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ENCOMPASS HOLDINGS, INC.  
(Formerly known as Nova Communications Ltd.)

## Condensed Consolidated Balance Sheets

		March 31, 2006	
		-----	-----
<b>Assets</b>			
Current assets:			
Cash	\$	502,276	\$
Accounts receivable, less allowance for uncollectible accounts		423,063	
Receivable from related party		-	
Prepaid expenses		509,734	
Other current assets		-	
		-----	-----
Total current assets		1,435,073	
Equipment, net		9,597,891	
Other assets:			
Note receivable		85,240	
Deposits & other		324,596	
Other assets		83,709	
		-----	-----
Total other assets		493,545	
		-----	-----
	\$	11,526,509	\$
		=====	=====
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	\$	1,337,679	\$
Accrued liabilities & other		1,243,138	
Unearned revenue		536,609	
Long-term debt due within one year		2,463,780	
Notes payable and accrued interest subject to conversion Into an indeterminable number of shares of common stock		90,436	
Derivative liabilities		118,623	
		-----	-----
Total current liabilities		5,790,265	
Long-term debt to related parties		106,756	
Long-term debt		3,358,177	
Net capital deficiency:			
Preferred stock; \$.001 par value; authorized 200,000 shares; outstanding 200,000 shares		200	
Common stock; \$.001 par value; authorized 500,000,000 shares; issued and outstanding 18,842,459 shares (6,001,332 shares at June 30, 2005)		18,843	
Common stock to be issued		703,927	
Convertible promissory note and accrued interest		107,140	
Additional paid in capital		31,867,133	
Retained deficit		(30,425,932)	

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Total stockholders' equity

2,271,311

\$ 11,526,509

See accompanying notes.

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ENCOMPASS HOLDINGS, INC.

(Formerly known as Nova Communications Ltd.)

Condensed Consolidated Statements of Operations

	Three months ended March 31		Nine months ended March 31	
	2006	2005	2006	2005
Revenues	\$ 1,175,582	\$ 145,000	\$ 3,491,956	\$ 3,491,956
Cost of goods sold	296,381	-	838,565	838,565
Gross profit	879,201	145,000	2,653,391	2,653,391
Operating expenses:				
Selling, General & administrative	1,680,356	341,564	4,953,900	4,953,900
Research & development	41,480	3,254	500,053	500,053
	1,721,836	(344,818)	5,453,953	5,453,953
Net loss from operations	(842,635)	(199,818)	(2,800,562)	(2,800,562)
Other expenses:				
Change in fair value of derivative liabilities	(21,352)	(16,314)	(54,334)	(54,334)
Interest expense, net	(22,837)	(10,410)	(87,183)	(87,183)
Loss on disposal of equipment	-	-	(1,277)	(1,277)
	(44,189)	(26,724)	(142,794)	(142,794)
Net income from operations before provision for income taxes	(886,824)	(226,542)	(2,943,356)	(2,943,356)
Provision for income taxes	-	800	12,000	12,000
Net loss from continuing operations	(886,824)	(227,342)	(2,955,356)	(2,955,356)
Net gain on disposal of discontinued operations, net of provision for income taxes	-	-	-	-
Net loss	\$ (886,824)	\$ (227,342)	\$ (2,955,356)	\$ (2,955,356)
Net loss per common share	\$ (.058)	\$ (.046)	\$ (.235)	\$ (.235)

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See accompanying notes.

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ENCOMPASS HOLDINGS, INC.  
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Condensed Consolidated Statements of Cash Flows

