
NOVUS PROPERTY SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOVUS PROPERTY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	J S Seddon L G Hartley M L Owen S J Davies (Chief Executive Officer) M Hiley D Leach S P Oldroyd S Seddon-Hall
Company secretary	S P Oldroyd
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 Royal Liver Building Liverpool L3 1PS
Bankers	Lloyds Bank plc Units 2 & 3 Caxton Gate 36/38 New Street Birmingham B2 4LP

NOVUS PROPERTY SOLUTIONS LIMITED

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NOVUS PROPERTY SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Activity

The principal activity of the Company during the year was that of planned, responsive and cyclical maintenance and refurbishment.

Business and financial review

The Company has had a strong year in 2022, delivering record revenues and a significant increase in profitability, this is against a backdrop of some very challenging market conditions.

Despite inflationary and supply chain pressures, exacerbated by the conflict in Ukraine, the 2022 performance demonstrates the resilience of the Company and serves to highlight its many strengths. These include the additional resilience provided by our market sector, geographical and client diversity, the talent and commitment of our workforce, our supply chain and our strong financial position. Throughout these challenges, we remained focussed on our long-term strategic goals and we continued to invest in our people, digitisation and business development.

Our regional maintenance and refurbishment businesses (MAPS) serve the social housing maintenance sector and continue to show strong growth. We made improvements to over 23,000 homes in 2022, making a real difference to the communities we work in. This market is worth £3.4bn annually with the focus of the sector being decent homes (reactive and planned upkeep), compliance and decarbonisation. We are well placed with our MAPS offering to support our clients in each of the three market pillars.

We have continued to develop our Novus Interiors workstream, a national 'fast-track' refurbishment business, by widening its focus to cover healthcare and education as well as large retail, leisure and hospitality clients. In 2022 we delivered significant projects for our key retail clients and refurbished over 2000 hotel rooms.

Our investment into business development has resulted in a strong year of contract wins placing Novus in 5th place in the Top 50 Contractors league table (Sept 2021 – Aug 2022) with over 84% of budgeted turnover for 2023 already secured at the time of signing these accounts.

We took the decision in 2021 to close our Build division due to the increasing difficulty of making a commercial return in this market. Whilst the closeout of a number of projects has materially impacted the results in the year, most of these projects are now completed or are nearly completed. Consequently, we expect a much-reduced impact from this division in 2023.

Given the material impact of the Build operation on the results for the year, the Company has classified it as a 'Discontinued operation' in the Income Statement. The directors believe that this gives a more accurate understanding of the performance of the business.

Turnover for Continuing operations (excluding Build) was £180.6m (2021: £127.7m), an increase of 41%. Operating profit from continuing operations was £5.2m in the year (2021: £6.5m) and benefitted from a £1.7m profit on the sale and leaseback of our vehicle fleet.

The Company remains in a very strong financial position with a balance sheet that comprises £16.9m (2021: £16.3m) of net assets of which £9.6m (2021: £11.0m) is cash. The Company has no external debt.

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**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021	Measure
Growth in turnover	30.6%	17.5%	Year on year sales
Gross margin	5.9%	6.2%	Gross profit/turnover
Underlying gross profit margin	8.0%	11.4%	Continuing operations gross profit/turnover
Operating profit margin	0.9%	0.5%	Operating profit/turnover
Underlying operating profit margin	2.9%	5.1%	Continuing operations operating profit/turnover
AROC days	63	60	AROC/turnover x 365 days
Social value projects delivered	200	130	
Staff retention	73.0%	60.0%	Average staff retained in year/average staff
Number of apprentices and trainees	71	63	

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. Further narrative on the principal risks and uncertainties is noted in the Director's report.

Future Review

Novus is a national business built on family values and dates to 1897. We place a strong emphasis on being a responsible business and serving the wider community, something which has earned our company national recognition at numerous industry awards.

The business is a leading specialist in planned property maintenance, building refurbishment, compliance and decarbonisation services. We are differentiated by our unique combination of traditional values and innovative thinking, and our strive for continuous improvement through a collaborative approach.

We offer unrivalled client satisfaction. Our commitment to training and quality of service is delivered through an ethos that combines stability, integrity, honesty, and sound policies and principles.

