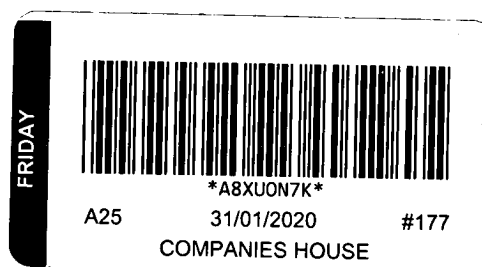


**J+S LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**



Registered No. 03753462

**J+S LIMITED**

**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 30 April 2019**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3 - 4</b>
<b>Statement of Directors' Responsibilities</b>	<b>5</b>
<b>Independent Auditor's report to the members of J+S Limited</b>	<b>6 - 7</b>
<b>Profit and Loss Account</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Accounts</b>	<b>11 - 25</b>

**J+S LIMITED**

**COMPANY INFORMATION**

**For the year ended 30 April 2019**

---

**DIRECTORS**

S J Hill  
A S Thomis  
S R Walther

**SECRETARY**

S Bilkhu

**REGISTERED OFFICE**

Riverside Road  
Pottington Business Park  
Barnstaple  
Devon  
EX31 1LY

**REGISTERED NUMBER**

03753462

**AUDITOR**

KPMG LLP  
Chartered Accountants  
66 Queen Square  
Bristol  
BS1 4BE

## **J+S LIMITED**

### **STRATEGIC REPORT**

**For the year ended 30 April 2019**

---

#### **BUSINESS REVIEW**

On 1 July 2017, all of the employees of the Company were transferred to the parent company, Systems Engineering and Assessment Ltd, through TUPE arrangements. This was a key step in the process of integrating the two businesses, which was completed on 1 May 2018 when all the net assets of the company were transferred to its parent at net book value, along with the transfer or novation of all existing customer and supplier contracts. From this date, the Company ceased to undertake any commercial activity and did not enter into any new contracts or agreements.

For the year ended 30 April 2019 the company held a tax asset of £0.2m and group debtor balance for Systems Engineering and Assessment Ltd of £6.6m. Both assets represent the total shareholder funds left in J + S Ltd. The only Profit and Loss transaction was a tax credit.

#### **PRINCIPAL ACTIVITIES**

The Company's core business in previous years was the design, manufacture and support of acoustic, electro-mechanical and data network systems for customers who require high integrity solutions for the maritime environment. The Company provided bespoke engineered solutions, niche products and asset support services to the Naval Defence and Oil & Gas markets. All these activities transferred to Systems Engineering And Assessment Ltd at the start of the financial year. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As mentioned previously the transfer of the Company's trading operations alongside assets and commercial contracts transferred to Systems Engineering And Assessment on 1 May 2018. Any inherent risks and uncertainties associated with trading and commercial operations were also transferred.

Approved by the Board of Directors on 31 January 2020 and signed by order of the Board.



S J Hill  
Director



## **J+S LIMITED**

### **REPORT OF THE DIRECTORS** **For the year ended 30 April 2019**

---

The directors of J+S Limited (Registered Company Number 03753462) (the "Company") present their report and financial statements for the year ended 30 April 2018.

#### **RESULTS AND DIVIDENDS**

The profit before taxation for the year amounts to £nil (2018: £2.7m). There were no dividends paid during the year (2018: £nil).

#### **GOING CONCERN**

As explained in the Strategic Report on page 2, on 1 May 2018 the Company's trade and assets were transferred to its immediate parent, Systems Engineering and Assessment Limited. As a consequence, it is the intention of the directors to allow the Company to become dormant. As the company has ceased trading, and the directors do not intend to acquire a replacement trade following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

#### **CONTRIBUTIONS**

During the year the Company made charitable donations of £nil (2018: £148). The Company made no political donations during the year (2018: £nil).

#### **EMPLOYEE INVOLVEMENT**

The Company organises staff communications through its intranets, in-house magazines, staff bulletins and presentations. In addition, regular staff meetings are held and notices are published containing information about matters of interest within Company.

