
NOVUS PROPERTY SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOVUS PROPERTY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	J S Seddon (Non Executive Chairman) A J Nixon (Chief Executive Officer) L G Hartley J H Palfreyman (Non Executive) N D Washington (resigned 30 September 2019)
Registered number	02403551
Registered office	Five Towns House Festival Way Stoke on Trent Staffordshire ST1 5SH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Lloyds Bank plc 125 Colmore Row Birmingham B3 3SF

NOVUS PROPERTY SOLUTIONS LIMITED

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NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal Activity

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

Business review

2019 was a good year for Novus in a period of change in senior management and challenging trading conditions. Despite this, Novus still managed to deliver a strong financial result. This is a testament to the resilience of the organisation and commitment to improve. The solid financial position, high levels of liquidity and no debt help put the company in a strong position to trade through the current pandemic the impacts of which are discussed in more detail below.

During 2019 the Company continued to invest in the culture and governance of the business to provide a framework that instils the ethics and values of shareholders in the daily life of the business. We call it the Novus way:

- Be responsible
- Work together
- Get it right
- Be authentic
- Embrace change
- Nurture

Our People Strategy sets out the key activities to be delivered over a 3-year period that will support our journey to be a preferred employer investing in the development of our people beyond just training.

In an ever increasingly technological world, we have been investing in our IT systems and users during 2019 with a focus on cyber security, data security compliance with GDPR and the continuing development of a digital platform designed to make Novus a safe and efficient business to work with and for.

We were thrilled to be recognised in the industry with the Construction News Talent Award for CSR Initiative of the Year and the National Building Awards for Community Engagement in 2019.

The business' financial performance exceeded expectations despite challenging conditions. Turnover for the year was £163.6m (2018: £155.8m), an increase of 5.0%.

Profit before tax reduced in the year as a result of reduction in margin. Overheads were controlled in response. The reduction in margin is predominantly a result of a change in the mix of work from historical long term contracts to competitively won work at current market prices. The Company remains in a strong position with a balance sheet that comprises £16.4m (2018: £17.2m) of net assets of which £7.6m (2018: £6.5m) is cash deposits.

	2019	2018	Measure
Growth in turnover	5.0%	4.9%	Year on year sales
Gross margin	6.9%	7.6%	Gross profit/turnover
Operating profit margin	2.7%	3.5%	Operating profit/turnover
AROC days	43	39	AROC/turnover x 365 days
Social value projects delivered	278	340	
Staff retention	69.4%	64.8%	Average staff retained in year/average staff
Number of apprentices and trainees	109	91	

NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The principal risks facing the Company are those relating to the specific markets the Company operates in and those relating to government planning and other regulations. Significant levels of our current activity relate to local authorities and housing associations, all of which could be impacted by legislation or changes to government spending priorities.

Future Review

In 2019, we launched our 'shield' setting out the 4 key pillars that underpin our approach to business. These pillars are:

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

All our people work to this purpose and in support of our values we have introduced a new behaviours framework called, 'Our Way'. This sets out what we expect of our people in terms of how they work and operate and the behaviours we would want to see demonstrated if they are truly living our values.

We have much work to do to fully embed 'Our Way' and in 2020 we will embark on a series of activities that will help us to bring this to life for colleagues, managers and leaders, ensuring that Novus is a really great place to be.

For 2020 and beyond the business has set itself six business plan themes:

- Growing our share of the market in Housing maintenance
- Providing assured compliance services to our customers
- Deliver consistently great service
- Developing our people to grow with Novus
- Driving efficiency in all that we do to remain competitive
- Harnessing the potential that the Digital opportunity provides

In 2020 we will be building on our "It's our job" initiative under the great customer service theme. This campaign is designed to ensure we put our clients and customers at the centre of everything Novus does. This is an exciting initiative that engages the entire workforce as we strive to differentiate ourselves through the level of customer service we provide. As part of this theme we are engaging with sector specialists to better understand the challenges our clients face, and the role Novus can play as their contractor of choice in supporting them.

At the time of signing the accounts, Novus has an order book of £112m for 2020 which represents 93% of budgeted turnover. We are well placed to deliver our strategy based on the central principles of all our stakeholders and the continuing development of the family legacy whilst providing an opportunity for employees to prosper and grow in a financially secure environment.