In 2021 the business set itself an ambitious five-year plan which is focused on building a legacy where people can live, work and thrive. The plan has four strategic priorities:

- Deliver operational excellence.
- Deliver our responsible business credentials.
- Make Novus a great place to work.
- Develop long term partnerships, building a sustainable pipeline.

The plan is supported by significant investment in people, processes and systems and is already showing tangible results.

At the time of signing the accounts, Novus has secured work of £169m for 2023 which represents over 84% of budgeted turnover.

We are well placed to deliver our strategic plan whilst providing an opportunity for employees to prosper and grow in a financially secure environment.

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**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 incentivisation, 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 and 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.

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.

More detail in respect of the director's duty to promote the success of the Company can be seen in the Director's report.

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

Michelle Owen

M L Owen
Director

Date: 4/5/2023

NOVUS PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £1,213,000 (2021: £854,000).

Dividends of £645,000 were paid in the year (2021: £323,000). The directors recommend the payment of a further dividend of £Nil (2021: £Nil).

Directors

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

J S Seddon (Non-Executive)
L G Hartley
M L Owen (Non-Executive Chair)
S J Davies (appointed 1 January 2022)
M Hiley
D Leach (appointed 1 January 2022)
S P Oldroyd
S Seddon-Hall (Non-Executive)

Health and Safety

Our goal is to make Novus a safer place for colleagues, partners, clients and customers, this remains our number one priority. Our focus for 2022 was to transform our approach from that of a 'policing' nature to a 'coaching' nature, creating a high participation safety culture. Our ultimate measures of success were a 70% reduction in reportable RIDDORs in the year coupled with a threefold increase in safety observations.

To support this goal the SHEA team have focused on the launch of 'Safety First' through the delivery of Safety Roadshows across our business fully supported by the Board of Directors. The Safety-First Roadshow's focused on 'a positive culture', a collective responsibility' and 'high participation". Our key supply chain partners were invited to these roadshows as an extension of our business.

During 2022 we introduced a new online SHE Management system called E20 which will allow operations to manage our projects through a digital platform. E20 will provide real time information, dashboards to our senior management team and will enable our SHEA team in focus our campaigns, coaching and training programs aligned to best practice and continuous improvement.

Our SHEA team has been further enhanced through further investment in our Assurance team who provide coaching and support to our operational teams around passive fire protection, gas and electrical compliance in addition to assurance through 'work in progress' and 'post work' inspections.

The SHEA team through our SHE Coaches provide support to our operational teams through involvement in the both the planning and pre-start health and safety arrangements of our projects. Whilst providing assurance to the Board through SHE inspections, our SHE Coaches also focus on assisting our site supervisors and site managers with health, safety, and environmental matters on our projects reviewing future activities and developing safe systems of work to ensure the safe delivery of our activities.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

ESG - Environmental policy

Novus are committed to responsible energy management and will practice energy efficiency through our organisation, wherever possible. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

Statement of carbon emissions in compliance with the Streamlined Energy and Carbon Reporting (SECR)**Basis of preparation**

For the purposes of this report, we are disclosing our Scope 1, 2 and 3 emissions in accordance with the mandatory Environmental Reporting Guidelines.

Mandatory greenhouse gas emissions - Scope 1 & 2				
Reporting Period - Year End	31 December 2022		<i>31 December 2021</i>	
Total energy usage (Scope 1 & 2)	12,969,129	kWh	<i>9,449,726</i>	<i>kWh</i>
Total emissions (Scope 1 & 2)	3,285	tCO₂e	<i>2,343</i>	<i>tCO₂e</i>
Carbon credits (Scope 1 Fleet)	2,802	tCO₂e	<i>620</i>	<i>tCO₂e</i>
Revised Total Emissions (Scope 1 & 2)	483	tCO₂e	<i>1,723</i>	<i>tCO₂e</i>
Intensity ratio Pre-Offset	17.67	tCO₂e/£1m	<i>16.46</i>	<i>tCO₂e/£1m</i>
Intensity ratio Post-Offset	2.60	tCO₂e/£1m	<i>12.11</i>	<i>tCO₂e/£1m</i>