Key persons within the business are incentivised by performance related bonuses, primarily based upon Company performance but also achievement of personal objectives.

#### **DISABLED PERSONS**

The policy of the Company is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out their required duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and, where necessary, retrained.

#### **RESEARCH AND DEVELOPMENT**

During the year the Company incurred and expensed £nil research and development costs (2018: £0.3m).

#### **DIRECTORS**

The directors who have served during the year and since the year end are as follows:

S J Hill  
A S Thomis  
S R Walther

**J+S LIMITED**

**REPORT OF THE DIRECTORS cont.  
For the year ended 30 April 2019**

---

**STATEMENT IN RESPECT OF INFORMATION PROVIDED TO THE AUDITOR**

So far as each of the directors in office at the time this report is approved are aware:

- i. There is no relevant information of which the auditor is unaware; and
- ii. They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

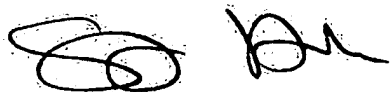
**OTHER INFORMATION**

An indication of likely future developments in the business and particulars of significant events (if applicable) which have occurred since the end of the financial year have been included in the Strategic Report (pages 2-4).

**AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors on 31 January 2020 and signed by order of the Board.



S J Hill  
Director

Riverside Road  
Pottington Business Park  
Barnstaple  
Devon  
EX31 1LY

## **J+S LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES** **For the year ended 30 April 2019**

---

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or have no realistic alternative but to do so. As explained in note 1, the directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J+S LIMITED**  
**For the year ended 30 April 2019**

---

**Opinion**

We have audited the financial statements of J+S Limited for the year ended 30 April 2019 which comprise the profit and loss account, statement of financial position, statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended,
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Emphasis of matter – non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J+S LIMITED**  
**For the year ended 30 April 2019**

---

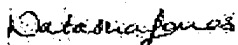
assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Natasha Jones (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

31 January 2020

**J+S LIMITED****PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 April 2019**

	Notes	2019 £000	2018 £000
<b>REVENUE</b>	2	-	18,288
Cost of sales		-	(12,400)
<b>GROSS PROFIT</b>		-	5,888
Administrative expenses		-	(3,216)
<b>OPERATING PROFIT</b>		-	2,672
Interest receivable and similar income		-	3
Interest payable and similar expenses	6	-	(2)
<b>PROFIT BEFORE TAXATION</b>		-	2,673
Tax credit/(charge) on profit	7	49	(425)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		49	2,248

There was no other comprehensive income in either year

The accompanying notes on pages 11 to 25 form part of the financial statements.

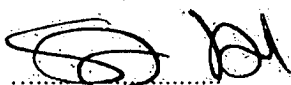
**J+S LIMITED****STATEMENT OF FINANCIAL POSITION**  
**As at 30 April 2019**

	Notes	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	-	1,136
Investments	9	-	-
<b>CURRENT ASSETS</b>			
Stocks	10	-	5,338
Debtors	11	6,816	7,205
Cash at bank and in hand		-	2,688
		<u>6,816</u>	<u>15,231</u>
<b>Creditors: amounts falling due within one year</b>	13	-	(9,600)
<b>NET CURRENT ASSETS</b>		<u>6,816</u>	<u>5,631</u>
<b>Total assets less current liabilities</b>		<u>6,816</u>	<u>6,767</u>
<b>Creditors: amounts falling due after one year</b>	14	-	-
<b>NET ASSETS</b>		<u>6,816</u>	<u>6,767</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	182	182
Share premium account	16	714	714
Capital redemption	16	236	236
Profit and loss account	16	5,684	5,635
<b>SHAREHOLDERS' FUNDS</b>		<u>6,816</u>	<u>6,767</u>

The accompanying notes on pages 11 to 25 form part of the financial statements.

These financial statements were approved by the Board of Directors on 31 January 2020.