NOVUS PROPERTY SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Covid-19

The current economic environment has been significantly affected by the impact of the Covid-19 pandemic in terms of a reduction in activity and demand. The business is responding to these changes in conditions by closely managing costs and investment to ensure liquidity levels are preserved.

The Board believe that investment in infrastructure and the refurbishment of existing facilities will be key elements of any economic recovery plan put forward by government and as such, the Company will have the opportunity to meet its targets in its chosen markets.

Business continuity plans, workforce protection procedures, materials, subcontractor supply chain security and flexible working arrangements have all been considered in response to the impact of the virus.

The Company has chosen to make use of the Job Retention Scheme in furloughing a substantial number of employees during the worst of the lockdown period.

Section 172 Statement

The Directors of the Company recognise their duty to promote the success of the Company for the benefit of all stakeholders.

The directors regard the long-term development of the business as an overarching objective of the board, the family enterprise has been in business since 1897. The business planning process, management incentivization, customer and supply relationships, people development are all designed to focus on generating sustainable growth.

Novus is a people-based business, many of the tasks we do are dependent on the skills and expertise of our people and as such they are highly prized by the board. Personal development, staff engagement surveys, apprenticeship programmes are all company policy. No form of discrimination against any minority is tolerated within Novus, as evidenced by our gender pay gap initiative and a recruitment policy where diversity is valued. This is all underpinned by the values of the 'Novus Shield'.

A key element of the sustained success of Novus is the ability to forge strong relationships with customers and suppliers, the values at the heart of Novus drive behaviours that encourage these outcomes.

This report was approved by the board and signed on its behalf.



J S Seddon
Director

Date: 10/8/2020

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £3,428,000 (2018: £4,143,000).

The directors recommended the payment of dividends of £4,181,000 (2018: £2,343,000) during the year.

Directors

In 2019, Neil Washington left the business and ceased being a director.

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

J S Seddon (Non Executive Chairman)
A J Nixon (Chief Executive Officer)
N D Washington (resigned 30 September 2019)
L G Hartley
J H Palfreyman (Non Executive)

Health and Safety

Novus continues to pursue its commitment to improving health and safety performance and protecting the health, safety and wellbeing of our employees and those people affected by our business activities. The Board have demonstrated this commitment through significant new investment to strengthen the health and safety team and improve the health and safety support to operational teams and the wider business.

With the full support of the Board and Senior Management, the health and safety business plan was updated for the next period of 2019 – 2022 focussing on enhancing the safety culture and driving innovation and improvements, including introducing a new health and wellbeing plan. During 2019, Novus commenced a three-year behavioural safety programme consisting of several modules which continue to be rolled out across the business to all levels. The programme focuses on individuals' taking personal responsibility for safety for themselves and others who may be affected by their work whilst promoting engagement and best practices in the workplace.

The health and safety reporting systems of Novus improved during 2019 bringing a greater focus on leading performance indicators to assist early identification of opportunities for improvement. This has helped to significantly improve the resilience to incidents at Novus during 2019.

The 2019 to 2022 health and safety plan includes a move towards aligning the Novus health and safety management systems to 4 key pillars – Safety, Health and Environmental (SHE) Policy & Leadership, SHE Risk Management, SHE Assurance and SHE Promotion that is supported by a 'Just Culture' safety model, recognising the importance safety behaviours have on developing proactive safety cultures. Another key area the business addressed in the 2019-22 plan is a commitment to supporting health and wellbeing campaigns, communicated through an annual rolling programme throughout all areas of the business that engages our employees, their families and Novus contractors.

Safety, health and wellbeing at Novus continues to be a key business plan objective that receives the full support of Directors and senior managers through the company.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Environmental policy

Novus hold certification to the Environmental international standard ISO 14001:2015, through which it is committed to managing the environmental impacts of its operations and services, including the protection and improvement of the environment, the prevention of pollution, the continuous improvement of environmental performance and the minimisation of energy, material usage and waste production.

