

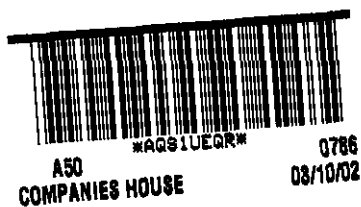
JOHNSON GROUP MANAGEMENT SERVICES LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED

29TH DECEMBER 2001

REGISTERED NO. 19418



JOHNSON GROUP MANAGEMENT SERVICES LIMITED

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JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS AND ADVISORS

Managing Director

Richard Guy Frederick Zerny

Directors

Michael Alan Sutton BA, FCA
Dennis Albert Hargreaves
Michael Robert Barnsley
Yvonne May Monaghan BSc, FCA
Martin Frederick Gregson
Carl William Cumiskey BA, ACA
Jonathan Harry Pearce BEng, FCA
Stephen Anthony McKeever

Secretary

Yvonne May Monaghan BSc, FCA

Registered Office

Mildmay Road
Bootle
Merseyside
L20 5EW

Bankers

The Royal Bank of Scotland
1 Exchange Flags
Liverpool L2 3XN

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Liverpool

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

The Directors submit for consideration their annual report and the audited financial statements for the 52 weeks ended 29th December 2001.

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the provision of consultancy and management services to the Parent and fellow subsidiary companies in the Johnson Group and no change is envisaged. The results for the year are shown on page 8.

The Directors consider the financial position of the Company at 29th December 2001 to be satisfactory.

RESULTS

The Company's turnover and (loss)/profit from trading operations for the 52 weeks (2000: 53 weeks) were as follows:

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Turnover, net of VAT	2,020,000	1,880,000
Operating (loss) / profit	(420,811)	122,481

The Directors do not recommend the payment of a dividend.

The retained loss for the year after taxation was £297,584.

FIXED ASSETS

The movements in fixed assets are shown in Note 8 on page 15.

DIRECTORS

A list of Directors of the Company is shown on page 1. They all held office throughout the year.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS

The interests of the Directors who were in office at 29th December 2001 in the share capital of the Parent Company, Johnson Service Group PLC, other than Mr R G F Zerny and Mr M A Sutton, who are also directors of that Company were:

<u>Beneficial Interests</u>	Ordinary Shares of 10p each	Options over Ordinary Shares of 10p each	Remaining Award of Ordinary Shares of 10p each
Mr D A Hargreaves			
At 30.12.00.	1,885	20,798	6,841
At 29.12.01.	1,337	20,798	6,841
Mr M R Barnsley			
At 30.12.00.	-	32,410	7,812
At 29.12.01.	-	33,688	7,812
Mrs Y M Monaghan			
At 30.12.00.	1,675	45,313	8,216
At 29.12.01.	4,936	32,171	8,216
Mr M F Gregson			
At 30.12.00.	-	29,483	6,733
At 29.12.01.	-	18,451	6,733
Mr C W Cumiskey			
At 30.12.00.	724	6,597	3,335
At 29.12.01.	724	6,947	3,335
Mr J H Pearce			
At 30.12.00.	1,050	6,216	4,685
At 29.12.01.	1,050	6,566	4,685
Mr S A McKeever			
At 30.12.00.	-	4,748	4,515
At 29.12.01.	-	4,748	4,515

No changes have occurred in these interests since 29th December 2001.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

During the year the following Directors have been granted or have exercised rights under options in respect of ordinary shares of 10p each in Johnson Service Group PLC:

	Options granted during the year	Options lapsed during the year	Options exercised during the year	Conditional Awards cancelled during year
Mr M R Barnsley	1,278	-	-	-
Mrs Y M Monaghan	1,467	-	14,609	-
Mr M F Gregson	-	-	11,032	-
Mr C W Cumiskey	1,278	-	928	-
Mr J H Pearce	1,278	-	928	-

A Long Term Incentive Plan is in place for eligible employees of the Group although no Conditional Award was made during the year. The Remaining Award shown above has not vested in the individuals and may be varied, subject to the rules of the Plan. The future vesting of the Award is subject to the achievement of specified long term performance criteria of the Group.

