

JDR Cable Systems (Holdings) Limited
Annual Report and Financial Statements
for the year ended 31 December 2020

Registered Number SC186919



JDR Cable Systems (Holdings) Limited

Annual Report and Financial Statements

for the year ended 31 December 2020

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JDR Cable Systems (Holdings) Limited

Directors' Report for the year ended 31 December 2020

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

Principal Activities

The principal activity of the company is to act as a holding company.

Registered Head Office

JDR Cable Systems (Holdings) Limited, Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD, United Kingdom
Registered company number: SC186919.

Results and Dividends

The company's result for the year amounted to a retained profit of £473,000 (2019: £405,000) which has been transferred to reserves. The directors do not recommend the payment of a dividend (2019: nil).

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Substantial Shareholders

The share capital of the ultimate holding company is privately owned.

Directors

The directors who held office during the period and at the date of this report were as follows:

James Young

Monika Cupial-Zgryzek

Bartlomiej Zgryzek

Jaroslav Romanowski (Resigned April 2020)

JDR Cable Systems (Holdings) Limited

Directors' Report (continued)

Auditors

Murphy Salisbury Limited have been appointed as auditors during the year.

Bribery Act

The Company has an anti-bribery policy which introduced robust procedures to ensure full compliance with the Bribery Act 2010 and that ensure that the highest standards of professional ethical conduct are maintained. All employees and those working for, or on behalf of, the company are aware of their legal obligations when conducting company business.

Modern Slavery Act

The Board is aware of the company's obligation to publish a statement outlining the steps that have been taken to ensure that the company and its supply chain are operating free from all forms of slavery; a full statement is available at www.jdrcables.com

Statement of Directors' Responsibilities

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). The financial statements are required by law to 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, 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 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.

JDR Cable Systems (Holdings) Limited

Directors' Report (continued)

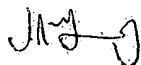
Statement of Directors' Responsibilities (continued)

In so far as each of the directors is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Director's Report was approved by the board on 30 April 2021 and signed on its behalf by



James Young

Director

JDR Cable Systems (Holdings) Limited

Report of the Independent Auditors to the Members of JDR Cable Systems (Holdings) Limited

Opinion

We have audited the financial statements of JDR Cable Systems (Holdings) Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 31 December 2020;
- 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

JDR Cable Systems (Holdings) Limited

Report of the Independent Auditors to the Members of JDR Cable Systems (Holdings) Limited

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

JDR Cable Systems (Holdings) Limited

Report of the Independent Auditors to the Members of JDR Cable Systems (Holdings) Limited

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the completeness of the provisions for warranty claims. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and GDPR.

JDR Cable Systems (Holdings) Limited

Report of the Independent Auditors to the Members of JDR Cable Systems (Holdings) Limited

Audit response to risks identified

As a result of performing the above, we identified the valuation of fixed asset investments as a key audit matter related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal reports and;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



Mark Bullock FCA (Senior Statutory Auditor)
Murphy Salisbury Limited
Chartered Accountants and Statutory Auditors
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

Date: 30 April 2021

JDR Cable Systems (Holdings) Limited

Statement of Comprehensive Income for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net operating (expenses) / income		(40)	(311)
Operating (loss) / profit	2	(40)	(311)
Net interest receivable	3	513	716
Profit before taxation		473	405
Tax on profit	5	-	-
Total comprehensive income and retained profit		473	405

All operations are continuing.

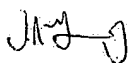
The accompanying accounting policies and notes form an integral part of these financial statements.

JDR Cable Systems (Holdings) Limited

Statement of Financial Position as at 31 December 2020

	Note	31 Dec 2020 £'000	31 Dec 2019 £'000
Fixed assets			
Investments	6	23,481	23,481
		23,481	23,481
Current assets			
Debtors – amounts falling due within one year	7	21,969	21,496
Cash at bank and in hand		1	1
		21,970	21,497
Creditors – amounts falling due within one year		-	-
Net current assets		21,970	21,497
Total assets less current liabilities		45,451	44,978
Net assets		45,451	44,978
Capital and reserves			
Called up share capital	8	28,360	28,360
Share premium account	9	12,371	12,371
Profit and loss account – accumulated funds		4,720	4,247
Total equity		45,451	44,978

The financial statements were approved by the Board of Directors on 30 April 2021 and were signed on its behalf by:



James Young

Director

Registered Number SC186919

The accompanying accounting policies and notes form an integral part of these financial statements.