	Three months ended March 31		Nine months March 31	
	2006	2005	2006	
Cash flows from operating activities:				
Net loss from continuing operations	\$ (886,824)	\$ (227,342)	\$ (2,955,356)	\$
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:				
Provision for uncollectible accounts	6,744	-	42,453	
Depreciation & amortization	346,278	-	892,756	
Unearned revenue	24,403	-	15,582	
Shares issued in exchange for services	-	-	909,162	
Loss on disposal of equipment	1,277	-	1,277	
Provisions for income taxes	-	800	13,000	
Changes in fair value of Derivative liabilities	21,352	16,314	54,334	
Changes in assets and liabilities:				
Receivables	90,959	-	(36,532)	
Other assets	(356,432)	-	(212,403)	
Accounts payable	(6,092)	134,060	151,946	
Accrued liabilities	419,479	193,099	351,455	
	(338,856)	116,931	(772,326)	
Cash flow from discontinued operations	-	-	-	
Cash flows from investing activities:				
Capital expenditures	(179,987)	(112,448)	(384,371)	
Advances received from (paid to) related parties	34,125	(24,559)	140,318	
Discontinued operations	-	-	-	
Change in other assets	(7,197)	18,000	(7,197)	
	(153,059)	(119,007)	(251,250)	
Cash flows from financing activities:				
Proceeds from long-term debt	700,000	-	1,740,000	

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Principal payments on long-term debt	-	-	(105,994)
Proceeds from convertible Notes payable	-	-	-
Borrowings (principal payments) on long-term debt to related parties	(17,269)	57,000	(154,450)
	-----	-----	-----
	682,731	57,000	1,479,556
	-----	-----	-----
Net change in cash	\$ 190,816	\$ 54,924	\$ 455,980
	=====	=====	=====

Continued on next page.

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ENCOMPASS HOLDINGS, INC.  
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Condensed Consolidated Statements of Cash Flows (continued)

	Three months ended March 31		Nine months March 31	
	2006	2005	2006	
	-----	-----	-----	-----
Cash at beginning of period	\$ 311,460	\$ 4,057	\$ 46,296	\$
Net change in cash	190,816	54,924	455,980	
	-----	-----	-----	-----
Cash at end of period	\$ 502,276	\$ 58,981	\$ 502,276	\$
	=====	=====	=====	=====

Supplemental disclosure of non-cash investing and financing activities:

Notes receivable exchanged for equipment	\$ 137,500	\$ -	\$ 137,500	\$
	=====	=====	=====	=====
Notes payable & accrued interest converted to common stock	\$ -	\$ -	\$ 373,269	\$
	=====	=====	=====	=====

See accompanying notes.

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ENCOMPASS HOLDINGS, INC.  
(Formerly known as Nova Communications Ltd.)

Notes to Condensed Consolidated Financial Statements  
March 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COMPANY: Effective January 27, 2006, Nova Communications Ltd. changed its name to Encompass Holdings, Inc. ("Encompass" or "the Company").

BUSINESS COMBINATIONS AND BASIS OF CONSOLIDATION: The consolidated condensed financial statements include the accounts of Encompass, Aqua Xtremes, Inc., Xtreme Engines, Inc., Rotary Engine Technologies, Inc., NACIO Systems, Inc., and Interactive Holding Group, Inc. since their acquisitions. All intercompany accounts and transactions have been eliminated.

On August 30, 2004, the Company acquired 51% of Realized Development, Inc. Realized Development, Inc. changed its name to Aqua Xtremes, Inc. ("Aqua") in December 2004. On May 9, 2005, the Company acquired the remaining 49% of Aqua.

In December 2004, Aqua formed Xtreme Engines, Inc. ("Engines") and owns 100% of its common stock.

Effective April 1, 2005, the Company acquired 100% of NACIO Systems, Inc. ("NACIO"). NACIO owns 100% of Interactive Holding Group, Inc. ("IHG").

Effective December 2, 2005, Engines acquired 100% of Mailibu Construction, a dormant entity. Mailibu Construction changed its name to Rotary Engine Technologies, Inc ("Rotary").

INTERIM REPORTING: The Company's year-end for accounting purposes is June 30. In the opinion of Management, the accompanying consolidated condensed financial statements as of March 31, 2006 and 2005 and for the three and nine months then ended, consisting of only normal recurring adjustments, except as noted elsewhere in the notes to the condensed consolidated financial statements, necessary to present fairly its financial position, results of its operations and cash flows. The results of operations for the three and nine months ended March 31, 2006 and 2005 are not necessarily indicative of the results to be expected for the full year.

