NOVA COMMUNICATIONS LTD
Form 10KSB
April 16, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

/X/ ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: DECEMBER 31, 2002

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For transition period from _____________to______________

Commission File Number: 2-98014-D

NOVA COMMUNICATIONS LTD.
(formerly First Colonial Ventures, Ltd.)

(Name of small business issuer in its charter)

NEVADA	95-4756822
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

370 Amapola Ave., Suite 202, TORRANCE, CA 90501

(Address of principal executive offices)
Issuer's telephone number (310) 642-0200

Securities registered under Section 12 (b) of the Exchange Act:
NONE

Securities registered under Section 12 (g) of the Exchange Act:
COMMON STOCK, $.001 PAR VALUE
(Title of Class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange during the past 12 months (or for such shorter period that the Company was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:
YES /X/ NO / /

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB: / /

Issuer's revenues for its most recent fiscal year: $7,890,400

The aggregate market value of the voting common equity held by non-affiliates computed by reference to the average bid and asked price of such common equity as of February 28, 2003 was $469,582 based on the average bid and ask prices during January and February, 2003.

The issuer had 46,958,180 shares of common stock outstanding as of December 31, 2002.

Documents incorporated by reference: NONE

Transitional Small Business Disclosure Format: Yes / / No /X/

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(a) General Development of Business

(1) Nova Communications Ltd. (the "Company"), formerly known as First Colonial Ventures, Ltd., was organized under the laws of the State of Utah in 1985 for the purpose of acquiring a participating interest in one or more businesses. Through its year ended December 31, 1994, the Company conducted business through various wholly owned subsidiaries until electing in 1995 to become a Business Development Company. In January 1995, the Registrant elected to become an Investment Company pursuant to the Investment Company Act of 1940. In June 1995, the Registrant terminated its Investment Company election and elected to become a Business Development Company, as defined in the Small Business Investment Incentive Act of 1980, which Act is an amendment to the Investment Company Act of 1940. The election resulted in the Registrant becoming a specialized type of Investment Company. Consistent with this change in type of business entity, during the year ended December 31, 1995, the Registrant changed its method of financial reporting and valuation of investments from cost to fair value.

Stockholders of the Company met in June 1999 and voted to change the name of the Company, change its state of incorporation from Utah to Nevada, and to terminate its status under the Investment Company Act of 1940 as a Business Development Company. Nova Communications Ltd. was never a Business Development Company nor an Investment Company. The Company is primarily engaged in the business of investing in and providing managerial assistance to developing companies that, in its opinion, would have a significant potential for growth. The Company's investment objective is to achieve long-term capital appreciation, rather than current income on its investments. There is no assurance that the Company's investment objective will be achieved. Effective January 1, 1999, the Board of Directors resolved to cease its election to report its Financial Statements as an investment company pursuant to the Investment Company Act of 1940.

(c) Narrative Description of Business

The Company continues to seek a new strategic course, which was begun during 2000, based on its firm belief that e-commerce and communications will provide substantial opportunities over the next five years. The Company and its subsidiaries have been hampered in their operations throughout 2002 and 2001 by a shortage of working capital. It continues to seek new working capital sources. When its efforts are successful, it will again focus on expanding the operations of Kadfield, Inc., a consolidated subsidiary, through strategic alliances.

On October 1, 2000, Communications 2000 acquired Kadfield, Inc. of Redondo Beach, CA. On December 31, 2001, Kadfield, Inc. became a directly-owned subsidiary of Nova Communications. Ltd. Kadfield, Inc. engages in the retail sale of computing equipment and accessories by direct sale and via the Internet under the trade name of

"BuyMicro". It markets computers, printers, monitors and networking solutions manufactured by Apple Computer, Cisco Systems, Compaq, Hewlett Packard, Intel, IBM, NEC, Nokia, Philips, Sony, SunMicrosystems, Toshiba, Zenith and others. BuyMicro purchases products to fill each order from Ingram Micro, Tech Data and other wholesalers. With over 100,000 products and 30,000 customers, BuyMicro offers same day shipping from 27 wholesaler warehouses located throughout the U.S.

On October 1, 2000, the Company acquired a 35.02% interest (3,743,568 common shares) in Communications 2000, Inc. of Torrance, California ("Communications 2000") in exchange for 3,000,000 of the Company's newly issued restricted common shares. On the effective date, the Company's shares reflected a closing bid price of $.38 per common share on the NASDAQ Over-The-Counter Bulletin Board. This acquisition was valued at $1,140,000 and was accounted for as a purchase transaction. The Company and other controlling shareholders owned 55.94% of Communications 2000 on October 1, 2000. On November 6, 2000, the Company acquired an additional 300,000 Communications 2000 shares in exchange for 500,000 of the Company's newly issued restricted common shares. On the previous business day, the Company's shares reflected a closing bid price of $.20 per common share that resulted in a purchase price of $100,000 for these additional shares. On December 13, 2000, the Company acquired an additional 1,000,000 Communications 2000 shares in exchange for 1,000,000 of the Company's newly issued restricted common shares. On the previous business day, the Company's shares reflected a closing bid price of $.0625 per common share that resulted in a purchase price of $62,500 for these additional shares. At December 31, 2001, the Company owned a 46.68% interest in this subsidiary. The Company and other controlling shareholders owned 55.34% of Communications 2000 on December 31, 2001.

