Registered number: 05781603

Johnsons Photopia Group Limited

Financial statements

For the Year Ended 31 December 2016

DAINS
ACCOUNTANTS

Johnsons Photopia Group Limited
Registered number:05781603

Consolidated balance sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	6		**900,000**		1,000,000
Tangible assets	7		**27,905**		52,994
			927,905		1,052,994
Current assets					
Stocks	9	**246,782**		443,772	
Debtors	10	**675,797**		637,412	
Cash at bank and in hand	11	**560**		926	
		923,139		1,082,110	
Creditors: amounts falling due within one year	12	**(1,237,921)**		(1,412,241)	
Net current liabilities			**(314,782)**		(330,131)
Total assets less current liabilities			**613,123**		722,863
Creditors: amounts falling due after more than one year	13		**(527,752)**		(593,428)
Provisions for liabilities					
Net assets			**85,371**		129,435
Capital and reserves					
Called up share capital	17		**817**		817
Share premium account	18		**516,483**		516,483
Other reserves	18		**130,552**		73,772
Profit and loss account			**(562,481)**		(461,637)
			85,371		129,435

Consolidated balance sheet (continued)
As at 31 December 2016

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the directors' report and the audit report in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29/09/2017

T J Harrison
Director

The notes on pages 4 to 19 form part of these financial statements.

Johnsons Photopia Group Limited
Registered number:05781603

Company balance sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Investments	8		**1,500,000**		1,500,000
			1,500,000		1,500,000
Current assets					
Debtors	10	**33**		34	
		33		34	
Creditors: amounts falling due within one year	12	**(272,425)**		(324,254)	
Net current liabilities			**(272,392)**		(324,220)
Total assets less current liabilities			**1,227,608**		1,175,780
Creditors: amounts falling due after more than one year	13		**(412,448)**		(424,228)
Net assets			**815,160**		751,552
Capital and reserves					
Called up share capital	17		**817**		817
Share premium account	18		**516,483**		516,483
Capital reserve	18		**130,552**		73,772
Profit and loss account	18		**167,308**		160,480
			815,160		751,552

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statements of comprehensive income, the statement of changes in equity, the directors' report and the audit reportin accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T J Harrison
Director

Date: 29/09/2017

The notes on pages 4 to 19 form part of these financial statements.

1. General information

Johnsons Photopia Group Limited is a company limited by shares, incorporated in England and Wales. Its *registered office is Hempstalls Lane, Newcastle-under-Lyme, Staffordshire, ST5 0SW.*

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The company has net current liabilities of £272,392 and net assets of £815,160 at 31 December 2016. However, the main trading subsidiary undertaking, Johnsons Photopia Limited, has made a profit for the year of £142,331 and has net assets at 31 December 2016 of £324,734. In the opinion of the directors, the company is able to draw upon sufficient reserves from Johnsons Photopia Limited to enable the company to service its debts as they fall due.

The group has net current liabilities of £314,782 and net assets of £85,371 at 31 December 2016. The group has the support of its bankers by virtue of an invoice discounting and working capital facility, and acknowledges the fact that the provider of additional finance in the form of other loans has confirmed a willingness to flex the repayment terms of those loans if appropriate and has produced forecasts which indicate that in the opinion of the directors the group is able to service its debts as they fall due. For this reason, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Goodwill is amortised on a straight line basis over 10 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and Machinery	- Between 3 and 6 years straight line
Leasehold Improvements	- Between 3 and 6 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

2.15 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. Accounting policies (continued)

2.17 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.18 Leased assets

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2. Accounting policies (continued)

2.21 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.22 Impairment of intangible assets

Impairment of intangile assets are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Estimates have been made in relation to the valuation of and the provision against certain stock items. This relates to the net realisable value of stock held. Stock is valued at £246,780 in these financial statements.

Estimates have been made in relation to the valuation of the investment in subsidiary undertakings and the valuation of the goodwill. These relate to the net book value of the assets held. Goodwill is valued at £900,000 and investment is subsidiary undertakings is valued at £1,500,000 in these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 47 (2015 - 50).

5. Impariment of intangible assets

	2016	2015
	£	£
Impariment of intangible assets	-	1,279,233

The directors considered the carrying value of the goodwill in the trading subsidiary company Johnsons Photopia Limited. An impariment charge was considered appropriate to reduce the net book value to £1,000,000 at 31 December 2015.

6. Intangible assets

Group and Company

	Goodwill
	£
Cost	
At 1 January 2016	**4,218,692**
At 31 December 2016	**4,218,692**
Amortisation	
At 1 January 2016	**3,218,692**
Charge for the year	**100,000**
At 31 December 2016	**3,318,692**
Net book value	
At 31 December 2016	**900,000**
At 31 December 2015	1,000,000

7. Tangible fixed assets

Group

	Plant and machinery £	Leasehold Improve-ments £	Total £
Cost or valuation			
At 1 January 2016	**299,400**	**113,623**	**413,023**
Additions	**5,609**	**-**	**5,609**
At 31 December 2016	**305,009**	**113,623**	**418,632**
Depreciation			
At 1 January 2016	**246,406**	**113,623**	**360,029**
Charge for the year on owned assets	**30,699**	**-**	**30,699**
At 31 December 2016	**277,105**	**113,623**	**390,728**
Net book value			
At 31 December 2016	**27,904**	**-**	**27,904**
At 31 December 2015	52,994	-	52,994

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	**14,933**	21,757
	14,933	21,757

8. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Johnsons Photopia Limited	UK	Ordinary shares	100 %	Distribution and servicing of photographic and imaging equipment
Johnsons of Hendon Limited	UK	Ordinary shares	100 %	Dormant Holding company
Johnsons Photopia Holdings Limited	UK	Ordinary shares	100 %	Dormant Holding company
Digital Imaging Solutions Limited	UK	Ordinary shares	100 %	Dormant subsidary
Japanese Cameras Limited	UK	Ordinary shares	100 %	Dormant subsidary
Direct 2U Limited	UK	Ordinary shares	100 %	Dormant subsidary
JP Camera Phone Service Limited	UK	Ordinary shares	100 %	Dormant subsidary

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Johnsons Photopia Limited	**324,735**	**142,331**
Johnsons of Hendon Limited	**1,138,002**	-
Johnsons Photopia Holdings Limited	**63,826**	-
Digital Imaging Solutions Limited	**109,000**	-
Japanese Cameras Limited	**1,000**	-
Direct 2U Limited	**2**	-
JP Camera Phone Service Limited	**1**	-

8. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	**4,622,854**
At 31 December 2016	**4,622,854**
Impairment	
At 1 January 2016	**3,122,854**
At 31 December 2016	**3,122,854**
Net book value	
At 31 December 2016	***1,500,000***
At 31 December 2015	1,500,000

9. Stocks

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Finished goods and goods for resale	**246,782**	443,772	**-**	-
	246,782	443,772	**-**	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	**613,580**	583,351	-	-
Other debtors	-	2	-	1
Called up share capital not paid	**33**	33	**33**	33
Prepayments and accrued income	**62,184**	54,026	-	-
	675,797	637,412	**33**	34

11. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	**560**	926	-	-
Less: bank overdrafts	**(553,571)**	(477,039)	-	-
	(553,011)	(476,113)	-	-

12. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	**553,571**	477,039	-	-
Other loans	**6,000**	60,000	**6,000**	60,000
Trade creditors	**315,423**	427,398	-	-
Amounts owed to group undertakings	-	-	**232,748**	181,386
Corporation tax	**100,124**	180,730	-	-
Taxation and social security	**90,808**	106,616	**255**	833
Obligations under finance lease and hire purchase contracts	**1,503**	3,626	-	-
Other creditors	**98,247**	91,007	**33,394**	82,035
Accruals and deferred income	**72,245**	65,825	**28**	-
	1,237,921	1,412,241	**272,425**	324,254

Secured loans

The bank loan and overdraft of £533,571 (2015 - £477,039) are secured by a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled share capital, both present and future and a first floating charge over all assets and undertakings both present and future.

The liability in respect of net obligations under finance leases is secured on the related assets.

13. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other loans	**412,448**	424,228	**412,448**	424,228
Net obligations under finance leases and hire purchase contracts	**2,504**	-	-	-
Other creditors	**112,800**	169,200	-	-
	527,752	593,428	**412,448**	424,228

Secured loans

The liability in respect of net obligations under finance leases is secured on the related assets.

14. Loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Other loans	**6,000**	60,000	**6,000**	60,000
Other loans	**218,448**	376,228	**218,448**	376,228
Other loans	**194,000**	48,000	**194,000**	48,000

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	**1,503**	3,626
Between 1-2 years	**2,504**	-
	4,007	3,626

16. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial liabilities				
Financial liabilities measured at present value	**(418,448)**	(484,228)	**(418,448)**	(484,228)
	(418,448)	(484,228)	**(418,448)**	(484,228)

Financial liabilities measured at present value comprise of other loans.

17. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
517 B Ordinary shares of £1 each	**517**	517
267 Ordinary shares of £1 each	**267**	267
	784	784
Allotted, called up and partly paid		
33 A Ordinary shares of £1 each	**33**	33

Ordinary Shares and A Ordinary Shares have the rights to participate in any dividends declared and in any distribution of capital. They also hold the rights to attend, speak at and vote on all company matters, one vote per share held.

B Ordinary Shares hold no right to participate in any dividends declared and in any distribution of capital. They also hold no rights to attend, speak at and vote on any company matters.

18. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account reserve represents the cumulative profits and losses, net of dividends paid and other adjustments.

Capital reserve

The capital reserve relates to equity components of other loans which are treated as a capital contribution. Transfers are made between this reserve and the profit & loss account as loans unwind or are settled.

19. Contingent liabilities

The group has given a guarantee of £15,000 (2015 - £15,000) in favour of H M Revenue and Customs in respect of deferred duty and an omnibus guarantee to all group companies with respect to banking facilities. The maximum liability under this guarantee was £nil (2015 - £nil).

Johnsons Photopia Limited has given a guarantee of £86,656 (2015 - £75,000) in favour of Sekonic Corporation in respect of documentary credits option.

During the year, the group entered into forward exchange contracts, with a commitment at the year end to purchase £296,807 (2015 - £nil) of foreign currency.

The directors have each given a guarantee, limited to £25,000 (2015 - £25,000) to secure all liabilities of Johnsons Photopia Limited.

The group has given an omnibus guarantee to all group companies with respect to banking facilities. The maximum liability under this guarantee was £553,571 (2015 - £477,020).

There were no other contingent liabilities at 31 December 2016 or 31 December 2015.

20. Pension commitments

The group operates a defined contribution pension scheme. There was £8,453 (2015 - £8,975) of outstanding contributions at the year end recognised within other creditors.

21. Commitments under operating leases

At 31 December 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	**102,430**	72,500
Later than 1 year and not later than 5 years	**98,941**	145,000
Total	**201,371**	217,500

22. Controlling party

The company is controlled by the directors who beneficially own 89% of the voting rights.

23. Auditors' information

As the consolidated statement of comprehensive income, consolidated statement of changes in equity and the directors' report has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The audit report was unqualified.
The senior statutory auditor was Jonathan Dudley.
The auditor was Dains LLP.