Mandatory greenhouse gas emissions - Scope 3				
Reporting Period - Year End	31 December 2022		<i>31 December 2021</i>	
Total energy usage (Scope 3)	1,580,996	kWh	<i>1,319,797</i>	<i>kWh</i>
Total emissions (Scope 3)	403.86	tCO₂e	<i>328.00</i>	<i>tCO₂e</i>
Intensity ratio	2.17	tCO₂e/£1m	<i>2.31</i>	<i>tCO₂e/£1m</i>

Voluntary disclosure - greenhouse gas emissions - VScope 3				
Reporting Period - Year End	31 December 2022		<i>31 December 2021</i>	
UK Electricity UK Elec T&D (VScope 3)	7.58		<i>8.69</i>	<i>tCO₂e</i>
Waste (VScope 3)	267.72	tCO₂e	<i>193.52</i>	<i>tCO₂e</i>
Total emissions (VScope 3)	275.30		<i>202.21</i>	<i>tCO₂e</i>
Intensity ratio	1.48	tCO₂e	<i>1.42</i>	<i>tCO₂e/£1m</i>

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Methodology used in the calculation of disclosures

For the purposes of this SECR report, Novus have identified their emissions-releasing activities, based on operational boundaries, as follows:

- **Scope 1** – Use of company fleet vehicles in the execution of works and associated activities related to Novus operations, including company leased, owned and hired vehicles.
- **Scope 2** – Energy emissions resulting from utility usage, (gas and electricity), at all Branch and satellite offices, including the Novus Head Office at Festival Way, Stoke-on-Trent.
- **Scope 3** – 'Grey fleet' vehicles, (employee owned/leased/hired vehicles), used in connection with work activities that can be classed as 'business travel' are also included within the operational boundary of Scope 3.
- **Voluntary Scope 3** – Emissions resulting from operational site waste disposal and UK Electricity Transport & Distribution. Novus are considering the operational boundaries of their activities and will add other emission releasing activities to this Scope category in future years

Intensity Ratio

An intensity ratio is the definition of emissions data in relation to a business metric. For the purpose of this SECR report, intensity ratios are calculated using tonnes of CO₂e per £ million of revenue.

The intensity ratio (Pre-Offset) has increased by 7%, this reflects an increase utilisation of our vehicle fleet following the relaxing of COVID 19 restrictions in 2022 compared with 2021. After including the impact of carbon-offsetting the intensity ratio fell by over 78% in the year.

Energy efficiency actions implemented in reporting year

Novus operate an ISO 14001:2015 certified Environmental Management System that drives environmental improvements through establishing energy efficiency objectives and targets and the implementation of programmes to achieve these. In 2022, the following key actions were taken to support our objectives:

- We continue to invest in our staff awareness by providing members of our senior leadership team with IEMA Environmental Management in Construction training.
- We have successfully achieved gold level at Supply Chain Sustainability School. The school is an award-winning industry wide collaboration, providing the skills and knowledge to deliver a sustainable future.
- We have delivered Carbon reduction presentations to our operational teams detailing how they can help to achieve our targets.
- We have maintained green energy tariffs across each of our offices (where we are responsible for energy procurement).
- We have maintained hybrid working policies to build upon the efficiencies and reductions seen during the pandemic due to reduced travel and better use of teleconferencing technology.
- Sustainable travel planning continues via work scheduling software.
- We continue to roll out environmental awareness training to all Novus colleagues to ensure a standard level of knowledge in which to grow initiatives and increase staff energy awareness to reduce energy consumption etc.
- SMART energy meters continue to be installed across the remainder of our office assets to increase the visibility of data and improve accuracies.
- We have continued to invest in our fleet and continue to increase the number of Euro 6 compliant vehicles.
- We have introduced transport energy reduction initiatives including on-going replacement of fleet with reduced emission vehicles, improvements in our telematics system to assist measuring and managing fuel usage.
- Salary sacrifices scheme launched to encourage lower carbon grey fleet via tax efficient savings.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Energy efficiency actions for 2023

The following energy efficiency measures are planned for implementation during 2023:

- We will reduce our fleet emission intensity ratio by 5%.
- We will plant over 750 trees, one for each colleague during the year.
- We will be continuing environmental communications via SHE moments, a monthly topic discussed at all internal meetings and communicated to site teams.
- We will release further environmental training through the Supply Chain Sustainability School.
- Our procurement team will complete self-assessments and undertake training on the Supply Chain Sustainability school to upskill them as part of our procurement strategy.
- Continue the implementation of our Environmental Commitments Plan – The five-year plan to drive energy and waste efficiencies on our journey towards Carbon Net Zero.
- We will reduce our waste by applying circularity working with our key clients and partnering with their environmental strategies.
- Continued development of carbon tracking solutions in relation to waste, fleet and energy.
- We will increase the use of e-learning training to reduce the number of face-to-face training sessions and associated travel.
- We will implement recommendations from out office energy reviews to provide additional improvements.

