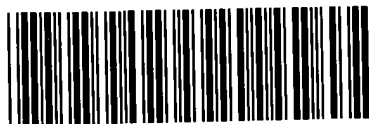

NOVUS PROPERTY SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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NOVUS PROPERTY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	J S Seddon (Non Executive Chairman) A J Nixon (Chief Executive Officer) L G Hartley J H Palfreyman (Non Executive) M L Owen (appointed 1 July 2020)
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

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NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Principal Activity

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

Business and financial review

As a business, Novus Property Solutions was severely impacted by the Coronavirus (Covid-19) pandemic in 2020. Contracted work 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 the Company 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 business' financial performance reflects the challenging conditions caused by the pandemic. Turnover for the year was £121.1m (2019: £163.6m), a decrease of 26%.

The fall in turnover coupled with additional costs incurred because of the pandemic resulted in a statutory loss before tax of £0.7m (2019: Profit of £4.4m). The loss before tax is after accounting for the net cost of the furlough scheme of £1.3m and costs of £0.5m incurred directly as a result of Covid-19.

The Company remains in a very strong position with a balance sheet that comprises £15.8m (2019: £16.4m) of net assets of which £11.6m (2019: £7.6m) is cash deposits. The Company has no external debt.

	2020	2019	Measure
Growth in turnover	(26.0%)	5.0%	Year on year sales
Gross margin	2.4%	8.0%	Gross profit/turnover
Operating profit margin	(0.6%)	2.7%	Operating profit/turnover
AROC days	38	43	AROC/turnover x 365 days
Social value projects delivered	78	278	
Staff retention	66.8%	69.4%	Average staff retained in year/average staff
Number of apprentices and trainees	71	109	

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. Further narrative on the principal risks and uncertainties is noted in the Director's report.

NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Future Review

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

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

All our people work to this purpose and these values are supported by a 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 the business has set itself an ambitious five-year plan, called 'Project Reshape' it focuses on three main elements:

- Building revenue
- Improving 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.

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 Company.

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 Company has made use of the Coronavirus Job Retention Scheme in furloughing several employees during the period. In addition, following agreement with HMRC, we have deferred certain taxation payments.

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 Company is well placed to benefit from a recovery in its chosen markets.

NOVUS PROPERTY SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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, the family enterprise 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.

Novus is a people-based business, 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 Company policy. No form of discrimination against any minority is tolerated within Novus, 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 Novus is the ability to forge strong relationships with customers and suppliers, the values at the heart of Novus 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.

Michelle Owen

M Owen
Director

Date: 5/5/2021

NOVUS PROPERTY SOLUTIONS LIMITED

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 loss for the year, after taxation, amounted to £598,000 (2019 - profit £3,428,000).

The directors do not recommend the payment of a dividend (2019: £4,181,000) during the year.

Directors

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

J S Seddon (Non Executive)

A J Nixon (Chief Executive Officer)

L G Hartley

J H Palfreyman (Non Executive)

M L Owen

Health and Safety

The year started on track with trials of the new Novus Behavioural Safety programme, delivered by the Health and Safety 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 were brought 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 Health and Safety 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 Health and Safety Business Plan resumed with emphasis on health and wellbeing. Novus introduced an Employee Assistance Programme, to help colleagues counter any problems they may be experiencing and support them and their families with physical, mental and wellbeing issues. Novus 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 at Novus continues to be a key Novus business plan objective that receives the full support of Directors and senior managers through the Company and Novus 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 Company and its operations.

Environmental policy

Novus are 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.

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

This is our first year of SECR reporting and we have identified the year 2018 as our Base Year for comparison, which was the last year our scope 1 and 2 emissions were externally verified (Inspired Energy) during the Phase 2 Energy Savings Opportunity Scheme, ESOS, audit conducted in 2019. For the purposes of this report, we are disclosing our Scope 1, 2 and 3 emissions in accordance with the mandatory Environmental Reporting Guidelines.

Mandatory greenhouse gas emissions - Scope 1 & 2

Reporting Period – Year End 31st December 2020

Total energy usage (Scope 1 & 2)	8,432,160	kWh
Total emissions (Scope 1 & 2)	2,134	tCO ₂ e
Intensity ratio	17.6	tCO ₂ e / £1m

Mandatory greenhouse gas emissions - Scope 3

Reporting Period – Year End 31st December 2020

Total energy usage (Scope3)	1,015,520	kWh
Total emissions (Scope 3)	257	tCO ₂ e
Intensity ratio	2.1	tCO ₂ e / £1m

Year on year reductions in emissions – tCO₂e

Comparing annual emissions with Company revenue, a reduction of 4.3% against the base year has been achieved, representing an equivalent saving of 811.33 tonnes of carbon dioxide.