Communications 2000 conducts its business under the trade name of "TEC-networks". It engages in the sale, installation and service of business communications systems, including computer networking and voice, data and voice-over-the-Internet communications. Communications 2000 began its business during 1995 in Torrance, CA (Los Angeles area). On June 1, 2000, it acquired and merged the assets and liabilities of The Message On Hold of America, Inc. of Tampa, FL. During July, 2000, it opened a new branch in Concord, CA (San Francisco area). Communications 2000 holds a national distributorship agreement with Nortel Networks in addition to maintaining supplier relationships with several other major equipment manufacturers and wholesalers, including Panasonic, Ronco and Sprint North Supply. It competes in a very active marketplace. Major competitors include Pacific Bell, Verizon, Staples and others.

On July 22, 2002 the Board of Directors met and approved the sale of the Company's 46.68% interest in Communications 2000, Inc., which transaction was effective on July 1, 2002. The financial statements for the year ended December 31, 2002 include the accounts of Communications 2000, Inc. from January 1 through June 30, 2002 as Loss on Discontinued Operations of $(775,336). The financial statements for the year ended December 31, 2002 also include a Gain on Sale of Discontinued Operations of $5,522,708. The financial statements for the year ended December 31, 2001 have been restated to reflect the accounts of Communications 2000, Inc. as Loss on Discontinued Operations of

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$(6,727,345). The Company's Balance Sheet at December 31, 2001 has been restated to present the net liabilities of Communications 2000 as Net Liabilities of Discontinued Operations of $4,720,840. All significant intercompany transactions have been eliminated.

During March, 1996, in exchange for 400,000 shares of its common stock, the Company acquired a 10% interest in a non-public Florida corporation, And Justice For All, Inc., which operates a nation-wide membership organization providing its members with access to attorney services at a discounted rate. During 1997, the Company agreed to increase its investment in And Justice For All, Inc. to a total of 15%. The agreement required the Company to issue an additional 515,235 shares of its common stock and required And Justice For All, Inc. to assume the Company's convertible debenture payable of $210,000 plus accrued interest of approximately $55,000. On March 24, 1998, the name And Justice For All, Inc. was changed to Legal Club of America Corporation (Legal Club).

During 1999, the Company borrowed $525,000 using its Legal Club stock as collateral. The lender, PFK Development Group, also bought from the Company 287,500 restricted shares of Legal Club stock for $28,750. The Company used the proceeds of the loan and stock sale to repay the Company's bank loan and for working capital. During 2000, the note to PFK Development Group was increased to $608,878, as accrued interest was added to the principal, and was extended until January 7, 2002. During January, 2001, PFK Development Group was issued 400,000 new restricted common shares of the Company as a payment of interest on its loan. These were valued at $.12 per share, the closing bid price of the Company's common stock at the date of issuance. During December 2001, PFK Development Group agreed to extend the maturity of its note until December 2003, in exchange for 400,000 additional restricted common shares of the Company.

ITEM 2. DESCRIPTION OF PROPERTY

The Company's executive and administrative office is located at 370 Amapola Ave., Suite 202, Torrance, California 90501, where the Company utilizes approximately 800 square feet of 4,000 square feet being leased by Kenneth D. Owen.

ITEM 3. LEGAL PROCEEDINGS

(a) During the year ended December 31, 2002, neither the Company nor its subsidiaries were a party to or the subject of any material legal proceedings. Kadfield, Inc. is defendant in several collection actions. The Company and its subsidiaries have accrued all known liabilities in accounts payable and other current liabilities at December 31, 2002.

(b) On October 21, 1997, the Securities Exchange Commission obtained an order directing a private investigation and designating officers to take testimony. On February 3, 2000, the Company and Murray W. Goldenberg personally, submitted an Offer of Settlement in this administrative proceeding. On April 10, 2000 the Commission deemed it appropriate to accept the Offers of Settlement and ordered that pursuant to Section 9(f) of the Investment Company Act, Section 8A of the Securities Act and Section 21C of the Exchange Act, the Company cease and desist from committing or causing any violation and any future violation

of Sections 23(b), 31(a) and 55(a) of the Investment Company Act and Rule 31a-1 thereunder, Section 5(a) and 5(c) of the Securities Act and Section 13(a) of the Exchange Act and Rules 13(a)-1 and 13a-13 hereunder.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company did not submit any matters to a vote of its security holders during the fourth quarter of the fiscal year covered by this report.

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information:

The equity securities of the Company are quoted on the NASDAQ Over-The-Counter Bulletin Board. The following table sets forth the range of high and low bid prices during each quarter for the Company's common stock for the years ending December 31, 2002 and December 31, 2001. These over-the-counter market quotations may reflect inter-dealer prices, without retail mark-up, markdown or commission and may not represent actual transactions. The 2002 information was obtained April 11, 2003, from Allstocks.Com (BigCharts). The 2001 information was obtained on March 12, 2002, from American On-Line (Standard

& Poors Comstock).

