

**JOHNSON INVESTMENT LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED**  
**25TH DECEMBER 2004**  
**REGISTERED NO. 3864174**



## **JOHNSON INVESTMENT LIMITED**

	<b>Page</b>
Directors and advisors	1
Directors' report	2 - 4
Report of the independent auditors	5
Profit and loss account	6
Balance sheet	7
Statement of accounting policies	8
Notes to the financial statements	9-13

**JOHNSON INVESTMENT LIMITED**

**DIRECTORS AND ADVISORS**

Directors	J H Wilkinson BSc, ACA Y M Monaghan BSc, FCA
Secretary	Y M 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 LLP Chartered Accountants and Registered Auditors 8 Princes Parade St Nicholas Place Liverpool L3 1QJ

## **JOHNSON INVESTMENT LIMITED**

### **DIRECTORS' REPORT**

The Directors submit for consideration their annual report and the audited financial statements for the 52 weeks ended 25th December 2004.

### **ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company is that of an investment holding company. The results for the year are shown on page 6.

The Directors consider the financial position of the Company at 25th December 2004 to be satisfactory.

### **RESULTS**

The Company's operating loss for the 52 weeks were as follows:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Operating loss	32	29

The Directors paid a dividend of £8,000,000 (2003: £10,284,885).

The retained profit for the year after taxation was £69,704 (2003: profit £13,952).

### **DIRECTORS**

A list of Directors of the Company is shown on page 1. On 27th September 2004, Mr. Michael A. Sutton resigned as director and Mr. James H. Wilkinson was appointed as director of the company. Mrs Y. M. Monaghan served throughout the year.

### **DIRECTORS' INTERESTS**

The interests of the Directors who were in office at 25th December 2004, together with the interests of their families, in the share capital of the Parent Company, Johnson Service Group PLC at the commencement and close of the financial year, other than Mr J H Wilkinson, who was also a director of that Company were:

<u>Beneficial Interests</u>	Ordinary Shares of 10p each	Options over Ordinary Shares of 10p each
<b>Mrs Y M Monaghan</b>		
At 27.12.03	7,556	76,368
At 25.12.04.	9,632	70,895

## **JOHNSON INVESTMENT LIMITED**

### **DIRECTORS' REPORT**

#### **DIRECTORS' INTERESTS (continued)**

The interests of Mr J H Wilkinson are shown in the Annual Report of Johnson Service Group Plc.

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
Mrs Y M Monaghan	24,304	7,887	21,890

#### **AUDITORS**

PricewaterhouseCoopers LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under Section 386 of the Companies Act 1985.

#### **ELECTIVE RESOLUTIONS**

The Company has passed elective resolutions to dispense with the holding of Annual General Meetings, the laying of the report and accounts before the Company and the obligation to appoint auditors annually.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 25th December 2004 and that applicable accounting standards have been followed.

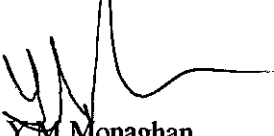
## **JOHNSON INVESTMENT LIMITED**

### **DIRECTORS' REPORT**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable that the financial statements comply with the Companies Act 1985. 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.

**By Order of the Board**

A handwritten signature in black ink, appearing to be 'Y M Monaghan', written over a horizontal line.

Mrs Y M Monaghan  
Secretary

4th March 2005

## **Independent auditors' report to the members of Johnson Investment 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. This report including the opinion has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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.

### **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 25th December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Liverpool  
4th March 2005

**JOHNSON INVESTMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**

**FOR THE 52 WEEKS ENDED 25TH DECEMBER 2004**

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
<b>Operating loss</b>	2	(32)	(29)
Income from investments		8,300,000	10,284,885
Net interest	4	(328,963)	19,960
<b>Profit on ordinary activities before taxation</b>	1	<u>7,971,005</u>	<u>10,304,816</u>
Taxation credit / (charge)	5	<u>98,699</u>	<u>(5,979)</u>
<b>Profit for the financial year</b>		<u>8,069,704</u>	<u>10,298,837</u>
Dividends and appropriations	6	<u>(8,000,000)</u>	<u>(10,284,885)</u>
<b>Retained profit</b>	11	<u>69,704</u>	<u>13,952</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.



