

ANNUAL FINANCIAL REPORT

JOHNSON INNOVATIONS LTD.

Fiscal Period: January 1 - December 31, 2024

INDEPENDENT AUDITOR'S REVIEW

The accompanying financial statements of Johnson Innovations Ltd. for the fiscal year 2024 have been reviewed by our firm. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management.

A review is substantially less in scope than an audit and does not provide assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with International Financial Reporting Standards.

Blackwell & Associates, LLP

March 10, 2025

CONSOLIDATED BALANCE SHEET

ASSETS	Amount (CAD)
Current Assets	
Cash and cash equivalents	\$476,250
Short-term investments	\$315,000
Accounts receivable	\$529,800
Inventory	\$683,400
Prepaid expenses	\$54,600
Total Current Assets	\$2,059,050

Non-Current Assets	
Property and equipment	\$1,873,600
Intangible assets	\$438,900
Long-term investments	\$790,000
Goodwill	\$367,500
Total Non-Current Assets	 \$3,470,000
TOTAL ASSETS	 \$5,529,050

LIABILITIES AND EQUITY	Amount (CAD)
Current Liabilities	
Accounts payable	\$345,700
Short-term borrowings	\$150,000
Current portion of long-term debt	\$87,500
Income tax payable	\$94,800
Total Current Liabilities	\$678,000

Non-Current Liabilities	
Long-term debt	\$1,127,000
Deferred tax liabilities	\$196,300
Pension obligations	\$284,500
Total Non-Current Liabilities	 \$1,607,800
TOTAL LIABILITIES	 \$2,285,800
Equity	
Share capital	\$1,750,000
Retained earnings	\$1,298,250
Other reserves	\$195,000

Total Equity | \$3,243,250

TOTAL LIABILITIES AND EQUITY | \$5,529,050

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2024

Revenue	Amount (CAD)
Product sales	\$4,367,500
Service revenue	\$1,854,200
Total Revenue	\$6,221,700

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Expenses

Cost of goods sold | \$2,698,400

Employee benefits | \$1,685,300

Occupancy costs | \$327,600

Marketing and advertising | \$245,900

Depreciation and amortization | \$312,700

Research and development | \$436,200

General and administrative | \$198,700

Total Expenses | \$5,904,800

Operating Profit | \$316,900

Finance income | \$37,500

Finance costs | \$(145,200)

Net Finance Costs | \$(107,700)

Profit Before Tax | \$209,200

Income tax expense | \$(52,300)

Profit for the Year | \$156,900

Contact Information:

Finance Department

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STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES	Amount (CAD)
Profit for the year	\$156,900

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Adjustments for:

Depreciation and amortization | \$312,700

Finance costs | \$145,200

Income tax expense | \$52,300

Changes in working capital:

(Increase)/decrease in accounts receivable | \$(76,300)

(Increase)/decrease in inventory | \$(123,400)

Increase/(decrease) in accounts payable | \$57,800

Interest paid | \$(139,500)

Income taxes paid | \$(43,700)

Net cash from operating activities | \$342,000

INVESTING ACTIVITIES

Purchase of property and equipment | \$(263,400)

Purchase of intangible assets | \$(87,600)

Acquisition of investment | \$(125,000)

Net cash used in investing activities | \$(476,000)

FINANCING ACTIVITIES	
Proceeds from issue of share capital	\$300,000
Proceeds from borrowings	\$250,000
Repayment of borrowings	\$(175,000)
Dividends paid	\$(120,000)
Net cash from financing activities	
	\$255,000

Net increase in cash and equivalents | **\$121,000**

Cash and equivalents at January 1 | \$355,250

Cash and equivalents at December 31 | **\$476,250**

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Company Information

Johnson Innovations Ltd. is incorporated and domiciled in London. The company develops and manufactures specialized electronic components for the telecommunications industry.

Note 2: Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 Revenue Recognition

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled.

2.3 Property and Equipment

Items are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Note 3: Segment Information

The company operates in two business segments:

1. Component Manufacturing (65% of revenue)

2. Technical Services (35% of revenue)

Note 4: Property and Equipment

The company's headquarters is located at 789 Pine Ave, London. The manufacturing facility is located at 35 Industrial Parkway, London.

Note 5: Contingent Liabilities

As of the reporting date, the company is party to legal proceedings with an estimated potential liability of \$75,000. Management believes these claims are without merit and intends to vigorously defend against them.

Note 6: Events After the Reporting Period

There have been no significant events after December 31, 2024, that would require adjustment to or disclosure in these financial statements.

DIRECTORS' DECLARATION

In the opinion of the directors of Johnson Innovations Ltd.:

1. The financial statements and notes are in accordance with the Corporations Act, including:
 - Giving a true and fair view of the financial position as of December 31, 2024
 - Complying with Accounting Standards and the Corporations Regulations
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mia Johnson

Chief Executive Officer

March 15, 2025

Registered Office:

789 Pine Ave

London

Form Type: Financial Statements

Year: 2024