Fully supported by the Directors and senior management Novus has incorporated environmental issues into its three-year improvement plan for up to 2022 as a key business objective and reviewed its environmental aspects and impacts register to reflect improvements made to its operational performance. The improvement plan requires Novus to implement challenging environmental commitments to significantly reduce its carbon footprint, reduce waste, improve waste streams and improve its contribution to the circular economy over the next three years.

This environmental improvement plan sets out the Novus commitment to developing positive environmental impacts through its operations and services, defined as:

- We protect and improve the environment. We source raw materials responsibly and use them efficiently. We conserve water, minimise carbon emissions and seek to avoid waste wherever possible, finding alternative uses for resources where it is not possible.

During 2019 Novus carried out an ESOS, (Energy Saving Opportunity Scheme) audit of its properties and transport operations. This provided recommendations for improvements that Novus will be using to reduce its energy consumption.

Achievements during 2019 included a reduction of the overall carbon footprint for Novus by 6.8% and a reduction of waste produced by more than 65 tonnes, demonstrating the positive efforts made to improve the Company's environmental impacts.

Focussing in 2020 on improving environmental education, system improvements and improved data capture, Novus will continue to drive the environmental agenda into all areas of the business to create positive environmental impacts from its operations and services.

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Corporate Social Responsibility Strategy

Our Company's Changing Lives Programme was launched in 2015 and over the course of this campaign, we have provided significant investment in terms of funding, time and resources helping change thousands of lives through supporting social value initiatives.

In 2019, Novus invested and donated £109,308 to support charitable and good causes across the country; 278 social value initiatives took place, impacting on 18,803 lives.

Novus continue to be a member of Business in the Community (BITC), which is The Prince's Responsible Business Network, where businesses work together to tackle a wide range of issues that are central to the development of a fairer society and a more sustainable future.

2019 was also a successful year in terms of acknowledgements in the marketplace with Novus winning the CSR Initiative of the Year at the Construction News Talent Awards, the Community Engagement Award at the National Building Awards, and Community Impact Award at the EEM Building Communities Awards.

In 2018, we celebrated our 5th year anniversary of Novus and to mark this milestone, a range of exciting employee engagement activities were undertaken throughout the year. Integral to these activities was our flagship charitable initiative: The Big 5 Campaign, where 5 charitable projects across the country were identified through a social media campaign, with Novus employee panels deciding which projects to support.

This campaign saw Novus teams in Yorkshire, South East, Scotland, the Midlands and the North West transform several facilities including:

- The refurbishment of a derelict property in Leeds to house a homeless person
- Creating a bereavement suite at the Royal Sussex County Hospital to support parents, families and siblings who experience the loss of their baby
- A derelict Community Centre refurbishment in Bromley that brought the facility back into use for the benefit of the local community
- Livingstone Youth Centre was refurbished to improve the facilities for the young people in the surrounding area
- The improvement of a centre that supports Armed Forces Veterans in Liverpool with addiction problems

In 2019 Novus revisited each project again to provide additional support and to see what impact had been achieved one year on.

Novus could not have delivered the impact we did without our employees' support and involvement. Novus is committed to be a responsible business and making a difference to the communities that we work in.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Employee Engagement

We recognise that our 'colleague experience' must be as good as we can make it if we are to attract and retain the best people in the industry. Meeting people's expectations is more challenging than it's ever been, but by focusing on those areas which impact on how people feel about their role, the work they do, their relationship with the organisation, line manager and colleagues and ensuring they feel valued and recognised for the work they do, we will grow our reputation and set us apart from our competitors.

2019 was a year of transition for our People Services team, formerly Human Resources and Training, as they became more embedded in the business and more strategic in approach. This is a work in progress with further opportunities identified, particularly in relation to 'early careers', recruitment and development of talent, where the team can make a significant contribution.

We launched our new modern approach to appraisal, 'Time2Talk', allowing for more regular meaningful conversations which focus on helping people to achieve their objectives and agreeing the support and development they need to progress or to be even better at what they do. This approach aligns with the Novus shield, helping us understand the direction we're taking as a business - and our behavioural framework, 'Our Way'.

