Registered number: 08453465

JSSH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

JSSH LIMITED

COMPANY INFORMATION

Directors	J Seddon H M Oakey J S Seddon S C Nuttall M L Owen N A Masom
Company secretary	C Bratt
Registered number	08453465
Registered office	Manor House Manor Lane Holmes Chapel Cheshire CW4 8AF
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Lloyds Commercial Banking 4th Floor 125 Colmore Row Birmingham B3 3SF

JSSH LIMITED

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activity

The principal activity of the Group during the year was that of planned, responsive and cyclical maintenance, refurbishment and construction contracting, combined with property holding and management services.

Business and financial review

Within the JSSH Group, our subsidiary business Novus Property Solutions (“Novus”) was severely impacted by the Coronavirus (“Covid-19”) pandemic in 2020. Contracted work within Novus was placed on hold, lockdown restrictions were imposed, and colleagues were furloughed, all of which placed significant challenges on delivering our core services.

Despite this Novus responded quickly and decisively to the pandemic and has coped well with the challenges presented by Covid-19. This is a testament to the resilience of the organisation and the flexibility and hard work of our people. Our solid financial position and high levels of cash put us in a very good position to both trade through the current pandemic and to emerge stronger.

The Group’s financial performance reflects the challenging conditions caused by the pandemic. Turnover for the year was £123.8m *(2019: £166.5m)*, a decrease of 26%. The fall in turnover within Novus, coupled with additional costs incurred because of the pandemic resulted in a statutory loss before tax being reported in Novus of £0.7m *(2019: Profit of £4.4m)*. The loss in Novus is after accounting for the net cost of furloughed employees of £1.3m and costs of £0.5m incurred directly as a result of Covid-19.

SHS Estates, our property business, is a trading division of JSSH Limited which holds and manages an investment property portfolio of £34.1m *(2019: £33.2m)*. External valuations were performed on one third of the property portfolio during the year resulting in a fair value uplift of £1.1m *(2019: £Nil)*. The Directors have determined the fair value of the remaining portfolio and are satisfied that no further valuation adjustments are required. The division follows a cyclical valuation methodology for the property portfolio which meant that no formal external valuations were performed during 2019, although the Directors reviewed the portfolio and were satisfied that no valuation adjustments were required. SHS Estates had a strong year, with Covid-19 having minimal impact on the financial results for the year. The business worked closely and flexibly with tenants based on individual needs and circumstances. This approach worked well with voids and arrears remaining relatively low at the year end albeit both measures increased compared to prior year. The division reported rental income for the year in line with the 2020 budget and careful control of costs led to profit before tax, excluding the fair value uplift, ending the year 36% higher than budget. The Directors are expecting that the pandemic will have a bigger impact on the 2021 results as businesses start to feel the strain of the prolonged lockdown period and our team will continue to work closely with tenants to navigate through another challenging year.

On 20th March 2020 JSSH Limited received an insurance payment of £1.9m in relation to a fraud claim first notified to insurers under the financial crime policy in 2018. This is exceptional non-recurring income and is included within Other operating income in the Statement of comprehensive income.

Group profit before tax ended the year at £3.6m *(2019: £6.2m)* reflecting the stable performance for the year within JSSH Limited, despite the significant impact Covid-19 had upon the Novus business. The Group remained in a healthy position at the end of the year, with a strong Statement of financial position that comprises £52.2m *(2019: £52.7m)* of net assets of which £21.2m *(2019: £17.9m)* is cash deposits.

Group Strategic Report (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	*2019*	Measure
Growth in turnover	**(25.7%)**	*5.0%*	Year on year sales
Gross profit margin	**4.2%**	*9.4%*	Gross profit/turnover
Operating profit margin	**2.8%**	*3.6%*	Operating profit/turnover
AROC days (Novus)	**38**	*43*	AROC/ Turnover x 365 days
Number of apprentices and trainees	**71**	*109*	
Social value projects delivered	**78**	*278*	
Staff retention (Novus)	**66.8%**	*69.4%*	Average staff retained in year/average staff
SHS Estates rent arrears	**4.15%**	*0.98%*	Arrears/total current rent
SHS Estates void units	**4.50%**	*3.46%*	Rental value of voids/total current rent

Other than general economic risks and fluctuations in the property market, the principal risks facing the Group are those relating to the specific markets we operate in and those relating to government planning and other regulations. Significant levels of the current activity of the Group relate to local authorities and housing associations, both of which could be impacted by legislation or changes to government spending priorities.

Future review

Our approach to business is underpinned by 4 key pillars, which we call our 'Novus Shield'. These pillars are:

We Build A Future
We Do Business Responsibly
We Create Great Teams
We Value our Customers

All of our Novus people work to this purpose and in support of our values we have introduced a new behaviours framework called, ‘Our Way’. This sets out what we expect of our people in terms of how they work and operate and the behaviours we would want to see demonstrated if they are truly living our values.

For 2021 and beyond Novus has set itself an ambitious five-year plan, called 'Project Reshape'. It focuses on three main elements:

Building revenue
Driving profitability
Developing our culture

The plan is supported by significant investment in people, processes and systems.

At the time of signing the accounts, Novus has an order book of £127.7m for 2021 which represents 79% of budgeted turnover. The SHS Estates business continues to investigate further potential investment opportunities that may arise during 2021.

Despite the difficult year, we are well placed to deliver our strategic plan whilst providing an opportunity for employees to prosper and grow in a financially secure environment.

Covid-19

In managing our response to Covid-19 the primary focus has been on the health, safety and wellbeing of all employees, customers and the wider public, together with protecting the financial strength of the Group.

All our offices and sites have implemented new operating procedures, in accordance with national government, devolved administration and industry guidance. This includes changes to working practices, enhanced levels of cleaning, additional hygiene facilities and social distancing measures.

The business has responded to the financial challenges of the pandemic by closely managing costs and investments to ensure liquidity levels are preserved. The Group has made use of the Coronavirus Job Retention Scheme in furloughing several employees during the period. In addition, following agreement with HMRC, the Group have deferred certain taxation payments.

Covid-19 has had a lesser impact on the financial results of the SHS division in 2020 as a result of careful planning, open communication and flexibility offered to tenants. Directors are expecting that the pandemic will have a bigger impact on the 2021 results within the SHS division as businesses start to feel the strain of the prolonged lockdown period.

Despite the further national lockdown restrictions announced in 2021, we are encouraged by the government’s stated approach that construction activity should continue where possible. Further, the Board believes that investment in infrastructure and the refurbishment of existing facilities will be key elements of any economic recovery plan put forward by government and as such, the Group is well placed to benefit from a recovery in its chosen markets.