COMMON STOCK	2002 SALES PRICES LOW	HIGH
Q1-2002	$.07	$.24
Q2-2002	.018	.08
Q3-2002	.045	.01
Q4-2002	.008	.03

COMMON STOCK	2001 SALES PRICES LOW	HIGH
Q1-2001	$.09	$.50
Q2-2001	.10	.44
Q3-2001	.045	.32
Q4-2001	.05	.31

(b)

Title of Class	Approximate Number of Record Holders (as of December 31, 2002)
Common Stock, $.001 Par Value	850

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(c) Dividends:

The Company has never paid cash dividends on its common stock. The declaration and payment of dividends is within the discretion of the Company's board of directors and will depend, among other factors, on earnings and debt service requirements as well as the operating and financial condition of the Company. At the present time, the Company's anticipated working capital requirements are such that it intends to follow a policy of retaining earnings in order to finance the development of its business. Accordingly, the Company does not expect to pay a cash dividend within the foreseeable future.

ITEM 6. SELECTED FINANCIAL DATA

The financial statements for the years ended December 31, 2002 and 2001 are filed under Item 8.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

Management's discussion and analysis should be read in conjunction with the financial statements and the notes thereto.

RESULTS OF OPERATIONS

These results include the operations of the Company and its consolidated subsidiaries for the years 2002 and 2001. The Company sold one of its two principal operating subsidiaries at mid-year 2002. The financial statements for the year ended December 31, 2002 include the accounts of Communications 2000, Inc. from January 1 through June 30, 2002 as Loss on Discontinued Operations of $(775,336). The financial statements for the year ended December 31, 2002 also include a Gain on Sale of Discontinued Operations of $5,522,708. The financial statements for the year ended December 31, 2001 have been restated to reflect the accounts of Communications 2000, Inc. as Loss on Discontinued Operations of $(6,727,345). The Company's Balance Sheet at December 31, 2001 has been restated to present the net liabilities of Communications 2000 as Net Liabilities of Discontinued Operations of $4,720,840. The Company has experienced recurring losses from operations and as of December 31, 2002 had a working capital deficit of $914,540 and a net capital deficiency of $2,128,732.

Comprehensive net income and comprehensive net income per common share

Comprehensive net income for 2002 was $3,824,115, an increase of $11,482,648 compared with a net loss of ($7,658,533) for 2001. As a result, comprehensive net income per share for 2002 was $.0898, an increase of $.4328 per share compared with a comprehensive net loss per share of ($.3430) for 2001.

Net revenues

Net revenues from continuing operations for 2002 were $7,890,400, an increase of $3,792,684 compared with $4,097,716 for 2001. Net revenues increased as a result of increased revenues of Kadfield, Inc..

Cost of sales and gross margin

Cost of sales of continuing operations for 2002 was $6,754,486, or 85.6% of net revenues. Cost of sales of continuing operations for 2001 was $3,320,223, or 81.0% of net revenues. Gross margin for 2002 was $1,135,914 an increase of $358,421 compared with $777,493 for 2001.

Operating expenses

Operating expenses of continuing operations for 2002 were $1,957,999, an increase of $408,292 compared with $1,549,707 for 2001. Operating expenses increased as a result of consulting fees paid by stock issuance of $573,169. Depreciation and amortization, components of operating expenses, for 2002 and 2001 were $64,305.

Net interest expense

Net interest expense of continuing operations for 2002 was $101,172, a decrease of $3,427 compared $104,599 for 2001.

OPERATING STRATEGIES AND COST REDUCTIONS

The Company and its subsidiaries have been hampered in their operations during 2002 and 2001 by a shortage of working capital. Despite engaging the services of several investment bankers and professional fundraisers, only $92,000 has been raised from the sale of shares during 2002 to outside parties ($31,383 during 2001). The Company's growth and strategic operating plans for TEC-networks were predicated upon raising $2,000,000 to $4,000,000 in working capital during the first half of 2001. Without adequate working capital, TEC-networks was not able to expand its sales presence as planned. It was also not able to sponsor levels of advertising programs necessary to create a significant number of leads for its existing sales force.

Decisions were made in late 2001 to close the Tampa, FL and Concord, CA offices of Communications 2000, as cost reduction measures. The Tampa, FL location was closed on February 15, 2002, and the Concord, CA office was closed on February 28, 2002. Lease agreements on these locations were simultaneously cancelled. Compensation agreements with remaining sales agents have been converted to a modest base salary with performance-based incentives. During the first half of 2002, Communications 2000 retained its ability to sell and install telecommunications systems on a nationwide basis from its Torrance, CA location. Equipment is shipped to a customer's location where it is installed by Torrance-based technicians or outside contractors.

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On July 22, 2002 the Board of Directors met and approved the sale of the Company's 46.68% interest in Communications 2000, Inc., which transaction was effective on July 1, 2002. The financial statements for the year ended December 31, 2002 include the accounts of Communications 2000, Inc. from January 1 through June 30, 2002 as Loss on Discontinued Operations of $(775,336). The financial statements for the year ended December 31, 2002 also include a Gain on Sale of Discontinued Operations of $5,522,708. The financial statements for the year ended December 31, 2001 have been restated to reflect the accounts of Communications 2000, Inc. as Loss on Discontinued Operations of $(6,727,345). The Company's Balance Sheet at December 31, 2001 has been restated to present the net liabilities of Communications 2000 as Net Liabilities of Discontinued Operations of $4,720,840.

