
NOVUS PROPERTY SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



NOVUS PROPERTY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	J S Seddon (Non Executive Chairman) A J Nixon (Chief Executive Officer) N D Washington L G Hartley J H Palfreyman (Non Executive)
Company secretary	N D Washington
Registered number	02403551
Registered office	Five Towns House Festival Way Stoke on Trent Staffordshire ST1 5SH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Lloyds Bank plc 125 Colmore Row Birmingham B3 3SF

NOVUS PROPERTY SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Notes to the financial statements	17 - 33

NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Principal Activity

The principal activity of the Company during the year was that of painting, maintenance, refurbishment and construction contracting.

Business review

2018 has been another successful year for the business despite the trading environment remaining challenging. Novus performed well; not just financially but with solid progress delivered towards non-financial objectives. The consistency of our performance demonstrates our commitment to continually improve, resilience and quality of delivery within our core markets. Novus has delivered turnover in excess of budget in all years since the Group was re-structured in 2013. Our solid and stable financial platform allows us to make long term strategic investment decisions to position ourselves for the future.

2018 was the company's 5th anniversary as part of the JSSH Limited group. The occasion was marked with the delivery of our "Big Five" initiative which saw Novus invite applications from charities to each secure £20,000 of donated support for social value projects. Five deserving applications were selected in different parts of the country and with support from the supply chain and voluntary time from staff, Novus completed:

- A whole house refurbishment for Leeds Action to Create Homes, a charity working with the homeless, in Leeds.
- The creation of a neonatal bereavement suite for Abigail's Footsteps, a charity supporting families dealing with a neonatal fatality, in Brighton.
- The creation of a community hub for Bromley-Pensnett Primary School from a derelict disused building.
- The refurbishment of Livingston Community Centre for Almond Housing Association, providing much needed space for local young residents.
- The transformation of an overgrown garden into a fully heated office and outdoor recreation area for Tom Harrison House, who provide recovery programmes for veterans with drug or alcohol addiction.

The initiative was an appropriate way to mark our 5th birthday, as it engaged our staff and supply chain, but importantly changed numerous lives; reflecting our commitment to our social value agenda and our shareholders' shared purpose of creating a legacy.

During 2018, the business disposed of three remaining void properties; the site of the previous Wotton Building Supplies, the former Duke Street head office building and the old Bristol office. This concluded the company's disposal programme following a strategic review of its land and buildings.

Significant investment has been made in developing the Novus culture, and linking the six Novus Way values to the shareholding family's guiding principles of legacy, financial stability, family harmony and looking after the interests of our employees. The six Novus Way values are:

- Be responsible
- Work together
- Get it right
- Be authentic
- Embrace change
- Nurture

NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

In 2018 Novus pursued objectives targeting health & safety, being an employer of choice, controlled & measured growth and governance.

The company continued to invest in its People Services department, designed to ensure Novus attracts, trains and retains the best talent in the industry. Our People Strategy encompasses three key themes:

- Attracting and retaining the best people.
- Providing our people with opportunities for growth and development.
- Rewarding and recognising talent, performance and achievement.

In an ever increasingly technological world we have been investing in our IT systems during 2018 with a particular focus on network security. The GDPR required Novus to review its processing and retention of data and a working group prepared the business to ensure its compliance. In addition, active network monitoring software was deployed, along with a third party being commissioned to undertake penetration testing. With the appointment of an IT focused non-executive director the Board intends to continue to invest heavily in the company's technology capabilities and is embarking on a Digital Transformation project which is one of the key business plan themes for 2019.

The business' financial performance exceeded expectations despite challenging conditions. Turnover for the year was £155.8m (2017: £148.6m), an increase of 4.8%. Profit before tax increased due to this additional turnover and a reduction in overheads, despite a decrease in the gross profit margin. The Company remains in a healthy position with a strong Statement of Financial Position at the year end which comprises £17.2m (2017: £15.4m) of net assets of which £6.5m (2017: £4.6m) is cash deposits.