Section 172 statement

The directors of the Company recognise their duty to promote the success of the Company for the benefit of all stakeholders.

The directors regard the long-term development of the business as an overarching objective of the Board maintaining the family enterprise that has been in business since 1897. The business planning process, management incentivisation, customer and supply relationships, people development are all designed to focus on generating sustainable growth.

Both Novus and SHS Estates are people-based businesses, many of the tasks we do are dependent on the skills and expertise of our people and as such they are highly prized by the Board. Personal development, staff engagement surveys, apprenticeship programmes are all Group policy. No form of discrimination against any minority is tolerated within the Group, as evidenced by our gender pay gap initiative and a recruitment policy where diversity is valued.

This is all underpinned by the values of the ‘Novus Shield’.

A key element of the sustained success of the Group is the ability to forge strong relationships with customers and suppliers, the values at the heart of the business drive behaviours that encourage these outcomes.

More detail in respect of the director's duty to promote the success of the Company can be seen in the Director's report.

This report was approved by the board and signed on its behalf.

Neil Masom

N A Masom
Director
Date: 5/5/2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The results of the Group for the year to 31 December 2020 are set out in detail on page 20. The Group profit after taxation for the financial year amounted to £3,443,000 *(2019: £4,978,000)* and has been transferred to reserves.

Ordinary dividends of £3,745,000 *(2019: £2,209,000)* were paid during the year.

The dividend policy allows for annual dividends to be paid each quarter end based on a percentage of profit. In 2020 no annual dividends were paid as it was clear at the end of March 2020 that the Novus business would be significantly impacted by the pandemic.

Prior to this, on 3 March 2020 the directors had already declared an exceptional dividend of £3,745,000 which was paid following strong performance in the previous three years resulting in previously set targets being met. This dividend was approved and paid prior to the impact of Covid-19 being known and before any restrictions were imposed.

Directors

The directors who served during the year and up to the date of this report were:

J Seddon
H M Oakey
J S Seddon
S C Nuttall
M L Owen
N A Masom

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’). 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial risk management objectives and policies

The Group uses financial instruments, these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

- *Liquidity risk* - The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet predictable needs and to invest cash safely and profitably. Short term flexibility is achieved by an overdraft facility. During the year to 31 December 2020, the Group did not utilise the overdraft facility.

- *Credit risk* - The Group’s principal financial assets are cash deposits, amounts recoverable on contracts and trade debtors. The credit risk associated with cash is limited. The directors do not consider there to be any material credit risk, as given the nature of the principal business, cash is received on completion of contract, subject to agreed payment terms which are closely monitored.

- *Inflation risk* – Exposure to unforeseen increases in material and labour costs on existing contracts could impact margins and the Group monitors risk in this area. Supply agreements are continually reviewed and where possible supply and client terms are matched.

- *Interest rate risk* - The Group finances its operations through retained profits. The interest rate exposure of the financial assets and liabilities of the Group as at 31 December 2020 is shown below. The table includes trade debtors, trade creditors and amounts recoverable on contracts, as these do not attract interest and are therefore subject to fair value interest rate risk.

	Fixed £000	Floating £000	Zero £000	**Total £000**
Financial assets				
Cash	-	21,170	-	**21,170**
Trade debtors	-	-	341	**341**
Amounts recoverable on contracts	-	-	19,484	**19,484**

	Fixed £000	Floating £000	Zero £000	**Total £000**
Financial liabilities				
Trade creditors	-	-	7,831	**7,831**

Other principal risks and uncertainties:

- *Health and Safety* – Accidents are a major risk in the construction industry given the working environment; working safely is a primary focus of our business. The Group is committed to effective leadership and safety procedures being in place. Performance is regularly reviewed against agreed targets and the business seeks continuous improvement.

- *Market Risk* – The business could be impacted by reductions in public and private sector spending which may lead to a delay in cash receipts or the cancellation of work. The Group has a diversified customer base and service offering across a number of market sectors to limit exposure.

- *People* – Our people are critical to achieving our strategic plans and our ability to attract and retain experienced employees who demonstrate the Group's values is a key objective. We seek to mitigate the risk of skills shortages by offering a high standard of training and personal development opportunities, competitive reward structure and a positive employment experience.

- *Fraud/Cyber security* – The risk of unauthorised access to our IT systems is recognised as a potential threat to the business. We take steps as part of our IT management to ensure we are continually monitoring and improving our cyber security awareness for all staff. The Group engages external consultants to perform penetration testing and has invested in automated threat detection software.

- *Delivery risk* - We work in a changing and dynamic environment. Each project is unique to the client. There is a risk that our delivery does not meet with clients' specifications which could lead to losses. We seek to mitigate this risk through our client engagement process. We aim to accurately record client requirements and capture contractual variations through the life of the contract.

- *Covid-19* - The pandemic continues to present considerable risk to the Group as government guidelines are still changing and impacting on the way we interact with each other, our customers and the public. The government may change the guidance at short notice, this may mean that our pipeline and work programs could be affected which could also impact production efficiency and margin. The business is geographically well spread with a relatively diverse customer base. The Novus business is in continual contact with its customers and will take an agile approach to any future impact the virus may have.

Health and safety

The year started on track with trials of the new Novus Behavioral Safety programme, delivered by the Health and Safety ("H&S") team through engagement with operational teams, receiving positive feedback and helping to elevate the H&S performance of the trial areas, which were maintained throughout the year. However, different challenges emerged before the end of Q1 with the Covid-19 pandemic and National lockdowns.

The new H&S challenge was to keep our operations working across the country whilst providing a high degree of safety and reassurance to our colleagues, clients and customers and to prevent transmission of the Covid-19 virus. Novus immediately introduced safety controls through detailed risk assessments and safe operating procedures. This has been supported by the H&S team delivering inductions, briefings and site assessments across each work stream. This proactive approach has been very effective in preventing transmission in the workplace.

As the year progressed, the focus on the H&S Business Plan resumed with emphasis on health and wellbeing. We introduced an Employee Assistance Programme across the Group, to help colleagues counter any problems they may be experiencing and support them and their families with physical, mental and wellbeing issues. The business also trained several mental health first aiders as well as launching mental health e-learning training sessions to all line managers to help support colleagues as necessary.

Safety, health and wellbeing within the Group continues to be a key business plan objective that receives the full support of directors and senior managers through the Group. The business continues its drive for health and safety performance excellence in 2021, enhancing the safety culture whilst introducing innovation and continuous improvements. Through development of the H&S management system in 2021 to meet ISO 45001 requirements Novus will focus on leadership and colleague engagement to support proactive improvements to its H&S function. This will also align the H&S management system to the existing quality (ISO 9001) and environment (ISO 14001) management systems already held, allowing an integrated approach to supporting the Group and its operations.