We will be installing electric charging infrastructure within our offices to assist with carbon reduction targets.

Energy efficiency intensity target for 2026

Through implementation of our Environmental Commitments Plan and the above measures we aim for significant improvements in Scope 1 and 2 energy efficiency to achieve a reduction in the intensity ratio of 30% from our baseline year, by 2026.

ESG - Corporate Social Responsibility Strategy

The impact of the pandemic and the cost-of-living crisis place additional challenges not only on delivering our core services, but on our colleagues, customers, and wider communities we operate in. For this reason, our Responsible Business strategy and delivering on our purpose of 'Building a legacy where people can live work and thrive' is more important than ever.

To show our commitment to being a responsible business Novus are a member of Business in the Community and through this network of business members support a movement to create a fair and sustainable world in which to live and work. Novus campaign with more than 600 members who challenge themselves to continually grow their responsible business practices, uniting in our efforts for greater social and environmental impact in our communities. In 2022 Novus undertook the 'BITC Responsible Business Tracker'. The Tracker is BITC's 'Responsible Business' Bench Marking Accreditation built around the UN's Sustainable Development Goals (SDGs). BITC benchmarked Novus against our sector and wider marketplace and Awarded Novus the Responsible Business 'Tracker Mark'. Novus improved our benchmark score by 13% against our 2020's Benchmark, which shows our commitment and progress in this area.

Novus also produced and communicated a Responsible Business Report 2022, which is accessible via our website. The Report updates on all aspects of our Responsible Business approach.

We launched our Responsible Business campaign called 'Build Back Better' in 2020 and this continued to make a difference in 2022. We involved our employees from the outset to help shape our focus areas, and within this campaign we also launched our 'Volunteer Hero' initiative allowing every Novus colleague to utilise 8 hours of volunteer time each year to support a cause important to them.

Inspired by the UN Sustainable Development Goals, the business identified three areas of focus for our Build

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Back Better campaign:

- Goal 1: Reducing Poverty,
- Goal 3: Good Health and Wellbeing,
- Goal 13: Climate Action.

Within these goals, our colleagues highlighted considerations such as Homelessness, Food Banks, Skills Development, Mental Health, Recycling and Reducing Waste, with which to prioritise our activity.

In 2022, we addressed the goal of 'Reducing Poverty' by launching a National Food Bank Appeal that involved our colleagues throughout the UK supporting 15 Food Banks projects. We also continued the 'Build Back Better Challenge' which involved our colleagues, clients and supply chain and the wider community nominating causes they feel are deserving of additional funding and support from Novus. Over 200 Social Value initiatives were evidenced across 2022 reinforcing the additional social and economic impact Novus deliver in addition to our contracted work.

To support our colleagues with 'Good Health and Wellbeing' we continued with our mental health first aiders programme, with 10 embedded across the business, building on from all our managers completing mental health awareness training in 2021, we delivered a Health and Wellbeing Calendar through the year with a range of health and wellbeing initiatives to support our colleagues. Areas we provided support and advice included, Mental Health Awareness Week, managing stress, healthy eating, financial advice and promoting the benefits of volunteering through our Giving Back Week.

Finally, as Novus are committed to positive 'Climate Action,' we have developed a 5-year plan that incorporates ambitious targets to reduce our carbon footprint. Through our Environmental Commitments, we will be actively engaging with our suppliers, contractors, and clients to raise the environmental agenda and encourage reductions in CO2 emissions.

The examples below are the Build Back Better Challenge winners and represent just some of the initiatives Novus have supported in 2022.