Signed on behalf of the Board of Directors



S J Hill  
Director  
(Company No. 03753462)

**J+S LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 April 2019**

	Called up share capital £000	Share premium account £000	Capital redemption £000	Profit and loss account £000	Total equity £000
At 1 May 2017	182	714	236	3,387	4,519
Total comprehensive income for the period	-	-	-	2,248	2,248
Transactions with owners, recorded directly in equity:					
Dividends paid	-	-	-	-	-
At 1 May 2018	182	714	236	5,635	6,767
Total comprehensive income for the period	-	-	-	49	49
Transactions with owners, recorded directly in equity:					
Dividends paid	-	-	-	-	-
At 30 April 2019	182	714	236	5,684	6,816

The accompanying notes on pages 11 to 25 form part of the financial statements.

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS** **For the year ended 30 April 2019**

---

#### **1. ACCOUNTING POLICIES**

J+S Ltd (the "Company") is a private company limited by shares registered, incorporated and domiciled in England in the UK.

The company's registered address is:

Riverside Road  
Pottington Business Park  
Barnstaple  
Devon  
EX31 1LY

The Company is a wholly owned subsidiary of Cohort plc (the ultimate parent), incorporated in the United Kingdom. Under Section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements on the grounds that it is itself consolidated, together with its Group undertakings, into the financial statements of Cohort plc, which are publicly available (see below). These financial statements therefore present information about the company as an individual undertaking and not as a Group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2016 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Cohort plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Cohort plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Cohort plc, 2 Waterside Drive, Arlington Business Park, Theale, Reading RG7 4SW.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Cohort plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

**NOTES TO THE ACCOUNTS**

**For the year ended 30 April 2019**

---

**1. ACCOUNTING POLICIES (Cont'd.)**

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company has taken the exemption available under paragraph 8(k) FRS 101 from the disclosure requirements of IAS 24 in relation to entities which are wholly owned members of the same group

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates in the comparative accounting period are detailed below.

***Revenue recognition on fixed-price contracts***

The judgement applied in recognising revenue on a fixed-price contract is made by reference to the cost incurred, including contingency for risk and the demonstrable progress made on delivering key stages (often referred to as milestones) of the contract. The Group uses best estimates in applying this judgement and where uncertainty of progress on a stage exists, revenue is not recognised for that stage.

***Cost contingency on fixed-price contracts***

In addition to the judgement applied to revenue recognition, the cost of delivering a contract to a particular stage represents the actual costs incurred and committed, plus an estimate of cost contingency for risk still present in the contract at that stage. This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract. It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduces.

***Provisions***

The Group makes estimates of provisions for existing commitments arising from past events. In estimating these provisions, the Group makes judgements as to the quantity and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Group makes use of management experience, precedents and specific contract and customer issues

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS** **For the year ended 30 April 2019**

---

#### **Accounting policies continued...**

##### **Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivatives. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

##### **Going Concern**

On 1 May 2018, the company ceased trading following the transfer of its trade and assets to its immediate parent, Systems Engineering & Assessment Limited. The directors do not intend to acquire a replacement trade for the company, and accordingly, they have not prepared the financial statements on a going concern basis. The change in the basis of preparation of the financial statements has not resulted in any changes to the value of the company's assets or liabilities.

##### **Accounting policies**

The principal accounting policies that were applied up to the date the business was transferred to the parent company, Systems Engineering & Assessment Ltd, are set out below.

##### **Revenue and profitability**

As from 1 May 2018, the Group has applied IFRS 15 *Revenue from Contracts with Customers*.

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group to customers in exchange for consideration in the ordinary course of the Group's activities.

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The Group has determined that most of its contracts satisfy the over time criteria, either because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs (typically services or support contracts) or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date (typically development or production contracts).

For each performance obligation to be recognised over time, the Group recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to estimates of transaction price and total expected costs to complete the contract, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Group has determined that this method appropriately depicts the Group's performance in transferring control of the goods and services to the customer.