Environmental policy

The Group is committed to responsible energy management and will practice energy efficiency through our organisation wherever possible. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

Statement of carbon emissions in compliance with the Streamlined Energy and Carbon Reporting ("SECR")

Basis of preparation
This is the first year of SECR reporting within the Group. For the purposes of this report, we are disclosing our Scope 1, 2 & 3 emissions for the Group, in accordance with the mandatory Environmental Reporting Guidelines.

Mandatory greenhouse gas emissions - Scope 1 & 2
Reporting period - Year ended 31 December 2020

Total energy usage (Scope 1 & 2)	8,462,108	kWh
Total emissions (Scope 1 & 2)	2,141	tCO2e
Intensity Ratio	17.3	tCO2e/£1m

Mandatory greenhouse gas emissions - Scope 3
Reporting period - Year ended 31 December 2020

Total energy usage (Scope 3)	1,020,433	kWh
Total emissions (Scope 3)	258	tCO2e
Intensity ratio	2.1	tCO2e/£1m

Methodology used in the calculation of disclosures
ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version, published by the Environment Agency Oct 2019), used in conjunction with the Government GHG reporting conversion factors.

For the purposes of this SECR report, we have identified our emissions-releasing activities, based on operational boundaries, as follows:

- Scope 1 – Use of company fleet vehicles in the execution of works and associated activities related to Group operations, including company leased, owned and hired vehicles.
- Scope 2 – Energy emissions resulting from utility usage (gas and electricity) at all branch and satellite offices, including the Novus and SHS Estates head office locations. Utility usage across the SHS Estates portfolio is also included where SHS is responsible for the consumption of energy, for example within void units.
- Scope 3 – ‘Grey fleet’ vehicles, (employee owned/leased/hired vehicles), used in connection with work activities that can be classed as ‘business travel’.

Intensity ratio
An intensity ratio is the definition of emissions in relation to a business metric. For the purpose of this SECR report, intensity ratios are calculated using tonnes of CO2e per £ million of revenue.

Energy efficiency actions implemented in reporting year

Novus operate an ISO 14001:2015 certified Environmental Management System that drives environmental improvements through establishing energy efficiency objectives and targets and the implementation of programmes to achieve these. In the current reporting year, the following factors have contributed to the carbon footprint improvements and performance within Novus:

- Continued the on-going replacement of fleet vehicles with Euro 6 engine vehicles that utilise the latest technology for emission reductions and compliance with the Clean Air Zone areas to be rolled out across the UK.
- Reduced business travel has been achieved through use of Microsoft Teams video conferencing/meetings and significantly reducing the number of face-to-face meetings with clients and contractors.
- The Novus head office and all branch offices are on green energy tariffs for all purchased electricity.

Energy efficiency actions for 2021

The following energy efficiency measures are planned for implementation within the Group during 2021:

- Implementation of the Environmental Commitments Plan – The first five-year plan to drive energy and waste efficiencies on our journey towards Carbon Net Zero.
- Further implementation of transport energy reduction initiatives including: on-going replacement of fleet with reduced emission vehicles, improvements in our telematics system to assist measuring and managing fuel usage.
- Increase the use of e-learning training to reduce the number of face-to-face training sessions and associated travel.

Energy efficiency intensity target for 2026

Through implementation of the Novus Environmental Commitments Plan and the above measures we aim for significant improvements in Scope 1 and 2 energy efficiency to achieve a reduction in the intensity ratio of 30% from this reporting period, (2020), by 2026.

Corporate social responsibility strategy

The pandemic placed additional challenges not only delivering our core services, but on the investment made through our Responsible Business Programme. All elements were impacted, including the amount of funding, time, and resources available to helping change thousands of lives through the social value initiatives we would normally deliver. Despite the challenges faced, Novus were still able to deliver 78 Social Value activities in 2020.

In light of the huge impact that the Covid-19 pandemic has had on our society, as a responsible business we are more committed than ever to play our part.

We took the opportunity to develop a new Responsible Business Programme, involving our employees from the outset to help shape our focus areas.

Inspired by the UN Sustainable Development Goals, the business identified three areas of focus:

- Goal 1: Reducing Poverty,
- Goal 3: Good Health and Wellbeing,
- Goal 13: Climate Action.

Within these goals, our colleagues highlighted considerations such as Homelessness, Food banks, Skills Development, Mental Health, Recycling and Reducing Waste, with which to prioritise our activity.

Towards the end of 2020, we addressed the goal of 'Reducing Poverty' by launching a National Food Bank Appeal that involved our colleagues throughout the UK supporting 26 Food Banks in total.

To support our colleagues with 'Good Health and Wellbeing' we trained and embedded 13 mental health first aiders across the Group. Furthermore, all managers completed mental health awareness training in the year.

Finally, as the Group is committed to positive 'Climate Action,' Novus have developed a 5-year plan that incorporates ambitious targets to reduce our carbon footprint. This 5-year roadmap will be launched in 2021.

The examples below represent just some of the initiatives Novus have supported in 2020:

- Novus provided their refurbishment services to help a local homeless hostel transform a disused existing games room into a much needed, well equipped, and comfortable extra bedroom;

- Novus were already working on a building refurbishment project at Horton Lodge Special School in Staffordshire, where 3 respite overnight bedrooms needed redecoration. Novus refurbished the rooms and sourced the materials from a local supplier and donated them for use in the bedrooms;

- The Novus Bathgate office held a competition across the communities where they are working asking for nominations for a community facility Novus could refurbish. The Novus employee panel chose the Community Room at Pleasance Court in Dundee. The Community Room is used extensively by the local community for drop-in sessions, surgeries, advice on life skills, budgeting, and is a home for many local organisations. The Novus team redecorated the Room making it a brighter and more pleasant environment for all the people that use the facilities.

Our commitment to being a responsible business was acknowledged in the marketplace, with Novus winning the Community Impact Award at the EEM Building Communities Awards.

Novus could not have delivered the impact it did without the involvement and support of its colleagues. The Group remains absolutely committed to being a responsible business, a force for good, and to making a difference in the communities in which we work.

Employee engagement

We recognise that our ‘colleague experience’ must be as good as we can make it if we are to attract and retain the best people in the industry. Meeting people’s expectations is more challenging than it has ever been, but by focusing on those areas which impact on how people feel about their role, the work they do, their relationship with the organisation, line manager and colleagues and ensuring they feel valued and recognised for the work they do, we will grow our reputation and set us apart from our competitors.

We have talented teams delivering for our customers across the whole of the UK and we want our workforce to reflect the communities in which we work. We are committed to developing an inclusive workplace, creating an environment which allows our people to thrive and enhancing diversity to deliver more value for our employees, clients and customers.

