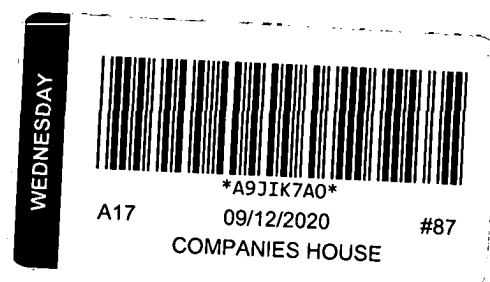

financial statements

Nova Aerospace Limited

For the year ended: 30 June 2020

Company registration number: 08298810



NOVA AEROSPACE LIMITED
REGISTERED NUMBER:08298810

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	1,100,573	1,139,532
Investments	5	8,980	8,980
		<u>1,109,553</u>	<u>1,148,512</u>
Current assets			
Long term contracts		444,219	337,653
Debtors: amounts falling due within one year	6	1,329,473	714,204
Cash at bank and in hand		418,674	552,922
		<u>2,192,366</u>	<u>1,604,779</u>
Creditors: amounts falling due within one year	7	(1,420,056)	(979,989)
Net current assets		<u>772,310</u>	<u>624,790</u>
Total assets less current liabilities		<u>1,881,863</u>	<u>1,773,302</u>
Creditors: amounts falling due after more than one year	8	(612,795)	(1,255,637)
Provisions for liabilities			
Deferred tax	9	(128,504)	(45,300)
		<u>(128,504)</u>	<u>(45,300)</u>
Net assets		<u><u>1,140,564</u></u>	<u><u>472,365</u></u>

NOVA AEROSPACE LIMITED
REGISTERED NUMBER:08298810

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital		1,000	1,000
Capital redemption reserve		33	33
Profit and loss account		1,139,531	471,332
		<u>1,140,564</u>	<u>472,365</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



SAF Camporeale
Director

Date: 4 DEC 20

The notes on pages 3 to 11 form part of these financial statements.

NOVA AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Nova Aerospace Ltd is a private company limited by shares and incorporated in England and Wales. The registered office of the Company is Unit 1, Brabazon Business Park, Golf Course Lane, Filton, Bristol, BS34 7PZ.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006. The parent and group are therefore considered eligible for the exemption available in section 399 to not prepare consolidated accounts.

2.3 Going concern

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis as the company is profitable and has net assets of £1,140,564. The COVID-19 pandemic and the ensuing economic shutdown has had some impact on the company's operations. In response to this, the directors have implemented robust measures to manage and mitigate the unprecedented impact.

The directors have reviewed the cash flow forecasts of the company, together with resources available to the entity, and have concluded that there is no material uncertainty, therefore they continue to adopt the going concern basis in preparing the annual report and accounts. Further details can be found in the directors report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.8 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.10 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either the straight-line or reducing balance methods.

Depreciation is provided on the following basis:

Leasehold improvements	- Straight line over the length of the lease
Aircraft	- 6% reducing balance
Fixtures and fittings	- 10% to 33% reducing balance
Computer equipment	- 50% to 100% reducing balance
Other fixed assets	- 10% to 33% reducing balance

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 income and retained earnings.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Long-term contracts

Where the substance of a contract is that the contractual obligations are performed gradually over time, revenue is recognised as contract activity progresses to reflect the partial performance of our contractual obligations. The amount of revenue included reflects the accrual of the right to consideration as contract activity progresses by reference to value of the work performed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.13 Debtors

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

2.14 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.

2.15 Creditors

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

2.16 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 40 (2019 - 30).