Our Gender Pay report was published in the year which saw a 20.2% mean (2018: 25.9%) and a 22.0% (2018: 25.4%) median hourly pay gap and a 61.6% mean (2018: 87.2%) and 33.3% median (2018: 26.4%) bonus pay gap. This is not uncommon in the construction sector, but we do believe this gap should be reduced. A longer-term strategic approach has therefore been adopted to effect sustainable improvement in gender pay and a wider diversity.

We recognise that 'growing our own' talent is essential for our future success and this is borne out by our ongoing commitment to our apprenticeship programme. We have reviewed our approach and partnered with an external 'agency' to both source and support future apprentices in their learning. It's important that we can offer a programme that meets individual and business needs and that reinforces our reputation as an 'Employer of choice'. 2019 saw a further 18 apprentices, of various disciplines, join the business.

Business relationships

Novus is committed to the long term, we have customers that have been with us for over 30 years in the housing, education and health sectors. We take great pride in the value derived from these clients where trust and support are a fundamental aspect of the relationship. The social context of our markets and the contribution that we make in providing homes, health and education for the wider population is inspiring. This holds true to the value of our shareholders.

Similarly, in our supply chain we seek to provide fair and valuable work that can be executed with quality and on time. We aim to attract a supply chain that is sustainable, customer service orientated, socially and environmentally responsible. These attributes need to be nurtured and require time and effort to develop. We are determined to choose the best partners possible.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal risks and uncertainties

The Company uses financial instruments: these include cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to several financial risks which are described in more detail below:

Liquidity risk

The Company seeks to manage financial risk by ensuring enough liquidity is available to meet predictable needs to invest cash wisely. Short term flexibility is achieved by an overdraft facility and if needed parent company loans. During the year to 31 December 2019, the Company did not utilise this overdraft facility.

Inflation risk

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

Interest rate risk

The Company finances its operations through retained profits. The interest rate exposure of the financial assets and liabilities of the Company as at 31 December 2019 is set out below. The table includes trade debtors, trade creditors and amounts recoverable on contracts, as these do not attract interest and are therefore subject to fair value interest rate risk.

	Fixed £000	Floating £000	Zero £000	Total £000
Financial Assets				
Cash	-	7,574	-	7,574
Trade debtors	-	-	82	82
Amounts recoverable on contracts	-	-	19,423	19,423
	-	7,574	19,505	27,079
Financial liabilities				
Trade creditors	-	-	9,566	9,566

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Other principal risks and uncertainties:

Health and safety

Accidents are a major risk in the construction industry given the working environment; working safely is a primary focus of our business. Novus is committed to effective leadership and safety procedures being in place. Performance is regularly reviewed against agreed targets and the business seeks continuous improvement.

Market Risk

The business could be impacted by reductions in public and private sector spending which may lead to a delay in cash receipts or the cancellation of work. Novus has a diversified customer base and service offering across market sectors to limit exposure.

People

Our people are critical to achieving our strategic plans and our ability to attract and retain experienced employees who demonstrate the Novus values is a key objective. We seek to mitigate the risk of skills shortages by offering a high standard of training and personal development opportunities, competitive reward structure and a positive employment experience.

Fraud/Cyber security

The risk of unauthorised access to our IT systems is recognised as a potential threat to the business. We take steps as part of our IT management to ensure we are continually monitoring and improving our cyber security awareness for all staff. The Company engages external consultants to perform penetration testing and has invested in automated threat detection software.

Delivery risk

We work in a changing and dynamic environment. Each project is unique to the client. There is a risk that our delivery does not meet with clients' specifications which could lead to losses. We seek to mitigate this risk through our client engagement process. We aim to accurately record client requirements and capture contractual variations through the life of the contract.

Covid-19

The pandemic continues to present considerable risk to the Company as government guidelines are still changing and impacting on the way we interact with each other, our customers and the public. The government may change the guidance at short notice, for example if the UK experiences a second wave or if further local lockdowns are required. This may mean that our pipeline and work programs could be affected which could also impact production efficiency and margin. The business is geographically well spread with a relatively diverse customer base. The Novus business is in continual contact with its customers and will take an agile approach to any future impact the virus may have.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Matters covered in the strategic report

A detailed review of performance and future outlook is included within the Strategic Report.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Subsequent events

Following the year end, the World Health Organisation declared the outbreak of Covid-19 to be a pandemic.