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Restatement of consolidated financial statements to reflect derivative accounting: The Company has restated its previously issued interim financial statements to reflect additional non-operating gains related to the classification of and accounting for certain financial instruments with embedded derivative features.

The Company determined that it had not accounted for the embedded conversion feature of its convertible notes payable as a derivative instrument pursuant to SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, and Financial Accounting Standards Board's Emerging Issues Task Force ("EITF") Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in A Company's Own Stock".

Derivative Instruments: In connection with the issuance of convertible notes payable, the terms of certain notes payable provide for principal and interest to be converted into an indeterminable number of shares of the Company's common stock. This variable conversion feature is determined to be an embedded derivative instrument and the Company has accounted for these derivatives pursuant to SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and Financial Accounting Standards Board's Emerging Issues Task Force ("EITF") Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in A Company's Own Stock". Under EITF No. 00-19, the estimated fair value of the embedded derivative instrument is reported separate from the notes payable on the date of issuance as derivative liabilities.

Derivative liabilities are reported at fair value as of the balance sheet date and any change in fair value during the period is reported as other income or expense in the statement of operations.

Continued on next page.

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ENCOMPASS HOLDINGS, INC.  
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Notes to Condensed Consolidated Financial Statements (continued)  
March 31, 2006

REVENUE RECOGNITION: Revenues for NACIO consist of dedicated Internet access fees; hosting, co-location and other fees; sales of third party hardware and software; fees for systems and technical integration and administration; fees for power and server connection and connectivity services.

Monthly service revenue related to Internet access, hosting, co-location and other is recognized over the period services are provided. Service and equipment installation revenue is recognized at completion of installation and upon commencement of



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ENCOMPASS HOLDINGS, INC.  
(Formerly known as Nova Communications Ltd.)

Notes to Condensed Consolidated Financial Statements  
March 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED): services. Payments received in advance of providing services are deferred until the period such services are provided, except in the case of non-refundable payments. Equipment sales and installation revenue are recognized when installation is completed.

Revenues for computer software compliance monitoring services and products are generally billed annually and recognized ratably over the period services are provided. Software product sales are recognized when software is provided.

Revenues for Aqua consist of the sale of dealerships and are recognized when dealership agreements are signed.

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 shares outstanding was 15,394,183 for the three months ended March 31, 2006 and 12,600,370 for the nine months ended March 31, 2006. The weighted average number of common shares outstanding was 4,985,999 for

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the three months ended March 31, 2005 and 4,371,335 for the nine months ended March 31, 2005. Common stock to be issued is not considered to be a common stock equivalent as the effect on net loss per common share would be dilutive.

### 2. OPERATIONS

The Company's operating strategies focus on the development of recreational water sports products and operating and managing its high speed Internet access and enterprise server facilities.

The Company has begun selling distributorships for its recreational water sports products and expects to begin manufacturing and selling those products in 2006.

Management of the Company believes that operations from the sale of these products will be profitable by the fourth quarter of 2006 and that the Company will recover its development costs within five years.

The Company also purchased NACIO effective April 1, 2005. Since its acquisition, management has pursued aggressive cost cutting programs and eliminated unprofitable products. Management believes these actions will enable NACIO to achieve profitable operations.

Also, the Company entered into an agreement for up to \$2,500,000 of additional financing for the development of its recreational water sports products. The Company

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ENCOMPASS HOLDINGS, INC.  
(Formerly known as Nova Communications Ltd.)

Notes to Condensed Consolidated Financial Statements  
March 31, 2006

### 2. OPERATIONS (CONTINUED)

received \$1,000,000 in November 2005 and \$700,000 in January 2006 under the agreement.

The Company is dependent upon its ability to obtain additional capital and debt financing until it ultimately achieves profitability, if ever.

The consolidated financial statements do not reflect adjustments relating to the recorded asset amounts, or the amounts of liabilities that would be necessary should the Company not be able to continue in existence.