Kadfield, Inc., operating as BuyMicro, was successful in increasing its lines of credit with its suppliers during 2002and 2001. It also has focused a portion of its business in large systems that are financed under capital lease arrangements for its customers. Its operations have been profitable since the fourth quarter of 2001.

The Company and its principal subsidiary, Kadfield, Inc , continue to suffer from a working capital shortage. The effort to raise additional working capital continues. Although Kadfield, Inc. is operating profitably, additional capital is required to enable it to attain its business plan. New product lines are being added to its business plan and an active effort is underway to acquire additional lines and or other business that will be synergistic with Kadfield's plan. The Company believes the above actions, events and other factors will allow them to continue operations and ultimately achieve profitability. Until then, the Company is dependent upon its ability to obtain additional capital and debt financing.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA-see attached.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There have been no disagreements with accountants during the most recent two fiscal years.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

(a) (b) The following table and text sets forth the names and ages of all directors and executive officers of the Company and their positions and offices with the Company as of December 31, 2002. All of the directors will serve until the next annual meeting of the shareholders and until their successors are elected and qualified, or until their earlier death, retirement, resignation or removal. Officers serve at the discretion of the Board of Directors. A brief description of the business experience of each director and executive officer during the past five years, and an indication of directorships held by each director in other companies subject to the reporting requirements under the federal securities laws are also provided.

NAME	AGE	POSITION(S)	DIRECTOR SINCE
Kenneth D. Owen	39	President and Director	June 28, 1999
Leslie I. Handler	65	Assistant Secretary and Director	August 27, 1991
Bryce Sherwood	50	Director	September 30, 2000

(d) Family Relationships:

There are no family relationships between any director and executive officer, or person nominated to become a director or executive officer.

(e) (1) Business Experience:

Kenneth D. Owen - President and Director -
Kenneth D. Owen has been a Director of the Company since June 28, 1999. Mr. Owen has been in the communications industry for over 15 years and was previously vice president of A T & T Business Systems for Southern California.

Leslie I. Handler - Treasurer and Director -
Leslie I Handler has been a Director of the Company since August 27, 1991. From 1988 to 1992, Mr. Handler was president of Far West Commercial Finance subsidiary of Far West Federal Bank, Portland, Oregon. Mr. Handler is an experienced senior manager with more than 30 years of experience with asset-based lending organizations. Since 1993, Mr. Handler has been a consultant to the banking industry.

Bryce Sherwood - Director -
Bryce Sherwood has been a Director of the Company since September 30, 2000. Mr. Sherwood is now retired, though he previously was a Securities Broker with A.G. Edwards and Company.

(f) Resignation of Officer and Director

The Company's former President and Chief Executive Officer, Murray W. Goldenberg resigned as an officer and director of the Company as of September 30, 2000. Mr. Goldenberg continues an association with the Company as a management consultant.

ITEM 11. EXECUTIVE COMPENSATION

(a) (1) Cash Compensation Table

Name & Principal Position	Year	Principal Annual Compensation	All Other Compensation
Kenneth D. Owen	2002	$ 90,000	$ Nil
President & Director	2001	180,000	6,875 (1)

	2000	48,306	Nil
Murray W. Goldenberg	2002	$ -	Nil
Former President	2001	-	9,625 (3)
	2000	123,750	Nil
	1999	165,000	Nil
	1998	165,000	Nil
	1997	165,000	Nil
Leslie I. Handler	2002		Nil
Treasurer & Director	2001	-	16,500 (1 & 2)
	2000	-	111,350 (4)
	1999	-	Nil
	1998	-	Nil
	1997	8,275	Nil
Bryce Sherwood	2002	-	Nil
Director	2001	-	6,875 (1)
	2000	-	Nil

(1) During November, 2001, Messrs. Owen, Handler and Sherwood were each issued 125,000 new restricted common shares of the Company in payment of Directors' Fees. These were valued at $.055 per share, the closing bid price of the Company's common stock at the date of issuance.

(2) During November, 2001, Mr. Handler was issued 175,000 new restricted common shares of the Company in exchange for prior personal guarantees of Company long-term obligations. These were valued at $.055 per share, the closing bid price of the Company's common stock at the date of issuance.

(3) During November, 2001, Mr. Goldenberg was issued 175,000 new restricted common shares of the Company in exchange for consulting services. These were valued at $.055 per share, the closing bid price of the Company's common stock at the date of issuance.

(4) During March, 2000, Mr. Handler was issued 927,914 new restricted common shares of the Company in exchange for prior personal guarantees of Company long-term obligations. These were valued at $.12 per share, the closing bid price of the Company's common stock at the date of issuance.