The subsequent spread of the virus and its identification as a new coronavirus does not provide additional evidence about the situation that existed at 31 December 2019 and it is therefore classified as a non-adjusting post balance sheet event. Accordingly, the financial position and results of operations as of, and for the year ended 31 December 2019 have not been adjusted.

The details and the impact on the position of the Company are disclosed below.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Going concern

Covid-19 has caused significant market disruption and it is likely that the markets in which we operate will continue to experience disruption throughout the remainder of 2020 and possibly into 2021. However, Novus' underlying commercial model is resilient with strong cash conversion, recurring revenue, strong cost control and diverse work types and service offerings ensuring we are well positioned to address the uncertainty and continue to meet our customers' needs.

The majority of the Company's revenue is sourced through local government entities and housing associations and the Company is therefore not significantly exposed to counterparty credit risk. The business is closely monitoring its cash and debtor position and, to date, customer receipts have been received in line with expectations.

Despite this, the Company believes it is likely to experience a decline in year-on-year revenue and profitability as a result of temporarily being unable to gain access to customer properties. Notwithstanding the issues presented by Covid-19, the Company anticipates that revenue will continue to increase month on month for the remainder of the year ending 31 December 2020. The operational teams are operating under new socially distanced operating procedures in a responsible way and we are able to reassure our customers that we can work safely in the current conditions.

The Company has been assessing downside scenarios and the Board is taking a number of actions to ensure that it protects liquidity and has identified it is highly unlikely to breach the current overdraft facility. The Company has had a £2m overdraft in place since the formation of the JSSH Group in 2013 and has never needed to utilise the facility. As a precaution, the Company has agreed with its bank to increase the overdraft facility to £4m for the period to May 2021 to ensure that the Company has sufficient headroom in the event that the current emergency continues for an extended period. After May 2021 the facility will be renewed in line with normal terms and conditions.

The board will also monitor other areas of discretionary spend, including capex, to ensure that only essential expenditure is incurred, to further preserve cash.

The Company has taken advantage of the government's furlough scheme and entered into time to pay arrangements with HMRC in respect of VAT and PAYE obligations where necessary.

The directors have (together with management) reviewed the Company's and the wider Group's budgets and forecasts for the 12 months from the date of this report, its liquid resources (including support available from its parent company), and the potential impact of the virus. Management have performed downside scenario analysis which demonstrates that the Group will have sufficient cash resources for a period of at least one year.

The directors have at the time of approving these financial statements, an expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. A letter of support has also been obtained from the parent company who have performed a group wide assessment considering the risks and uncertainties of Covid-19. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J S Seddon

Director

Date: 10/8/2020

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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

Opinion

We have audited the financial statements of Novus Property Solutions Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.



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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Stuart Muskett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 10/8/2020

NOVUS PROPERTY SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	3	163,553	155,781
Cost of sales		(152,291)	(143,964)
Gross profit		11,262	11,817
Administrative expenses		(6,901)	(6,319)
Other operating income	4	11	28
Operating profit	5	4,372	5,526
Interest receivable and similar income	9	41	30
Interest payable and expenses	10	(21)	(20)
Profit before tax		4,392	5,536
Tax on profit	11	(964)	(1,393)
Profit for the financial year		3,428	4,143

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 21 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED
REGISTERED NUMBER:02403551

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	3,235	4,319
		3,235	4,319
Current assets			
Stocks	15	35	16
Debtors: amounts falling due within one year	16	28,305	24,717
Cash at bank and in hand	17	7,574	6,545
		35,914	31,278
Creditors: amounts falling due within one year	18	(22,733)	(18,428)
		13,181	12,850
Net current assets		13,181	12,850
Total assets less current liabilities		16,416	17,169
Net assets		16,416	17,169
Capital and reserves			
Called up share capital		1	1
Share premium account	20	1,985	1,985
Profit and loss account	20	14,430	15,183
		16,416	17,169
		16,416	17,169