- **Novus refurbished the new premises of the Edinburgh Tool Library charity.** Edinburgh Tool Library operates in the same way as a normal library but distributes tools rather than books. It allows the public to borrow a variety of tools including drills and sanders, as well as hosting a range of classes and workshops where members of the community can learn and take part in non-tool related sessions including for mental health. The Novus team repainted and decorated the library's new, expanded premises – donating labour and materials, with the refurbishment completed. The library encourages the reuse of tools for the benefit of the environment, as well as empowering members of the public to carry out their own DIY projects and providing mental health support to those who need it – closely aligning with the key themes of our Build Back Better campaign.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

- **North Manchester General Hospital Wellbeing Garden.** The Novus team transformed an underused green space in the grounds of the hospital. Novus donated materials and labour free of charge to deliver the landscaping of the space, which included gravel and paving for accessibility, alongside the installation of benches and planters. We have a longstanding relationship with Manchester University NHS Foundation Trust and have carried out a wide variety of refurbishment and maintenance works across the Trust's estates since it was appointed to the Measured Term Framework in July 2015.
- **High Hill Community Centre Refurbishment.** Novus refurbished a kitchen for High Hills Community Centre in East London. Whilst working with The Guinness Partnership, our team donated labour and materials to refurbish a kitchen for a Community Centre. The High Hills Community Centre runs a baby bank which provides support for families across the area. As a result of the kitchen being modernised the volunteers can better cater for those in need when they visit the baby bank for support.

Our commitment to being a responsible business was acknowledged in the marketplace with Novus being shortlisted for Construction News Specialists Awards for Excellence in Social Value and the Construction News Workforce Awards for CSR Initiative of the Year.

Novus could not have delivered the impact we did without the involvement and support of its colleagues. Novus remains absolutely committed to being a responsible business, a force for good, and to making a difference in the communities in which we work.

ESG - 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 has 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. That's why we have launched our people strategy with this at its heart.

We have talented teams delivering for our customers across the whole of the UK and we want our workforce to reflect the communities in which we work. We are committed to developing an inclusive workplace, creating an environment which allows our people to thrive and enhancing diversity to deliver more value for our employees, clients, and customers. We have launched an Inclusion strategy that has key focus areas to achieve this.

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 recruited 20 apprentices in 2022, with another cohort planned for 2023. We are continually strengthening our internal offering to our apprentices ensuring we have a programme that meets individual and business needs and that reinforces our reputation as an 'Employer of choice'.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business relationships

Novus is committed to creating and sustaining long term relationships with our customers, suppliers, and partners. We have customers that have been with us for over 30 years in the housing, education and health sectors and 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 values 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.

The Company's relationships with its supply chain partners are of strategic importance and its actions and behaviours towards them during these challenging times are viewed as key to the Company's future success. Consequently, the prompt payment of its suppliers has remained a major area of focus throughout the year and even more so against the backdrop of the challenging economic environment.

For the formal Payment Practices Reporting period of 1 July 2022 to 31 December 2022, Novus' average time taken to pay invoices was 34 days, with over 90% of its invoices paid within 60 days.

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.

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 at 31 December 2022 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.

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Fixed £000	Floating £000	Zero £000	Total £000
Financial Assets				
Cash	-	9,605	-	9,605
Trade debtors	-	-	167	167
Amounts recoverable on contracts	-	-	29,220	29,220
	-	9,605	29,387	38,992
	-	9,605	29,387	38,992
Financial liabilities				
Trade creditors	-		10,420	10,420
	-		10,420	10,420

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.

Qualifying third party indemnity provisions

Directors' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities were in force during the 2022 financial year and remain in force for all Directors of the Company.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Matters covered in the Strategic report

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

Subsequent events

There have been no adjusting or non-adjusting post balance sheet events.

Going concern

The directors have reviewed the Company's budgets and forecasts for the 12 months from the date of this report, and its liquid resources (including support available from its parent company.) These forecasts demonstrate that the Company will have sufficient cash resources for a period of at least one year.

A letter of support has also been obtained from the parent company who have performed a group wide assessment of liquidity requirements.

Thus, 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.

Consequently, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

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.

Michelle Owen

M L Owen
Director

Date: 4/5/2023

NOVUS PROPERTY SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and 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 2022 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit, Covid-19, the crisis in Ukraine and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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.