	2018	2017	Measure
Growth in turnover	4.9%	14.0%	Year on year sales growth
Gross profit margin	7.6%	8.2%	Gross profit/turnover
Operating profit margin	3.5%	3.6%	Operating profit/turnover
AROC days	39	38	
Social value projects delivered	340	334	
Staff retention	64.8%	78.5%	(Average staff-leavers in year)/Average staff
Number of apprentices and trainees under formal education	91	65	

Other than general economic risks and the uncertainty created by Brexit, the principal risks facing the Company are those relating to the specific markets the Company operates in and those relating to government planning and other regulations. Significant levels of our current activity relate to local authorities and housing associations, all of which could be impacted by legislation or changes to government spending priorities. In addition, the Company is expanding its services to the hospitality and leisure sector, a market which is susceptible to the impact of terrorism.

NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Future Review

In 2019 the company will host a series of roadshows further emphasising the guiding principles by introducing the Novus Shield which explains our four pillars, and reinforcing the values and business ethics that the senior leadership team want the organisation to display. The Novus Shield and pillars have been created to translate the Company's ethos into a set of supporting activities to aid people in understanding what good looks like at Novus.

For 2019 the business has set itself eight business plan themes:

- Values and culture
- Health & safety
- Control & governance
- Employer of choice
- Customer experience
- Productivity
- Raising contract value
- Digital transformation

In 2019 Novus will be launching our "It's our job" approach under the customer experience theme. This is a campaign designed to ensure we put our clients and customers at the centre of everything Novus does. This is an exciting initiative that will engage the entire workforce as we strive to differentiate ourselves through the level of customer service we provide. As part of this theme we are engaging with sector specialists to better understand the challenges our clients face, and the role Novus can play as their contractor of choice in supporting them.

As part of improving our control and governance, and as a precursor to the planned Digital Transformation project Novus is updating its process maps. This is being achieved through a series of workshops coupled with a validation cycle and Board approval. A number of improvements are expected as a consequence of this activity.

The current economic environment presents a number of challenges as unemployment has fallen and there is a labour shortage within the construction sector which is creating significant inflationary pressures on the business. In addition, budget reallocations and focus are putting particular pressure on the resources of housing associations and government bodies. However, the business is well placed to respond given its solid Statement of Financial Position, strong credit rating, low gearing and the support of its parent company. Overall trading volumes in the first half of 2019 are expected to be in line with Budget, but margin continues to be challenging due to inflationary pressures and market conditions. Despite these impacts the board is confident that the Company will have a profitable and cash generative year in 2019.

At the time of signing the accounts Novus has an order book of £138.4m for 2019 which represents approximately 86.1% of budgeted turnover. This positions us well for future investment, particularly given our financial strength and stability. Our strategy is built around the core values of our shareholders and seeks to continue to develop the legacy of the original family enterprise whilst looking after the interest of employees and growing the business in a controlled way so as to continue to enjoy the high levels of financial security currently maintained.

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



J S Seddon
Director

Date: 30/04/2019

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Delivery

Everyone at Novus is very proud of our achievements during 2018 and the Company is committed to continually going that extra mile in the services provided to our clients and customers and having a positive impact on the communities in which we work. The business recognises that in the majority of instances it is working in live environments and prides itself on its ability to manage our works with the least disruption and downtime to our clients. The Company is focused on securing long term contracts which provide visibility and enable Novus to develop relationships.

Results and dividends

The profit for the year, after taxation, amounted to £4,143,000 (2017: £4,370,000).

The directors recommended the payment of dividends of £2,343,000 (2017: £4,521,000) during the year.

Directors

In 2018 Neil Hand and Chris Walford left the business and ceased being directors. Alan Nixon, an existing member of the Board and an employee for over 30 years was appointed Chief Executive Officer with effect from 27 February 2019.

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

J S Seddon (Non Executive Chairman)
N W Hand (Ceased 14 December 2018)
A J Nixon (Chief Executive Officer)
C Walford (Ceased 11 December 2018)
N D Washington
L G Hartley
J H Palfreyman (Non Executive)

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Environmental policy

Novus, throughout its operations, is committed to the protection and improvement of the environment, the prevention of pollution, the continuous improvement of environmental performance and the minimisation of energy, material usage and waste production. To reinforce this, the Environmental policy was updated in January 2019.