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



J S Seddon
 Director

Date: 10/8/2020

The notes on pages 21 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

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

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	1,985	13,383	15,369
Comprehensive income for the year				
Profit for the year	-	-	4,143	4,143
Total comprehensive income for the year	-	-	4,143	4,143
Dividends: Equity capital (note 12)	-	-	(2,343)	(2,343)
Total transactions with owners	-	-	(2,343)	(2,343)
At 31 December 2018	1	1,985	15,183	17,169

The notes on pages 21 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies**1.1 Company information**

Novus Property Solutions Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Five Towns House, Festival Way, Stoke on Trent, Staffordshire, ST1 5SH.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of JSSH Limited as at 31 December 2019 and these financial statements may be obtained from Manor House, Manor Lane, Holmes Chapel, Cheshire, CW4 8AF.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.4 Going concern**

Covid-19 has caused significant market disruption and it is likely that the markets in which we operate will continue to experience disruption throughout the remainder of 2020 and possibly into 2021. However, Novus' underlying commercial model is resilient with strong cash conversion, recurring revenue, strong cost control and diverse work types and service offerings ensuring we are well positioned to address the uncertainty and continue to meet our customers' needs.

The majority of the Company's revenue is sourced through local government entities and housing associations and the Company is therefore not significantly exposed to counterparty credit risk. The business is closely monitoring its cash and debtor position and, to date, customer receipts have been received in line with expectations.

Despite this, the Company believes it is likely to experience a decline in year-on-year revenue and profitability as a result of temporarily being unable to gain access to customer properties. Notwithstanding the issues presented by Covid-19, the Company anticipates that revenue will continue to increase month on month for the remainder of the year ending 31 December 2020. The operational teams are operating under new socially distanced operating procedures in a responsible way and we are able to reassure our customers that we can work safely in the current conditions.

The Company has been assessing downside scenarios and the Board is taking a number of actions to ensure that it protects liquidity and has identified it is highly unlikely to breach the current overdraft facility. The Company has had a £2m overdraft in place since the formation of the JSSH Group in 2013 and has never needed to utilise the facility. As a precaution, the Company has agreed with its bank to increase the overdraft facility to £4m for the period to May 2021 to ensure that the Company has sufficient headroom in the event that the current emergency continues for an extended period. After May 2021 the facility will be renewed in line with normal terms and conditions.

The board will also monitor other areas of discretionary spend, including capex, to ensure that only essential expenditure is incurred, to further preserve cash.

The Company has taken advantage of the government's furlough scheme and entered into time to pay arrangements with HMRC in respect of VAT and PAYE obligations where necessary.

The directors have (together with management) reviewed the Company's and the wider Group's budgets and forecasts for the 12 months from the date of this report, its liquid resources (including support available from its parent company), and the potential impact of the virus. Management have performed downside scenario analysis which demonstrates that the Group will have sufficient cash resources for a period of at least one year.

The directors have at the time of approving these financial statements, an expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. A letter of support has also been obtained from the parent company who have performed a group wide assessment considering the risks and uncertainties of Covid-19. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers and the value of work done during the year.

Long term contracts

Revenue from contracts is recognised in accordance with the type of work and the stage of completion of contractual obligations to the customer. The stage of completion of the contract at the Statement of financial position date is assessed by reference to the expected completion date and duration. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised in the period in which they are incurred.

Long term contract balances included in amounts recoverable on contracts are stated at cost plus attributable profit, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

1.6 Pre-contract costs

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.7 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 50 years
Plant and machinery	- between 3 and 8 years
Motor vehicles	- between 3 and 6 years
Fixtures and fittings	- between 3 and 8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Impairment of fixed assets

Assets that are subject to no depreciation are assessed at each Statement of financial position date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each statement of financial position date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

1.9 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

1.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Dividends

Equity dividends are recognised when paid.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.16 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.17 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.19 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, the net defined benefit cost is recognised in the financial statements of the Group entity which is legally responsible for the plan and all other Group entities recognise a cost equal to their contribution payable for the period.

Multi-employer pension plan

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

Critical judgements in applying accounting policies:

Revenue recognition:

Revenue is recognised for long term contracts based on the stage of completion of the contract activity. This is measured as the percentage of the job completed based on the surveyor's valuation, work type and expected completion date.