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

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)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and the Companies Act 2006) and applicable Health and Safety legislation (The Health and Safety at Work Act 1974).
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management, and those charged with governance of the entity. We corroborated our enquiries through our review of board minutes, papers provided to the Board and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included; Evaluation of the processes and controls established to address the risks related to irregularities and fraud and testing of journal entries, in particular entries relating to management estimates, large or unusual transactions.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature.
- From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- In assessing the potential risks of material misstatement, we obtained an understanding of; The Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and the Company's control environment including the adequacy of procedures for the authorisation of transactions.



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

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.

Gareth Hitchmough

Gareth Hitchmough
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 4/5/2023

NOVUS PROPERTY SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Continuing operations 2022 £000	Discontinued operations 2022 £000	Total 2022 £000	<i>Continuing operations 2021 £000</i>	<i>Discontinued operations 2021 £000</i>	<i>Total 2021 £000</i>
Turnover	3	180,638	5,234	185,872	127,699	14,616	142,315
Cost of sales		(166,184)	(8,799)	(174,983)	(113,197)	(20,313)	(133,510)
Gross profit		14,454	(3,565)	10,889	14,502	(5,697)	8,805
Administrative expenses		(10,971)	-	(10,971)	(8,125)	(41)	(8,166)
Other operating income	4	-	-	-	125	10	135
Profit on disposal of tangible assets		1,682	-	1,682	-	-	-
Operating profit	5	5,165	(3,565)	1,600	6,502	(5,728)	774
Interest receivable and similar income	9	10	-	10	7	-	7
Interest payable and expenses	10	(53)	-	(53)	(3)	-	(3)
Profit before tax		5,122	(3,565)	1,557	6,506	(5,728)	778
Tax on profit	11	(344)	-	(344)	76	-	76
Profit for the financial year		4,778	(3,565)	1,213	6,582	(5,728)	854

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 22 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED
REGISTERED NUMBER:02403551

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	698	1,968
		<u>698</u>	<u>1,968</u>
Current assets			
Stocks	15	42	47
Debtors: amounts falling due within one year	16	38,309	29,925
Cash at bank and in hand	17	9,605	11,042
		<u>47,956</u>	<u>41,014</u>
Creditors: amounts falling due within one year	18	(31,572)	(25,666)
		<u>16,384</u>	<u>15,348</u>
Net current assets		<u>16,384</u>	<u>15,348</u>
Total assets less current liabilities		<u>17,082</u>	<u>17,316</u>
Provisions for liabilities			
Provisions	20	(165)	(967)
		<u>(165)</u>	<u>(967)</u>
Net assets		<u><u>16,917</u></u>	<u><u>16,349</u></u>
Capital and reserves			
Called up share capital		1	1
Share premium account	21	1,985	1,985
Profit and loss account	21	14,931	14,363
		<u>16,917</u>	<u>16,349</u>

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

Michelle Owen

M L Owen
 Director

Date: 4/5/2023

The notes on pages 22 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2022	1	1,985	14,363	16,349
Comprehensive income for the year				
Profit for the year	-	-	1,213	1,213
Total comprehensive income for the year	-	-	1,213	1,213
Dividends: Equity capital (note 12)	-	-	(645)	(645)
Total transactions with owners	-	-	(645)	(645)
At 31 December 2022	1	1,985	14,931	16,917

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	1	1,985	13,832	15,818
Comprehensive income for the year				
Profit for the year	-	-	854	854
Total comprehensive income for the year	-	-	854	854
Dividends: Equity capital (note 12)	-	-	(323)	(323)
Total transactions with owners	-	-	(323)	(323)
At 31 December 2021	1	1,985	14,363	16,349

The notes on pages 22 to 38 form part of these financial statements.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies**1.1 Company information**

Novus Property Solutions Limited is a private company limited by shares & 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 Company's financial statements are presented in Sterling and all values are rounded to the nearest (£000) except when otherwise stated.

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 2022 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 2022**

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

The directors have reviewed the Company's budgets and forecasts for the 12 months from the date of this report, and its liquid resources (including support available from its parent company.) These forecasts demonstrate that the Company will have sufficient cash resources for a period of at least one year.

A letter of support has also been obtained from the parent company who have performed a group wide assessment of liquidity requirements.

Thus, 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.

Consequently, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 2022**

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 profit or loss.

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 profit or loss 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 2022**

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

1.15 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.

1.16 Dividends

Interim dividends are recognised when paid and final dividends are recognised when declared.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)**1.17 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.