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, 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 Novus 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 Head Office at Festival Way, Stoke-on-Trent.
- **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 data in relation to a business metric. For the purpose of this SECR report, intensity ratios are calculated using tonnes of CO₂e per £ million revenue.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 our carbon footprint improvements and performance:

- We continued our 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.
- Our 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 during 2021

- Implementation of our 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
- We will 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 our 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.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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, we 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 business. Furthermore, all our managers completed mental health awareness training in the year.

Finally, as Novus are committed to positive 'Climate Action,' we 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 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 we did without the involvement and support of its colleagues. Novus remains absolutely committed to being a responsible business, a force for good, and to making a difference in the communities in which we work

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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

Novus 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 Company'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 Company'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.

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 several financial risks which are described in more detail below:

Liquidity risk

The Company seeks to manage financial risk by ensuring enough liquidity is available to meet predictable needs to invest cash wisely. Short term flexibility is achieved by an overdraft facility and if needed parent company loans. During the year to 31 December 2020, the Company did not utilise this overdraft facility.

Inflation risk

Exposure to increases in material and labour costs on existing contracts could impact margins. Supply agreements are continually reviewed and where possible supply and client terms are matched.

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 2020 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.

	Fixed £000	Floating £000	Zero £000	Total £000
Financial Assets				
Cash	-	11,629	-	11,629
Trade debtors	-	-	37	37
Amounts recoverable on contracts	-	-	19,485	19,485
	-	11,629	19,522	31,151
	Fixed £000	Floating £000	Zero £000	Total £000
Financial liabilities				
Trade creditors	-	-	7,654	7,654

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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. Novus 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. Novus has a diversified customer base and service offering across 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 Novus 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 Company 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 Company 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.

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 adjusting or non-adjusting post balance sheet events.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Novus' underlying commercial model is resilient with strong cash conversion, recurring revenue, strong cost control and diverse 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 Company's budgets and forecasts for the 12 months from the date of this report, its liquid resources (including support available from its parent company), and the potential impact of the virus. The directors have modelled a reasonable worst case scenario analysis which demonstrates that the Company will have sufficient cash resources for a period of at least one year.

A letter of support has also been obtained from the parent company who have performed a group wide assessment considering the risks and uncertainties of Covid-19.

Thus, the directors have at the time of approving these financial statements, an expectation that the Company 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.

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.

Michelle Owen

M L Owen
Director

Date: 5/5/2021

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020, 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 2020 and of its loss 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 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 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 Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the 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 Company's financial resources or ability to continue operations over the going concern period.



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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 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.



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

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 12, 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.



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

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 Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and the Companies Act 2006) and applicable Health and Safety legislation (The Health and Safety at Work Act 1974).
- We understood how the Company is 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, papers provided to the Board and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company'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 audit 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.
- In assessing the potential risks of material misstatement, we obtained an understanding of; The Company'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 Company's control environment including the adequacy of procedures for the authorisation of transactions.



Grant Thornton

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

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
Statutory Auditor, Chartered Accountants
Manchester
Date: 5/5/2021

NOVUS PROPERTY SOLUTIONS LIMITED

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

	Note	2020 £000	As restated 2019 £000
Turnover	3	121,081	163,553
Cost of sales		(118,153)	(150,411)
Gross profit		2,928	13,142
Administrative expenses		(8,025)	(8,781)
Other operating income	4	4,369	11
Operating (loss)/profit	5	(728)	4,372
Interest receivable and similar income	9	25	41
Interest payable and expenses	10	(35)	(21)
(Loss)/profit before tax		(738)	4,392
Tax on (loss)/profit	11	140	(964)
(Loss)/profit for the financial year		(598)	3,428

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 21 to 39 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED
REGISTERED NUMBER:02403551

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	2,710	3,235
		<u>2,710</u>	<u>3,235</u>
Current assets			
Stocks	15	32	35
Debtors: amounts falling due within one year	16	27,910	28,305
Cash at bank and in hand	17	11,629	7,574
		<u>39,571</u>	<u>35,914</u>
Creditors: amounts falling due within one year	18	(25,191)	(22,733)
Net current assets		<u>14,380</u>	<u>13,181</u>
Total assets less current liabilities		<u>17,090</u>	<u>16,416</u>
Provisions for liabilities			
Provisions	20	(1,272)	-
		<u>(1,272)</u>	<u>-</u>
Net assets		<u><u>15,818</u></u>	<u><u>16,416</u></u>
Capital and reserves			
Called up share capital		1	1
Share premium account	21	1,985	1,985
Profit and loss account	21	13,832	14,430
		<u>15,818</u>	<u>16,416</u>