Key sources of estimation uncertainty:

Measurement of provisions for foreseeable contract losses:

The company enters into long term contracts in the normal course of business. These contracts have been reviewed and provision has been made for the directors' best estimate of known legal claims and future losses.

3. Turnover

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

	2019	2018
	£000	£000
Rendering of services	163,553	155,781

All turnover arose within the United Kingdom.

4. Other operating income

	2019	2018
	£000	£000
R&D tax claim	11	28

5. Operating profit

The operating profit is stated after charging:

	2019	2018
	£000	£000
Depreciation of tangible fixed assets	1,191	1,240
Hire of plant and machinery	1,781	1,462

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Auditor's remuneration

	2019	2018
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	34	31
	<u> </u>	<u> </u>

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

7. Employees

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

	2019	2018
	£000	£000
Wages and salaries	28,658	29,925
Social security costs	2,988	2,884
Other pension costs	1,306	1,154
	<u> </u>	<u> </u>
	32,952	33,963
	<u> </u>	<u> </u>

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

	2019	2018
	No.	No.
Manufacturing, construction and installation	520	563
Technical and administration staff	373	343
	<u> </u>	<u> </u>
	893	906
	<u> </u>	<u> </u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Directors' remuneration

	2019	2018
	£000	£000
Directors' emoluments	825	967
Directors pension costs	72	124
Compensation for loss of office	82	-
	<u>979</u>	<u>1,091</u>

During the year retirement benefits were accruing to 2 directors (2018: 5) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 2 directors (2018: 3) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £257,000 (2018: £321,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,000 (2018: £10,000).

The total accrued defined benefit pension provision of the highest paid director at 31 December 2019 amounted to £10,566 (2018: £13,434).

9. Interest receivable

	2019	2018
	£000	£000
Other interest receivable	41	30
	<u>41</u>	<u>30</u>

10. Interest payable and similar expenses

	2019	2018
	£000	£000
Bank interest payable	21	20
	<u>21</u>	<u>20</u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation

	2019	2018
	£000	£000
Corporation tax		
Current tax on profits for the year	916	1,136
Adjustments in respect of previous periods	68	314
	<hr/>	<hr/>
Total current tax	984	1,450
Deferred tax		
Origination and reversal of timing differences	(35)	34
Adjustments in respect of previous periods	15	(91)
	<hr/>	<hr/>
Total deferred tax	(20)	(57)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	964	1,393
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	4,392	5,536
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	834	1,052
Effects of:		
Expenses not deductible for tax purposes	32	137
Fixed asset differences	11	(12)
Adjustments to tax charge in respect of prior periods	68	314
Adjustments to tax charge in respect of prior periods - deferred tax	15	(91)
Adjust opening and closing deferred tax to average rate of 19%	4	(4)
R&D expenditure costs	-	(3)
	<hr/>	<hr/>
Total tax charge for the year	964	1,393
	<hr/> <hr/>	<hr/> <hr/>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)

Factors that may affect future tax charges

During 2017, the UK main corporation tax rate decreased from 20% to 19%. The rate was due to decrease further to 17% from 1 April 2020, however following the substantive enactment of the Finance Act 2020 the rate will remain at 19%.

This is a non-adjusting post balance sheet event and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%.

12. Equity Dividends Paid

	2019	2018
	£000	£000
Ordinary dividends of £2,986.43 (2018: £1,673.57) per share	4,181	2,343
	<u><u> </u></u>	<u><u> </u></u>

Post year end, there have been dividends of £Nil (2018: £318,872) paid.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Tangible fixed assets

	Freehold land & buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 January 2019	692	2,036	6,945	474	10,147
Additions	-	5	211	-	216
Disposals	-	-	(1,184)	-	(1,184)
At 31 December 2019	<u>692</u>	<u>2,041</u>	<u>5,972</u>	<u>474</u>	<u>9,179</u>
Depreciation					
At 1 January 2019	166	1,867	3,437	358	5,828
Charge for the year	5	74	1,051	61	1,191
Disposals	-	-	(1,075)	-	(1,075)
At 31 December 2019	<u>171</u>	<u>1,941</u>	<u>3,413</u>	<u>419</u>	<u>5,944</u>
Net book value					
At 31 December 2019	<u><u>521</u></u>	<u><u>100</u></u>	<u><u>2,559</u></u>	<u><u>55</u></u>	<u><u>3,235</u></u>
At 31 December 2018	<u><u>526</u></u>	<u><u>169</u></u>	<u><u>3,508</u></u>	<u><u>116</u></u>	<u><u>4,319</u></u>