Novus are committed to reducing its environmental impact and have made commitments to reduce waste to landfill and reduce carbon emissions as follows:

- Achieve a 1% year on year reduction to the business carbon footprint including waste production and energy consumption. The business has reduced its CO2 output by 16% compared to that of 2017, exceeding its goal of a 1% per annum improvement.
- To divert 96% of waste from landfill. During 2018 Novus diverted 95% of waste from landfill, an increase of 3% on 2017. There have been 357.76 tonnes fewer waste materials produced when compared with 2017.
- Support the Energy Saving Opportunity Scheme by reducing Novus' energy consumption.

Energy and diversion from landfill statistics and targets are communicated via Forum, Novus' internal website.

The waste management target leading up to 2020 continues to be set against the previous target of 96% diversion from landfill. Further environmental targets have been set at board level, as defined within the Novus Management Review Report 2018, which will be monitored to ensure that they are met.

Corporate Social Responsibility Strategy

Our Company Changing Lives Programme was launched in 2015. Over the course of this campaign Novus has provided significant investment in terms of funding, time and resources helping change thousands of lives through supporting social value initiatives. In 2018 Novus invested and donated £148,642 to support charitable and good causes across the country, 340 social value initiatives took place impacting on 14,569 lives. The most inspiring of these activities continue to be communicated through the Changing Lives website page: <https://www.novussolutions.co.uk/our-approach/csr/changing-lives>

Novus continue to be a member of Business in the Community (BITC), which is The Prince's Responsible Business Network, where businesses work together to tackle a wide range of issues that are central to the development of a fairer society and a more sustainable future. At the 2018 National BITC Awards, held at the Royal Albert Hall, Novus were acknowledged with a National Award for 'Educational Partnership' for the support we have provided to 'education' across Stoke on Trent via the Staffordshire BITC Business Class initiative. Novus in partnership with BITC have been supporting Thistley Hough Academy for the past six years, with the aim of improving the school's performance for the benefit of their pupils. Under Stuart Seddon, Novus' Non-Executive Chairman's leadership, Novus employees each year volunteer their time supporting hundreds of pupils to help improve their academic achievement and increase their employability. The BITC Award is acknowledgement of the impact Novus have had through this partnership.

Novus could not have delivered the impact we did without our employees' support and involvement. Novus is committed to being a responsible business and making a difference to the communities that we work in.

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Colleague Engagement and Development

In 2018 following the re-branding of Human Resources and Training to People Services, a new role of Head of People Services was created and positioned as part of the Senior Leadership Team reporting to the CEO.

To support this appointment, new responsibilities and accountabilities were agreed for the People Services team, introducing business partnering across all areas and re-positioning the department in a move to realise a more proactive and strategic approach in line with the business objective of becoming an employer of choice.

A 3-year People Plan was created reflecting the strategic aims agreed by the Board in 2017, providing a roadmap for reward and recognition, learning and development, talent and succession, management and leadership development up to 2021.

The first Gender Pay Report was published in the year which saw a 25.9% mean and a 25.4% median hourly pay gap and an 87.2% mean and 26.4% median bonus pay gap. Whilst this is representative of the construction sector, a commitment has been made to close the gap, recognising that the issue was not one of equal pay, but instead was one of making the business attractive to all. A longer-term strategic approach has therefore been adopted in an effort to effect sustainable improvement in gender pay and more widely, diversity, through the development of the business' culture.

As part of the cultural development journey, a new suite of people policies has been created setting out the company's commitment to fair, equitable and transparent policies and procedures. This is the first stage of a long-term plan to regularly review and benchmark policies and procedures within Novus with best practice that exists in the external market.

The Steps programme introduced in 2017 has continued to provide developmental opportunities to both existing and future managers. The introduction of a new approach to succession planning for the management population was launched at Board level in the year and will be cascaded through the organisation in 2019 to ensure a structured and consistent approach to talent management, at all levels.

The Company's long-standing commitment to apprenticeships saw a further 19 apprentices join the business in 2018. Improvements to the apprenticeship programme have started to be identified and introduced, with networking groups, buddy and mentoring schemes being implemented alongside a soft skills development programme due to be launched in 2019.

