

Company Registration No. 05720362 (England and Wales)

NOVA MARKETING LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOVA MARKETING LIMITED

COMPANY INFORMATION

Directors	Sir B Foster - Chairman E M Wilkins
Secretary	G Wright
Company number	05720362
Registered office	Newcastle House Albany Court Monarch Road Newcastle upon Tyne NE4 7YB
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE99 1SL

NOVA MARKETING LIMITED

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NOVA MARKETING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal activities

The principal activity of the group is event development and organisation, TV production, marketing, rights management and the publishing and distribution of sports periodicals.

Fair review of the business

The COVID-19 pandemic and subsequent restrictions was extremely challenging for the Group and the Events Industry as a whole.

As a result of the legislative restrictions the Group was forced to make the difficult decision to cancel all events post March 2020. All participants, Charity and Commercial partners were continually supportive with a high proportion of 2020 entrants electing to defer their entries into the 2021 events.

The Group was able to take advantage of its insurance policy to recover an element of lost trade however due to the forced cessation of activity the Group was placed in a position where, unfortunately, a restructuring programme had to be undertaken. Due to the lack of activity the Group was also forced to place the majority of staff onto the Coronavirus Job Retention Scheme.

Despite the cessation of all organized events, the Group responded with the development of Great Run Solo, a virtual running series, which we consider to be the largest virtual running programme in the UK and which raised significant amounts for Charity during the pandemic. The development of Great Run Solo also resulted in strong merchandise sales for the Group which contributed towards the profit figure for the year.

The Group's film and TV production division. Filmnova benefitted from the resumption of European football in June 2020 through its services to UEFA, and from a number of special commissions during the pandemic. This reduced the impact of the lockdown on the business unit. It also won a number of new commissions and renewals for 2021.

In July 2020, an agreement was reached with 21 SIX investments Limited for the sale of Athletics Weekly Limited, a Group subsidiary. This decision was made in line with the ongoing direction of the Group and not as a direct response to the challenges of the pandemic.

Post Year End Review

Early 2021 saw the continued forced cessation of all mass participation activities and as a result the Group was forced to postpone all the Spring 2021 events into the Autumn 2021.

As the year has progressed and restrictions have been lifted the Group has returned staff from furlough and begun to undertake events once again, starting with the Great North Swim in June 2021 and the delivering the 40th Great North Run in September 2021.

The Directors consider that the sector remains challenging, with a lack of insurance cover available and significant increases in supplier costs and reduced availability.

FilmNova also returned to activity, undertaking commissions on behalf of the Olympic Broadcast Service at the postponed Tokyo Olympics and expanding its work in Triathlon with coverage of the 2021 World Triathlon Series.

It is the opinion of the Directors that the Group has acted decisively and pragmatically during the Coronavirus pandemic and that, coupled with the strategic decisions made in previous financial period, ensures that the Group remains in a strong position and well-funded through the 2021 and into 2022.

NOVA MARKETING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators

The directors consider operating profit margin and EBITDA (earnings before interest, tax, depreciation, amortisation) to be the key measures of the Group's performance.

- Operating profit margin has decreased in the year, from 11.2% to 10.8%.
- EBITDA for the period was £881,455 (2019 - £2,218,174).

The Group's net asset position has also improved during the period, increasing to £4,316,717 (2019 - £3,928,630).

The directors consider the Group's results to be satisfactory in the light of current trading conditions.

Principal risks and uncertainties

The group's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade debtors, trade creditors and related party balances, arise directly from the group's operating activities.

The main risks associated with the group's financial assets and liabilities are set out below. The group does not undertake any hedging activity.

Interest rate risk

The group invests surplus cash in fixed and floating interest deposit accounts. Therefore financial assets, interest income and cash flows can be affected by movements in interest rates. However, the directors do not consider there to be any significant exposure.

Price risk

There is no significant exposure to changes in the carrying value of financial liabilities.

Credit risk

The group's policy is aimed at minimising such losses, and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures and overdue debts are monitored with customers subject to credit limits to ensure that the group's exposure to bad debts is not significant.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is approved by the directors and flexibility is maintained by retaining surplus cash in readily accessible bank accounts.

Foreign currency risk

The group's principal transactions in foreign currency arise directly from the group's operating activities. As a result, the group's cash flows arising from these transactions can be affected by movements in the Euro and Dollar exchange rates. No hedging activity is undertaken to mitigate this risk as it is not considered to be significant.

