

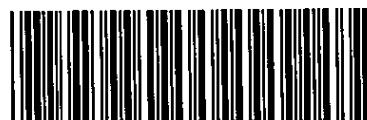
Registered Number: 04455321

Nova Capital Group Limited

Financial report for the year ended

30 June 2012

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NOVA CAPITAL GROUP LIMITED
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For the year ended 30 June 2012

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NOVA CAPITAL GROUP LIMITED

Directors' report

For the year ended 30 June 2012

The directors present their report and the audited financial statements for the year ended 30 June 2012.

Principal activities

The principal activity of Nova Capital Group Limited (the "company") is to act as a holding company. The principal activities of the company and its subsidiaries ("the group") during the year were the provision of investment advice and investment management services to third parties.

Review of business

The 2011/12 financial year has been one of significant progress for the firm.

Crucially, our portfolio companies have continued to perform strongly and we maintained a flow of portfolio exits. This has under-pinned further our track record of generating attractive returns for our investors, which ultimately is the foundation of the long term health of the business.

In terms of new investments, we have enjoyed a very productive year. During the year we acquired or took on the management of three new portfolios comprising 11 underlying portfolio companies. It was particularly gratifying that two of these portfolios were introduced to Nova by existing institutional clients of the firm because they felt the investments required the intense operational portfolio management approach which is the firm's hallmark.

The third portfolio, our largest transaction to date, involved the acquisition of 5 industrial businesses in Canada from a UK seller. The transaction involved funding of over C\$200 million, the opening of a Nova office in Vancouver and the re-location of two of our partners to Canada. Following the year-end we also completed an attractive portfolio acquisition in the US. Taken together, the effect has been to increase to 40% the number of our portfolio companies which are based in North America. We increasingly regard ourselves as a Trans-Atlantic firm rather than a London firm with a small North American office and this will be reflected in our resourcing and investment strategy over the coming years.

We have continued to benefit from strong and consistent support through our strategic relationship with Caledonia Investments, which we greatly appreciate.

Our business model is founded on linking senior operating and investment professionals to work with portfolio companies and to support them through a step-change in their performance. Vital to the success of this approach is the quality, commitment and energy of our team. Looking forward, given their experience and expertise we are confident that the firm will continue to generate strong returns for our clients in the years ahead.

NOVA CAPITAL GROUP LIMITED

Directors' report

For the year ended 30 June 2012

Financial risk management

The group uses various financial instruments which include cash, trade debtors, trade creditors, shareholder loan finance and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The existence of these financial instruments exposes the group to certain financial risks.

The main risks arising from the group's financial instruments are liquidity risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The group's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Credit risk

The group's principal financial assets are cash and trade debtors. The group's operations expose it to a variety of risks including fee collection from the funds managed or advised by the group. The group has appropriate procedures in place that seek to limit the adverse effects of this risk.

Currency risk

The group is exposed to translation and transaction foreign exchange risk.

Approximately 3% (2011: 10%) of the group's turnover is transacted in US dollars, 6% (2011: 5%) in Euros and a further 35% (2011: 5%) in Canadian dollars. The group does not adopt a prescribed policy to eliminate currency exposures but does hold funds denominated in foreign currency to mitigate the risk of currency movements between billing and payment dates.

Financial assets in currencies other than sterling amount to €189,184 (2011: €230,866), \$5,294 (2011: \$19,348) and C\$1,016 (2011: nil). Foreign exchange differences on retranslation of these assets are taken to the profit and loss account of the group.

Results and dividends

The consolidated profit for the year after taxation is £122,664 (2011: loss £184,270). The directors do not recommend the payment of an ordinary dividend. £122,664 (2011: loss £184,270) has been transferred to/from reserves.

Directors

The directors of the company who held office during the year were as follows:

P G Austen (appointed 16 February 2012)
S M Bliss (appointed 16 February 2012)
D J Carman (appointed 16 February 2012)
R G Hodgson
M A J Kelly (resigned 16 February 2012)
A R Krok-Paszkowski (appointed 16 February 2012)
T W Leader (appointed 16 February 2012)
D W Powers (appointed 16 February 2012)
A D Robson (appointed 16 February 2012)
S M Smith (appointed 16 February 2012)
D S Williamson
W Wyatt

Share capital

There were no changes to share capital during the year.

NOVA CAPITAL GROUP LIMITED
Directors' report
For the year ended 30 June 2012

Statement of directors' responsibilities

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

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

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

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Accounting Policies

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable judgements and estimates have been made in preparing the financial statements and that applicable United Kingdom Accounting Standards have been followed.

Auditors

Grant Thornton UK LLP have indicated their willingness to continue in office. In accordance with section 487(2) of the Companies Act 2006, they will be deemed reappointed unless the company receives written notice under section 488(1) of the Companies Act 2006.