Included within freehold property is land of £350,000 (2018: £350,000), which is not depreciated.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Fixed asset investments

	Subsidiary companies £000
At 31 December 2019	<u> -</u>
At 31 December 2018	<u> -</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

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

15. Stocks

	2019 £000	2018 £000
Raw materials and consumables	<u> 35</u>	<u> 16</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Debtors

	2019	2018
	£000	£000
Trade debtors	63	37
Amounts owed by group undertakings	6,906	6,784
Other debtors	82	70
Prepayments and accrued income	1,447	810
Amounts recoverable on contracts	19,423	16,652
Deferred taxation	384	364
	<u>28,305</u>	<u>24,717</u>

17. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	7,574	6,545

18. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	9,566	6,686
Corporation tax	514	830
Other taxation and social security	2,848	3,211
Other creditors	196	351
Accruals and deferred income	9,609	7,350
	<u>22,733</u>	<u>18,428</u>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Deferred taxation

	2019	2018
	£000	£000
At beginning of year	364	307
Credited/(charged) to the profit or loss	20	57
At end of year	384	364

The deferred tax asset is made up as follows:

	2019	2018
	£000	£000
Accelerated capital allowances	274	258
Other timing differences	110	106
	384	364

20. Reserves

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

21. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1,400 (2018: 1,400) Ordinary shares of £1 each	1,400	1,400

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

22. Contingent liabilities

As at 31 December 2019 and 2018, there was a debenture in favour of Lloyds Bank plc. The amounts outstanding as at 31 December 2019 and 2018 was Nil.

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23. Capital commitments

No capital commitments existed as at 31 December 2019 or at 31 December 2018.

24. Pension commitments

Defined benefit scheme:

The JSSH Limited Retirement Scheme was established on 11 December 2013 as a consequence of the demerger of Seddon Group Limited. During 2014, the process was undertaken to transfer the relevant assets and liabilities of the Seddon Group Limited Retirement Scheme into the JSSH Limited Retirement Scheme. JSSH Limited is the principal employer of the scheme.

Novus Property Solutions Limited is unable to identify its own share of the underlying assets and liabilities of the defined benefit scheme. The pension costs charged against operating profit of £223,000 (2018: £174,000) are the contributions payable to the scheme in respect of the accounting period.

At 31 December 2019, the scheme showed a net defined benefit liability. Full disclosures required under the provisions of FRS 102 are disclosed in the financial statements of JSSH Limited.

The Company has no contractual liability to meet the other entities' obligations under the terms and conditions of the multi-employer plan.

Defined contribution schemes:

The Company operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,083,000 (2018: £980,000) paid into two schemes; Novus Property Solutions Limited Group Personal Pension Plan and Peoples Pension (auto-enrolment).

25. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	591	586
Later than 1 year and not later than 5 years	935	1,098
Later than 5 years	332	304
	1,858	1,988

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26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 to not disclose transactions or balances with wholly owned group companies.

Included within other debtors is a loan to N D Washington, a director of the Company, amounting to £Nil (2018: £17,189). During the year, interest was charged on the loan at 3.25%. The maximum amount outstanding during the year was £17,189 (2018: £22,926).

27. Post balance sheet events

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

Following the year end, the World Health Organisation has declared the outbreak of Covid-19 to be a pandemic. The subsequent spread of the virus and its identification as a new coronavirus does not provide additional evidence about the situation that existed at 31 December 2019 and it is therefore classified as a non-adjusting post balance sheet event. Accordingly, the financial position and results of operations as of, and for the year ended 31 December 2019 have not been adjusted.

The potential impact of COVID-19 on the entity is discussed further in Note 1.4 - going concern above.

28. Controlling party

The immediate and ultimate parent company is JSSH Limited, which is registered in England & Wales.

Copies of the parent company's financial statements are available from Companies House.