### 3. CONVERTIBLE NOTES PAYABLE

On November 29, 2005, the Company entered into a Security Purchase Agreement whereby the Company obtained financing for up to \$2,500,000. The borrowings are secured by the Company's common stock and bear interest at 8%. The notes are convertible into shares of the Company's common stock at the option of the Company. This Agreement is repayable in 36 (thirty six) equal monthly installments and in Management's opinion, does not include the debt conversion features which would cause the company to treat as an inbeded drivitive, as long as the regular monthly payments are not in default. Under the terms of the

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Security Purchase Agreement, the Company also agreed to issue warrants for the purchase of up to 3,500,000 shares of its common stock.

The Company was required to reserve 59,055,556 shares of its common stock for issuance upon conversion of the notes and warrants, in the event that the Company should default on its regular monthly payments.

During November 2005, the Company borrowed \$1,000,000 under the Security Purchase agreement and issued warrants for the purchase of 1,400,000 shares of its common stock. In January 2006, the Company borrowed an additional \$700,000 under the Security Purchase agreement and issued warrants for the purchase of 979,380 shares of its common stock. The warrants are exercisable at \$.50 per share in whole or in part and are subject to other exercise restrictions.

The notes payable are due one year from the date of borrowings plus interest at rates ranging from 8% to 20% per annum and are unsecured. The notes and any unpaid interest may be convertible into shares of common stock of the Company at rates of 70% and 85% of the closing bid price of the Company's common stock on the date of conversion. The notes may be converted at the option of the Company, but not before six months, and at the option of the holder, but not before one year, from the date of the notes and only if certain events have occurred.

#### 4. COMMON STOCK

In October 2005, the Board of Directors authorized the issuance of 163,100 shares of common stock of the Company in exchange for legal services. Management of the Company valued the shares issued at \$.19 per share, the closing bid price of the Company's common stock on the date of issuance.

In November 2005, the Board of Directors authorized the issuance of an aggregate of 2,000,000 shares of common stock of the Company in exchange for consulting services. Management of the Company valued the shares issued at the closing bid price of the Company's common stock on the date of issuance. The shares issued were valued at an average price of \$.245 per share.

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#### 4. COMMON STOCK (CONTINUED)

Also in November 2005, the Board of Directors authorized the issuance of 500,000 shares of common stock of the Company in exchange for accrued management fees. Management of the Company valued the shares issued at \$.26 per share, the closing bid price of the Company's common stock on the date of issuance.

In December 2005, the Board of Directors authorized the issuance of 200,000 shares of common stock of the Company in exchange for legal services. Management of the Company valued the shares issued at \$.20 per share, the closing bid price of the Company's common stock on the date of issuance.

During the nine month ending March 31, 2006, holders of notes payable

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converted \$373,269 of their notes and accrued interest into 1,270,714 shares of common stock of the Company.

In July, 2005, the Board of Directors authorized the issuance of an aggregate of 2,160,700 shares of common stock of the Company in exchange for accrued legal fees, management & consulting services. Management of the Company valued the shares issued at \$.28 per share, the closing bid price of the Company's common stock on the date of issuance.

### 5. SUBSEQUENT EVENTS

Rotary has acquired certain equipment, inventory and intellectual property to be used for the manufacture of rotary engines to be used in the Company's recreational water sports and other products. Rotary issued 49% of its common stock for equipment, inventory and intellectual property with an anticipated value of a minimum of \$2,960,000.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis contains various forward-looking statements within the meaning of the Securities and Exchange Act of 1934. These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may", "expect", "anticipate", "estimates", or "continue" or use of negative or other variations of comparable terminology. We caution that these statements are further qualified by important factors that could cause actual results to differ materially from those contained in our forward looking statements, that these forward looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in our forward looking statements.

Management's discussion and analysis should be read in conjunction with the

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financial statements and the notes thereto.