Outside of the company's apprenticeship programme, twenty Trainee Quantity Surveyors are being sponsored through formal further and higher education courses.

The company has maintained its commitment to providing good quality skills and health and safety training for its trade colleagues, and through stronger links with the Health and Safety team, People Services has updated the core skills training matrix to reflect current requirements.

Listening groups were held in the year across the company's national network to give feedback and help design a new engagement survey, in an effort to improve on the 2017 response rate and in turn realise broader and more meaningful feedback. A streamlined survey has been designed and a new approach to collecting feedback agreed in preparation for the survey launch in the first quarter of 2019.

The focus for much of 2018 has been ensuring the foundations are sufficiently strong, to allow people practices and policies to be developed. There continues to be a strong appetite at Board level for Novus to be recognised as an employer of choice and with embedded family values, and the business is in a strong position going into 2019, to deliver its people objectives.

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Health and safety

Novus continues to focus on health and safety, which will always be a key business plan objective given the sector the business operates in. Novus is committed to continuously improving health and safety performance and protecting the health, safety and wellbeing of our employees and those people affected by our business activities. In 2018 the company's senior managers undertook 399 site inspections, reinforcing the audit work already undertaken by the Health & Safety department.

In 2017, British Safety Council revisited Novus to carry out a review of our safety management and safety arrangements identifying both areas of best practice and development opportunities. This resulted in the company being awarded its target of three stars. The business developed a three year plan which was aligned to our 'Target Zero' philosophy. This reinforced the key message of taking personal responsibility for safety and further develops our commitment towards higher standards of safety.

The three year plan has been successfully implemented within the business with the full support of the Board and senior management. The appointment of regional safety champions and the drive for all senior managers to visit sites to review safety arrangements in place has supported improved engagement at site level and more comprehensive reporting. Our people are more engaged in the safety agenda than ever before but more will be achieved once our behavioural safety programme has been delivered in full. Arrangements have been put into place to utilise third party specialists to carry out routine inspections of scaffolds an area viewed as one of the businesses higher risk areas. Promoting good health has received more focus in 2018 and will continue to be a focus in the future.

The plan remains a live document as we add new initiatives and objectives following changes in legislation or business requirements. We are in the process of developing our new plan for 2020-2022 which will include areas such as investigating the use of technology to enhance our arrangements and assist us with continuous improvement towards safety.

Principal risks and uncertainties

The Company 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 Company's operations.

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

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. Short term flexibility is achieved by an overdraft facility and if required borrowing from JSSH Limited, Novus' parent company. During the year to 31 December 2018, the Company did not utilise this overdraft facility.

Inflation risk

Exposure to unforeseen increases in material and labour costs on existing contracts could impact margins and the Company monitors risk in this area. Supply agreements are continually reviewed and where possible sub contract terms are matched with client terms.

Interest rate risk

The Company finances its operations through retained profits. The interest rate exposure of the financial assets and liabilities of the Company as at 31 December 2018 is set out 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.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Fixed £000	Floating £000	Zero £000	Total £000
Financial Assets				
Cash	-	6,545	-	6,545
Trade debtors	-	-	37	37
Amounts recoverable on contracts	-	-	16,652	16,652
	-	6,545	16,689	23,234
	Fixed £000	Floating £000	Zero £000	Total £000
Financial liabilities				
Trade creditors	-	-	6,686	6,686

Other principal risks and uncertainties:**Health and Safety**

Accidents are a major risk within the construction industry; working safely is a primary focus of our business and is critical to all that we do. Novus is committed to ensuring that effective leadership and safety procedures are in place. Health and safety performance is regularly reviewed against agreed targets and the business continues to seek ways to improve processes and prevent harm.

Market Risk

Our business could be impacted by reductions in government and private industry spending due to a sudden economic downturn which may lead to delays in receiving payments or cancellation of workstreams. Novus has a diversified customer base and service offering across a number of sectors and markets to limit the exposure to any one sector.

Our People

Our people are critical to achieving our strategic plans and our ability to attract and retain high calibre, experienced individuals who are able to demonstrate our Novus values is a priority. We seek to mitigate the risk of skills shortages by offering a high standard of training and personal development opportunities, market competitive reward structures, and a positive employment experience. Our leadership and development programme aims to provide clear progression paths for our workforce.