CREDITOR PAYMENT POLICY AND PRACTICE

The Company fully supports the CBI initiative on payments to suppliers and has adopted the Prompt Payment Code in respect of all suppliers. Further information and copies of the Code can be obtained from the CBI. Trade creditor days of the Company for the year ended 29th December 2001 were 36 days, based on the ratio of Company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

EMPLOYMENT POLICIES

The employment policies of the Company embody the principles of equal opportunity and are tailored to meet the needs of its business and the local area in which it operates. The involvement of employees in the performance of the business is encouraged and efforts are made to give all employees an understanding of the financial position through periodic company newsletters. The Parent Company, Johnson Service Group PLC, operates an approved Savings Related Share Option Scheme for eligible employees.

Suitable procedures are in operation to support the Company's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. Where members of staff become disabled every effort is made to ensure they are retrained according to their abilities.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (continued)

HEALTH, SAFETY AND THE ENVIRONMENT

The Board is aware of its responsibilities on all matters relating to health, safety and the environment. A working party advises Directors and senior executives on all relevant issues, monitors environmental performance and assists with the education of all employees on health, safety and environmental matters.

EURO

The introduction of the Euro is not expected to have a material impact on the Company.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution to reappoint the auditors PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

COMPANY STATUS

The Directors are advised that the Holding Company, Johnson Service Group PLC, is not a close company within the meaning of the Income and Corporation Taxes Act 1988 and there has been no change in this respect since the end of the financial year.

REGISTERED NUMBER

The Company is incorporated and registered in England and Wales under Company Number 19418.

By Order of the Board



Mrs Y M Monaghan
Secretary

22nd February 2002

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of its profit for the year. In preparing the financial statements on a going concern basis, the Directors ensure that applicable Accounting and Financial Reporting Standards have been followed, and that appropriate accounting policies, consistently applied and supported by judgements and estimates which are both reasonable and prudent, have been used.

The Directors are responsible for maintaining adequate accounting records and for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company are properly safeguarded and that fraud and other irregularities will be prevented or detected.

Independent auditors' report to the members of Johnson Group Management Services Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 29th December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Liverpool
22nd February 2002

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 29TH DECEMBER 2001

	<u>Note</u>	<u>2001</u> £	<u>2000</u> £
Turnover - continuing operations	1	2,020,000	1,880,000
Other operating expenses - continuing operations	2	(2,440,811)	(1,757,519)
Operating (loss) / profit - continuing operations	3	<u>(420,811)</u>	<u>122,481</u>
Net interest	6	(65,384)	(36,675)
(Loss)/profit on ordinary activities before taxation		<u>(486,195)</u>	<u>85,806</u>
Taxation	7	188,611	(10,477)
Retained (loss) / profit	15	<u>(297,584)</u>	<u>75,329</u>

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

A statement showing the movement on reserves is given in note 15 on page 19.

The notes on pages 12 to 20 form an integral part of the financial statements.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED**BALANCE SHEET AS AT 29TH DECEMBER 2001**

	<u>Note</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS			
Tangible assets	8	1,165,907	1,422,280
Investments	9	245,703	404,481
		<u>1,411,610</u>	<u>1,826,761</u>
CURRENT ASSETS			
Stocks of materials and stores	10	538	538
Debtors: Amounts falling due within one year	11	1,357,547	1,079,963
Amounts falling due after one year	11	1,615,997	1,308,692
Sub-total Debtors		2,973,544	2,388,655
Cash at bank and in hand		76,318	827,171
		<u>3,050,400</u>	<u>3,216,364</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	1,521,673	1,954,440
NET CURRENT ASSETS		<u>1,528,727</u>	<u>1,261,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,940,337</u>	<u>3,088,685</u>
Creditors: Amounts falling due after one year	12	-	136,860
PROVISIONS FOR LIABILITIES AND CHARGES	13	1,857,792	1,571,696
NET ASSETS		<u>1,082,545</u>	<u>1,380,129</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Share premium account	15	14,000	14,000
Profit and loss account	15	1,018,545	1,316,129
EQUITY SHAREHOLDERS' FUNDS	16	<u>1,082,545</u>	<u>1,380,129</u>

The notes on pages 12 to 20 form an integral part of the financial statements.