COVID-19 risk

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the economy. The directors regularly assess the likely effects on group operations in an attempt to mitigate the risk as far as practicable.

By order of the board

G Wright
Secretary

NOVA MARKETING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Sir B Foster - Chairman
E M Wilkins

Future developments

The directors aim to maintain the management policies which have resulted in the group's continued growth over the last few years.

Auditor

In accordance with the company's articles, a resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the exposure of the company and its subsidiary undertakings included in the consolidation to price risk, credit risk and liquidity risk.

NOVA MARKETING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board

G Wright
Secretary

21 September 2021

NOVA MARKETING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NOVA MARKETING LIMITED

Opinion

We have audited the financial statements of Nova Marketing Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NOVA MARKETING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NOVA MARKETING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

NOVA MARKETING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NOVA MARKETING LIMITED

Capability of the audit in detecting irregularities, including fraud

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Maxine Pott (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 29 September 2021

NOVA MARKETING LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	7,500,130	18,277,192
Cost of sales		(1,747,752)	(10,166,708)
Gross profit		<u>5,752,378</u>	<u>8,110,484</u>
Administrative expenses		(5,533,459)	(6,062,640)
Other operating income	3	<u>594,457</u>	<u>-</u>
Operating profit	4	<u>813,376</u>	<u>2,047,844</u>
Interest receivable and similar income	8	96,231	173,349
Other gains and losses	9	<u>(278,409)</u>	<u>(310,153)</u>
Profit before taxation		<u>631,198</u>	<u>1,911,040</u>
Tax on profit	10	<u>(233,111)</u>	<u>(330,814)</u>
Profit for the financial year		<u><u>398,087</u></u>	<u><u>1,580,226</u></u>

NOVA MARKETING LIMITED

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

	2020	2019
	£	£
Profit for the year	398,087	1,580,226
Other comprehensive income	-	-
Total comprehensive income for the year	<u>398,087</u>	<u>1,580,226</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

NOVA MARKETING LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	12		63,176		23,876
Tangible assets	13		111,466		151,413
			<u>174,642</u>		<u>175,289</u>
Current assets					
Debtors	16	5,858,323		2,289,043	
Cash at bank and in hand		7,739,764		9,396,130	
		<u>13,598,087</u>		<u>11,685,173</u>	
Creditors: amounts falling due within one year	17	(9,446,901)		(7,914,837)	
Net current assets			<u>4,151,186</u>		<u>3,770,336</u>
Total assets less current liabilities			<u>4,325,828</u>		<u>3,945,625</u>
Provisions for liabilities	18		(9,111)		(16,995)
Net assets			<u><u>4,316,717</u></u>		<u><u>3,928,630</u></u>
Capital and reserves					
Called up share capital	21		108,950		109,050
Share premium account			56,045		56,045
Capital redemption reserve			11,946		11,846
Profit and loss reserves			<u>4,139,776</u>		<u>3,751,689</u>
Total equity			<u><u>4,316,717</u></u>		<u><u>3,928,630</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 September 2021 and are signed on its behalf by:

E M Wilkins
Director

NOVA MARKETING LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Investments	14		108,823		108,823
Current assets					
Debtors	16	71,717		710,000	
Creditors: amounts falling due within one year	17	-		(638,283)	
Net current assets			71,717		71,717
Total assets less current liabilities			180,540		180,540
Capital and reserves					
Called up share capital	21		108,950		109,050
Share premium account			56,045		56,045
Capital redemption reserve			11,946		11,846
Profit and loss reserves			3,599		3,599
Total equity			180,540		180,540

Section 408 exemption

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £10,000 (2019 - £710,000).

The financial statements were approved by the board of directors and authorised for issue on 21 September 2021 and are signed on its behalf by:

E M Wilkins
Director

Company Registration No. 05720362

NOVA MARKETING LIMITED

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		109,050	56,045	11,846	2,871,463	3,048,404
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	-	-	1,580,226	1,580,226
Dividends	11	-	-	-	(700,000)	(700,000)
Balance at 31 December 2019		109,050	56,045	11,846	3,751,689	3,928,630
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	398,087	398,087
Redemption of shares	21	(100)	-	100	(10,000)	(10,000)
Balance at 31 December 2020		108,950	56,045	11,946	4,139,776	4,316,717