1.18 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 2022**

1. Accounting policies (continued)**1.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

1.20 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 2022**

1. Accounting policies (continued)

1.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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.

Margin recognition through contract term

The Company enters into long term contracts in the normal course of business. The margin on these contracts is estimated by management over the term of the contract utilising estimated forecasted cost and revenue.

3. Turnover

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

	2022	2021
	£000	£000
Rendering of services	185,872	142,315

All turnover arose within the United Kingdom.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Other operating income

	2022	<i>2021</i>
	£000	<i>£000</i>
Government grants receivable	-	135
	<u> </u>	<u> </u>

Government grants receivable relate to income claimed as part of the Coronavirus Job Retention Scheme. The cost to the Company of employees on furlough gross of the grant income was £Nil (*2021: £192k*).

5. Operating profit

The operating profit is stated after charging:

	2022	<i>2021</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets	594	837
Hire of plant and machinery	2,467	1,700
Costs of furloughed employees	-	192
Costs relating to Covid-19	-	2
Profit on disposal of tangible assets	(1,682)	-
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2022	<i>2021</i>
	£000	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	59	44
	<u> </u>	<u> </u>

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

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Wages and salaries	29,419	26,659
Social security costs	3,097	2,606
Other pension costs	1,108	1,040
	33,624	30,305

The costs noted above are shown before any government grant received that relates to these costs.

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Manufacturing, construction and installation	351	391
Technical and administration staff	401	347
	752	738

8. Directors' remuneration

	2022	<i>2021</i>
	£000	<i>£000</i>
Directors' emoluments	950	804
Directors' pension costs	93	59
Compensation for loss of office	-	83
	1,043	946

During the year retirement benefits were accruing to 8 directors (*2021: 7*) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 director (*2021: 2*) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £294,212 (*2021: £352,000*).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (*2021: £3,000*).

The total annual accrued defined pension provision of the highest paid director at 31 December 2022 amounted to £Nil (*2021: £Nil*).

NOVUS PROPERTY SOLUTIONS LIMITED

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9. Interest receivable

	2022	<i>2021</i>
	£000	<i>£000</i>
Other interest receivable	10	<i>7</i>
	<u>10</u>	<u><i>7</i></u>

10. Interest payable and similar expenses

	2022	<i>2021</i>
	£000	<i>£000</i>
Other interest payable	53	<i>3</i>
	<u>53</u>	<u><i>3</i></u>

11. Taxation

	2022	<i>2021</i>
	£000	<i>£000</i>
Corporation tax		
UK corporation tax on profit for the year	96	<i>-</i>
s171A transfers receivable	-	<i>(16)</i>
Adjustments in respect of previous periods	(17)	<i>10</i>
Group taxation relief	-	<i>(27)</i>
	<u>79</u>	<u><i>(33)</i></u>
Deferred tax		
Origination and reversal of timing differences	201	<i>65</i>
Adjustments in respect of previous periods	-	<i>(8)</i>
Effect of tax rate change on opening balance	64	<i>(100)</i>
	<u>265</u>	<u><i>(43)</i></u>
Taxation charge/(credits) on profit on ordinary activities	<u>344</u>	<u><i>(76)</i></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	<i>2021</i>
	£000	<i>£000</i>
Profit on ordinary activities before tax	1,557	<i>778</i>
	=====	<i>=====</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	296	<i>148</i>
Effects of:		
Expenses not deductible for tax purposes	7	<i>7</i>
Fixed asset differences	(6)	<i>(132)</i>
Adjustments to tax charge in respect of prior periods - current tax	(17)	<i>10</i>
Adjustments to tax charge in respect of prior periods - deferred tax	-	<i>(8)</i>
Adjust opening and closing deferred tax to average rate of 19%	64	<i>(85)</i>
Receipt for s171A transfers	-	<i>(16)</i>
	=====	<i>=====</i>
Total tax charge/(credit) for the year	344	<i>(76)</i>
	=====	<i>=====</i>

Factors that may affect future tax charges

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

12. Equity Dividends Paid

	2022	<i>2021</i>
	£000	<i>£000</i>
Ordinary dividends of £460.71 (2021: £230.71) per share	645	<i>323</i>
	=====	<i>=====</i>

Post year end, there have been dividends of £331k (2021: £215k) paid.

