

COMPANY REGISTRATION NUMBER: 07639288

Novaloans Ltd

Filleted financial statements

31 May 2021

Novaloans Ltd

Financial statements

year ended 31st May 2021

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Novaloans Ltd

Statement of financial position

31 May 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	5	41,408	49,193
Current assets			
Debtors	6	4,357,033	3,855,510
Cash at bank and in hand		665,992	719,826
		5,023,025	4,575,336
Creditors: amounts falling due within one year	7	(3,497,841)	(3,330,038)
Net current assets		1,525,184	1,245,298
Total assets less current liabilities		1,566,592	1,294,491
Net assets		1,566,592	1,294,491
Capital and reserves			
Called up share capital		14	14
Profit and loss account		1,566,578	1,294,477
Shareholders funds		1,566,592	1,294,491

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 24 February 2022 , and are signed on behalf of the board by:

Mr M S Green

Director

Company registration number: 07639288

Novaloans Ltd

Notes to the financial statements

year ended 31st May 2021

1. General information

The principal activity of the company is the provision of short term investment loans. The company is a private limited company, which is incorporated in England and Wales (no. 07639288). The address of the registered office is 7 Limewood way, Leeds, West Yorkshire, LS14 1AB.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The director confirms that the ongoing global COVID 19 pandemic continued to present challenges to the company during the past year. Novaloans however continued to lend on a reduced but prudent manner and this cautious approach has ensured that all the company's funding partnerships remain in place and that the company has more than ample resources to meet its liabilities and growth objectives. As ever Novaloans looks for opportunities in this sector and in light of the end of Covid restrictions and the return to normality, the company moves ahead with its growth and diversification plans to expand our loan offering to new and existing customers. As a result, the director has continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: The provision for irrecoverable loans represents 100% of all loans where no cash collection is perceived likely, and a floating percentage based on recent portfolio performance applied to the remaining outstanding loans.

Turnover

The turnover in the profit and loss accounts represents interest and charges receivable on loans sold in the accounting period. Interest and charges receivable includes all amounts received during the financial year together with interest and charges received in the 6 months following the year end on all loans sold at the year end date.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment	-	2 years straight line
Computer software	-	2 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets, including loan sales, are measured at cost and reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Recoverability of loan sales are assessed on actual repayments post year end and historic data trends on loan recoverability.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 35 (2020: 29).

5. Tangible assets

	Fixtures and fittings	Computers and Software	Total
	£	£	£
Cost			
At 1st June 2020	—	206,868	206,868
Additions	3,424	35,251	38,675
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At 31st May 2021	3,424	242,119	245,543
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Depreciation			
At 1st June 2020	—	157,675	157,675
Charge for the year	944	45,516	46,460
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At 31st May 2021	944	203,191	204,135
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Carrying amount			
At 31st May 2021	2,480	38,928	41,408
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At 31st May 2020	—	49,193	49,193
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6. Debtors

	2021	2020
	£	£
Trade debtors	4,268,511	3,801,832
Other debtors	88,522	53,678
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	4,357,033	3,855,510
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7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	300,099	143,109
Corporation tax	280,292	210,564
Social security and other taxes	13,842	13,216
Net wages & pension	68	—
Other creditors	2,903,540	2,963,149
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	3,497,841	3,330,038
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8. Summary audit opinion

The auditor's report for the year dated 24 February 2022 was unqualified .

The senior statutory auditor was Susan Seaman BA FCA CIOT , for and on behalf of Sagars Accountants Ltd .

9. Related party transactions

Management charges totalling £nil (2020 - £105,000) were paid to companies under common control in the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.