The financial statements on pages 8 to 20 were approved at a meeting of the Board of Directors on 22nd February 2002 and signed on their behalf by:


Y M Monaghan

DIRECTOR

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

STATEMENT OF ACCOUNTING POLICIES

(a) **BASIS OF ACCOUNTING**

The historical cost convention is used throughout these financial statements on a basis consistent with the prior year. The financial statements have been prepared in accordance with Accounting and Financial Reporting Standards applicable in the United Kingdom.

(b) **TURNOVER AND INCOME RECOGNITION**

Turnover which represents the invoiced value of goods and services supplied exclusive of VAT is recognised on an accruals basis.

(c) **PENSION COSTS**

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The regular pension cost is determined in accordance with advice from an independent Actuary and is a substantially level percentage of the current and expected future pensionable payroll. The difference between the charge to the profit and loss account and the contributions paid to the Schemes is shown as an asset or liability in the balance sheet. Variations from the regular cost are spread over the average remaining service lives of current employees who are members of the Schemes.

The Company has taken advantage of the transitional arrangement contained within FRS17, "Retirement Benefits".

(d) **PRIVATE HEALTHCARE**

The cost of providing post retirement healthcare for eligible future retirees is charged to the profit and loss account over the periods benefiting from the employees' services with a corresponding amount shown as a balance sheet provision. The annual cost of post retirement cover for future retirees is determined in accordance with advice from an independent Actuary and is calculated annually by reference to the membership profile and claims experience.

The cost of private healthcare provision for current employees is charged to the profit and loss account on a cash basis and for current retirees is charged to the balance sheet provision.

The Company has taken advantage of the transitional arrangement contained within FRS17, "Retirement Benefits".

(e) **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost less depreciation which is calculated to write off these assets, by equal annual instalments, over their estimated useful lives. The estimated life of plant and fixtures is two to ten years and of vehicles, four to five years.

(f) **INVESTMENT IN OWN SHARES**

Ordinary shares in the Parent Company held by the Trustee of the Long Term Incentive Plan are included on the balance sheet at cost under fixed assets.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

STATEMENT OF ACCOUNTING POLICIES

(g) LONG TERM INCENTIVE PLAN

The expected costs in connection with the provision of shares to the participants of the Long Term Incentive Plan are written off over the 3 year period over which the Performance Criteria are measured.

(h) LEASED ASSETS

Annual rentals payable in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Where assets are financed by leasing (or hire purchase) agreements which give rights approximating to ownership, the assets are treated as if they had been purchased outright. The capital element of outstanding lease (or hire purchase) commitments is treated as a liability and disclosed as obligations under finance agreements. Interest is allocated to the profit and loss account over the period of the lease (or hire purchase) agreement and represents a constant proportion of the outstanding commitment.

(i) STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is stated on a first in, first out basis.

(j) PROVISIONS

SELF INSURANCE

Provision is made for the expected costs of uninsured incidents arising prior to the balance sheet date.

(k) CASH FLOW STATEMENT

The Company has taken advantage of the exemption allowed under FRS 1 (Revised) for a wholly owned subsidiary of a company incorporated in Great Britain not to produce a cash flow statement. Details of the cash flows of the Company are included in the consolidated financial statements of the holding company, Johnson Service Group PLC.