We recognise that ‘growing our own’ talent is essential for our future success and this is borne out by our ongoing commitment to our apprenticeship programme. Despite the pandemic we recruited three additional apprentices in 2020 and we are planning to recruit a further 15 in 2021. We are continually strengthening our internal offering to our apprentices ensuring we have a programme that meets individual and business needs and that reinforces our reputation as an ‘Employer of choice’.

Business relationships

The Group is committed to creating and sustaining long term relationships with our customers, suppliers and partners. We have customers that have been with us for over 30 years in the housing, education and health sectors and we take great pride in the value derived from these clients where trust and support are a fundamental aspect of the relationship. The social context of our markets and the contribution that we make in providing homes, health and education for the wider population is inspiring. This holds true to the values of our shareholders.

Similarly, in our supply chain we seek to provide fair and valuable work that can be executed with quality and on time. We aim to attract a supply chain that is sustainable, customer service orientated, socially and environmentally responsible. These attributes need to be nurtured and require time and effort to develop. We are determined to choose the best partners possible.

The Group’s relationships with its supply chain partners are of strategic importance and its actions and behaviours towards them during these challenging times are viewed as key to the Group’s future success. Consequently, the prompt payment of its suppliers has remained a major area of focus throughout the year and even more so against the current backdrop of the pandemic.

For the formal Payment Practices Reporting period of 1 July 2020 to 31 December 2020, Novus maintained its average time taken to pay invoices at 27 days and this reflected a reduction of 1 day compared to the corresponding period in the prior year. 95% of its invoices were paid within 60 days.

Matters covered in the Strategic Report

A detailed review of current performance and outlook is included within the Strategic Report.

Subsequent events

There have been no balance sheet events, adjusting or non-adjusting, since the end of the reporting period.

Going concern

Covid-19 has caused significant market disruption, whilst there continues to be uncertainty over the remaining period of restrictions due to the pandemic, the Board expects the business to remain resilient whilst it continues to operate under these guidelines until the end of the pandemic.

The Group’s underlying commercial model is resilient with strong cash conversion, diverse investment property portfolio, recurring revenue, strong cost control and varied work types and service offerings ensuring we are well positioned to address the uncertainty and continue to meet our customers’ needs.

The directors have reviewed the Group's budgets and forecasts for the 12 months from the date of this report, its liquid resources and the potential impact of the virus. The directors have modelled a reasonable worst case scenario analysis within Novus which demonstrates that the Group will have sufficient cash resources for a period of at least one year.

Thus, the directors have at the time of approving these financial statements, an expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

Consequently, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Neil Masom

N A Masom
Director
Date: 5/5/2021

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSSH LIMITED

Opinion

We have audited the financial statements of JSSH Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and 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 Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the parent Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

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 Group's and of the parent 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.

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.

The responsibilities of the directors with respect to going concern are described in the ‘Responsibilities of directors for the financial statements’ section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent Company and the Group, and determined that the most significant are those that relate to the reporting frameworks (FRS102 and the Companies Act 2006) and applicable Health and Safety legislation (The Health and Safety at Work Act 1974);
- We understood how the parent Company and the Group are complying with those legal and regulatory frameworks by making enquiries of management, and those charged with governance of the entity. We corroborated our enquiries through our review of board minutes and papers provided to the Board;
- We assessed the susceptibility of the parent Company and the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included; Evaluation of the processes and controls established to address the risks related to irregularities and fraud, and testing of journal entries, in particular entries relating to management estimates, large or unusual transactions;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with engagements of a similar nature;
- From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud;

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- In assessing the potential risks of material misstatement, we obtained an understanding of; the parent Company's and the Group's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and the parent Company's and Group's control environment including the adequacy of procedures for the authorisation of transactions.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Stuart Muskett
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Senior Statutory Auditor, Chartered Accountants
Manchester
Date: 5/5/2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	As restated 2019 £000
Turnover			
Group and share of joint ventures' turnover		**123,783**	166,536
Less: share of joint ventures' turnover		**(190)**	(174)
Group turnover	4	**123,593**	166,362
Cost of sales		**(118,421)**	(150,762)
Gross profit		**5,172**	15,600
Administrative expenses		**(9,210)**	(10,023)
Grant income	5	**4,373**	-
Other operating income	6	**1,947**	11
Fair value movement on investment property	17	**1,074**	-
Fair value movements on current asset investments		**-**	203
Profit on disposal of fixed asset investments		**26**	40
Profit on disposal of tangible assets		**73**	139
Operating profit	7	**3,455**	5,970
Share of profit of joint venture		**156**	171
Interest receivable and similar income	11	**49**	81
Interest payable and expenses	12	**(34)**	(21)
Profit before taxation		**3,626**	6,201
Tax on profit	13	**(183)**	(1,223)
Profit for the financial year		**3,443**	4,978
Actuarial losses on defined benefit pension scheme	28	**(161)**	(476)
Movement of deferred tax relating to pension surplus	22	**31**	81
Other comprehensive expense for the year		**(130)**	(395)
Total comprehensive income for the year		**3,313**	4,583
Profit for the year attributable to:			
Owners of the parent Company		**3,443**	4,978
		3,443	4,978

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Tangible assets	15		**2,719**		3,250
Investments	16		**2,309**		2,258
Investment property	17		**34,070**		33,191
			39,098		38,699
Current assets					
Stocks	18	**32**		35	
Debtors: amounts falling due within one year	19	**21,827**		22,304	
Cash at bank and in hand	20	**21,170**		17,892	
		43,029		40,231	
Creditors: amounts falling due within one year	21	**(26,902)**		(24,421)	
Net current assets			**16,127**		15,810
Total assets less current liabilities			**55,225**		54,509
Other provisions	23	**(1,272)**		-	
			(1,272)		-
Net assets excluding pension liability			**53,953**		54,509
Pension liability	28		**(1,711)**		(1,835)
Net assets			**52,242**		52,674
Capital and reserves					
Called up share capital	25		**40**		40
Capital reserves	24		**34,774**		34,774
Profit and loss account	24		**17,428**		17,860
Equity attributable to owners of the parent Company			**52,242**		52,674

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

Neil Masom
N A Masom
Director
Date: 5/5/2021

The notes on pages 28 to 57 form part of these financial statements.