NOVA AEROSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Tangible fixed assets

	Long-term leasehold property £	Aircraft £	Fixtures and fittings £	Computer equipment £	Plant and machinery £	Total £
Cost						
At 1 July 2019	17,063	1,387,231	17,941	54,550	1,161	1,477,946
Additions	8,002	7,295	16,072	26,620	-	57,989
Disposals	(6,638)	-	(3,348)	(10,662)	-	(20,648)
At 30 June 2020	18,427	1,394,526	30,665	70,508	1,161	1,515,287
Depreciation						
At 1 July 2019	7,124	280,475	5,820	44,774	221	338,414
Charge for year	3,887	66,520	4,461	19,344	324	94,536
Disposals	(5,967)	-	(1,607)	(10,662)	-	(18,236)
At 30 June 2020	5,044	346,995	8,674	53,456	545	414,714
Net book value						
At 30 June 2020	13,383	1,047,531	21,991	17,052	616	1,100,573
At 30 June 2019	9,939	1,106,756	12,121	9,776	940	1,139,532

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2019	8,980
At 30 June 2020	8,980

The company's subsidiary undertaking is Nova Aerospace AS, a company incorporated in Norway, by virtue of its 100% interest in share capital and voting rights. The net assets of Nova Aerospace AS at 30 June 2020 was £333,396, with profit after tax for the year then ended of £263,033.

NOVA AEROSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Debtors

	2020 £	2019 £
Trade debtors	227,033	352,834
Amounts owed by group undertakings	934,162	275,688
Other debtors	75,353	26,850
Prepayments and accrued income	92,925	58,832
	<u>1,329,473</u>	<u>714,204</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	147,821	147,821
Trade creditors	206,080	200,258
Amounts owed to group undertakings	27,406	95,179
Corporation tax	72,199	-
Other taxation and social security	452,114	173,415
Other creditors	55,255	44,668
Accruals and deferred income	459,181	318,648
	<u>1,420,056</u>	<u>979,989</u>

Other loans falling due within one year of £147,821 (2019: £147,821) are secured on an asset of the company.

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	593,462	741,283
Amounts owed to group undertakings	-	514,354
Accruals and deferred income	19,333	-
	<u>612,795</u>	<u>1,255,637</u>

Other loans falling due in more than one year of £443,462 (2019: £591,283) are secured on an asset of the company.

NOVA AEROSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

9. Deferred taxation

	2020 £
At beginning of year	(45,300)
Charged to profit or loss	(83,204)
At end of year	(128,504)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(131,037)	(118,870)
Tax losses carried forward	-	71,675
General provisions	2,533	1,895
	(128,504)	(45,300)

10. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	116,250	78,700
Later than 1 year and not later than 5 years	245,625	318,750
	361,875	397,450

NOVA AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

11. Related party transactions

During the year, the company charged and were recharged fees in relation to time spent on projects relating to other group companies and staff salaries relating to its parent and subsidiary. These transactions are recorded in accordance with group wide transfer pricing policies. All transactions are individually immaterial to these financial statements, and are on an arm's length basis. The directors consider it impractical to analyse and disclose the amounts involved and do not believe this omission in disclosure impacts the true and fair nature of the financial statements as a whole.

During the previous year, a director of the company loaned the company £150,000 for the purchase of an asset. The loan has been classified as falling due in more than one year, and the full amount was outstanding at 30 June 2020.

At 30 June 2020, Nova Aerospace Limited was owed £4,650 (2019 creditor: £591,123) by Nova Aerospace Pty Limited through inter-company loans. This reflects the amount owed to the parent company converted from Australian dollars at 30 June 2020 and is included within debtors due within one year.

Also at 30 June 2020, further intercompany loans were due from/(owed to) fellow group companies (and their respective country of incorporation) as follows:

	2020	2019
	£	£
Nova Aerospace Pty Ltd (Australia)	4,650	(591,123)
Nova Group Europe Limited	(27,406)	(13,189)
Nova Aerospace AS (Norway)	929,512	267,311
	<u>906,756</u>	<u>(337,001)</u>

12. Controlling party

The immediate and ultimate parent company of Nova Aerospace Limited is Nove Aerospace Pty Limited, a company incorporated in Australia whose registered office is 27-31 London Road, Mile End, SA 5031, Australia.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed by Jason Mitchell MBA BSc FCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.