Fraud/Cyber Risk

The risk of unauthorised access to our IT systems is recognised as a potential threat to our business and reputation. We take steps as part of our IT management to ensure we are continually monitoring and improving our cyber security including training programmes for all our staff. The company routinely engages external consultants to perform penetration testing, has invested in automated threat detection software, carries insurance cover and holds the Cyber Essentials certification, with work underway to secure Cyber Essentials Plus.

Delivery Risk

We work in rapidly changing, dynamic environments. Each project is specifically tailored to client requirements. There is a risk that our delivery is not in line with clients' specifications and timescales which could lead to contract losses and penalties. We seek to mitigate this risk by working closely and communicating with our clients. We endeavour to accurately record client requirements, manage programmes and capture variations as work progresses.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Matters covered in the strategic report

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

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'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's auditor is aware of that information.

Subsequent events

There have been no significant subsequent events since the year end.

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.



J S Seddon
Director

Date: 30/04/2019

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 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 company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVUS PROPERTY SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Novus Property Solutions Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVUS PROPERTY SOLUTIONS LIMITED (CONTINUED)

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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVUS PROPERTY SOLUTIONS LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 10, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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 BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 30 April 2019

NOVUS PROPERTY SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	3	155,781	148,553
Cost of sales		(143,964)	(136,422)
Gross profit		11,817	12,131
Administrative expenses		(6,319)	(6,729)
Other operating income	4	28	2
Operating profit	5	5,526	5,404
Interest receivable and similar income	8	30	46
Interest payable and expenses	9	(20)	(9)
Profit before tax		5,536	5,441
Tax on profit	10	(1,393)	(1,071)
Profit for the financial year		4,143	4,370

There was no other comprehensive income for 2018 (2017: £Nil).

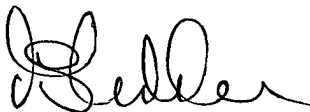
The notes on pages 17 to 33 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED
REGISTERED NUMBER: 02403551

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	12	4,319	4,992
		<u>4,319</u>	<u>4,992</u>
Current assets			
Stocks	14	16	17
Debtors: amounts falling due within one year	15	24,717	22,826
Cash at bank and in hand	16	6,545	4,630
		<u>31,278</u>	<u>27,473</u>
Creditors: amounts falling due within one year	17	(18,428)	(17,096)
Net current assets		<u>12,850</u>	<u>10,377</u>
Total assets less current liabilities		<u>17,169</u>	<u>15,369</u>
Net assets		<u>17,169</u>	<u>15,369</u>
Capital and reserves			
Called up share capital	21	1	1
Share premium account	20	1,985	1,985
Profit and loss account	20	15,183	13,383
		<u>17,169</u>	<u>15,369</u>

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



J S Seddon
Director

Date: 30/04/2019

The notes on pages 17 to 33 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	1,985	13,383	15,369
Comprehensive income for the year				
Profit for the year	-	-	4,143	4,143
Total comprehensive income for the year	-	-	4,143	4,143
Dividends: Equity capital (note 11)	-	-	(2,343)	(2,343)
Total transactions with owners	-	-	(2,343)	(2,343)
At 31 December 2018	1	1,985	15,183	17,169

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	1	1,985	13,534	15,520
Comprehensive income for the year				
Profit for the year	-	-	4,370	4,370
Total comprehensive income for the year	-	-	4,370	4,370
Dividends: Equity capital (note 11)	-	-	(4,521)	(4,521)
Total transactions with owners	-	-	(4,521)	(4,521)
At 31 December 2017	1	1,985	13,383	15,369

The notes on pages 17 to 33 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Company information

Novus Property Solutions Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is Five Towns House, Festival Way, Stoke on Trent, Staffordshire, ST1 5SH.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 £000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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.

This information is included in the consolidated financial statements of JSSH Limited as at 31 December 2018 and these financial statements may be obtained from Manor House, Manor Lane, Holmes Chapel, Cheshire, CW4 8AF.

1.4 Going concern

After reviewing the Company's forecasts and projections, the directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

Long term contracts

Revenue from contracts is recognised in accordance with the type of work and 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 expected completion date and duration. 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.