NOVA MARKETING LIMITED

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		109,050	56,045	11,846	(6,401)	170,540
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	-	-	710,000	710,000
Dividends	11	-	-	-	(700,000)	(700,000)
Balance at 31 December 2019		109,050	56,045	11,846	3,599	180,540
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	10,000	10,000
Redemption of shares	21	(100)	-	100	(10,000)	(10,000)
Balance at 31 December 2020		108,950	56,045	11,946	3,599	180,540

NOVA MARKETING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26				
		(1,512,132)		3,271,672	
Income taxes paid		(321,311)		(149,138)	
Net cash (outflow)/inflow from operating activities		(1,833,443)		3,122,534	
Investing activities					
Purchase of intangible assets		(50,870)		(9,170)	
Purchase of tangible fixed assets		(19,671)		(39,039)	
Proceeds on disposal of tangible fixed assets		3,109		200,000	
Proceeds on disposal of subsidiaries		158,278		-	
Interest received		96,231		173,349	
Net cash generated from investing activities		187,077		325,140	
Financing activities					
Redemption of shares		(10,000)		-	
Dividends paid to equity shareholders		-		(700,000)	
Net cash used in financing activities		(10,000)		(700,000)	
Net (decrease)/increase in cash and cash equivalents		(1,656,366)		2,747,674	
Cash and cash equivalents at beginning of year		9,396,130		6,648,456	
Cash and cash equivalents at end of year		7,739,764		9,396,130	

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Nova Marketing Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Newcastle House, Albany Court, Monarch Road, Newcastle upon Tyne, NE4 7YB.

The group consists of Nova Marketing Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The company's profit for the year was £10,000 (2019 - £710,000).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Nova Marketing Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

The directors have adopted the going concern basis in preparing these financial statements after assessing the principal risks and having considered the impact of COVID-19.

On the 20 March 2020, the UK Government announced restrictions on mass participation events following the outbreak of COVID-19 in the UK and subsequently all events in the 2020 calendar were either cancelled or postponed. Events resumed in 2021 following the lifting of restrictions and a successful vaccine rollout in the UK.

The directors considered the impact of the current COVID-19 environment on the business for the next 12 months from the approval of the balance sheet date and concluded that the business has access to adequate financial resources to enable it to trade at a reduced level for the foreseeable future.

1.4 Turnover

Revenue arises from events organisation and management, TV and film production, marketing and promotion of events, and the sale of magazine issues and advertising space. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sales of goods and services in the normal course of business, net of discounts and other sales-related taxes.

For events owned by the group, revenue is recognised in the month that the event is held. For events where the group is contracted, by a third party, to act in an event management or public relations capacity, revenue is released to the profit and loss account as activity progresses. Profit is only recognised when the event is completed.

Revenue from the retail sale of magazine issues is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from magazine subscriptions is recognised on a straight-line basis over the period in which the items are dispatched. When issues vary in value from period to period, the revenue is recognised on the basis of the sales value of the item dispatched in relation to the total estimated sales value of all items covered by the subscription.

Revenue from advertising space within magazine issues is recognised on a straight line basis over the period to which the advertisement relates.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Website development	over 5 years straight line
Trademarks	over 5 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	over 3 to 10 years straight line
Fixtures, fittings & equipment	over 3 to 20 years straight line
Computer equipment	over 3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, if considered material to the financial statements.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the group's estimate of shares or options that will eventually vest.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The current year income statement includes amounts of £594,457 (2019 - £nil) received by group companies in relation to COVID-19 support funding from the government Coronavirus Job Retention Scheme.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment in assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Determining residual values and useful economic lives of intangible assets and tangible fixed assets

The group depreciate intangible assets and tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management.

Judgement is applied by management when determining the residual values for intangible assets and tangible fixed assets. When determining the residual value management aim to assess the amount that the group would currently obtain for the disposal of the asset expected at the end of its useful life.

The carrying amount of intangible assets at the reporting end date was £63,176 (2019 - £23,876) and carrying amount of tangible fixed assets at the reporting end date was £111,466 (2019 - £151,413).

Recoverability of debtors

The group establishes a provision for debtors that are estimated not to be recoverable. When assessing the recoverability the directors consider factors such as the aging of debtors, past experience of recoverability, and the credit profile of individual or groups of customers. The carrying value of this provision is £22,986 (2019 - £22,306).