JDR Cable Systems (Holdings) Limited

Statement of Changes in Equity for the year ended 31 December 2020

	Called-up share capital	Share premium account	Profit and loss account	Total
	£ '000	£ '000	£ '000	£ '000
At 1 January 2019	28,360	12,371	3,842	44,573
Total comprehensive income for the year	-	-	405	405
At 31 December 2019	28,360	12,371	4,247	44,978
Total comprehensive income for the year	-	-	473	473
At 31 December 2020	28,360	12,371	4,720	45,451

JDR Cable Systems (Holdings) Limited

Statement of Cash Flows for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net cash inflow from operating activities	13	-	33
Investing activities			
Purchase of investments	6	-	(40)
Interest paid	3	-	-
Interest received	3	-	-
Net cash flow from investing activities		-	(40)
Financing activities			
(Decrease) / increase in borrowings		-	-
Net cash flow from financing activities		-	-
(Decrease) / increase in net cash		-	(7)
Cash and cash equivalents at 1 January		1	8
Cash and cash equivalents at 31 December		1	1

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020

1 Accounting policies

Company information

JDR Cable Systems (Holdings) Limited is a private company, limited by shares, incorporated in Scotland. The principal place of business is 177 Wisbech Road, Littleport Innovation Park, Wisbech Road, Littleport, Cambridgeshire CB6 1RA, England. The company's registered address is Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD, United Kingdom.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£) and rounded to the nearest thousand.

Going concern basis

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Following the decision of the United Kingdom to leave the European Union, the Board have monitored the impact this may have on the business. The company is monitoring these developments closely and we are confident these will not materially disrupt our profitability in the long term.

Creditors

Short term trade 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.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Exceptional items

Where expenditure falls outside the normal course of business, it is disclosed separately on the face of the profit and loss account to ensure transparency and comparability.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date and differences on exchange included in the profit and loss account.

Investments

Investments represent shares held in wholly owned subsidiary companies and are valued at cost less any required impairment. Investments are checked for impairment annually.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where the estimates have been made include;

- Impairment of investments and amounts owed by group undertakings, based upon the information available about the future earning potential of subsidiary entities (refer note 10 for further details).

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided on taxable profits at current rates in the respective taxation jurisdictions.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

Consolidated financial statements

The company is a wholly owned subsidiary of Holding JDR Limited and of its ultimate parent, Tele-Fonika Holdings Limited. It is included in the consolidated financial statements of Tele-Fonika Holdings Limited which are publicly available and held at the ultimate parent company's registered office address at Innovation Centre, Gallows Hill, Warwick, United Kingdom, CV34 6UW. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Interest income

Interest income is recognised using the effective interest rate method.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like amounts owed by Group undertakings and accruals.

Debt instruments (other than those wholly repayable or receivable within one year) 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 receivable or payable within one year are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be received or paid.

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 Statement of comprehensive income.

Related party transactions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2 Operating (loss) / profit

	2020 £'000	2019 £'000
Operating (loss) / profit is stated after charging		
Auditors' remuneration		
- fees payable to the Company's auditor for the audit of the financial statements	4	4
- impairment loss on investment in subsidiary	40	185

3 Net interest receivable

	2020 £'000	2019 £'000
Bank interest payable	-	-
Total interest payable and similar charges	-	-
Other interest receivable	-	-
Group interest receivable	513	716
Total interest receivable and similar income	513	716
Net interest receivable	513	716

4 Employee costs

During the year, the average number of employees were nil (2019: nil). As such employee costs during the year were £nil (2019: £nil).

During the year, no director (2019: nil) received any remuneration from the company. The directors receive remuneration for their services from group undertakings and related companies. It is not considered practical or possible to accurately apportion these costs to each entity in the group.

There are no retirement benefits accruing to directors of the company under defined contribution personal pension schemes (31 December 2019: none).

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

5 Tax on profit

	2020 £'000	2019 £'000
Current tax		
UK tax	-	-
Total current tax	-	-
Deferred tax		
Current period	-	-
Adjustment to prior periods	-	-
Total deferred tax	-	-
Total tax	-	-

The tax assessed for the period varies from the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before taxation	472	405
Profit before taxation multiplied by standard rate in the UK 19%	90	77
Effects of:		
Deferred tax not recognised	-	24
Expenses not deductible for tax purposes	7	35
Income not taxable	(97)	(136)
Total current tax for the period	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19% rather than the previously enacted reduction to 17%.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