### RESULTS OF OPERATIONS

NINE MONTHS ENDED MARCH 31, 2006 COMPARED TO THE NINE MONTHS ENDED MARCH 31, 2005 AND THREE MONTHS ENDED MARCH 31, 2006 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2005:

	Nine months ended March 31		Increase
	2006	2005	Amount
Revenue	\$ 3,491,956	\$ 145,000	\$ 3,491,956

	Three months ended March 31		Increase
	2006	2005	Amount
Revenue	\$ 1,175,582	\$ 145,000	\$ 1,175,582

Revenue for the nine and three months ended March 31, 2006 results relates entirely to the Company's acquisition of NACIO Systems, Inc. effective April 1, 2005.

	Nine months ended March 31		Incre
	2006	2005	Amount
Cost of goods sold	\$ 838,565	\$ -	\$ 838,565

	Three months ended March 31		Increase
	2006	2005	Amount
Cost of goods sold	\$ 296,381	\$ -	\$ 296,381

Cost of goods sold for the nine and three months ended March 31, 2005 results relates entirely to the Company's acquisition of NACIO Systems, Inc. effective April 1, 2005.

	Nine months ended March 31		Incre
	2006	2005	Amount
Selling, General &			

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administrative	\$ 4,953,900	\$ 1,360,769	\$ 3,934,695	\$
	=====	=====	=====	=====

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	Three months ended March 31		Increase
	2006	2005	Amount
Selling, General & Administration	\$ 1,680,356	\$ 341,564	\$ 1,338,792
	=====	=====	=====

Selling, general & administrative expenses for the nine and three months ended March 31, 2006 resulted relates entirely to the Company's acquisition of NACIO Systems, Inc. effective April 1, 2005.

	Nine months ended March 31		Decrease
	2006	2005	Amount
Research & development	\$ 500,053	\$ 1,212,959	\$ (712,906)
	=====	=====	=====

Research & development expense related to the Company's recreational water sports equipment. That research & development is funded entirely from debt and equity financing. During the nine months ended December 31, 2006 the Company was unable to continue its research & development efforts until additional debt & equity financing was obtained. On November 29, 2005, the Company entered into a Security Purchase Agreement where by it obtained financing for up to \$2,500,000. Also on that date, they received \$1,000,000 under the agreement to continue its research and development activities.

FINANCIAL POSITION & LIQUIDITY AND CAPITAL RESOURCES

AS OF MARCH 31, 2006 COMPARED TO JUNE 30, 2005:

	March 31, 2006	June 30, 2005	Incr ----- Amount
Cash	\$ 502,276	\$ 46,296	\$ 455,980
	=====	=====	=====

The increase in cash results from the receipt of \$1,000,000 on November 29, 2005 under the Security Purchase Agreement.

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	March 31, 2006	June 30, 2005	Amount
Long-term debt:			
Current portion	\$ 2,463,780	\$ 1,858,257	
Long-term debt	3,358,177	2,369,694	
	\$ 5,821,957	\$ 4,227,951	\$ 1,594,006

The increase in long-term debt is a result of the receipt of \$1,700,000 under the Security Purchase Agreement.

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ITEM 3. CONTROLS AND PROCEDURES

As of the date of this report, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the Chief Executive Officer concluded that the Company's disclosure controls and procedures were effective as of the date of this report. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of this report.

PART II - OTHER INFORMATION

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

Effective January 27, 2006, the Company changed its name to Encompass Holdings, Inc. from Nova Communications Ltd. On January 23, 2006, shareholder approval for the change of name and the corresponding amendment to its Articles of Incorporation was obtained by the consent action of the holder of the majority voting power of the Company. An Information Statement pursuant Regulation 14C under the Securities Exchange Act of 1934. was furnished to all of the Company's shareholders in connection with the consent action taken.

ITEM 6. EXHIBITS

(a) Exhibits.

Exhibit Number	Description of Document
3.1	Articles of Incorporation as Amended *
3.2	By laws *
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certification

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32.2 Section 1350 Certification

\* Filed by reference to a prior filing of the Registrant.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 12, 2006

ENCOMPASS HOLDINGS, INC.

By: /s/ ARTHUR N. ROBINS

-----  
Arthur N. Robins  
Chief Executive Officer

By: /s/ LESLIE I. HANDLER

-----  
Leslie I. Handler, President and  
Acting Chief Financial Officer

Rev 5/12/2006