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Compensation Arrangements:

Mr. Owen was employed by Communications 2000 under the terms of a three-year employment agreement effective June 1, 2000. The agreement provided for an annual base compensation of $180,000 plus an annual bonus equal to 1% of the gross revenue of Communications 2000, provided that this bonus can not exceed the entity's net pre-tax income as computed before calculating and accruing the bonus. Mr. Owen earned $90,000 during the first half of 2002, $180,000 during 2001 and $48,306 between October 1 and December 31, 2000 under this agreement. Mr. Owen was paid $49,440 during the first half of 2002 and the balance of $41,560 was accrued to his note payable account. Mr. Owen was paid $120,000 during 2001 and the balance of $60,000 was accrued to his note payable account.

During the periods 1997 through June 14, 2000, the services of Murray W. Goldenberg were compensated pursuant to a month-to-month consulting agreement with Palaut Management Ltd. ("Palaut"). On June 15, 2000, the Company entered into a three-year agreement with Palaut that requires Palaut to provide the

Company with the services of personnel to act in the capacities of Chief Executive Officer, Chief Financial Officer and Administrative Assistant. Compensation to Palaut pursuant to this agreement will be $205,000 annually. The services of Mr. Goldenberg are provided as a management consultant to the Company under the terms of this agreement. Palaut was paid $34,894 during 2002 and the balance of $170,106 was accrued in accounts payable Palaut was paid $105,500 during 2001 and the balance of $99,500 was accrued in accounts payable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As used in this section, the term beneficial ownership with respect to a security is defined by Rule 13d-3 under the Securities Exchange Act of 1934 as consisting of sole or shared voting power (including the power to vote or direct the vote) and/or sole or shared investment power (including the power to dispose of or direct the disposition of) with respect to a security through any contract, arrangement, understanding, relationship or otherwise, subject to community property laws.

As of December 31, 2002, the Company had authorized 500,000,000 shares of its common stock, $.001 par value (the "common stock"), 46,958,180 shares of which were issued at December 31, 2002, and 10,000,000 shares of its preferred stock, no par value, none of which were issued. The Company's Board of Directors has the authority, without approval of the shareholders, to issue all or any portion of the authorized shares of preferred stock in one or more series, and to determine the preferences as to dividends, redemption and liquidation, conversion rights, and other rights of such series, which may carry rights superior to those of the common stock. The holders of shares of preferred stock shall not have any voting rights except as specifically required by law.

The following table sets forth certain information regarding the beneficial ownership of the common stock as of December 31, 2002. Listed below are (a) the name and address of

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each beneficial owner of more than five percent (5%) of the Company's common stock known to the Company, the number of shares of common stock beneficially owned by each such person or entity, and the percent of the Company's common stock so owned; and (b) the number of shares of common stock of the Company beneficially owned, and the percentage of the Company's common stock so owned, by each director and by all directors and officers of the Company as a group. Each such person or entity has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Shares of Common Stock
Kenneth D. Owen President and Director 31913 Taylor Road Thousand Palms, CA 92276	None	-
Leslie I. Handler Treasurer and Director 382 Running Springs Drive Palm Desert, CA 92276	1,640,000 (1)	3.49%
Bryce Sherwood	125,000	Less than 1%

Director 7517 Taylor Trace Battle Creek, MI 49017		
All Directors and Officers as a Group (3 persons)	1,765,000	3.76%
Cede & Co. P.O. Box 222 New York, NY 10274	27,074,162	57.66%
Scot Hart 915 Terminal Way San Carlos, CA 94070	3,000,000	6.39%
Penson Financial Services 1700 Pacific Ave., Suite 1400 Dallas, TX 75201	3,000,000	6.39%

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(1) This does not include 31,318 shares owned by Mr. Handler's wife, Judy, as to which Mr. Handler has neither voting nor investment power and disclaims beneficial ownership.

(c) Changes in Control:

There are no contractual or other arrangements currently in effect or contemplated that may later result in a change in control of the Company.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) EXHIBITS

Exhibit Number	Description of Document
1.	Financial Statements
3(3)(i)(1)	First Colonial Ventures, Ltd. Articles of Incorporation - March 25, 1985 (Incorporated by reference)
3(3)	(2) First Colonial Ventures, Ltd. Amendment to Articles of Incorporation - August 12, 1985 (Incorporated by reference)
3(3)	(3) First Colonial Ventures, Ltd. Amendment to Articles of Incorporation - September 3, 1985 (Incorporated by reference)
3(3)	(4) First Colonial Ventures, Ltd. Amendment to Articles of Incorporation - February 3, 1992 (Incorporated by reference)
3(3)(ii)(1)	Bylaws (Incorporated by reference)
3(13)	Form 10QSB - March 31, 2002, June 30, 2002 and September 30, 2002 (Incorporated by reference)
(b)	No reports on Form 8-K where filed during the last quarter of the period covered by this report.

