

Company Registration No. 10189159 (England and Wales)

**NOVA GROUP HOLDINGS LIMITED (FORMERLY
GALACTIC HQ LTD)**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2020**

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NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)**BALANCE SHEET****AS AT 5 APRIL 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	5		8,001,563		6,837,497
Current assets					
Debtors	6	2,543,594		1,147,093	
Cash at bank and in hand		10,885		508	
		2,554,479		1,147,601	
Creditors: amounts falling due within one year	7	(1,158,401)		(44,333)	
Net current assets			1,396,078		1,103,268
Total assets less current liabilities			9,397,641		7,940,765
Creditors: amounts falling due after more than one year	8		(1,150,135)		(1,890,497)
Net assets			8,247,506		6,050,268
Capital and reserves					
Called up share capital	9		2,537		2,222
Share premium account			1,131,053		-
Other reserves			5,739,690		4,295,570
Profit and loss reserves			1,374,226		1,752,476
Total equity			8,247,506		6,050,268

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 5 April 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their 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 have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.


Company Registration No. 10189169

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

BALANCE SHEET (CONTINUED)

AS AT 5 APRIL 2020

The financial statements were approved by the board of directors and authorised for issue on 1/4/2021
and are signed on its behalf by:



.....
J J Westhead
Director

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2020

1 Accounting policies

Company information

Nova Group Holdings Limited (Formerly Galactic HQ Ltd) is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 44 Simpson Street, Studio N @ Digital House, Liverpool, Merseyside, L1 0AX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

Group accounts

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the effect that Covid 19 presents to the business both currently and in the future. Following this review it was concluded that although some impact has already been seen and is further anticipated, the business remains well placed and this is likely to not be significant to the business. The company is currently dependent on support from both its shareholders and directors, with outstanding loans at 5 April 2020 of £1,603,963. Support from these parties has been confirmed for the period covering 12 months from the date of signing these accounts. In the period post year end the company has generated further funds from existing investors and new investors of circa £2,000,000, confirming the ability to generate further capital when required. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover relates to the fair value movements on the valuation of equity investments, and profits on disposal of these investments, in line with prescribed practice.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

1 Accounting policies (Continued)

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.

The Company also holds unquoted ordinary equity shares in investee companies. Investment in ordinary equity shares are initially recognised at the transaction cost and subsequently measured at fair value by the Company. The fair value of investments held for less than one year is deemed to be cost, less any provision for permanent impairment.

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

Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 other debtors, amounts owed by fellow group undertakings, and cash and bank balances, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and amounts owed to fellow group undertakings, 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 payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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 company.

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2019: 1).

3 Directors' remuneration

	2020 £	2019 £
Remuneration paid to directors	167,693	72,615

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

4 Share based payments

On 4 January 2019 the company granted 188,149 options over shares of the company to certain employees under an Enterprise Management Incentive scheme. The options were granted with an exercise price of £0.1 per share and will only vest if an exit event occurs, either a sale or flotation of the company. The options come with a hurdle of £25m, in that the options will not vest unless the value achieved in an exit event exceeds this amount.

The options carry a maximum life of 10 years and will lapse if they have not been exercised at this point.

The directors consider the potential charge in relation to the options is not material, so it has not been recognised in these financial statements.

5 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	252,224	2,227
Other investments other than loans	7,749,339	6,835,270
	<u>8,001,563</u>	<u>6,837,497</u>

Movements in fixed asset investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 6 April 2019	2,227	6,835,270	6,837,497
Additions	250,000	-	250,000
Valuation changes	-	1,447,234	1,447,234
Disposals	(3)	(533,165)	(533,168)
At 5 April 2020	<u>252,224</u>	<u>7,749,339</u>	<u>8,001,563</u>
Carrying amount			
At 5 April 2020	<u>252,224</u>	<u>7,749,339</u>	<u>8,001,563</u>
At 5 April 2019	<u>2,227</u>	<u>6,835,270</u>	<u>6,837,497</u>

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

6 Debtors

	2020 £	2019 £
Amounts falling due within one year::		
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,353,903	1,147,093
Other debtors	189,691	-
	<u>2,543,594</u>	<u>1,147,093</u>

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,000	1,068
Amounts owed to group undertakings	600,000	2
Corporation tax	5,000	-
Other creditors	529,401	43,263
	<u>1,158,401</u>	<u>44,333</u>

8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	<u>1,150,135</u>	<u>1,890,497</u>

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

9 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.01p each	25,365,346	2,222,200	2,537	2,222

During the year the company made a number of share issues and subdivision of shares as follows:

On 30 September 2019, 191,124 shares with a nominal value of £0.001 each were issued for total cash consideration of £99,958.

On 4 October 2019, 71,671 shares with a nominal value of £0.001 each were issued for total cash consideration of £599,958.

On 5 December 2019, 7,168 shares with a nominal value of £0.001 each were issued for total cash consideration of £60,003.

On 19 December 2019, 17,918 shares with a nominal value of £0.001 each were issued for total cash consideration of £149,992.

On the 9 January 2020, the issued share capital of 2,510,081 shares with a nominal value of £0.001 each were subdivided into 25,100,810 shares of £0.0001 each.

On 21 January 2020, 264,536 shares with a nominal value of £0.0001 each were issued for total cash consideration of £221,456.

10 Financial commitments, guarantees and contingent liabilities

During the year the company has given financial guarantees for loans owed by fellow group companies to former key management personnel. The potential liability at the year end was £807,500.

11 Events after the reporting date

Fundraising

The company undertook a fund raising exercise post year end up to February 2021. As part of this, £2,000,000 was raised by way of the issue of a convertible loan note.

Group restructure

During 2020/2021, a group reorganisation was undertaken, completing in February 2021. The restructure involved the waiver of various inter-group and related party balances. As a consequence, the net assets of the Nova Group Holdings Limited group increased by c. £400,000.

NOVA GROUP HOLDINGS LIMITED (FORMERLY GALACTIC HQ LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

12 Related party transactions

Transactions with related parties

During the year the company received loans from directors of £170,000 (2019: £333,139) and repaid £41,323 (2019: £60,000). Interest charged on the loans during the year was £10,997 (2019: £20,524). The amounts outstanding at the year end are shown below.

During the year the company entered into an arrangement whereby liabilities for loans due to former key management personnel of £600,000 were transferred to a fellow group company.

During the year the company also received loans from shareholders of £470,000 (2019: £507,133) and repaid £550,191 (2019: £Nil). Interest charged on the loans during the year was £123,005 (2019: £23,133). The amounts outstanding at the year end are shown below.

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due to related parties		
Shareholders	1,170,170	1,127,356
Key management personnel	470,508	763,141
	<u> </u>	<u> </u>
Amounts due from related parties		
Astronauts Ltd	189,691	-
Other related parties	32,800	53,860
	<u> </u>	<u> </u>

Astronauts Ltd is a former fellow group company that went into liquidation on 30 May 2019. The amounts due from Astronauts Ltd at the year end are shown above.

Other related parties includes entities in which the company has a participating interest. During the year the company received repayments of £21,060 (2019: £Nil). The amounts outstanding at the year end are shown above.