JSSH LIMITED
REGISTERED NUMBER:08453465

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Tangible assets	15		**8**		13
Investments	16		**2,045**		2,045
Investment property	17		**34,070**		33,191
			36,123		35,249
Current assets					
Debtors: amounts falling due within one year	19	**718**		1,095	
Cash at bank and in hand	20	**9,512**		10,248	
		10,230		11,343	
Creditors: amounts falling due within one year	21	**(8,476)**		(8,742)	
Net current assets			**1,754**		2,601
Total assets less current liabilities			**37,877**		37,850
Net assets excluding pension liability			**37,877**		37,850
Pension liability			**(1,711)**		(1,835)
Net assets			**36,166**		36,015
Capital and reserves					
Called up share capital	25		**40**		40
Profit and loss account brought forward		**35,975**		32,868	
Profit for the year		**4,026**		5,711	
Other changes in the profit and loss account		**(3,875)**		(2,604)	
Profit and loss account carried forward			**36,126**		35,975
			36,166		36,015

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

Neil Masom
N A Masom
Director
Date: 5/5/2021

The notes on pages 28 to 57 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Capital reserves	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2020	40	34,774	17,860	52,674
Comprehensive income for the year				
Profit for the year	-	-	3,443	3,443
Other comprehensive expense	-	-	(130)	(130)
Other comprehensive expense for the year	-	-	(130)	(130)
Total comprehensive income for the year	-	-	3,313	3,313
Dividends: Equity capital (note 14)	-	-	(3,745)	(3,745)
Total transactions with owners	-	-	(3,745)	(3,745)
At 31 December 2020	40	34,774	17,428	52,242

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Capital reserves	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2019	40	34,774	15,486	50,300
Comprehensive income for the year				
Profit for the year	-	-	4,978	4,978
Other comprehensive expense	-	-	(395)	(395)
Other comprehensive expense for the year	-	-	(395)	(395)
Total comprehensive income for the year	-	-	4,583	4,583
Dividends: Equity capital (note 14)	-	-	(2,209)	(2,209)
Total transactions with owners	-	-	(2,209)	(2,209)
At 31 December 2019	40	34,774	17,860	52,674

The notes on pages 28 to 57 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2020	40	35,975	36,015
Comprehensive income for the year			
Profit for the year	-	4,026	4,026
Other comprehensive expense	-	(130)	(130)
Other comprehensive expense for the year	-	(130)	(130)
Total comprehensive income for the year	-	3,896	3,896
Dividends: Equity capital	-	(3,745)	(3,745)
Total transactions with owners	-	(3,745)	(3,745)
At 31 December 2020	40	36,126	36,166

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2019	40	32,868	32,908
Comprehensive income for the year			
Profit for the year	-	5,711	5,711
Other comprehensive expense	-	(395)	(395)
Other comprehensive expense for the year	-	(395)	(395)
Total comprehensive income for the year	-	5,316	5,316
Dividends: Equity capital	-	(2,209)	(2,209)
Total transactions with owners	-	(2,209)	(2,209)
At 31 December 2019	40	35,975	36,015

The notes on pages 28 to 57 form part of these financial statements.

JSSH LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	**3,443**	4,978
Adjustments for:		
Depreciation of tangible assets	**987**	1,203
Interest paid	**34**	21
Interest received	**(49)**	(81)
Taxation charge	**183**	1,223
Decrease/(increase) in stocks	**3**	(19)
Decrease/(increase) in debtors	**514**	(528)
Increase in creditors	**2,806**	4,585
Increase in provisions	**1,272**	-
Share of operating profit in joint ventures	**(156)**	(171)
Corporation tax paid	**(423)**	(1,537)
Pension funding	**(315)**	(235)
Increase in amounts recoverable on contracts	**(61)**	(2,771)
Profit on disposal of investment properties	**(26)**	(40)
Profit on disposal of tangible fixed assets	**(73)**	(139)
Fair value movements on investment properties	**(1,074)**	-
Net operating charge for defined benefits	**30**	41
Net cash generated from operating activities	**7,095**	6,530
Cash flows from investing activities		
Purchase of tangible fixed assets	**(463)**	(222)
Sale of tangible fixed assets	**80**	248
Purchase of investment properties	**-**	(237)
Sale of investment properties	**221**	263
Interest received	**49**	77
Net cash (used in)/generated from investing activities	**(113)**	129

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Cash flows from financing activities		
Dividends paid	**(3,745)**	(2,209)
Interest paid	**(34)**	(21)
Dividends received from joint venture	**75**	110
Net cash used in financing activities	**(3,704)**	(2,120)
Net increase in cash and cash equivalents	**3,278**	4,539
Cash and cash equivalents at beginning of year	**17,892**	13,353
Cash and cash equivalents at the end of year	**21,170**	17,892
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**21,170**	17,892
	21,170	17,892

The notes on pages 28 to 57 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £000	Cashflows £000	At 31 December 2020 £000
Cash at bank and in hand	**17,892**	**3,278**	**21,170**
	17,892	**3,278**	**21,170**

The notes on pages 28 to 57 form part of these financial statements.

1. General information

JSSH Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at Manor House, Manor Lane, Holmes Chapel, Cheshire, CW4 8AF.

The principal activity of the Group during the year was that of planned, responsive and cyclical maintenance and construction contracting, combined with property holding and management services.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £1,000.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2. Accounting policies (continued)

2.3 Basis of consolidation

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

The Consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the Group continues to recognise a capital reserve which arose on a past business combination that was accounted for as an acquisition in accordance with UK GAAP as applied at that time.

2.4 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2. Accounting policies (continued)

2.5 Going concern

Covid-19 has caused significant market disruption, whilst there continues to be uncertainty over the remaining period of restrictions due to the pandemic, the Board expects the business to remain resilient whilst it continues to operate under these guidelines until the end of the pandemic.

The Group’s underlying commercial model is resilient with strong cash conversion, diverse investment property portfolio, recurring revenue, strong cost control and varied work types and service offerings ensuring we are well positioned to address the uncertainty and continue to meet our customers’ needs.

The directors have reviewed the Group's budgets and forecasts for the 12 months from the date of this report, its liquid resources and the potential impact of the virus. The directors have modelled a reasonable worst case scenario analysis within Novus which demonstrates that the Group will have sufficient cash resources for a period of at least one year.

Thus, the directors have at the time of approving these financial statements, an expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

Consequently, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers and the value of work done during the year. Revenue also includes rents receivable from the Group's properties, which is recognised in the period to which it relates.

Long term contracts

Revenue from contracts is recognised in accordance with the stage of completion of contractual obligations to the customer. The stage of completion of the contract at the Statement of financial position date is assessed by reference to the value of work done.

When the outcome of a contract can be assessed reliably, contract revenue and associated costs are recognised as revenue and costs respectively by reference to the stage of completion of the contract activity at the Statement of financial position date. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised in the period in which they are incurred.