SIGNATURES:

In accordance with Section 13 or 15 (d) of the Exchange Act, the company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOVA COMMUNICATIONS LTD.
(Company)

Date: April 15, 2003

By: /s/KENNETH D. OWEN

Kenneth D. Owen,
President

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Company in the capacities and on the dates indicated:

April 15, 2003

/s/ KENNETH D. OWEN -------------------------- Kenneth D. Owen	President and Director

April 15, 2003

/s/ LESLIE I. HANDLER -------------------------- Leslie I. Handler	Treasurer and Director

April 15, 2003

/s/ BRYCE SHERWOOD Director

Bryce Sherwood

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FORM 10-KSB CERTIFICATION

I, Kenneth D. Owen, certify that:

1. I have reviewed this annual report on Form 10-KSB of Nova Communications Ltd.

2. Based on my knowledge, this annual report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or person

performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial date and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there are significant changes in internal controls or other factors that

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could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 15, 2003

By: /s/KENNETH D. OWEN

Kenneth D. Owen,
President

STATEMENT OF CHIEF EXECUTIVE OFFICER REGARDING
FACTS AND CIRCUMSTANCES RELATING TO EXCHANGE ACT FILINGS

I, Kenneth D. Owen, state and certify as follows:

The financial statements filed with the report on Form 10-KSB for the period ended December 31, 2002 fully comply with the requirements of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 and that the information contained in said periodic report fairly presents, in all material respects, the financial condition and results of operations of Nova Communications Ltd.

This Statement is submitted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Date: April 15, 2003

By: /s/KENNETH D. OWEN

Kenneth D. Owen,
Chief Executive Officer and President

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NOVA COMMUNICATIONS LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002 AND 2001
(UNAUDITED)

NOTE: THE COMPANY IS INCLUDING UNAUDITED, INTERNALLY-PREPARED FINANCIAL STATEMENTS FOR 2002 IN ORDER TO ACHIEVE A TIMELY FILING. THIS FILNG WILL BE AMENDED AFTER THE COMPANY'S OUTSIDE AUDITOR COMPLETES HIS REVIEW AND REPORT.

NOVA COMMUNICATIONS LTD.

Consolidated Balance Sheets
(UNAUDITED)

	December 31 2002	Dece
ASSETS		
Current assets:		
Cash	$ 161,129	$
Accounts receivables, less allowance for uncollectible accounts of $38,015 in 2002 and $6,885 in 2001	28,003	
Notes receivable	31,276	
Inventories	-	
Prepaid expenses and deposits	21,123	
Available-for-sale investments	32,625	
Total current assets	274,156	
Equipment, net	255,472	

Other assets:		
Goodwill, less accumulated amortization of $8,789 in 2002 and $4,866 in 2001	18,491	
Deposits	3,063	
Total other assets	21,554	
	$ 551,182	$

See accompanying notes.

NOVA COMMUNICATIONS LTD.

Consolidated Balance Sheets (continued)

(UNAUDITED)

	December 31 2002	December 2001
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 771,037	$ 50
Payable to related parties	22,167	2
Accrued payroll and payroll related liabilities	255,368	8
Customer deposits	24,538	2
Income taxes payable	-	
Other accrued liabilities	-	
Long-term obligations, due within one year	118,586	
Net liabilities of discontinued operations	-	4,72
Total current liabilities	1,191,696	5,36
Long-term obligations	863,218	84

Notes payable to related parties	625,000	1,07
Commitments		
Stockholders' equity (deficit):		
Preferred stock; no par value; authorized 10,000,000 shares	-	
Common stock; $.001 par value; authorized 500,000,000 shares; outstanding 46,958,180,shares in 2002 and 31,428,458 shares in 2001	46,958	3
Common stock to be issued	-	2
Additional paid-in capital	13,797,842	13,07
Retained deficit	(15,508,400)	(19,33
Unrealized holding loss from available-for-sale investments	(465,132)	(46
Total stockholders equity (deficit)	(2,128,732)	(6,67
	$ 551,182	$ 61

See accompanying notes.

NOVA COMMUNICATIONS LTD.

Statements of Operations and Comprehensive Income (Loss)
(UNAUDITED)

	For The Year Ended Ended December 31 2002	2001
Revenues	$ 7,890,400	$ 4,097,716
Cost of revenues	6,754,486	3,320,223
Gross margin	1,135,914	777,493
Operating expenses:		
Selling	397,196	237,299
Operating	504,166	411,340
General and administrative	483,468	901,068
Consulting fees (paid by stock issuance)	573,169	-
Total operating expenses	1,957,999	1,549,707

Loss from operations	(822,085)	(772,214)
Other income (expenses):		
Interest, net	(101,172)	(104,599)
Total other income (expenses)	(101,172)	(104,599)
Loss before provision (benefit) for income taxes	(923,257)	(876,813)
Provision (benefit) for income taxes	-	-
Net loss of continuing operations	(923,257)	(876,813)
Net loss of discontinued operations	(775,336)	(6,727,345)
Gain on sale of discontinued operations	5,522,708	-
Net income (loss)	$ 3,824,115	$(7,604,158)
Net income (loss) per common share	$ .0898	$ (.3400)
Unrealized holding gain (loss) on available-for-sale investments	-	(54,375)
Comprehensive income (loss)	$ 3,824,115	$(7,658,533)
Comprehensive income (loss) per common share	$ .0898	$ (.3430)

See accompanying notes.

NOVA COMMUNICATIONS LTD.