(l) DEFERRED TAXATION

Deferred taxation is provided under the liability method. Timing differences are accounted for to the extent that it is probable that an asset or a liability will crystallise in the foreseeable future.

(m) RELATED PARTY EXEMPTION

The Company has taken advantage of the available exemption under FRS 8, Related Party Transactions, not to provide details of transactions with other Group Companies.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH DECEMBER 2001

1. TURNOVER AND PROFIT BEFORE TAXATION

The Company had only one class of business in the United Kingdom in 2001. The analysis of turnover and profit before taxation by class of business and geographical location has not been given.

2. OTHER OPERATING EXPENSES FROM CONTINUING OPERATIONS

	<u>2001</u>	<u>2000</u>
	£	£
Consist of:		
Administrative expenses	<u>2,440,811</u>	<u>1,757,519</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

Directors' management emoluments (note 4)	450,715	428,780
Depreciation of tangible fixed assets	655,343	609,409
Auditors' remuneration and expenses for:		
- Audit	13,400	31,250
- Other services	171,140	37,710
Staff costs (note 4)	1,885,052	1,670,150
Operating lease payments - plant and machinery	<u>41,881</u>	<u>52,752</u>

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

4. DIRECTORS AND EMPLOYEES

- (a) The average number of persons employed each month by the Company was:

	<u>2001</u>	<u>2000</u>
	Number	Number
Full time	62	65
Part time	6	7
	<u>68</u>	<u>72</u>

- (b) The staff costs relating to these employees were:

	£	£
Wages and salaries	1,578,504	1,382,955
Social security costs	274,332	256,635
Other pension costs (note 5)	32,216	30,560
	<u>1,885,052</u>	<u>1,670,150</u>

- (c) Directors' Emoluments

- i) Aggregate emoluments (excluding employers' pension contributions but including bonuses earned and benefits in kind)
- | | | |
|--|---------|---------|
| | 450,715 | 428,780 |
|--|---------|---------|

Four Directors, other than Directors of the Parent Company, exercised share options in the year, (2000, five). No Directors were granted remaining awards under the Long Term Incentive Plan, (2000, all).

Retirement benefits are accruing to all Directors under a defined benefit scheme at 29th December 2001, (2000, all).

- (d) Highest Paid Director

- i) Aggregate emoluments
- | | | |
|--|---------|--------|
| | 101,612 | 96,648 |
|--|---------|--------|
- ii) Defined benefit pension scheme.
Accrued pension at end of year.
- | | | |
|--|--------|--------|
| | 23,670 | 20,258 |
|--|--------|--------|

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

5. POST RETIREMENT BENEFITS

Pensions

The Company is a wholly owned subsidiary of Johnson Service Group PLC which operates funded defined benefit schemes and defined contribution money purchase schemes on behalf of eligible employees of the Group. Pension costs of individual subsidiary companies are based on pension costs across the Group as a whole and accordingly the company is unable to assess its share of the assets and liabilities of the schemes on a consistent and reasonable basis.

The assets of the schemes are held in separate trustee administered funds. The schemes are subject to independent actuarial valuations every three years, the latest valuations being as at 5th April 1999. Pension costs are assessed in accordance therewith. Particulars of the actuarial valuations of the Group schemes are contained in the financial statements of Johnson Service Group PLC.

The actuarial valuations at 5th April 1999 identified, as had previous valuations, a surplus in all schemes. The cash contribution holiday already in effect was continued in respect of the Defined Benefit Scheme until, at the earliest, the next valuation due on 5th April 2002 and for the Defined Contribution Scheme up to 31st December 2000 after which cash contributions were recommenced by the company at approximately half of the normal rate.

Private Healthcare

Johnson Service Group PLC also operates an unfunded defined benefit private healthcare scheme for eligible retirees of the Group. Private healthcare costs of individual subsidiary companies are based on healthcare costs across the Group as a whole and accordingly the company is unable to assess its share of the assets and liabilities of the scheme on a consistent and reasonable basis.

