

Company registration number 15600432 (England and Wales)

Johnson Tiles Limited
Annual report and financial statements
For the period ended 30 March 2025

Johnson Tiles Limited

Company information

Directors	S Dixon	(Appointed 28 March 2024)
	R Kelsall	(Appointed 18 April 2024)
	A Cobden	(Appointed 18 April 2024)
	J Bridges	(Appointed 18 April 2024)
	M Birks	(Appointed 18 April 2024)

Company number 15600432

Registered office Harewood Street
Tunstall
Stoke On Trent
England
ST6 5JZ

Auditor DJH Audit Limited
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Johnson Tiles Limited

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 24

Johnson Tiles Limited

Strategic report

For the period ended 30 March 2025

The directors present the strategic report for the period ended 30 March 2025.

Review of the business

Following the acquisition of the Johnson Tiles division from Norcros plc on 19th May 2024, the business has progressed well. The manufacturing plant was closed in June 2024 and associated costs exited. The switch from UK manufactured product to outsourced production improved gross margins and moved the business to a profitable and cash generative operation. The balance sheet and cash flow are in a stronger position than budgeted due to the operational improvements made. The directors are confident of growing the business further from this sound foundation.

Principal risks and uncertainties

General Economic Risk

The company is not immune from the risks and uncertainties facing the wider UK economy. However, given its strong customer service and relationships these risks are minimised.

Foreign Exchange Risks

A significant proportion of the companies purchases are settled in foreign currencies. As a result, there is a potential risk for currency gains or losses. This risk is managed closely by the board to minimise the exposure to currency fluctuations.

Development and performance

The focus of the business on people, service, quality, stock availability and customer relationships coupled with a strong financial base leave it well placed to grow both organically and through targeted acquisitions.

In relation to this, on 6th June 2025, the company has acquired the trade and assets of Total Tiles Ltd for effective consideration of £350,000.

Key performance indicators

The company is focused on profitability growing sales. As such, sales (£21.9m in 2025), gross margin (24.5% in 2025) and adjusted operating profit before goodwill (£0.6m in 2025), are the key measures used by the board to assess performance.

On behalf of the board

S Dixon
Director

18 July 2025

Johnson Tiles Limited

Directors' report

For the period ended 30 March 2025

The directors present their annual report and financial statements for the period ended 30 March 2025.

The company was incorporated on 28 March 2024 and commenced trading on 19 May 2024.

Principal activities

The principal activity of the company is the supply of wall and floor tiles.

Results and dividends

The results for the period are set out on page 8.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

S Dixon	(Appointed 28 March 2024)
R Kelsall	(Appointed 18 April 2024)
A Cobden	(Appointed 18 April 2024)
J Bridges	(Appointed 18 April 2024)
M Birks	(Appointed 18 April 2024)

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

S Dixon
Director

18 July 2025

Johnson Tiles Limited

Directors' responsibilities statement

For the period ended 30 March 2025

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; 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.

Johnson Tiles Limited

Independent auditor's report

To the members of Johnson Tiles Limited

Opinion

We have audited the financial statements of Johnson Tiles Limited (the 'company') for the period ended 30 March 2025 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2025 and of its profit for the period 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

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.

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Johnson Tiles Limited

Independent auditor's report (continued)

To the members of Johnson Tiles Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Johnson Tiles Limited

Independent auditor's report (continued)

To the members of Johnson Tiles Limited

The extent to which the audit was considered 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries posted during the period and at the period end to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors; and
- reviewing legal and professional fees incurred during the period.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Johnson Tiles Limited

Independent auditor's report (continued)

To the members of Johnson Tiles Limited

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.