Long term contract balances included in amounts recoverable on contracts are stated at cost plus attributable profit, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

2. Accounting policies (continued)

2.7 Pre-contract costs

Contract mobilisation costs are charged to the Consolidated statement of comprehensive income in the year of contract inception.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

2.9 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings	- 50 years
Plant and machinery	- between 3 and 8 years
Motor vehicles	- between 3 and 6 years
Fixtures and fittings	- between 2 and 8 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Accounting policies (continued)

2.11 Impairment of fixed assets

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

2.12 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

2.13 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

2. Accounting policies (continued)

2.15 Debtors

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

2.16 Cash and cash equivalents

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

2.17 Current asset investments

Current asset investments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes to fair value are recognised in the profit and loss.

2. Accounting policies (continued)

2.18 Financial instruments

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

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

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

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

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

Financial assets measured at fair value through profit or loss are recognised initially at fair value, and subsequently measured at fair value at the end of each reporting period with any movements recognised in the Consolidated statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Creditors

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

2. Accounting policies (continued)

2.20 Finance costs

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

2.21 Dividends

Equity dividends are recognised when paid.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2. Accounting policies (continued)

2.23 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

The Group operates a defined benefit pension scheme which requires contributions to be made to separately administered funds. The scheme is now closed to new members and future accrual.

Scheme assets are valued at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit basis and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of financial position.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the Consolidated statement of comprehensive income. Actuarial gains and losses are recognised in the Consolidated statement of comprehensive income.

Where the risks of a defined benefit plan are shared between entities under common control, the net defined benefit cost is recognised in the financial statements of the Group entity which is legally responsible for the plan and all other Group entities recognise a cost equal to their contribution payable for the period.

2.24 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.25 Borrowing costs

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

2.26 Other operating income

Other operating income is recognised in the Consolidated statement of comprehensive income in the year in which it relates.

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

Preparation of the financial statements requires management to make significant judgements and estimates.

Critical judgements in applying accounting policies:

Revenue recognition
Revenue is recognised for long term contracts based on the stage of completion of the contract activity. This is measured as the percentage of the job completed, based on the surveyor's valuation, worktype and expected completion date.

Key sources of estimation uncertainty:

Measurement of provisions for foreseeable contract losses
The Group enters into long term contracts in the normal course of business. These contracts have been reviewed and provision has been made for the directors' best estimate of known legal claims and future losses.

Margin recognition through contract term
The Group enters into long term contracts in the normal course of business. The margin on these contracts is estimated by management over the term of the contract utilising estimated forecasted cost and revenue.

Valuation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the Consolidated statement of comprehensive income. The valuation requires estimates to be made of the market value of each property derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The property portfolio held is across various sectors, such as leisure, retail, industrial and residential, and as such requires the utilisation of judgement in respect of market uncertainties in each of these sectors.

Carrying values are reviewed with reference to information available at the time including external valuations which are obtained on a four yearly programme.

The directors consider the information available from all sources to be sufficient in order to inform themselves when valuing the property portfolio and therefore determine the valuation to be an accurate reflection of the investment property fair value.

Defined benefit pension scheme
The defined benefit pension plan obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Rendering of services	**123,783**	166,536
Less: share of joint ventures' turnover	**(190)**	(174)
	123,593	166,362

All turnover arose within the United Kingdom.

5. Grant income

	2020 £000	2019 £000
Government grants receivable	**4,373**	-

Government grants received during the year relate to Coronavirus Job Retention Scheme income.

6. Other operating income

	2020 £000	2019 £000
Other operating income	**-**	11
Insurance claims receivable	**1,947**	-

On 20 March 2020, JSSH Limited received a non-recurring exceptional credit of £1,947,000 *(2019: £Nil)* relating to an insurance fraud claim first notified to insurers under the financial crime policy in 2018 that met the criteria for recognition in 2020.

7. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	**987**	1,203
Hire of plant and machinery	**1,566**	1,781

8. Auditor's remuneration

	2020 **£000**	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**24**	21

Fees payable to the Group's auditor and its associates in respect of:

	2020 **£000**	2019 £000
The auditing of accounts of subsidiaries of the Group pursuant to legislation	**36**	34
Taxation compliance services	**12**	12
All other services	**47**	26
	95	72

9. Employees

Group

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £000	Group 2019 £000
Wages and salaries	**26,987**	29,697
Social security costs	**2,644**	3,107
Other pension costs	**1,065**	1,145
	30,696	33,949

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Manufacturing, construction and installation	**461**	520
Technical and administration staff	**366**	387
	827	907

Key Management Personnel

Key management personnel are defined as the directors of the Parent company and its key subsidiary undertaking: Novus Property Solutions Limited

The total emoluments of key management personnel (salaries, wages, benefits in kind and pension costs) were £1,536,000 in relation to 8 employees *(2019: £2,081,000 in relation to 8 employees)*.

Company

Staff costs, including directors' remuneration, for the Company were as follows:

	Company 2020 £000	Company 2019 £000
Wages and salaries	**1,102**	1,038
Social security costs	**134**	119
Other pension costs	**47**	62
	1,283	1,219

The average monthly number of employees, including directors, during the year for the Company were 14 *(2019: 14)*.

10. Directors' remuneration

The remuneration of the directors was as follows:

	2020 £000	2019 £000
Directors' emoluments	**803**	867
Company contributions to defined contribution pension schemes	**18**	35
	821	902

Retirement benefits are accruing to 2 directors *(2019: 2 directors)* under a defined benefit pension scheme and 4 directors *(2019: 4 directors)* under defined contribution pension schemes.

The amounts set out on the previous page include remuneration in respect of the highest paid director as follows:

	2020 £000	2019 £000
Emoluments	**333**	414
Company contributions to defined contribution pension schemes	**6**	23
	339	437

The highest paid director's accrued defined benefit pension at the year end was £Nil *(2019: £Nil).*

11. Interest receivable and similar income

	2020 £000	2019 £000
Bank interest receivable	**46**	74
Employee loan interest receivable	**3**	7
	49	81

12. Interest payable and similar expenses

	2020 £000	2019 £000
Interest on overdue tax	**29**	8
Other interest payable	**5**	13
	34	21

13. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	-	1,138
Adjustments in respect of previous periods	11	30
Joint venture taxation	30	31
Total current tax	41	1,199
Deferred tax		
Current period	182	7
Prior period	(40)	17
Total deferred tax	142	24
Taxation on profit on ordinary activities	183	1,223

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% *(2019: 19%)*. The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	**3,626**	6,201
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**689**	1,178
Effects of:		
Fixed asset differences	**26**	4
Expenses not deductible for tax purposes	**7**	33
Income not taxable for tax purposes	**(367)**	(35)
Remeasurement of deferred tax for changes in tax rates	**(90)**	-
Losses carried back	**52**	-
Adjustments to tax charge in respect of prior periods - current	**11**	30
Adjustments to tax charge in respect of previous periods - deferred tax	**(40)**	17
Adjust closing deferred tax to average rate	**-**	84
Adjust opening deferred tax to average rate	**-**	(76)
Deferred tax not recognised	**(105)**	(12)
Total tax charge for the year	**183**	1,223

Factors that may affect future tax charges

During 2020, Finance Act 2020 was enacted which cancelled a planned reduction in the headline corporation tax rate from 19% to 17%.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

14. Dividends

	2020 £000	2019 £000
JS Ordinary shares		
Dividend of £46.81 (2019 £27.61) per share	**1,873**	1,105
A Ordinary shares		
Dividend of £46.81 (2019 £27.61) per share	**1,872**	1,104
	3,745	2,209

The dividend policy allows for annual dividends to be paid each quarter end based on a percentage of profit. In 2020 no annual dividends were paid as it was clear at the end of March 2020 that the Novus business would be significantly impacted by the pandemic.