The scheme is subject to an independent actuarial review which assesses the costs of providing the benefit for future retirees.

Particulars of the actuarial review are contained in the financial statements of Johnson Service Group PLC.

6. NET INTEREST

	<u>2001</u>	<u>2000</u>
	£	£
Interest payable in respect of finance leases	(17,201)	(36,861)
Other interest payable	(7,721)	-
Notional interest on pension contribution provision	(56,172)	(49,524)
Notional interest on post retirement healthcare benefit	(14,560)	(15,468)
	<u>(95,654)</u>	<u>(101,853)</u>
Less: interest receivable on loan to Parent Company	30,270	65,178
	<u>(65,384)</u>	<u>(36,675)</u>

JOHNSON GROUP MANAGEMENT SERVICES LIMITED**NOTES ON THE FINANCIAL STATEMENTS****7. TAXATION**

	<u>2001</u>	<u>2000</u>
	£	£
Group relief (receivable) / payable	(119,413)	58,054
Adjustment in relation to prior years	16,133	(47,577)
Deferred taxation	(85,331)	-
Total (credit) / charge for taxation	<u>(188,611)</u>	<u>10,477</u>

8. TANGIBLE FIXED ASSETS

	Plant, Fixtures and Transport £	Assets held under Finance Leases £	Total £
COST			
At 30th December 2000	876,797	1,561,213	2,438,010
Additions	425,629	-	425,629
Disposals	(322,644)	-	(322,644)
At 29th December 2001	<u>979,782</u>	<u>1,561,213</u>	<u>2,540,995</u>
DEPRECIATION			
At 30th December 2000	430,274	585,456	1,015,730
Charge for the year	265,039	390,304	655,343
Disposals	(295,985)	-	(295,985)
At 29th December 2001	<u>399,328</u>	<u>975,760</u>	<u>1,375,088</u>
NET BOOK VALUE			
At 29th December 2001	<u>580,454</u>	<u>585,453</u>	<u>1,165,907</u>
At 30th December 2000	<u>446,523</u>	<u>975,757</u>	<u>1,422,280</u>

Assets held under finance leases relate to computer equipment.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

9. INVESTMENTS

	<u>2001</u>	<u>2000</u>
	£	£
Investment in 83,126 Ordinary shares in Johnson Service Group PLC (2000: 136,949) at cost	<u>245,703</u>	<u>404,481</u>

Investment in own shares

The Group operates a Long Term Incentive Plan for the benefit of senior executives. When conditional awards, based on 25% of annual salary, are made sufficient shares are purchased by the Trustee of the Plan to satisfy those awards. Shares will be transferred to employees, at nil cost, if their individual targets and the relevant Performance Criteria are met.

The Performance Criteria are that:

- i) The Parent Company's share price growth has exceeded the growth of the Small Cap. index over a consecutive 3 year period commencing with the December preceding the Award Year in respect of which the Award was made, and
- ii) The growth in the Group's earnings per share from the Financial Year ending immediately before the Award Year compared with that 3 years later has exceeded the growth in the Retail Price Index (all items) by 3% per annum compound.

No Awards have been made in respect of 2001.

The market value of the shares at 29th December 2001 was £263,925 (2000: £359,491). Dividends on the shares held by the Trust have been waived.

The number of shares held by the Trustee exceeded the number of shares comprising the Conditional and Remaining Awards due to participants. Accordingly the Company requested the Trustee to transfer some of the unallocated shares to beneficiaries of the Trust. The cost of the shares transferred to the beneficiaries, who are employees of the Company, has been included in staff costs.