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 30 April 2019**

---

#### **Accounting policies continued...**

If over time the criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense

#### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Vehicles	: 4 years
Leasehold improvements	: Over the life of the lease
Computers and Machinery	
- Computer equipment and software	: 4 years
- Office equipment	: 5 years
Furniture and equipment	: 5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.



**J+S LIMITED**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2019**

---

**Accounting policies continued...**

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

*Trade & other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Long-term contracts are assessed on a contract by contract basis and reflected in the income statement by recording revenue and related costs as contract activity progresses. Revenue is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which revenue exceeds payments on account is classified as "amounts recoverable on contracts" and included within trade and other receivables; to the extent that payments on account exceed relevant revenue, the excess is included as an advance receipt within trade and other payables. The amount of long-term contracts, at cost net of amounts transferred to cost of sales, costs incurred plus recognised profits, less provision for foreseeable losses and payments on account not matched with revenue, is included within trade and other receivables as "amounts recoverable on contracts".

*Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

*Investments in debt and equity securities*

Investments in subsidiaries are carried at cost less impairment.

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 30 April 2019**

---

#### **Accounting policies continued...**

##### **Impairment excluding stocks and deferred tax assets**

###### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

###### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS** **For the year ended 30 April 2019**

---

#### **Accounting policies continued...**

##### **Warranty**

The Company undertakes a number of contracts where contractual and/or third-party obligations arise as a result of delivering the contract. This provision includes amounts for losses on contracts which are recognised in full immediately that it is probable that total contracts costs will exceed total contract revenue. In some cases, after a product has been delivered and revenue has been recognised, the Company receives claims from customers in respect of work done. Where the amount required to settle the claim is uncertain or the Company disputes the amount of the claim, provision is made for the best estimate of the amount that will be required to settle the claim.

Where the expected cost at completion of a current contract exceeds the sum of the contracted revenue and any probable revenue, then the amount of that excess (the estimated contract loss) is immediately provided for in full. Such contract loss provisions are reviewed on a regular basis to determine whether the provision is still adequate or excessive. Contract loss provisions and subsequent adjustments to them are charged as cost of sales in the income statement. Where such an obligation relates to a discontinued operation then the charge will be disclosed as an exceptional item.

##### **Foreign currencies**

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency), which is currently sterling. Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

In order to mitigate its exposure to certain foreign exchange risks, the Company enters into forward contracts.

##### **Expenses**

###### ***Operating lease payments***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

## **J+S LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 30 April 2019**

---

#### **Accounting policies continued...**

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

##### **Research and development**

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

##### *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

##### **Share-based payments**

The Company's ultimate parent company operates a share option scheme which allows employees to acquire shares in the parent company. Where the parent company awards share options under the scheme, the fair value of options granted is calculated at the grant date using the Quoted Companies Alliance binomial model. The resulting cost is recognised in the trading subsidiary over the vesting period (during which the recipient becomes unconditionally entitled to exercise the option) as a charge to the profit and loss account with a corresponding credit to equity (capital contribution).

**J+S LIMITED****NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2019****2. Revenue**

The Company is located in the UK. The revenue by geographical location of the customer is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	-	9,354
USA	-	1,209
Europe and rest of the world	-	7,725
		<b>18,288</b>

Turnover, which is stated net of value added tax, represents the value of work undertaken on contracts and projects. Turnover is attributable to one continuing activity, the design, manufacture and support of acoustic, electro-mechanical and data network systems.

**3. Employee information**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	-	916
Social security costs	-	94
Other pension costs	-	44
		<b>1,054</b>

The average weekly number of persons (including executive directors) employed by the company during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
By activity		
Production staff	-	18
Administration staff	-	8
		<b>26</b>

With effect from 1 July 2017, all employees were transferred to the Company's immediate parent, Systems Engineering & Assessment Limited through TUPE arrangements.