Prior to this, on 3 March 2020 the directors had already declared an exceptional dividend of £3,745,000 which was paid following strong performance in the previous three years resulting in previously set targets being met. This dividend was approved and paid prior to the impact of Covid-19 being known and before any restrictions were imposed.

Post year end, there have been JS Ordinary share dividends of £Nil (*2019: £1,872,500*) paid and £Nil (*2019: £1,872,500*) of A Ordinary share dividends paid.

15. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 January 2020	**692**	**2,040**	**6,002**	**491**	**9,225**
Additions	**-**	**121**	**339**	**3**	**463**
Disposals	**-**	**-**	**(480)**	**-**	**(480)**
At 31 December 2020	**692**	**2,161**	**5,861**	**494**	**9,208**
Depreciation					
At 1 January 2020	**170**	**1,940**	**3,434**	**431**	**5,975**
Charge for the year on owned assets	**5**	**58**	**906**	**18**	**987**
Disposals	**-**	**-**	**(473)**	**-**	**(473)**
At 31 December 2020	**175**	**1,998**	**3,867**	**449**	**6,489**
Net book value					
At 31 December 2020	**517**	**163**	**1,994**	**45**	**2,719**
At 31 December 2019	522	100	2,568	60	3,250

Included within freehold property is land of £350,000 *(2019: £350,000)*, which is not depreciated.

15. Tangible fixed assets (continued)

Company

	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 January 2020	**30**	**18**	**48**
Additions	**-**	**3**	**3**
At 31 December 2020	**30**	**21**	**51**
Depreciation			
At 1 January 2020	**23**	**12**	**35**
Charge for the year on owned assets	**2**	**6**	**8**
At 31 December 2020	**25**	**18**	**43**
Net book value			
At 31 December 2020	**5**	**3**	**8**
At 31 December 2019	7	6	13

16. Fixed asset investments

Group

	Investment in joint ventures £000
Cost or valuation	
At 1 January 2020	**2,258**
Share of profit/(loss)	**51**
At 31 December 2020	**2,309**
Net book value	
At 31 December 2020	**2,309**
At 31 December 2019	2,258

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	**2,045**
At 31 December 2020	**2,045**
Net book value	
At 31 December 2020	**2,045**
At 31 December 2019	2,045

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Novus Property Solutions Limited	Five Towns House Hillside, Festival Way, Stoke-On-Trent, Staffordshire, United Kingdom, ST1 5SH	Painting, maintenance and decorating	Ordinary	100%

Joint venture

The following was an associate of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Heath Investments Limited	Manor House Manor Lane, Holmes Chapel, Nr Crewe, Cheshire, CW4 8AF	Property investors and developers	Ordinary	50%

17. Investment property

Group and Company

	Investment property £000
Valuation	
At 1 January 2020	**33,191**
Disposals	**(195)**
Surplus on revaluation	**1,074**
At 31 December 2020	**34,070**

All of the Group's investment property are held in the Parent company

The 2020 valuations were made by a RICS qualified director, on an open market value for existing use basis.

Carrying values of investment properties have been reviewed as at 31 December 2020 in order to assess the appropriateness of property values individually and as a whole with reference to information available at the time including external valuations which are obtained on a four yearly programme.

The valuation requires estimates to be made of the market value of each property derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The property portfolio held is across various sectors, such as leisure, retail, industrial and residential, and as such requires the utilisation of judgement in respect of market uncertainties in each of these sectors.

The JSSH board have reviewed and approved these valuations.

18. Stocks

	Group 2020 £000	Group 2019 £000
Raw materials and consumables	**32**	35

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

19. Debtors

	Group 2020 £000	Group 2019 £000	**Company 2020 £000**	Company 2019 £000
Trade debtors	**341**	367	**304**	303
Other debtors	**217**	334	**151**	252
Prepayments and accrued income	**1,316**	1,687	**210**	241
Amounts recoverable on long term contracts	**19,484**	19,423	**-**	-
Tax recoverable	**110**	23	**5**	212
Deferred taxation (note 22)	**359**	470	**48**	87
	21,827	22,304	**718**	1,095

An impairment loss of £113,000 (*2019: £Nil*) was recognised against trade debtors.

20. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	**Company 2020 £000**	Company 2019 £000
Cash at bank and in hand	**21,170**	17,892	**9,512**	10,248

21. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	**Company 2020 £000**	Company 2019 £000
Trade creditors	**7,831**	9,838	**177**	272
Amounts owed to group undertakings	**-**	-	**6,798**	6,905
Corporation tax	**-**	324	**-**	-
Other taxation and social security	**5,544**	2,978	**171**	130
Other creditors	**3,044**	196	**-**	-
Accruals and deferred income	**10,483**	11,085	**1,330**	1,435
	26,902	24,421	**8,476**	8,742

22. Deferred taxation

Group

	2020 £000	2019 £000
At beginning of year	**470**	413
Charged to the profit or loss	**(142)**	(24)
Credited to other comprehensive income	**31**	81
At end of year	**359**	470

Company

	2020 £000	2019 £000
At beginning of year	**87**	49
Charged to the profit or loss	**(70)**	(43)
Credited to other comprehensive income	**31**	81
At end of year	**48**	87

The deferred tax asset is made up as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Accelerated capital allowances	**(49)**	39	**(277)**	(234)
Pension deficit	**325**	312	**325**	312
Short term timing differences	**83**	119	**-**	9
	359	470	**48**	87

23. Provisions

Group

	Provision for future losses £000
At 1 January 2020	-
Charged to profit or loss	516
Transferred from Amounts recoverable on contracts	756
At 31 December 2020	**1,272**

The above provision represents an estimate of the future liabilities associated with long term contracts, which are considered onerous by management. It is probable that the liabilities are expected to be settled within 5 years.