1.6 Pre-contract costs

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

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

The company 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 company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income 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.

Depreciation is provided on the following basis:

Freehold buildings	- 50 years
Plant and machinery	- between 3 and 8 years
Motor vehicles	- between 3 and 6 years
Fixtures and fittings	- between 3 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 the Statement of comprehensive income.

Impairment of fixed assets

Assets that are subject to no 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 levels 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.

1.8 Operating leases: the company as lessee

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

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.9 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 Statement of comprehensive income.

1.10 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

1.11 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 Statement of financial position 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 Statement of comprehensive income.

1.12 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.

1.13 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.

1.14 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.

1.15 Finance costs

Finance costs are charged to the 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.

1.16 Dividends

Equity dividends are recognised when paid.

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.17 Financial instruments

The Company 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 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 Company would receive for the asset if it were to be sold at the Statement of financial position date.

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.

1.18 Interest income

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

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.19 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

1.20 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 company in independently administered funds.

Group pension plan

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.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. 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 company 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.

3. Turnover

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

	2018 £000	2017 £000
Rendering of services	155,781	148,553

All turnover arose within the United Kingdom.

4. Other operating income

	2018 £000	2017 £000
R&D tax claim	28	-
Net rents receivable	-	2

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	1,240	1,296
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	31	31
Hire of plant and machinery	1,462	1,597
	<u>1,462</u>	<u>1,597</u>

The non-audit remuneration has been disclosed in the Group accounts of JSSH Limited.

6. Employees

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

	2018	2017
	£000	£000
Wages and salaries	29,925	26,686
Social security costs	2,884	2,667
Other pension costs	1,154	800
	<u>33,963</u>	<u>30,153</u>

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

	2018	2017
	No.	No.
Manufacturing, construction and installation	563	538
Technical and administration staff	343	312
	<u>906</u>	<u>850</u>

Key Management Personnel

Key management personnel are defined as the directors of the Company. The total emoluments of key management personnel (salaries, wages, national insurance, benefits in kind and pension costs) were £1,216,000 in relation to 6 employees (2017: £1,511,000 in relation to 6 employees).

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	967	1,136
Directors pension costs	124	135
Compensation for loss of office	-	81
	<u>1,091</u>	<u>1,352</u>

During the year retirement benefits were accruing to 5 directors (2017: 6) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 3 directors (2017: 4) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £321,000 (2017: £344,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2017: £6,000).

The total accrued defined benefit pension provision of the highest paid director at 31 December 2018 amounted to £13,434 (2017: £13,528).

8. Interest receivable

	2018 £000	2017 £000
Other interest receivable	<u>30</u>	<u>46</u>

9. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	<u>20</u>	<u>9</u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	1,136	985
Adjustments in respect of previous periods	314	34
Total current tax	1,450	1,019
Deferred tax		
Origination and reversal of timing differences	34	71
Adjustments in respect of previous periods	(91)	(19)
Total deferred tax	(57)	52
Taxation on profit on ordinary activities	1,393	1,071

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	5,536	5,441
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	1,052	1,047
Effects of:		
Expenses not deductible for tax purposes	137	42
Fixed asset differences	(12)	(25)
Adjustments to tax charge in respect of prior periods	314	34
Adjustments to tax charge in respect of prior periods - deferred tax	(91)	(19)
Adjust opening and closing deferred tax to average rate of 19%	(4)	(8)
R&D expenditure costs	(3)	-
Total tax charge for the year	1,393	1,071

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation (continued)

Factors that may affect future tax charges

During 2017, the UK main corporation tax rate decreased from 20% to 19%. There will be a reduction in the main rate to 17% from 1 April 2020.

11. Equity Dividends Paid

	2018 £000	2017 £000
Ordinary dividends of £1,673.57 (2017: £3,229.25) per share	<u>2,343</u>	<u>4,521</u>

Post year end, there have been dividends of £318,872 paid.