6 Investments

	£'000
Shares in subsidiary undertakings	
Cost	
At 1 January 2020	29,953
Disposals	-
Additions	-
At 31 December 2020	29,653
Provisions for impairment	
At 1 January 2020	(6,172)
Disposals	-
Charged in the period	-
At 31 December 2020	(6,172)
Net Book Value	
At 31 December 2019	23,481
At 31 December 2020	23,481

The company's subsidiary operating undertakings at 31 December 2020 were as follows:

Name of subsidiary	Nature of business	Country of registration /incorporation	Percentage of nominal share capital
JDR Cable Systems Ltd	Offshore oil & gas services	Scotland	100%
JDR Cable Systems Inc	Offshore oil & gas services	United States	100%
JDR Fabrica O E Comercio de Sistemas de Cabos, Umbilicais e Servicos Ltda.	Offshore oil & gas services	Brazil	100%
JDR Cable Systems (Holdings) Inc	Holding Company	United States	100%
JDR Cable Systems GmbH	Not Trading	Germany	100%

The shares in JDR Cable Systems Inc are held by JDR Cable Systems (Holdings) Inc.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

6 Investments (continued)

In accordance with the company's policy on impairment, the directors have considered the recoverability of the company's investments in its subsidiaries in light of the continued losses being made by JDR Cable Systems Limited.

The recoverable amount of the cash-generating unit is a source of significant estimation uncertainty. The recoverable amount was determined using a value-in use calculation which required the use of assumptions.

The calculations use cash flow projections based on financial budget approved by the directors and forecasts covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate.

The recoverable amount of the cash-generating unit based on the above key assumptions exceeded the carrying value of the investments, therefore no impairment loss has been recognised.

7 Debtors

Amounts falling due within one year:

	2020 £'000	2019 £'000
Amounts owed by Group undertakings	21,969	21,496
	21,969	21,496

Amounts owed by Group undertakings are unsecured loans that carry variable interest at Libor plus 2.5%. The company has indicated that it does not intend to seek repayment within one year from the accounting date of these financial statements.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

8 Called up share capital

	31 Dec 2019 £'000 Restated
<hr/>	
Allotted and fully paid:	
283,600,825 Ordinary shares of £0.10 each	28,360
	<hr/>
	28,360
	<hr/>
	31 Dec 2020 £'000
<hr/>	
Allotted and fully paid:	
283,600,825 Ordinary shares of £0.10 each	28,360
	<hr/>
	28,360
	<hr/>

Capital

During 2017 the Deferred Shares and Preference Shares were converted to Ordinary Shares. This variation of rights occurred prior to the acquisition of the JDR Group in 2017. As this share conversion had not been recognised in the company accounts previously, the adjustment is shown in these accounts for the period to 31 December 2020, and the opening balance of 1 January 2019 has been restated.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

9 Reserves and Shareholders' funds

Called-up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account includes all current and prior period retained profits and losses.

10 Contingent liabilities

The company is party to a bank facility agreement between certain Group and related companies and their bankers. The company's share capital and assets are pledged under this agreement. The exposure under this agreement is calculated based on net assets and is £0 at 31 December 2020 (2019: £0).

The company is part of a group VAT registration scheme. At the year end the contingent liability was £439,000 (2019: £0).

11 Ultimate parent undertaking

The ultimate parent company is Tele-Fonika Holdings Limited, which is the parent company of the largest Group to consolidate these financial statements. The intermediate holding company is Holding JDR Limited. The ultimate controlling party is Mr B Cupial, by virtue of his majority shareholding in the parent company.

JDR Cable Systems (Holdings) Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

12 Financial assets and liabilities

	2020 £'000	2019 £'000
Financial assets measured at amortised cost		
Debtors	21,969	21,496
Cash at bank	1	1

13 Cash flow from operating activities

	31 Dec 2020 £'000	31 Dec 2019 £'000
Operating (loss) / profit	(40)	(312)
Impairment loss on investments in subsidiary	-	185
Decrease / (Increase) in debtors	40	232
Decrease in creditors	-	(72)
Net cash inflow from operating activities	-	33

14 Post balance sheet events

During 2020 and into 2021, the consequences of the COVID-19 outbreak have materially and adversely disrupted the global economic situation. The company is taking appropriate action to monitor, address and mitigate the uncertainties and increased risks facing the company as a result and have taken these additional uncertainties into account in assessing the going concern position.

It is not possible to reliably estimate the duration and severity of the economic consequences of the pandemic, and their impact on the financial position and results of the company for future periods, although as stated in the Directors' report it is not expected that these will be material for the company.