**JOHNSON INVESTMENT LIMITED****BALANCE SHEET AS AT 25TH DECEMBER 2004**

	<u>Note</u>	<u>2004</u> £	<u>2003</u> £
<b>FIXED ASSETS</b>			
Investments	7	<u>247,706,159</u>	<u>247,706,159</u>
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	8	<u>11,632,228</u>	<u>16,932,228</u>
Amounts falling due after one year	8	<u>-</u>	<u>3,837,888</u>
Sub-total Debtors		11,632,228	20,770,116
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	9	2,439,208	12,765,541
<b>NET CURRENT ASSETS</b>		<u>9,193,020</u>	<u>8,004,575</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		256,899,179	255,710,734
Creditors: Amounts falling due after one year	9	1,118,741	-
<b>NET ASSETS</b>		<u>255,780,438</u>	<u>255,710,734</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	247,915,161	247,915,161
Share premium account	11	7,781,621	7,781,621
Profit and loss account	11	83,656	13,952
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	<u>255,780,438</u>	<u>255,710,734</u>

The financial statements on pages 6 to 13 were approved at a meeting of the Board of Directors on 4th March 2005 and signed on their behalf by:

  
Y M Monaghan

DIRECTOR

## **JOHNSON INVESTMENT LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **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.

#### **FOREIGN CURRENCIES**

Assets, liabilities (including long term liabilities) and share capital, in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Where an item is hedged it is stated in the balance sheet at the rate implied by the hedging instrument. Differences arising from the translation of investments together with exchange differences on the translation of foreign currency borrowings funding such investments are taken to reserves. Differences arising on the translation of share capital are treated as an appropriation of profits. All other exchange differences are recognised in the profit and loss account.

#### **DEFERRED TAXATION**

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are reported in the profit and loss account. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

#### **INVESTMENTS**

Investments are valued at cost to the Company less provision for impairment.

#### **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.

#### **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 INVESTMENT LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 25TH DECEMBER 2004**

**1. PROFIT BEFORE TAXATION**

The Company had only one class of business in the United Kingdom in 2004.

**2. OTHER OPERATING EXPENSES FROM CONTINUING OPERATIONS**

	<u>2004</u>	<u>2003</u>
	£	£
Consist of:		
Administrative expenses	<u>32</u>	<u>29</u>

Auditors' remuneration is borne by Johnson Service Group PLC, the company's parent.

**3. DIRECTORS AND EMPLOYEES**

The Directors received no emoluments during the year (2003: Nil). The Company had no employees during the year (2003: Nil).

**4. NET INTEREST**

	<u>2004</u>	<u>2003</u>
	£	£
Interest payable to group undertakings	(328,963)	-
Interest receivable on loan to Parent Company	<u>-</u>	<u>19,960</u>
	<u>(328,963)</u>	<u>19,960</u>

**5. TAXATION**

	<u>2004</u>	<u>2003</u>
	£	£
<i>Current taxation</i>		
U.K. Corporation tax at 30% (2003: 30%)	<u>(98,699)</u>	<u>5,979</u>
Total (credit) / charge for taxation	<u>(98,699)</u>	<u>5,979</u>

## JOHNSON INVESTMENT LIMITED

### NOTES ON THE FINANCIAL STATEMENTS

#### 5. TAXATION (continued)

The tax for the period is lower than (2003: lower) the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2004</u>	<u>2003</u>
	£	£
Profit on ordinary activities before tax	<u>7,971,005</u>	<u>10,304,816</u>
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	2,391,301	3,091,445
<i>Factors affecting charge for the period:</i>		
Non-taxable income	<u>(2,490,000)</u>	<u>(3,085,466)</u>
Current tax (credit) / charge for the year	<u>(98,699)</u>	<u>5,979</u>