Statements of Operations and Comprehensive Income (Loss)
(UNAUDITED)

	For The Three Months Ended December 31	
	2002	2001
Revenues	$ 1,845,030	$ 1,971,116
Cost of revenues	1,655,777	1,394,998
Gross margin	189,253	576,118
Operating expenses:		
Selling	109,535	80,150
Operating	114,405	152,165
General and administrative	149,230	411,400
Consulting fees (paid by stock issuance)	-	-

Total operating expenses	373,170	643,715
Income (loss) from operations	(183,917)	(67,597)
Other income (expenses):		
Interest, net	(20,935)	(10,991)
Total other income (expenses)	(20,935)	(10,991)
Income (loss) before provision (benefit) for income taxes	(204,852)	(78,588)
Provision (benefit) for income taxes	-	-
Net income (loss) of continuing operations	(204,852)	(78,588)
Net loss of discontinued operations	-	(4,855,466)
Gain on sale of discontinued operations	-	-
Net income (loss)	$ (204,852)	$(4,934,054)
Net income (loss) per common share	$ .0044	$ (.1770)
Unrealized holding gain (loss) on available-for-sale investments	-	-
Comprehensive income (loss)	$ (204,852)	$(4,934,054)
Comprehensive income (loss) per common share	$ .0044	$ (.1770)

See accompanying notes.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

1. Business and summary of significant accounting policies

Business: Nova Communications Ltd. (the "Company" or "Nova") was incorporated under the laws of the State of Utah on March 25, 1985. Effective June 28, 1999, the Company changed its name from First Colonial Ventures, Ltd. to Nova Communications Ltd. and changed its state of incorporation from Utah to Nevada. The Company invests in and provides managerial assistance to developing companies.

Basis of consolidation: The consolidated financial statements include the accounts of Nova and its subsidiary, Kadfield, Inc. All intercompany accounts and transactions have been eliminated. As of December 31, 2002 and 2001, the Company owned 100% of Kadfield.

On July 22, 2002 the Board of Directors met and approved the sale of the Company's 46.68% interest in Communications 2000, Inc., which transaction was effective on July 1, 2002. The financial statements for the year ended December 31, 2002 include the accounts of Communications 2000, Inc. from January 1 through June 30, 2002 as Loss on Discontinued Operations of $(775,336). The financial statements for the year ended December 31, 2002 also include a Gain on Sale of Discontinued Operations of $5,522,708. The financial statements for the year ended December 31, 2001 have been restated to reflect the accounts of Communications 2000, Inc. as Loss on Discontinued Operations of $(6,727,345). The Company's Balance Sheet at December 31, 2001 has been restated to present the net liabilities of Communications 2000 as Net Liabilities of Discontinued Operations of $4,720,840. All significant intercompany transactions have been eliminated.

Cash and cash concentrations: For purposes of the statement of cash flows, the Company and its subsidiary consider cash equivalents to be highly liquid instruments with original due dates within three months of the date purchased.

The Company and its subsidiary place their cash in financial institutions and, at various times throughout the year, cash held in these accounts has exceeded Federal Deposit Insurance Corporation limits. Neither the Company nor its subsidiary have experienced any losses as a result of these cash concentrations.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

1. Business and summary of significant accounting policies (continued)

Investments: Investments are accounted for under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). SFAS 115 requires that all applicable investments be classified as trading securities, available-for-sale securities, or hold-to-maturity securities. The statement further requires that hold-to-maturity securities be reported at amortized cost and available-for-sale securities be reported at fair market value, with unrealized gains and losses excluded from earnings but reported in a separate component of shareholders' equity (net of the effects of income taxes) until they are disposed of or sold. At the time of disposal or sale, any gains or losses, calculated by the specific identification method, are recognized as a component of operating results.

Equipment: Equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets, which range from five to fifteen years.

Computer software obtained or developed for internal use is capitalized in accordance with Statement of Position 98-1, "Accounting for the Cost of Computer Software Developed for Internal Use". Amortization is computed using the straight-line method over seven years.

Equipment under capitalized lease obligations is carried at estimated fair market value determined at the inception of the lease. Amortization is computed using the straight-line method over the original term of the lease or the estimated useful lives of the assets, whichever is shorter.

Goodwill: Goodwill represents the excess purchase price over the estimated fair value of the net assets of its subsidiary. Amortization is computed using the straight-line method over seven years.

Impairment of long-lived assets: The Company and its subsidiary assess the recoverability of long-lived assets by determining whether the depreciation and amortization of the asset's balance over its remaining life can be recovered through projected undiscounted future cash flows. The amount of impairment, if any, is measured based on fair value and charged to operations in the period in which the impairment is determined by management.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

1. Business and summary of significant accounting policies (continued)

Revenue recognition: Revenue from Nova's managerial assistance services is recognized when services are rendered. Revenue from service of business communications systems is recognized when services are rendered. Revenue from Kadfield, Inc.'s computer and electronic equipment sales is recognized when equipment is shipped to customers.

Stock based compensation: The Company and its subsidiary account for stock based compensation under Statement of Financial Accounting Standards No. 123 ("SFAS 123). SFAS 123 defines a fair value based method of accounting for stock based compensation. However, SFAS 123 allows an entity to continue to measure compensation cost related to stock and stock options issued to employees using the intrinsic method of accounting prescribed by Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock issued to Employees". Entities electing to remain with the accounting method of APB 25 must make pro forma disclosures of net income and earnings per share, as if the fair value method of accounting defined in SFAS 123 had been applied. The Company has elected to account for its stock based compensation to employees under APB 25. The Company reflects each stock based compensation certificate as of its issue date in weighted average number of common stock shares outstanding calculations.