24. Reserves

Capital reserve

Capital reserve represents the reserve created on acquisition of Novus Property Solutions Limited, Dukfent NLR Limited, SCS NLR Limited, Props NLR Limited, Heath Investments Limited and their respective subsidiaries on 23 August 2013. This comprises the excess of the fair value of net assets acquired over the nominal value of the shares.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

25. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
40,000 (2019 - 40,000) JS Ordinary shares shares of £1.00 each	**40,000**	40,000
40,000 (2019 - 40,000) A Ordinary shares shares of £0.01 each	**400**	400
	40,400	40,400

25. Share capital (continued)

Share rights and obligations

A Ordinary shares - each holder of A ordinary shares on a show of hands, have one vote, and on poll, have two votes per A ordinary share. A ordinary shares have a right to dividends following the payment of the priority dividend to the holders of the JS ordinary shares. On a return of capital, the surplus assets of the company shall be applied in firstly repaying the holders of the A ordinary shares a sum equal to the amount paid up on each A ordinary share.

JS Ordinary shares - each holder of JS ordinary shares on a show of hands, have one vote, and on poll, have one vote per JS ordinary share. JS ordinary shares have a right to a priority dividend. On a return of capital, following the repayment of A ordinary shares, the balance of surplus assets are paid in proportion to the nominal amounts paid up or credited as paid up on the JS ordinary shares.

26. Prior year adjustment

In the year, there has been a change in accounting policy in respect of classification of certain costs within the Statement of Comprehensive Income. The directors have reclassified £1,680,000 of fixed office costs from cost of sales to administrative expenses as they believe this more accurately reflects the nature of these costs. The prior year figures have been restated by £1,880,000 to ensure consistency of presentation.

Financial statement line	**2019 as reported £000**	**2019 adjustment £000**	**2019 as restated £000**
Cost of sales	(152,642)	1,880	(150,762)
Administrative expenses	(8,143)	(1,880)	(10,023)
Profit before tax	6,201	-	6,201

There is no impact on profit in either year, nor on brought forward reserves.

27. Contingent liabilities

Novus Property Solutions Limited has a debenture in favour of Lloyds Bank plc as at 31 December 2020 and 2019. The amount outstanding as at 31 December 2020 and 2019 was Nil.

28. Pension commitments

Defined contribution pension plan

The Group operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the schemes are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,065,000 *(2019: £1,145,000)*.

Defined benefit pension plan

The Group operates a Defined Benefit pension scheme.

The JSSH Limited Retirement Scheme was established on 11 December 2013 as a consequence of the demerger of Seddon Group Limited. During 2014, the process was undertaken to transfer the relevant assets and liabilities of the Seddon Group Retirement Scheme into JSSH Limited Retirement Scheme.

The scheme is now closed to new members and future accrual. Annual contributions are paid on the recommendation of independent qualified actuaries following the latest approved triennial valuation, the latest of which was at 30 June 2017. The valuation method used is the Defined Accrued Benefits method and the principal assumptions made by the actuary were:

	30 June 2017
Discount rate	3.10%
GMP deferred revaluation	3.40%
Non GMP deferred revaluation	2.60%
Post 88 GMP pension increase	2.20%
Cash commutation	75% of maximum tax free cash allowable
Proportion married	90%
Spouse's age difference	Husbands 3 years older than wives
Expenses	No allowance
Pre retirement mortality	Nil
Post retirement mortality	S2PxA CMI 2016 projections with 1.5% per annum long term trend rate

The next triennial valuation is expected to be approved later this year.

Reconciliation of present value of plan liabilities:

	2020 £000	2019 £000
At the beginning of the year	**(8,119)**	(7,241)
Interest cost	**(143)**	(188)
Actuarial (loss)/gain	**(594)**	(1,024)
Benefits paid	**351**	334
At the end of the year	**(8,505)**	(8,119)

28. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	**6,284**	5,688
Interest income	**113**	147
Actuarial gain/(loss)	**433**	548
Contributions	**315**	235
Benefits paid	**(351)**	(334)
At the end of the year	**6,794**	6,284

Composition of plan assets:

	2020 £000	2019 £000
Absolute return	**2,870**	2,458
Alternatives	**1,442**	1,361
Liability driven investments	**1,403**	1,237
Cash	**1,079**	1,228
Total plan assets	**6,794**	6,284

	2020 £000	2019 £000
Fair value of plan assets	**6,794**	6,284
Present value of plan liabilities	**(8,505)**	(8,119)
Net pension scheme liability	**(1,711)**	(1,835)

28. Pension commitments (continued)

	2020 £000	2019 £000
Total cost recognised as an expense:		
Net interest cost	**(30)**	(41)
Actuarial gain/(loss) on plan assets	**433**	548
Actuarial (loss)/gain on plan liabilities	**(594)**	(1,024)
	(191)	(517)

	2020 £000	2019 £000
The return on plan assets was:		
Actual return on scheme assets	**113**	147
Actuarial gain/(loss) on plan assets	**433**	548
Total return on plan assets	**546**	695

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £1,804,000 *(2019: £1,643,000)*.

The Group expects to contribute £315,000 *(2020: £315,000)* to its Defined Benefit pension scheme in 2021.

Principal actuarial assumptions at the Statement of financial position sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.20%	1.80%
Price inflation (RPI)	2.90%	3.20%
Price Inflation (CPI)	2.1%	2.20%
Rate of increase for pensions in payment CPI (max 3%)	1.9%	2.00%
Pre retirement mortality	Nil	Nil
Post retirement mortality	S2PxA, CMI 2019 with 1% p.a. LRT +1 age rating	S2PxA, CMI 2018 with 1% p.a. LRT +1 age rating
Life expectancies:		
Current pensioners age 65 - males	20.9	20.5
Current pensioners age 65 - females	23.2	22.4
Future pensioners age 65 (currently age 45) - males	21.9	21.5
Future pensioners age 65 (currently age 45) - females	24.3	23.6

In addition to the above there are annuity policies held in relation to 5 *(2019: 6)* insured pensioners. These policies were valued by the pension scheme actuary at £1,280,000 as at 30 June 2020 and £1,244,000 as at 30 June 2019 as disclosed in the JSSH Limited Retirement Scheme audited accounts. There is no impact on the pension deficit detailed in the Statement of Financial Position.

29. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	**405**	443
Later than 1 year and not later than 5 years	**351**	449
Later than 5 years	**4**	5
	760	897

30. Related party transactions

The Group received income from Heath Investments Limited during the year for the sum of £31,000 *(2019: £31,000)* and had a balance outstanding with this party of £Nil *(2019: £Nil)* as at 31 December 2020.

31. Post balance sheet events

There have been no post balance sheet events, adjusting or non-adjusting, since the end of the reporting period.