#### 6. DIVIDENDS AND APPROPRIATIONS

	<u>2004</u>	<u>2003</u>
	£	£
The Directors paid a dividend for the period ending 25th December 2004 of:		
3.23p per Ordinary Share (2003: 4.15p per Ordinary Share)	1,997,947	2,568,581
3.23p per "A" Ordinary Share (2003: 4.15p per "A" Ordinary Share)	<u>6,002,053</u>	<u>7,716,304</u>
	<u>8,000,000</u>	<u>10,284,885</u>

## **JOHNSON INVESTMENT LIMITED**

### **NOTES ON THE FINANCIAL STATEMENTS**

#### **7. INVESTMENTS**

Shares in  
subsidiary  
undertakings  
£

##### **COST**

At 27th December 2003 and 25th December 2004

247,706,159

##### **Company**

Semara Investments Limited  
Semara Nominees Limited  
Semara Trustees Limited  
M Collins Limited  
Semara Limited  
Semara Group Limited  
Greaseaters Limited  
European Workwear Limited  
Semara BCG Limited  
Oxford Software Limited  
ELT Uniforms Limited  
M.S.H.A. Limited  
J.S.H.A. Limited  
Roboserve Limited  
Stuarts Express Dyers & Cleaners  
Limited

##### **Activity**

Investment holding  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Investment holding  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Non-trading  
Non-trading

The company owns 100% of the issued Ordinary shares of all subsidiary undertakings, all of which operate and are registered in England and Wales. As permitted under Section 228 of the Companies Act 1985, consolidated accounts have not been prepared.

#### **8. DEBTORS**

	<u>2004</u>	<u>2003</u>
	£	£
Amounts falling due within one year:		
Amounts owed by Group undertaking	<u>11,632,228</u>	<u>16,932,228</u>
Amounts falling due after one year:		
Amounts owed by Parent undertaking	<u>-</u>	<u>3,837,888</u>

**JOHNSON INVESTMENT LIMITED****NOTES ON THE FINANCIAL STATEMENTS****9. CREDITORS**

	<u>2004</u>	<u>2003</u>
	£	£
<b>Amounts falling due within one year:</b>		
Bank overdraft	32	-
Amounts owed to Group undertakings	2,439,176	2,480,656
Proposed dividend	-	10,284,885
	<u>2,439,208</u>	<u>12,765,541</u>
<b>Amounts falling due after one year:</b>		
Amounts owed to Group undertakings	<u>1,118,741</u>	<u>-</u>

**10. CALLED UP SHARE CAPITAL**

	At 25th December 2004		At 27th December 2003	
	Authorised	Allotted, called up and fully paid	Authorised	Allotted, called up and fully paid
	£	£	£	£
100,000,000 Ordinary Shares of £1 each	100,000,000	61,915,161	100,000,000	61,915,161
203,703,514 "A" Ordinary Shares of £0.91309176 each	186,000,000	186,000,000	186,000,000	186,000,000
		<u>247,915,161</u>		<u>247,915,161</u>

**11. RESERVES**

	Share Premium account	Profit and loss account
	£	£
At 28th December 2003	7,781,621	13,952
Retained profit for the year	-	69,704
At 25th December 2004	<u>7,781,621</u>	<u>83,656</u>

## **JOHNSON INVESTMENT LIMITED**

### **NOTES ON THE FINANCIAL STATEMENTS**

#### **12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2004</u>	<u>2003</u>
	£	£
Profit for the financial year	69,704	10,298,837
Dividend	-	(10,284,885)
Net addition to shareholders' funds	<u>69,704</u>	<u>13,952</u>
Opening shareholders' funds	255,710,734	255,696,782
Closing shareholders' funds	<u>255,780,438</u>	<u>255,710,734</u>

#### **13. 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.

#### **14. 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.