10. STOCKS

	<u>2001</u>	<u>2000</u>
	£	£
Stocks of materials and stores	<u>538</u>	<u>538</u>

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

11. DEBTORS

	<u>2001</u>	<u>2000</u>
	£	£
Amounts falling due within one year:		
Amounts owed by Group undertakings	568,824	358,772
Other debtors	657,359	615,264
Prepayments and accrued income	108,684	105,927
Deferred tax	22,680	-
	<u>1,357,547</u>	<u>1,079,963</u>
Amounts falling due after more than one year:		
Amounts owed by Group undertakings	1,553,346	1,308,692
Deferred tax	62,651	-
	<u>1,615,997</u>	<u>1,308,692</u>

12. CREDITORS

	<u>2001</u>	<u>2000</u>
	£	£
Amounts falling due within one year:		
Trade Creditors	14,483	-
Other creditors	434,655	415,275
Obligations under finance leases	136,861	535,155
Corporation tax	-	6,591
Other taxation and social security	124,047	146,112
Accruals	811,627	851,307
	<u>1,521,673</u>	<u>1,954,440</u>
Amounts falling due after more than one year:		
Amounts owed to Group undertakings		
Obligations under finance leases	-	136,860
	<u>-</u>	<u>136,860</u>
Finance leases due after more than one year are repayable as follows:		
Between 1 and 2 years	-	136,860
	<u>-</u>	<u>136,860</u>

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Pension Contributions £	Private Healthcare £	Self Insurance £	Total £
At 30th December 2000	624,143	242,681	704,872	1,571,696
Utilised during year	(394,594)	(39,050)	(170,795)	(604,439)
Charged during year	397,803	-	422,000	819,803
Notional interest	56,172	14,560	-	70,732
At 29th December 2001	<u>683,524</u>	<u>218,191</u>	<u>956,077</u>	<u>1,857,792</u>

Deferred taxation asset

The amount of deferred tax provided and unprovided arises from the tax effect of timing differences on:-

	<u>Provided</u>		<u>Unprovided</u>	
	<u>2001</u> £	<u>2000</u> £	<u>2001</u> £	<u>2000</u> £
Excess of depreciation over tax allowances at the expected rate of taxation	(85,331)	-	-	(64,000)
Pension contributions	-	-	(190,000)	(187,000)
Private healthcare	-	-	(65,000)	(73,000)
Self insurance	-	-	-	(11,000)
Other timing differences	-	-	-	(13,000)
Deferred tax asset	<u>(85,331)</u>	<u>-</u>	<u>(255,000)</u>	<u>(348,000)</u>

Self Insurance

The provision in respect of general insurance is expected to be fully utilised within five years, except for any claims resulting in litigation.

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

14. CALLED UP SHARE CAPITAL

	At 29th December 2001		At 30th December 2000	
	Authorised	Allotted, called up and fully paid	Authorised	Allotted, called up and fully paid
	£	£	£	£
50,000 Ordinary Shares of £1 each	50,000	50,000	50,000	50,000

15. RESERVES

	Share premium account	Profit and loss account
	£	£
At 30th December 2000	14,000	1,316,129
Retained profit for the year	-	(297,584)
At 29th December 2001	14,000	1,018,545

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u>	<u>2000</u>
	£	£
(Loss) / profit for the financial year	(297,584)	75,329
Opening shareholders' funds	1,380,129	1,304,800
Closing shareholders' funds	1,082,545	1,380,129

17. FUTURE COMMITMENTS

CAPITAL

There were no capital commitments at 29th December 2001 (2000: Nil).

REVENUE

Plant and machinery operating leases which expire:

	<u>2001</u>	<u>2000</u>
	£	£
Within 1 year	11,344	23,919

JOHNSON GROUP MANAGEMENT SERVICES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

18. CONTINGENT LIABILITY

The Company entered into a cross guarantee arrangement in favour of the The Royal Bank of Scotland PLC regarding the banking facilities of the Group. No loss is expected to result from this arrangement.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is Johnson Service Group PLC. Copies of the parent's consolidated Financial Statements may be obtained from The Secretary, Johnson Service Group PLC, Mildmay Road, Bootle, Merseyside L20 5EW.