Nicola Johnson (Senior Statutory Auditor)

For and on behalf of DJH Audit Limited, Statutory Auditor
Accountants
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ
21 July 2025

Johnson Tiles Limited

Statement of comprehensive income

For the period ended 30 March 2025

	Notes	Period ended 30 March 2025 £000's
Turnover	3	21,948
Cost of sales		(16,582)
		<hr/>
Gross profit		5,366
Administrative expenses		448
Other operating income		76
		<hr/>
Operating profit	4	5,890
Interest payable and similar expenses	7	(241)
		<hr/>
Profit before taxation		5,649
Tax on profit	8	(98)
		<hr/>
Profit for the financial period		<u>5,551</u>

Johnson Tiles Limited

Statement of financial position

As at 30 March 2025

		2025	
	Notes	£000's	£000's
Fixed assets			
Negative goodwill	9		(2,149)
Other intangible assets	9		37
Total intangible assets			(2,112)
Tangible assets	10		421
			(1,691)
Current assets			
Stocks	12	6,985	
Debtors	13	8,842	
Cash at bank and in hand		1,926	
		17,753	
Creditors: amounts falling due within one year	14	(9,716)	
Net current assets			8,037
Total assets less current liabilities			6,346
Creditors: amounts falling due after more than one year	15		(719)
Provisions for liabilities			
Deferred tax liability	17	(76)	(76)
Net assets			5,551
Capital and reserves			
Called up share capital	19		-
Profit and loss reserves			5,551
Total equity			5,551

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 18 July 2025 and are signed on its behalf by:

S Dixon
Director

Company registration number 15600432 (England and Wales)

Johnson Tiles Limited

Statement of changes in equity

For the period ended 30 March 2025

	Share capital	Profit and loss reserves	Total
	£000's	£000's	£000's
Period ended 30 March 2025:			
Profit and total comprehensive income	-	5,551	5,551
	<hr/>	<hr/>	<hr/>
Balance at 30 March 2025	-	5,551	5,551
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Johnson Tiles Limited

Notes to the financial statements

For the period ended 30 March 2025

1 Accounting policies

Company information

Johnson Tiles Limited is a private company limited by shares incorporated in England and Wales. The registered office is Harewood Street, Tunstall, Stoke On Trent, England, ST6 5JZ.

1.1 Reporting period

These are the first period of accounts for the company and are therefore presented for the period from 28 March 2024 to 30 March 2025.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000's.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Johnson Tiles Holdings Limited. These consolidated financial statements are available from its registered office, Harewood Street, Tunstall, Stoke On Trent, ST6 5JZ.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

1 Accounting policies

(Continued)

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

In accordance with FRS102 if the acquirer's interest in the net amount of the identifiable assets, liabilities and provisions for contingent liabilities recognised exceeds the cost of the business combination (also referred to as 'negative goodwill'), the acquirer shall:

- (a) Reassess the identification and measurement of the acquiree's assets, liabilities and provisions for contingent liabilities and the measurement of the cost of the combination.
- (b) Recognise and separately disclose the resulting excess on the face of the statement of financial position on the acquisition date, immediately below goodwill, and followed by a subtotal of the net amount of goodwill and the excess.
- (c) Recognise subsequently the excess up to the fair value of non-monetary assets acquired in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to be benefited.

The excess is expected to release within 1-2 years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Between 2 and 3 years straight line
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1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Plant and equipment	Between 1 and 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Assets under construction are not depreciated and will commence depreciation when they become in use.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is calculated using a standard costing method comprising cost of goods and, where applicable, duty and carriage costs incurred in bringing the stocks to their present location and condition. At each reporting date, management recalculate the standard costing amounts to be used.