Assessment of outstanding creditors

The group establishes a provision for creditors relating to the current period. When assessing the level of this provision the directors consider factors such as purchase orders raised for individual events not offset against purchase invoices and past experience of recoverability of prior year accruals. The carrying value of this provision is £36,484 (2019 - £36,484) included within accruals and deferred income.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Event organisation	5,932,745	10,562,847
Event marketing and TV and film production	1,409,313	7,079,458
Publishing and distribution of sports periodicals	158,072	634,887
	<u>7,500,130</u>	<u>18,277,192</u>

Grants received	594,457	-
	<u>594,457</u>	<u>-</u>

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	6,998,498	17,003,909
Europe	501,632	1,172,570
Other	-	100,713
	<u>7,500,130</u>	<u>18,277,192</u>

Turnover is stated after trade discounts, other sales taxes and net of VAT.

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	230	(17,699)
Depreciation of owned tangible fixed assets	56,509	97,139
Profit on disposal of tangible fixed assets	-	(24,188)
Amortisation of intangible assets	11,570	73,191
Operating lease charges	274,024	262,906
	<u>342,333</u>	<u>371,449</u>

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	16,000	16,000
	<u>16,000</u>	<u>16,000</u>

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and management	60	74	2	2

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	3,267,765	3,427,134	-	-
Social security costs	324,160	337,631	-	-
Pension costs	290,818	285,425	-	-
	3,882,743	4,050,190	-	-

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	138,528	183,581

The number of group directors for whom retirement benefits are accruing under defined benefit contribution schemes amounted to 2 (2018 - 2).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	96,231	173,349

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Other gains and losses

	2020	2019
	£	£
Amounts written off related party loans	(436,687)	-
Goodwill impairment	-	(310,153)
Profit on disposal of interest in subsidiary	158,278	-
	<u>(278,409)</u>	<u>(310,153)</u>

On 4 August 2020 the Group disposed of one of its subsidiary undertakings, Athletics Weekly Limited. The undertaking contributed profit of £11,391 to the group up to the date of disposal.

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	240,995	334,803
	<u>240,995</u>	<u>334,803</u>
Deferred tax		
Origination and reversal of timing differences	(7,884)	(3,989)
	<u>(7,884)</u>	<u>(3,989)</u>
Total tax charge	<u>233,111</u>	<u>330,814</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	631,198	1,911,040
	<u>631,198</u>	<u>1,911,040</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	119,928	363,098
Tax effect of expenses that are not deductible in determining taxable profit	83,246	2,694
Gains not taxable	(30,073)	-
Permanent capital allowances in excess of depreciation	4,532	5,532
Research and development tax credit	(46,265)	(35,915)
Profit on disposal of fixed assets	-	(4,595)
Connected party loan write off	101,743	-
	<u>233,111</u>	<u>330,814</u>
Taxation charge	<u>233,111</u>	<u>330,814</u>

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Dividends

	2020	2019	2020	2019
Recognised as distributions to equity holders:	Per share	Per share	Total	Total
	£	£	£	£
Ordinary shares				
Interim paid	-	0.06	-	700,000

12 Intangible fixed assets

Group	Goodwill	Website development	Trademarks	Total
	£	£	£	£
Cost				
At 1 January 2020	631,537	-	107,932	739,469
Additions	-	45,570	5,300	50,870
Disposals	(581,537)	-	-	(581,537)
At 31 December 2020	50,000	45,570	113,232	208,802
Amortisation and impairment				
At 1 January 2020	631,537	-	84,056	715,593
Amortisation charged for the year	-	-	11,570	11,570
Disposals	(581,537)	-	-	(581,537)
At 31 December 2020	50,000	-	95,626	145,626
Carrying amount				
At 31 December 2020	-	45,570	17,606	63,176
At 31 December 2019	-	-	23,876	23,876

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2020	1,162,850	161,699	26,467	1,351,016
Additions	19,671	-	-	19,671
Disposals	-	(427)	(26,467)	(26,894)
At 31 December 2020	1,182,521	161,272	-	1,343,793
Depreciation and impairment				
At 1 January 2020	1,069,425	108,077	22,101	1,199,603
Depreciation charged in the year	30,748	24,243	1,518	56,509
Eliminated in respect of disposals	-	(83)	(23,702)	(23,785)
At 31 December 2020	1,100,173	132,237	(83)	1,232,327
Carrying amount				
At 31 December 2020	82,348	29,035	83	111,466
At 31 December 2019	93,425	53,622	4,366	151,413

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	108,823	108,823

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
FilmNova Scotland Limited	2	Events marketing, promotion and TV and film production	Ordinary shares	0	100
Nova Holdings Limited	1	Holding company	Ordinary shares	100	0
Nova International Limited	1	Events organisation and management	Ordinary shares	0	100
Nova Marketing Consultancy Limited	1	Events marketing, promotion, and TV and film production	Ordinary shares	0	100

