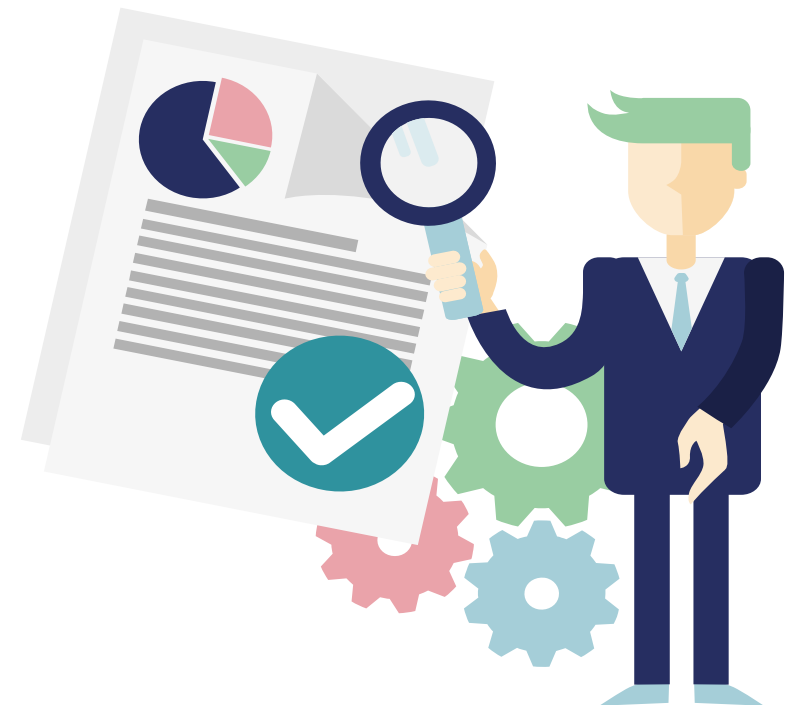
Johnnie Johnson Developments Limited

Report and Financial Statements for the year
ending 2022-2023



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Meet the Board

Non-Executive Board Members



Steve Secker, Chair



Ralph Middlemore, Member



Sue Lock, Member –
resigned 29th
September 2022



Peter Nourse, Member



Alistair How, Member

Executive Board Members



Yvonne Castle, Group CEO
Johnnie Johnson Housing
Trust Limited



Deborah Noble, Group
Executive Director,
Finance and Corporate
Services



Executives and Advisors for the year ended 31 March 2023



Registered Office and Number

Eden Point
Three Acres Lane
Cheadle
Cheshire
SK8 6RL

Registered Company No: 03895031

Company Secretary

Sarah-Jane Gilmore



Solicitor

Trowers and Hamblins 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



Auditors

BDO LLP
3 Hardman Street
Manchester
M3 3AT

A resolution to appoint BDO LLP as auditor was passed at a meeting of the directors on 25 September 2023.





Report of the Board of Directors for the year ended 31 March 2023



Principal Activities

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

The business plan for Johnnie Johnson Housing Trust Limited (JJH), the parent company, includes the development of new properties and JJD will be engaged to deliver these for JJH.

Review of the Year

The Statement of Comprehensive Income shows a profit of £81k for the year ending 31 March 2023. This is generated from development under construction in the year. The Statement of Comprehensive Income is set out on page 14. All profit will be gifted to the parent company Johnnie Johnson Housing within 9 months of the year end.

Over the course of the last 12 months, the team have successfully been working on 39 new homes on site, 14 are due to complete in June 2023 with a further 25 due to complete in January 2024.

The last 12 months has seen delays in building supplies and increased interest rate for borrowing which has, unfortunately led to Johnnie Johnson Housing, the parent, taking the decision not to fund new developments after the current program under contract is finished. Johnnie Johnson Developments Limited will therefore complete the schemes mentioned above and the board will keep its operations under review.

Provision of information to auditor

At the date of making this report each of the company's directors, as set out on page 3, 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.



Report of the Board of Directors for the year ended 31 March 2023 .. continued



Provision of information to auditor, continued.

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

Signed :

Sarah-Jane Gilmore, Company Secretary

Dated: 27 September 2023



Statement of Board Responsibilities

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.





Independent auditor's report to the members of JJ Developments Limited

Opinion on the financial statements

In our opinion, the financial statements:

- ✓ give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

We have audited the financial statements of Johnnie Johnson Developments Ltd ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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





Independent auditor's report to the members of JJ Developments Limited Continued...

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

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

Other information

The 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.





Independent auditor's report to the members of JJ Developments Limited Continued...

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 Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors 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.



Independent auditor's report to the members of JJ Developments Limited Continued...

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with Governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.



Independent auditor's report to the members of JJ Developments Limited Continued...

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

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of journals and recognition of revenue.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Completing procedures to ensure that revenue has been calculated correctly and included within the appropriate accounting period.