**4. Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration	-	43
		<b>43</b>

The above directors' remuneration was borne by another entity within the Group

**J+S LIMITED****NOTES TO THE ACCOUNTS****For the year ended 30 April 2019****5. Expenses and auditors remuneration**

Included in profit are the following:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals	-	514
Depreciation – owned assets	-	317
Depreciation – leased assets	-	-
Research and development	-	264
<i>Auditor's remuneration:</i>		
Audit of these financial statements	<b>35</b>	<b>35</b>

The above auditor's remuneration was borne by another entity within the Group

**6. Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Finance charges payable under finance lease and hire purchase arrangements	-	2
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**7. Taxation**

Recognised in the profit and loss account:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>UK corporation tax:</b>		
Current tax on income for the period	-	447
Adjustments in respect of prior periods	<b>(49)</b>	<b>(55)</b>
Total current tax (credit)/charge	<u><b>(49)</b></u>	<u><b>392</b></u>
<b>Deferred tax (see note 12)</b>		
Origination and reversal of temporary differences	-	33
Total deferred tax charge	<u>          </u>	<u><b>33</b></u>
Tax on profit	<u><b>(49)</b></u>	<u><b>425</b></u>

**J+S LIMITED****NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2019****7. Taxation (Cont'd)**

Reconciliation of effective tax rate:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Profit for the year	<b>49</b>	2,248
Total tax (credit)/charge	<b>(49)</b>	425
Profit before taxation		2,673
Tax using the UK corporation tax rate of 19.0% (2018: 19.0%)		508
Effect of Capital Allowances in excess of depreciation		(29)
Effect of other short term timing differences		(5)
Effect of disallowed items for tax purposes	-	6
Adjustments in respect of prior periods	<b>(49)</b>	(55)
Total tax (credit)/charge	<b>(49)</b>	425

The actual tax charge is at an effective tax rate of 0.0% (2018: 15.9%) of profit before tax.

The rate of UK corporation tax from 1 April 2017 was 19%. This rate has fallen to 17% from 1 April 2018 and will fall to 17% from 1 April 2020.

The deferred tax asset at 30 April 2019 has been calculated based on the rates highlighted above as applicable to the specific item underlying the deferred tax asset or liability. These rates have been substantively enacted as at 30 April 2019.

**J+S LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 30 April 2019**

**8. Tangible fixed assets**

	<b>Assets under construction £000</b>	<b>Leasehold land &amp; buildings £000</b>	<b>Plant &amp; machinery £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures &amp; fittings £000</b>	<b>Total £000</b>
<b>COST</b>						
At 30 April 2018	29	1,827	1,414	83	1,812	5,165
Additions	-	-	-	-	-	-
Disposals	(29)	(1,827)	(1,414)	(83)	(1,812)	(5,165)
<b>At 30 April 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEPRECIATION</b>						
At 1 May 2018	-	1,227	945	76	1,781	4,029
Charge for the year	-	-	-	-	-	-
Disposals	-	(1,227)	(945)	(76)	(1,781)	(4,029)
<b>At 30 April 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET BOOK VALUE</b>						
<b>At 30 April 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 10 April 2018	29	600	469	7	31	1,136

Included within fixed assets is net book value of £nil (2018: £1,000) relating to assets held under finance leases.

**9. Investments**

The Company has the following investments in subsidiaries and jointly controlled entities:

	<b>Registered office address</b>	<b>Class of shares held</b>	<b>Ownership 2019 %</b>	<b>2018 %</b>
8963665 Canada Inc	2500-1100 René- Lévesque Blvd., West Montréal QC H3B 5C9, Canada	Ordinary	100	100
JSK Naval Support Inc*	193 Brunswick Boulevard, Pointe- Claire QC H9R 5N2, Canada	Ordinary	50	50

\* indirect holding via 8963665 Canada Inc



**J+S LIMITED****NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2019****10. Stocks**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Raw materials	-	4,150
Work in progress	-	1,188
	<u>-</u>	<u>5,338</u>

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

The stock value is net of provisions of £nil (2018: £439,000).

The total expense recognised in the profit and loss account in the year in respect of stock was £nil (2018: £3,720,000).