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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 2022	442	2,182	5,742	474	8,840
Additions	-	322	-	63	385
Disposals	-	-	(5,729)	-	(5,729)
At 31 December 2022	<u>442</u>	<u>2,504</u>	<u>13</u>	<u>537</u>	<u>3,496</u>
Depreciation					
At 1 January 2022	181	2,056	4,192	443	6,872
Charge for the year on owned assets	5	90	489	10	594
Disposals	-	-	(4,668)	-	(4,668)
At 31 December 2022	<u>186</u>	<u>2,146</u>	<u>13</u>	<u>453</u>	<u>2,798</u>
Net book value					
At 31 December 2022	<u><u>256</u></u>	<u><u>358</u></u>	<u><u>-</u></u>	<u><u>84</u></u>	<u><u>698</u></u>
<i>At 31 December 2021</i>	<u><u>261</u></u>	<u><u>126</u></u>	<u><u>1,550</u></u>	<u><u>31</u></u>	<u><u>1,968</u></u>

Included within freehold property is land of £100,000 (2021: £100,000), which is not depreciated.

NOVUS PROPERTY SOLUTIONS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments

	Subsidiary companies £000
At 31 December 2022	<u> -</u>
At 31 December 2021	<u> -</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	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

	2022 £000	2021 £000
Raw materials and consumables	<u> 42</u>	<u> 47</u>

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

NOVUS PROPERTY SOLUTIONS LIMITED

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16. Debtors

	2022	<i>2021</i>
	£000	<i>£000</i>
Trade debtors	167	<i>246</i>
Amounts owed by group undertakings	6,904	<i>7,532</i>
Other debtors	7	<i>106</i>
Prepayments and accrued income	1,554	<i>1,349</i>
Amounts recoverable on contracts	29,220	<i>19,890</i>
Tax recoverable	367	<i>447</i>
Deferred taxation	90	<i>355</i>
	38,309	<i>29,925</i>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Cash and cash equivalents

	2022	<i>2021</i>
	£000	<i>£000</i>
Cash at bank and in hand	9,605	<i>11,042</i>

18. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Trade creditors	10,420	<i>6,985</i>
Other taxation and social security	7,160	<i>5,969</i>
Other creditors	364	<i>1,360</i>
Accruals and deferred income	13,628	<i>11,352</i>
	31,572	<i>25,666</i>

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Deferred taxation

	2022	<i>2021</i>
	£000	<i>£000</i>
At beginning of year	355	312
(Charged)/credited to the profit or loss	(265)	43
At end of year	90	<i>355</i>

The deferred tax asset is made up as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Accelerated capital allowances	46	298
Other timing differences	44	57
	90	<i>355</i>

20. Provisions

	Provision for future losses £000
At 1 January 2022	967
Utilised in year	(967)
Charged in year	165
At 31 December 2022	165

The above provision represents an estimate of the future liabilities associated with long term contracts, which are considered onerous by management.

21. 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.

NOVUS PROPERTY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Share capital

	2022	<i>2021</i>
	£	£
Allotted, called up and fully paid		
1,400 (<i>2021: 1,400</i>) Ordinary shares of £1 each	1,400	<i>1,400</i>
	<u> </u>	<u> </u>

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

23. Contingent liabilities

As at 31 December 2022 and 2021, there was a debenture in favour of Lloyds Bank plc. The amounts outstanding as at 31 December 2022 and 2021 was £Nil.

24. Capital commitments

No capital commitments existed as at 31 December 2022 or at 31 December 2021.

25. 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 £370,000 (*2021: £Nil*) are the contributions payable to the scheme in respect of the accounting period.

At 31 December 2022, 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 £1,108,000 (*2021: £1,040,000*) paid into two schemes; Novus Property Solutions Limited Group Personal Pension Plan and Peoples Pension (auto-enrolment).

NOVUS PROPERTY SOLUTIONS LIMITED

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26. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	<i>2021</i>
	£000	<i>£000</i>
Not later than 1 year	1,497	492
Later than 1 year and not later than 5 years	1,197	1,051
Later than 5 years	13	8
	2,707	<i>1,551</i>
	2,707	<i>1,551</i>

27. 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.

There were no other related party transactions in the year (*2021: £Nil*).

28. Post balance sheet events

There have been no adjusting or non-adjusting post balance sheet events.

29. 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.