

NOVA GROUP HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS - PAGES FOR FILING WITH REGISTRAR

Period of accounts

Start date: 06 April 2021

End date: 05 April 2022

NOVA GROUP HOLDINGS LIMITED
Balance Sheet
As at 05 April 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	3	13,650,233	18,557,757
		13,650,233	18,557,757
Current assets			
Debtors	4	701,722	106,429
Cash at bank and in hand		13,468	3,564,616
		715,190	3,671,045
Creditors: amount falling due within one year	5	(390,661)	(10,859,314)
Net current assets		324,529	(7,188,269)
Total assets less current liabilities		13,974,762	11,369,488
Creditors: amount falling due after more than one year	6	(2,869,417)	(2,514,730)
Provisions for liabilities	7	(167,871)	-
Net assets		10,937,474	8,854,758
Capital and reserves			
Called up share capital	8	2,537	2,537
Share premium account	9	1,131,053	1,131,053
Other Reserves	10	11,365,453	8,168,946
Shares to be Issued	11	692,214	692,214
Profit and loss reserves		(2,253,783)	(1,139,992)
Shareholder's funds		10,937,474	8,854,758

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

For the year ended 05 April 2022 the company was entitled to exemption from audit under section 477 of the companies act 2006 relating to small companies.

Directors' responsibilities:

1. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
2. The directors acknowledge their responsibilities for complying with the requirements of the companies act 2006 with respect to accounting records and the preparation of accounts.

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 the provisions of Part 15 of the Companies Act 2006. In accordance with Section 444 of the Companies Act 2006, the profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the board of directors on 04 April 2023 and were signed on its behalf by:

A J Davidson
Director

NOVA GROUP HOLDINGS LIMITED

Notes to the Financial Statements

For the year ended 05 April 2022

Company Information

Nova Group Holdings Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 57 Jordan Street, Liverpool, Merseyside, L1 0BW.

1. Accounting policies

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 398 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 in the market and this is likely to not be significant to the business. The company has net assets at the year-end of £10,952,643 (2021 - £8,854,758), including fixed asset investments of £13,650,234 (2021 - £18,557,758) which the directors believe are recoverable. The company is dependent on the support of the directors for both current and future funding and the directors have confirmed they will continue to provide this support for a period of at least 12 months after the date of signing these financial statements. Thus the directors have concluded that it is appropriate 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.

Operating lease rentals

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Taxation

Taxation represents the sum of tax currently payable and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves.

The company's liability for current tax is calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are not discounted

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date.

Deferred tax is measured using 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax assets and liabilities are not discounted.

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.

The company also holds loans made under the UK Government's Future Fund Scheme. Loans made under the scheme are initially recognised as fixed asset investments at cost and subsequently measured at fair value by the company which is determined to be cost plus accrued interest at 8% per annum, and a 25% conversion premium spread over the term of the loan.

Impairment of fixed assets

At each reporting period end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 trade and other debtors, amounts due from 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.

Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

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.

2. Average number of employees

Average number of employees during the year was 0 (2021 : 0).

3. Investments

	2022	2021
	£	£
Investments in subsidiaries	250,000	250,000
Other investments other than loans	13,400,233	10,178,596
	<u>13,650,233</u>	<u>10,428,596</u>

Cost	Investments in group undertakings	Investments in participating interests	Total
	£	£	£
At 06 April 2021	250,000	10,178,596	10,428,596
Additions	-	25,130	25,130
Transfer to/from Tangible fixed assets	-	-	-
Disposals	-	-	-
Revaluations	-	3,196,507	3,196,507
At 05 April 2022	<u>250,000</u>	<u>13,400,233</u>	<u>13,650,233</u>

4. Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade Debtors	3,600	-
Amount Owed by Group Undertakings	559,213	-
Amount Owed by Participating Interests	32,800	32,800
Other Debtors	106,109	3,691
Deferred Tax Asset	-	69,938
	<u>701,722</u>	<u>106,429</u>

5. Creditors: amount falling due within one year

	2022	2021
	£	£
Trade Creditors	13,079	3,000
Amounts Owed to Group Undertakings	50,000	9,563,829
Accruals	260,599	88,498
Other Creditors	66,983	1,203,987
	390,661	10,859,314

6. Creditors: amount falling due after more than one year

	2022	2021
	£	£
Other Creditors	1,150,135	1,150,135
Future Fund Convertible Loan Note	1,719,282	1,364,595
	2,869,417	2,514,730

7. Provisions for liabilities

	2022	2021
	£	£
Deferred Tax	167,871	-
	167,871	-

8. Share Capital

Allotted, called up and fully paid	2022	2021
	£	£
25,365,346 Ordinary shares of £0.0001 each	2,537	2,537
	2,537	2,537

9. Share premium account

	2022	2021
	£	£
Equity Share Premium b/fwd	1,131,053	1,131,053
	1,131,053	1,131,053

10. Other Reserves

	2022	2021
	£	£
Revaluation Reserve b/fwd	11,365,453	8,168,946
	<u>11,365,453</u>	<u>8,168,946</u>

11. Shares to be Issued

	2022	2021
	£	£
Special reserves b/fwd	692,214	692,214
	<u>692,214</u>	<u>692,214</u>

12. 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 £0.10 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.

On the 21 January 2019 and 9 January 2020 the company sub-divided its shares. This resulted in the number of options issued on 4 January 2019 increasing to 1,881,490 with an exercise price of £0.001 per share.

On the 27 August 2020 the company granted a further 204,470 options. Shares forfeited during the year was 429,990 (2020 715,970).

On the 15 October 2021 and 2 February 2022 the company granted a further 555,560 and 80,010 options respectively. Shares forfeited during the year was 8,890 (2021 429,990).

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

13. Related party transactions

During the year the company received loans from directors of £nil (2021 - £102,000) and repaid £nil (2021 - £491,085). Interest charged on the existing loans during the year was £4,246 (2021 - £12,717). The amounts outstanding at the year end are shown below.

Box Studios Enterprises Ltd and Bolgiaten Limited are companies owned by directors of Nova Group Holdings Limited. During the year the company received loans from Box Studios Enterprises Ltd and Bolgiaten Limited of £400,000 (2021 - £350,000) and £nil (2021 - £Nil) respectively. Repayments during the year were £745,441 (2021 - £108,950) and £nil (2021 - £Nil) respectively. Interest charged during the year was £nil (2021 - £13,521) and £nil (2021 - £2,543) respectively. The amounts outstanding at the year end are shown below.

During the year the company also received loans from shareholders of £nil (2021 - £885,000) and repaid £885,000 (2021- £71,437). Interest charged on the loans during the year was £71,337 (2021 - £70,064). The amounts outstanding at the year end are shown below.

The following amounts were outstanding at the reporting end date:

Amounts due from/(to) related parties	2022	2021
	£	£
Shareholders	(1,151,199)	(2,053,797)
Key management personnel	(69,177)	(94,141)
Box Studio Enterprises	118,740	(254,571)
Bolgiaten Limited	-	(2,543)
Other related parties	32,800	32,800

14. Ultimate controlling party

The directors consider there to be no single ultimate controlling party.

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.