**11. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	-	1,995
Deferred tax (note 12)	-	45
Corporation tax	251	55
Prepayments and other debtors	-	5,110
Amounts owed to fellow group companies	6,564	-
	<u>6,815</u>	<u>7,205</u>

**12. Deferred tax**

	<b>Tangible fixed assets £000</b>	<b>Other £000</b>	<b>Total £000</b>
At 30 April 2017	78		78
Recognised in income	(38)	5	(33)
Recognised in equity	-	-	-
At 30 April 2018	40	5	45
Recognised in income	-	-	-
Recognised in equity	-	-	-
Transferred to parent company	(40)	(5)	(45)
At 30 April 2019	-	-	-

Certain deferred tax assets and liabilities have been offset where the Company has a legally enforceable right to do so. The following is the analysis of deferred tax balances (after offset) for financial reporting purposes:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Deferred tax asset	-	45
Deferred tax liability	-	-
	<u>-</u>	<u>45</u>

**J+S LIMITED****NOTES TO THE ACCOUNTS****For the year ended 30 April 2019****13. Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	-	1,388
Amounts owed to fellow subsidiary undertakings	-	155
Other taxation and social security cost	-	381
Corporation tax	-	247
Finance leases	-	6
Provisions for liabilities	-	162
Accruals and deferred income	-	7,261
		<b>9,600</b>

**14. Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Finance leases	-	-

**15. Called up share capital**

	<b>Number</b>	<b>Class</b>	<b>Nominal</b>	<b>2019</b>	<b>2018</b>
				<b>£000</b>	<b>£000</b>
Allotted, issued and fully paid	128,748	A	£1	<b>129</b>	129
		ordinary			
Allotted, issued and fully paid	53,500	C	£1	<b>53</b>	53
		ordinary			
				<b>182</b>	182

The 'C' ordinary shares do not carry voting rights but otherwise rank pari passu with the 'A' ordinary shares.

**16. Reserves**

Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued.
- Share premium account includes the amounts over the nominal value in respect of share issues. In addition, costs in respect of share issues are debited to this account.
- Capital redemption reserve relates to a redemption of capital.
- Profit and loss account is the returned earnings of the Company from realised gains and losses.

**J+S LIMITED****NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2019****17. Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	2019 £000	2018 £000
Land and buildings:		
- less than one year	-	489
- between one and five years	-	961
- more than five years	-	-
	-	1,450

**18. Contingent liabilities and guarantees**

At the balance sheet date, the Company, as part of Cohort plc's group banking and offset arrangements, was also a guarantor for £43,281,000 (2018: £27,838,000) of bank borrowings and overdraft drawn by its parent, along with a further £1,221,000 (2018: £1,920,000) in respect of bank guarantees drawn by fellow subsidiary undertakings. The Company has subsequently ceased to be a party to these arrangements.

**19. Employee benefits***Defined contribution plans*

The Company no longer operates a number of defined contribution pension plans as all employees were transferred to its parent Systems Engineering & Assessment Ltd from 1 May 2018. The total expense relating to these plans in the current year was £nil (2018: £44,000).

**20. Provisions**

Provisions have been calculated based on known circumstance and it is anticipated that all provisioning will be consumed in full within one accounting year.

	Bad Debt Provision £000	Project Loss Provision £000	Total £000
At 30 April 2018	37	162	199
Provisions made during the year	-	-	-
Provisions used during the year	-	-	-
Transferred to parent company	(37)	(162)	(199)
At 30 April 2019	-	-	-

**21. Ultimate parent company**

The Company is a subsidiary of Systems Engineering and Assessment Ltd, whose registered office address is Beckington Castle, 17 Castle Corner, Beckington, Frome, BA11 6TA. The ultimate parent company is Cohort plc. The registered office address of Cohort plc is 1 Waterside Drive, Arlington Business Park, Theale, Reading, RG7 4SW.

The largest and smallest group in which the results of the Company are consolidated is that headed by Cohort plc. The consolidated financial statements of the group are available to the public and may be obtained from the address above.