Reporting comprehensive income: The Company and its subsidiary report and display comprehensive income and its components as separate amounts in the consolidated financial statements. Comprehensive income includes all changes in equity during a period that result from recognized transactions and other economic events other than transactions with owners.

Income taxes: Income taxes are provided on the liability method whereby deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases and reported amounts of assets and liabilities. Deferred tax assets and liabilities are computed using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the enactment date. The Company and its subsidiary provide a valuation allowance for certain deferred tax assets, if it is more likely than not that the Company or its subsidiary will not realize tax assets through future operations.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

1. Business and summary of significant accounting policies (continued)

Net loss per common share: Net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The weighted average number of common stock shares outstanding was 42,599,877 for the year ended December 31, 2002 (22,328,085 for 2001). The weighted average number of common stock shares outstanding was 46,958,180 for the quarter ended December 31, 2002 (27,883,621 for 2001). Preferred stock is not considered to be a common stock equivalent. Common stock to be issued is not considered to be a common stock equivalent as the effect on net loss per common share is anti-dilutive.

Significant risks and uncertainties: The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Management of the Company has made certain estimates and assumptions regarding the collectibility of notes receivable, net realizable value of inventories and estimated fair value of investments. Such estimates and assumptions primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Operations

The Company has experienced recurring losses from operations and as of December 31, 2002 had a working capital deficit of $917,540 ($5,093,835 at December 31, 2001) and a net capital deficiency of $2,128,732 ($6,670,695 at December 31, 2001).

The Company and its principal subsidiary, Kadfield, Inc , continue to suffer from a working capital shortage. The effort to raise additional working capital continues. Although Kadfield, Inc. is operating profitably, additional capital is required to enable it to attain its business plan. New product lines are being added to its business plan and an active effort is underway to acquire additional lines and or other business that will be synergistic with Kadfield's plan. The Company believes the above actions, events and other factors will allow them to continue operations and ultimately achieve profitability. Until then, the Company is dependent upon its ability to obtain additional capital and debt financing.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

3. Business combinations

Effective October 1, 2000, Communications 2000 acquired Kadfield, Inc.

of Redondo Beach, CA. On December 31, 2001, Kadfield, Inc. became a directly-owned subsidiary of Nova Communications. Ltd. Kadfield, Inc. engages in the retail sale of computer and electronic equipment by direct sale and via the Internet under the trade name of "BuyMicro". Its customers are located nationwide.

Also effective October 1, 2000, Nova acquired Communications 2000, Inc., dba TEC-networks, in a business combination accounted for as a purchase. TEC-networks engages in the sale, installation and service of business communications systems, including computer networking and voice, data and voice-over-the-Internet communications. TEC-networks began its business during 1995 in Torrance, CA (Los Angeles area) and holds a national distributorship agreement with Nortel Networks, in addition to maintaining supplier relationships with several other major equipment manufacturers and wholesalers Prior to the business combination, the principal stockholder of TEC-networks was a stockholder of Nova and Nova was providing management services to TEC-networks.

On July 22, 2002 the Board of Directors met and approved the sale of the Company's 46.68% interest in Communications 2000, Inc., which transaction was effective on July 1, 2002. The financial statements for the year ended December 31, 2002 include the accounts of Communications 2000, Inc. from January 1 through June 30, 2002 as Loss on Discontinued Operations of $(775,336). The financial statements for the year ended December 31, 2002 also include a Gain on Sale of Discontinued Operations of $5,522,708. The financial statements for the year ended December 31, 2001 have been restated to reflect the accounts of Communications 2000, Inc. as Loss on Discontinued Operations of $(6,727,345). The Company's Balance Sheet at December 31, 2001 has been restated to present the net liabilities of Communications 2000 as Net Liabilities of Discontinued Operations of $4,720,840.

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
(UNAUDITED)

4. Investments

All of the Company's investments are considered by Management to be available-for-sale investments. The following is a summary of investment securities:

	December31 2002	December31 2001
Corporate securities:		
Amortized cost	$ 497,757	$ 497,757
Gross unrealized losses	(465,132)	(465,132)
Estimated fair value	$ 32,625	$ 32,625

The Company's available-for-sale investments consist of the following Corporate Securities:

Gulf Coast Hotels, Inc. ("Gulf Coast"): The Company is a minority partner in Gulf Coast that was formed to purchase the rights to approximately 1.4 acres in Biloxi, Mississippi and to develop a high-rise condominium hotel on that site. Gulf Coast has been unable to raise the approximately $1,000,000 necessary to complete the down payment. The seller has provided extensions to Gulf Coast, however the agreement is in default. Management of Nova has determined that its investment in Gulf Coast had no value based upon the uncertainty of the outcome of Gulf Coast's default.

Legal Club: The Company owns 337,500 shares of common stock of Legal Club, a publicly traded, nationwide membership organization providing access to attorney services at discounted rates. The value of the Company's investment in Legal Club was determined based upon the closing bid price of their common stock.