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

Michelle Owen

M L Owen
 Director

Date: 5/5/2021

The notes on pages 21 to 39 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	1	1,985	14,430	16,416
Comprehensive income for the year				
Loss for the year	-	-	(598)	(598)
Total comprehensive income for the year	-	-	(598)	(598)
Total transactions with owners	-	-	-	-
At 31 December 2020	1	1,985	13,832	15,818

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	1	1,985	15,183	17,169
Comprehensive income for the year				
Profit for the year	-	-	3,428	3,428
Total comprehensive income for the year	-	-	3,428	3,428
Dividends: Equity capital (note 12)	-	-	(4,181)	(4,181)
Total transactions with owners	-	-	(4,181)	(4,181)
At 31 December 2019	1	1,985	14,430	16,416

The notes on pages 21 to 39 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 head office is located at 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 £1,000.

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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.4b(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 Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of JSSH Limited as at 31 December 2020 and these financial statements may be obtained from Manor House, Manor Lane, Holmes Chapel, Cheshire, CW4 8AF.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.4 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.

Novus' underlying commercial model is resilient with strong cash conversion, recurring revenue, strong cost control and diverse 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 Company's budgets and forecasts for the 12 months from the date of this report, its liquid resources (including support available from its parent company), and the potential impact of the virus. The directors have modelled a reasonable worst case scenario analysis which demonstrates that the Company will have sufficient cash resources for a period of at least one year.

A letter of support has also been obtained from the parent company who have performed a group wide assessment considering the risks and uncertainties of Covid-19.

Thus, the directors have at the time of approving these financial statements, an expectation that the Company 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.

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.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.6 Pre-contract costs**

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

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 2020**

1. Accounting policies (continued)**1.9 Investments in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

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.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.16 Dividends**

Equity dividends are recognised when paid.

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 2020**

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, the JSSH Limited Retirement Scheme, where JSSH Limited the immediate controlling party, are the principal employer. The obligations are recognised in JSSH Limited. As such, the Company accounts for this as a defined contribution pension plan.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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, work type 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.

Margin recognition through contract term

The Company 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.

3. Turnover

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

	2020 £000	2019 £000
Rendering of services	121,081	163,553

All turnover arose within the United Kingdom.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Other operating income

	2020	2019
	£000	£000
R&D tax claim	-	11
Government grants receivable	4,369	-
	<u>4,369</u>	<u>11</u>

Government grants receivable relate to income claimed as part of the Coronavirus Job Retention Scheme. The cost to the Company of employees on furlough gross of the grant income was £5,689,000.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	978	1,191
Hire of plant and machinery	1,566	1,781
Costs of furloughed employees	5,689	-
Exceptional costs relating to Covid-19	490	-
	<u>9,123</u>	<u>2,972</u>

6. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	36	34
	<u>36</u>	<u>34</u>

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

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

	2020	2019
	£000	£000
Wages and salaries	25,885	28,658
Social security costs	2,510	2,988
Other pension costs	1,018	1,306
	29,413	32,952

The costs noted above are shown before any government grant received that relates to these costs.

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

	2020	2019
	No.	No.
Manufacturing, construction and installation	461	520
Technical and administration staff	351	373
	812	893

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Directors' remuneration

	2020	<i>2019</i>
	£000	<i>£000</i>
Directors' emoluments	505	<i>825</i>
Directors pension costs	39	<i>72</i>
Compensation for loss of office	-	<i>82</i>
	544	<i>979</i>

During the year retirement benefits were accruing to 2 directors (*2019: 2*) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 2 directors (*2019: 2*) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £314,000 (*2019: £257,000*).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (*2019: £21,000*).

The total annual accrued defined benefit pension provision of the highest paid director at 31 December 2020 amounted to £10,770 (*2019: £10,566*).