12. Tangible fixed assets

	Freehold land & buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 January 2018	1,610	2,022	6,787	474	10,893
Additions	-	14	1,381	-	1,395
Disposals	(918)	-	(1,223)	-	(2,141)
At 31 December 2018	<u>692</u>	<u>2,036</u>	<u>6,945</u>	<u>474</u>	<u>10,147</u>
Depreciation					
At 1 January 2018	321	1,793	3,495	292	5,901
Charge for the year	11	74	1,089	66	1,240
Disposals	(166)	-	(1,147)	-	(1,313)
At 31 December 2018	<u>166</u>	<u>1,867</u>	<u>3,437</u>	<u>358</u>	<u>5,828</u>
Net book value					
At 31 December 2018	<u>526</u>	<u>169</u>	<u>3,508</u>	<u>116</u>	<u>4,319</u>
At 31 December 2017	<u>1,289</u>	<u>229</u>	<u>3,292</u>	<u>182</u>	<u>4,992</u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Tangible fixed assets (continued)

Included within freehold property is land of £350,000 (2017: £350,000), which is not depreciated.

13. Fixed asset investments

**Subsidiary
companies
£000**

At 31 December 2018

-

At 31 December 2017

-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Dukfent NLR Limited	UK	Ordinary	100%	Settlement of potential historic asbestos claims
SPaint NLR Limited	UK	Ordinary	100%	Dormant

14. Stocks

	2018 £000	2017 £000
Raw materials and consumables	16	17

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Debtors

	2018 £000	2017 £000
Trade debtors	37	29
Amounts owed by group undertakings	6,784	6,351
Other debtors	70	118
Prepayments and accrued income	810	749
Amounts recoverable on long term contracts	16,652	15,272
Deferred taxation	364	307
	24,717	22,826

16. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	6,545	4,630

17. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	6,686	7,130
Corporation tax	830	545
Other taxation and social security	3,211	2,662
Other creditors	351	335
Accruals and deferred income	7,350	6,424
	18,428	17,096

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets measured at amortised cost	30,088	26,400
Financial liabilities		
Financial liabilities measured at amortised cost	(14,387)	(13,889)

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings, other debtors and amounts recoverable on long term contracts.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, and accruals and deferred income.

19. Deferred taxation

	2018 £000	2017 £000
At beginning of year	307	359
Credited/(charged) to the profit or loss	57	(52)
At end of year	364	307

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	258	249
Other timing differences	106	58
	364	307

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Reserves

Share premium

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

Profit and loss account

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

21. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1,400 Ordinary shares of £1.00 each	1,400	1,400

There is only one class of ordinary share with ordinary voting and dividend rights.

22. Contingent liabilities

As at 31 December 2018 and 2017, there was a debenture in favour of Lloyds Bank plc. As at 31 December 2017, there was an unlimited guarantee in favour of Barclays Bank plc.

23. Capital commitments

No capital commitments existed as at 31 December 2018 or at 31 December 2017.

NOVUS PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

24. Pension commitments

Defined benefit 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 Limited Retirement Scheme into the JSSH Limited Retirement Scheme.

Novus Property Solutions Limited is unable to identify its own share of the underlying assets and liabilities of the defined benefit scheme. The pension costs charged against operating profit of £174,000 (2017: £105,000) are the contributions payable to the scheme in respect of the accounting period.

At 31 December 2018, the scheme showed a net defined benefit liability. Full disclosures required under the provisions of FRS 102 are disclosed in the financial statements of JSSH Limited.

The Company has no contractual liability to meet the other entities' obligations under the terms and conditions of the multi-employer plan.

Defined contribution schemes:

The Company 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 Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £980,000 (2017: £695,000) paid into two schemes; Novus Property Solutions Limited Group Personal Pension Plan and Peoples Pension (auto-enrolment).

25. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	586	523
Later than 1 year and not later than 5 years	1,098	1,043
Later than 5 years	304	789
	<u>1,988</u>	<u>2,355</u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 to not disclose transactions or balances with wholly owned group companies.

Included within other debtors is a loan to N D Washington, a director of the Company, amounting to £17,189 (2017: £22,926). During the year, interest was charged on the loan at 3.25%. The maximum amount outstanding during the year was £22,926 (2017: £30,159).

27. Controlling party

The immediate and ultimate parent company is JSSH Limited, which is registered in England & Wales.

Copies of the parent company's financial statements are available from Companies House.