At each reporting date, an assessment is made for impairment using both net realisable value and ageing as methods for impairment scrutiny. Management calculate a rolling average selling price and stock movement for each line item over the last 12 months which is used to estimate the net realisable value of the items. As items in stock can be held for longer periods, a separate impairment calculation is completed to reflect management's expectation that stock should be sold within 6 months and after this point the selling price would likely be significantly reduced. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.12 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

As lessee

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 Expenditure classification

The company has elected to classify costs commonly associated as distribution costs as cost of sales due to the policy of goods being sold on a delivered basis.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Negative goodwill

Negative goodwill has arisen due to the cost of the business combination being less than the fair value of the interest acquired in identifiable assets and liabilities. The directors have used their experience and judgement to calculate the fair value of the stock acquired. This has then been used as the basis for the release of the negative goodwill, this being the useful life of the non-monetary asset it relates to.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provisions

The directors have established procedures (see stock accounting policy) to monitor stock line items considered to be slow moving or likely to be sold at a discount on cost, to ensure that the carrying value of these items remains recoverable. Where considered appropriate, a provision is recognised for items where the recoverable value is estimated to be lower than the carrying value.

Deferred consideration

Deferred consideration has been included at a discounted value using a market rate estimate at the time of the transaction. The company has used a discount rate of 11% based on market research.

3 Turnover

	2025 £000's
Turnover analysed by geographical market	
United Kingdom	21,737
European Union	88
Rest of world	123
	<hr/>
	21,948
	<hr/> <hr/>

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

4 Operating profit

	2025
	£000's
Operating profit for the period is stated after charging/(crediting):	
Exchange losses	136
Research and development costs	1
Fees payable to the company's auditor for the audit of the company's financial statements	20
Depreciation of owned tangible fixed assets	68
Amortisation of intangible assets	12
Release of negative goodwill	(5,450)
Operating lease charges	387
	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2025
	Number
Directors	5
Sales and distribution staff	81
Administration staff	26
Total	<u> </u>
	<u> </u>

Their aggregate remuneration comprised:

	2025
	£000's
Wages and salaries	3,935
Social security costs	378
Pension costs	233
	<u> </u>
	<u> </u>

6 Directors' remuneration

	2025
	£000's
Remuneration for qualifying services	686
Company pension contributions to defined contribution schemes	26
	<u> </u>
	<u> </u>

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

6 Directors' remuneration **(Continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5.

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2025
	£000's
Remuneration for qualifying services	237
	<u> </u>

7 Interest payable and similar expenses

	2025
	£000's
Interest on bank overdrafts and loans	181
Other interest on financial liabilities	60
	<u> </u>
	241
	<u> </u>

8 Taxation

	2025
	£000's
Current tax	
UK corporation tax on profits for the current period	22
	<u> </u>
Deferred tax	
Origination and reversal of timing differences	76
	<u> </u>
Total tax charge	98
	<u> </u>

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

8 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2025
	£000's
Profit before taxation	5,649
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00%	1,412
Tax effect of expenses that are not deductible in determining taxable profit	23
Tax effect of income not taxable in determining taxable profit	(1,362)
Permanent capital allowances in excess of depreciation	25
Taxation charge for the period	98

9 Intangible fixed assets

	Negative goodwill	Software	Total
	£000's	£000's	£000's
Cost			
At 28 March 2024	-	-	-
Additions	(7,599)	49	(7,550)
At 30 March 2025	(7,599)	49	(7,550)
Amortisation and impairment			
At 28 March 2024	-	-	-
Amortisation charged for the period	(5,450)	12	(5,438)
At 30 March 2025	(5,450)	12	(5,438)
Carrying amount			
At 30 March 2025	(2,149)	37	(2,112)

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

10 Tangible fixed assets

	Leasehold improvements £000's	Assets under construction £000's	Plant and equipment £000's	Total £000's
Cost				
At 28 March 2024	-	-	-	-
Additions	120	51	318	489
At 30 March 2025	120	51	318	489
Depreciation and impairment				
At 28 March 2024	-	-	-	-
Depreciation charged in the period	6	-	62	68
At 30 March 2025	6	-	62	68
Carrying amount				
At 30 March 2025	114	51	256	421

11 Subsidiaries

Details of the company's subsidiaries at 30 March 2025 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Johnson Tiles Property Limited	C/o Johnson Tiles Limited, Harewood Street, Tunstall, Stoke On Trent, ST6 5JZ	Ordinary £1	100.00

12 Stocks

	2025 £000's
Finished goods and goods for resale	6,985

At the year end, stock is stated after provisions for impairment of £6,169,000.