Independent auditor's report to the members of JJ Developments Limited Continued...

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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

Matthew Whitehouse

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Matthew Whitehouse (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

27 September 2023

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



Statement of comprehensive Income for the year ended 31 March 2023

	Note	2023	2022
		£'000	£'000
Turnover		2,731	1,680
Operating Costs		(2,650)	(1,634)
Profit before tax		<u>81</u>	<u>46</u>
Tax on Profit	3	-	-
Profit for the year		<u>81</u>	<u>46</u>
Other comprehensive income for the year		-	-
Total comprehensive profit for the year		<u>81</u>	<u>46</u>

Statement of financial position as at 31 March 2023

	Note	2023	2022
		£ '000	£ '000
Current assets			
Debtors	6	391	264
		<u>391</u>	<u>264</u>
Creditors: Amounts falling due within one year	7	(310)	(218)
Net current assets		<u>81</u>	<u>46</u>
Total assets less current liabilities		<u>81</u>	<u>46</u>
Capital and reserves			
Non-equity share capital	8	-	-
Revenue reserve	9	81	46
		<u>81</u>	<u>46</u>

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

The note on pages 16 to 20 form part of these financial statements and were approved by the Board of Directors for issue on 27 September 2023.

Signed:



Sarah-Jane Gilmore, Company Secretary

Dated 27 September 2023

Statement of Changes in Reserve

	Note	2023 £ '000	2022 £ '000
Opening total funds		46	53
Total recognised profit relating to the year		81	46
Gift aid	13	(46)	(53)
Closing total funds		81	46





Notes forming part of the financial statements for the year ended 31 March 2023

1.0 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.

2.0 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 Johnnie Johnson Development's 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:

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





Notes forming part of the financial statements for the year ended 31 March 2023 Continued...

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

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. Gift aid payments are recognised as a dividend payment from JJD when the payment takes place.

2.6 Going Concern

The business will continue to deliver the developments it has under contract, being 39 homes. Johnnie Johnson Housing, its parent, has taken the decision, in the short term, to not fund any new development. However, JJD remains a viable business and its operations will be kept under review.

The company's parent entity, Johnnie Johnson Housing Trust Limited, has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes. Johnnie Johnson Housing Trust Limited also has a long-term Business Plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The Group's long-term business plan is stress tested to assess the possible financial impacts and the resilience of the business plan including the range of available mitigation plans.

On this basis, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.





Notes forming part of the financial statements for the year ended 31 March 2023 Continued...

3.0 Tax on ordinary Profits

	2023 £ '000	2022 £ '000
Profit on ordinary activities before tax	81	46
Corporation tax on ordinary activities at 19% (if not gift aided)	15	9
Tax impact of gift aid payment not subject to UK tax	(15)	(9)
Corporation tax if gift aided to parent	-	-
Corporation tax charge	-	-

4.0 Employees

Johnnie Johnson Developments Limited has no employees (2022: 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.





Notes forming part of the financial statements for the year ended 31 March 2023 Continued...

5.0 Board Members and Executive Directors

The Board of Directors did not receive any remuneration during the year from this company (2022: £nil). The remuneration and expenses were paid by the parent company Johnnie Johnson Housing Trust Limited.

6.0 Debtors amounts falling due within one year

6. Debtors	2023	2022
	£ '000	£ '000
Amounts owed by group undertakings	362	241
Other Debtors	29	23
	<u>391</u>	<u>264</u>

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

7.0 Creditors – Amounts falling due within one year

	2023	2022
	£ '000	£ '000
Accruals and Deferred Income	310	89
Other Creditors	-	129
	<u>310</u>	<u>218</u>

8.0 Share Capital

	2023	2022
	£	£
Allotted and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>





Notes forming part of the financial statements for the year ended 31 March 2023 Continued...

9.0 Reserves

The company's capital and reserves are as follows:

9.1 Called up share capital

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

9.2 Revenue Reserve

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

10.0 Financial Commitments

There were contracted capital expenditure commitments of £3,075k at 31 March 2023 relating to the remaining spend on the current developments (2022: £4,899k). Non contracted commitments were £nil (2022: £6,480k).

11.0 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, Eden Point, Three Acres, Cheadle, Cheshire. SK8 6RL or from its website www.jjhousing.co.uk.

12.0 Related Party Transactions

There were no related party transactions in the current or prior period. The directors did not receive any dividends during 2023 (2022: £nil).

13.0 Gift aid

The figure shows the prior year trading profit taken to reserves which has been paid this financial year. The figure shown in the statement of comprehensive income is expected to be taken to reserves and will be gift aided to the parent company (JJH) within 9 months of the year end

	2023 £ '000	2022 £ '000
Gift aid granted to parent company – Johnnie Johnson Housing Trust Limited	46	53
	<u>46</u>	<u>53</u>