9. Interest receivable

	2020	<i>2019</i>
	£000	<i>£000</i>
Other interest receivable	25	<i>41</i>

10. Interest payable and similar expenses

	2020	<i>2019</i>
	£000	<i>£000</i>
Bank interest payable	35	<i>21</i>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on losses/profits for the year	-	916
Adjustments in respect of previous periods	17	68
Group taxation relief	(228)	-
Total current tax	(211)	984
Deferred tax		
Origination and reversal of timing differences	159	(35)
Adjustments in respect of previous periods	(37)	15
Effect of tax rate change on opening balance	(51)	-
Total deferred tax	71	(20)
Taxation on (loss)/profit on ordinary activities	(140)	964

Factors affecting tax charge for the year

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

	2020	2019
	£000	£000
(Loss)/profit on ordinary activities before tax	(738)	4,392
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(140)	834
Effects of:		
Expenses not deductible for tax purposes	4	32
Utilisation of tax losses	52	-
Fixed asset differences	30	11
Adjustments to tax charge in respect of prior periods	17	68
Adjustments to tax charge in respect of prior periods - deferred tax	(37)	15
Non-taxable income	(17)	-
Adjust opening and closing deferred tax to average rate of 19%	(49)	4
Total tax charge for the year	(140)	964

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation (continued)

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.

12. Equity Dividends Paid

	2020	2019
	£000	£000
Ordinary dividends of £Nil (2019: £2,986.43) per share	-	4,181
	<u> </u>	<u> </u>

Post year end, there have been dividends of £Nil (2019: £Nil) paid.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. 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 2020	692	2,041	5,972	474	9,179
Additions	-	120	339	-	459
Disposals	-	-	(480)	-	(480)
At 31 December 2020	<u>692</u>	<u>2,161</u>	<u>5,831</u>	<u>474</u>	<u>9,158</u>
Depreciation					
At 1 January 2020	171	1,941	3,413	419	5,944
Charge for the year on owned assets	5	58	903	12	978
Disposals	-	-	(474)	-	(474)
At 31 December 2020	<u>176</u>	<u>1,999</u>	<u>3,842</u>	<u>431</u>	<u>6,448</u>
Net book value					
At 31 December 2020	<u>516</u>	<u>162</u>	<u>1,989</u>	<u>43</u>	<u>2,710</u>
At 31 December 2019	<u>521</u>	<u>100</u>	<u>2,559</u>	<u>55</u>	<u>3,235</u>

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments

	Subsidiary companies £000
At 31 December 2020	-
At 31 December 2019	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

The registered office of both subsidiaries is Five Towns House Hillside, Festival Way, Stoke-On-Trent, Staffordshire, United Kingdom, ST1 5SH.

15. Stocks

	2020 £000	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.

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16. Debtors

	2020	2019
	£000	£000
Trade debtors	37	63
Amounts owed by group undertakings	6,798	6,906
Other debtors	65	82
Prepayments and accrued income	1,107	1,447
Amounts recoverable on contracts	19,485	19,423
Tax recoverable	106	-
Deferred taxation	312	384
	27,910	28,305

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	11,629	7,574

18. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	7,654	9,566
Corporation tax	-	514
Other taxation and social security	5,373	2,848
Other creditors	3,044	196
Accruals and deferred income	9,120	9,609
	25,191	22,733

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19. Deferred taxation

	2020 £000	2019 £000
At beginning of year	384	364
Credited/(charged) to the profit or loss	(72)	20
At end of year	312	384

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	229	274
Other timing differences	83	110
	312	384

20. Provisions

	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.

21. 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.

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22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,400 (2019: 1,400) Ordinary shares of £1 each	1,400	1,400

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

23. 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	(152,291)	1,880	(150,411)
Administrative expenses	(6,901)	(1,880)	(8,781)
Profit before tax	4,392	-	4,392

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

24. Contingent liabilities

As at 31 December 2020 and 2019, there was a debenture in favour of Lloyds Bank plc. The amounts outstanding as at 31 December 2020 and 2019 was £Nil.

25. Capital commitments

No capital commitments existed as at 31 December 2020 or at 31 December 2019.

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26. 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. JSSH Limited is the principal employer of the 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 £Nil (2019: £223,000) are the contributions payable to the scheme in respect of the accounting period.

At 31 December 2020, 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 £1,018,000 (2019: £1,083,000) paid into two schemes; Novus Property Solutions Limited Group Personal Pension Plan and Peoples Pension (auto-enrolment).

27. Commitments under operating leases

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

	2020	2019
	£000	£000
Not later than 1 year	527	591
Later than 1 year and not later than 5 years	837	935
Later than 5 years	88	332
	1,452	1,858

28. 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.

There were no other related party transactions in the year (2019: Nil).

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29. Post balance sheet events

There have been no post balance sheet events since the end of the reporting period.

30. 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.