13 Debtors

Amounts falling due within one year:	2025 £000's
Trade debtors	4,609
Other debtors	125
Prepayments and accrued income	397
	5,131

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

13 Debtors **(Continued)**

	2025
	£000's
Amounts falling due after more than one year:	
Amounts owed by group undertakings	3,711
	<u> </u>
Total debtors	8,842
	<u> </u>

Amounts owed by group undertakings are unsecured and interest free. These loans are expected to be repaid in more than one year as the loan is repayable within 12 months and 1 day after written notice being given.

14 Creditors: amounts falling due within one year

	Notes	2025
		£000's
Bank facility	16	2,851
Trade creditors		3,539
Corporation tax		22
Other taxation and social security		1,042
Deferred income		84
Other creditors		1,291
Accruals and deferred income		887
		<u> </u>
		9,716
		<u> </u>

15 Creditors: amounts falling due after more than one year

	2025
	£000's
Other creditors	719
	<u> </u>

16 Loans and overdrafts

	2025
	£000's
Bank facility	2,851
	<u> </u>
Payable within one year	2,851
	<u> </u>

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

16 Loans and overdrafts

(Continued)

The facility is secured by fixed and floating charges over all property and undertakings of the business and a group cross guarantee in favour of Allica Financial Services Limited.

A director of the company has provided a personal guarantee of £100,000 in relation to the facility provided by Allica Financial Services Limited.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities
	2025
	£000's
Balances:	
Accelerated capital allowances	76
	<u>76</u>
	2025
	£000's
Movements in the period:	
Liability at 28 March 2024	-
Charge to profit or loss	76
	<u>76</u>
Liability at 30 March 2025	76
	<u>76</u>

18 Retirement benefit schemes

Defined contribution schemes

2025

£000's

Charge to profit or loss in respect of defined contribution schemes	233
	<u>233</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2025	2025
	Number	£000's
Ordinary share capital		
Ordinary shares of £1 each	400	-
	<u>400</u>	<u>-</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

On incorporation, the company issued 200 £1 ordinary shares at par value.

On 18 April 2024, the company issued a further 200 £1 ordinary shares at par value.

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

20 Acquisitions

On 19 May 2024 the company acquired certain business and assets of Norcros Group (Holdings) Limited.

	Fair Value £000's
Property, plant and equipment	183
Inventories	9,031
Trade and other receivables	6,312
Cash and cash equivalents	3
Trade and other payables	(6,765)
Tax liabilities	(506)
	<hr/>
Total identifiable net assets	8,258
Goodwill	(7,599)
	<hr/>
Total consideration	659
	<hr/> <hr/>
Satisfied by:	£000's
Deferred consideration	659
	<hr/> <hr/>
Contribution by the acquired business for the reporting period since acquisition:	£000's
Turnover	21,949
Profit after tax	5,643
	<hr/> <hr/>

The negative goodwill arising on acquisition is considered to have a useful life of 1-2 years attributable to the value of the non-monetary assets acquired.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £000's
Within one year	280
Between two and five years	1,685
	<hr/>
	1,965
	<hr/> <hr/>

Johnson Tiles Limited

Notes to the financial statements (continued)

For the period ended 30 March 2025

22 Events after the reporting date

On 6th June 2025, the company has acquired the trade and assets of Total Tiles Ltd for effective consideration of £350,000.

23 Ultimate controlling party

The immediate parent company and ultimate controlling company is Johnson Tiles Holdings Limited, a company incorporated in England. This is also the smallest and largest group into which this entity is consolidated. Copies of the group financial statements are available from Harewood Street, Tunstall, Stoke on Trent, ST6 5JZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.