Registered office addresses:

1 - Newcastle House, Albany Court, Newcastle Business Park, Newcastle upon Tyne, England, NE4 7YB

2 - Great Run Company, Zone 2.09 Pacific Quay, Glasgow, Scotland, G51 1DA

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
FilmNova Scotland Limited	-	1
Nova Holdings Limited	53,342	645,398
Nova International Limited	1,204,329	3,225,307
Nova Marketing Consultancy Limited	(1,029,253)	947,527
	<u> </u>	<u> </u>

16 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	528,550	1,109,287	-	-
Amounts owed by group undertakings	-	-	71,717	710,000
Other debtors	342,158	588,152	-	-
Prepayments and accrued income	4,987,615	591,604	-	-
	<u>5,858,323</u>	<u>2,289,043</u>	<u>71,717</u>	<u>710,000</u>

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Payments received on account	6,653,896	4,608,146	-	55,758
Trade creditors	110,366	301,485	-	-
Amounts owed to group undertakings	-	-	-	582,525
Corporation tax payable	213,748	294,064	-	-
Other taxation and social security	801,897	861,719	-	-
Other creditors	87,718	32,063	-	-
Accruals and deferred income	1,579,276	1,817,360	-	-
	<u>9,446,901</u>	<u>7,914,837</u>	<u>-</u>	<u>638,283</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	<u>9,111</u>	<u>16,995</u>
	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	16,995	-
Credit to profit or loss	(7,884)	-
Liability at 31 December 2020	<u>9,111</u>	<u>-</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature within future periods. Deferred tax asset balances in subsidiaries have not been recognised in the financial statements as recoverability in the foreseeable future remains uncertain.

19 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>290,818</u>	<u>285,425</u>

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Included in the balance sheet at the year-end is a provision of £21,526 (2019 - £31,701) for pension contributions.

20 Share-based payment transactions

The company operates a scheme under which share options, settled by the issue of ordinary shares in the group, were granted on 3 April 2008. The options may only be exercised if certain performance criteria are achieved.

At the beginning of the year the participating employees had the option to acquire 50,000 ordinary shares in Nova Marketing Limited at a exercise price of 8p per share. None of these options were exercised during the year.

Therefore as at 31 December 2020 there were share options to acquire 50,000 ordinary shares remaining.

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	10,895,000	10,905,000	108,950	109,050

The company has ordinary shares, which carry no right to fixed income.

During the year, the company redeemed 10,000 of its own Ordinary shares for consideration of £10,000. These shares were immediately cancelled on redemption.

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	114,593	283,056	-	-
Between two and five years	102,496	198,975	-	-
	<u>217,089</u>	<u>482,031</u>	<u>-</u>	<u>-</u>

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	597,626	608,071

More detailed information is shown in the directors' remuneration note (note 8) and directors' transactions note (note 25).

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2020 £	2019 £	2020 £	2019 £
Group				
Companies under common control	55,860	86,880	224,000	11,429

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2020 £	2019 £
Group		
Companies under common control	155,710	574,582

The following amounts were recognised as an expense in the period in respect of bad and doubtful debts due from related parties:

	2020 £	2019 £
Group		
Companies under common control	535,487	-

The company is a parent with wholly owned subsidiaries and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures not to provide disclosures of transactions entered into with other wholly owned members of the group.

24 Directors' transactions

Dividends totalling £0 (2019 - £190,610) were paid in the year in respect of shares held by the company's directors.

NOVA MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

25 Controlling party

In the opinion of the directors, the overall controlling party is Sir B Foster, the Chairman, by virtue of his shareholding in the company.

26 Cash (absorbed by)/generated from group operations

	2020 £	2019 £
Profit for the year after tax	398,087	1,580,226
Adjustments for:		
Taxation charged	233,111	330,814
Investment income	(96,231)	(173,349)
Gain on disposal of tangible fixed assets	-	(24,188)
Amortisation and impairment of intangible assets	11,570	383,344
Depreciation and impairment of tangible fixed assets	56,509	97,139
Gain on sale of investments	(158,278)	-
Movements in working capital:		
(Increase)/decrease in debtors	(3,569,280)	842,218
Increase in creditors	1,612,380	235,468
Cash (absorbed by)/generated from operations	(1,512,132)	3,271,672

27 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	9,396,130	(1,656,366)	7,739,764

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