On behalf of the Board



D S Williamson
Director

31 October 2012

NOVA CAPITAL GROUP LIMITED

Independent auditor's report

For the year ended 30 June 2012

Independent auditor's report to the members of Nova Capital Group Limited

We have audited the financial statements of Nova Capital Group Limited for the year ended 30 June 2012 which comprise the consolidated profit and loss account, the statement of total recognised gains and losses, the consolidated and parent company balance sheets and the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

 Grant Thornton UK LLP

William Poynton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
LONDON

31 October 2012

NOVA CAPITAL GROUP LIMITED
Consolidated profit and loss account /
Statement of total recognised gains and losses
For the year ended 30 June 2012

	Notes	Year ended 30 June 2012 £	Year ended 30 June 2011 £
Turnover		3,673,796	2,810,089
Administrative expenses		(3,349,319)	(2,760,394)
Operating profit	3	324,477	49,695
Impairment of investments	10	20,793	7,112
(Loss)/profit on sale of fixed asset investments		(17,267)	12,157
Profit on sale of fixed assets		955	-
Interest receivable and similar income	6	6,791	10,046
Finance costs	7	(213,085)	(263,280)
Profit/(loss) on ordinary activities before taxation		122,664	(184,270)
Tax on profit / (loss) on ordinary activities	8	-	-
Retained profit/(loss) for the financial year		122,664	(184,270)
<u>Statement of total recognised gains and losses</u>			
Retained profit/(loss) for the financial year		122,664	(184,270)
Revaluation of investments	10	(268,834)	755,709
Total recognised (losses)/gains in the financial year		(146,170)	571,439

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

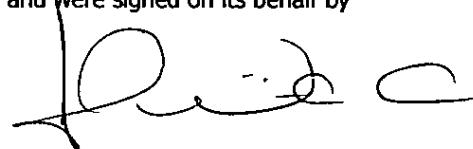
All activities of the group are classed as continuing.

The notes on pages 8 to 20 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated and parent company balance sheets
As at 30 June 2012
Registered Number: 04455321

	Notes	2012 Group £	2012 Company £	2011 Group £	2011 Company £
Fixed assets					
Tangible assets	9	80,787	80,787	113,835	113,835
Investments	10	1,886,891	1,815,222	2,195,304	2,102,328
Investment in subsidiaries	10	-	933,856	-	933,856
Investment in associated undertaking	10	49	49	49	49
	10	1,967,727	2,829,914	2,309,188	3,150,068
Current assets					
Debtors					
- due within one year	11	584,278	946,115	325,167	667,211
- due after one year	11	153,674	153,674	216,969	216,969
Cash at bank and in hand		440,258	286,075	260,169	173,737
		1,178,210	1,385,864	802,305	1,057,917
Creditors amounts falling due within one year	12	(1,872,736)	(6,999,594)	(1,777,012)	(6,916,512)
Net current liabilities		(694,526)	(5,613,730)	(974,707)	(5,858,595)
Total assets less current liabilities		1,273,201	(2,783,816)	1,334,481	(2,708,527)
Creditors amounts falling due after more than one year	12	(1,465,423)	(1,465,423)	(1,380,533)	(1,380,533)
Net liabilities		(192,222)	(4,249,239)	(46,052)	(4,089,060)
Capital and reserves					
Called up share capital	15	213,179	213,179	213,179	213,179
Share premium	17	1,074,324	1,074,324	1,074,324	1,074,324
Revaluation reserve	17	1,539,660	1,526,282	1,808,494	1,780,352
Profit and loss account	17	(3,019,385)	(7,063,024)	(3,142,049)	(7,156,915)
Shareholders' deficit	18	(192,222)	(4,249,239)	(46,052)	(4,089,060)
Analysed as:					
Equity		(192,222)	(4,249,239)	(46,052)	(4,089,060)
Shareholders' deficit		(192,222)	(4,249,239)	(46,052)	(4,089,060)

The financial statements on pages 5 to 20 were approved by the board of directors on 31 October 2012 and were signed on its behalf by



D S Williamson
Director

The notes on pages 8 to 20 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated cash flow statement
For the year ended 30 June 2012

	Notes	Year ended 30 June 2012 £	Year ended 30 June 2011 £
Net cash inflow from operating activities	19	259,912	55,839
Returns on investments and servicing of finance			
Interest received and similar income		6,791	10,046
Finance charges on finance leases / shareholder loans		(2,974)	(2,668)
Net cash inflow from returns on investments and servicing of finance		3,817	7,378
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(8,329)	(128,698)
Purchase of investments		(2,222)	(84,143)
Proceeds from sale of investments		45,327	14,902
Proceeds from sale of fixed assets		1,683	-
Net cash outflow from capital expenditure and financial investment		36,459	(197,939)
Tax paid		-	-
Net cash inflow/(outflow) before financing		300,188	(134,722)
Financing			
Payment of ordinary share capital		-	172,348
Reduction in borrowings		(92,524)	(246,102)
Capital element of finance lease payments		(27,575)	62,170
Net cash outflow from financing		(120,099)	(11,584)
Increase/(decrease) in net cash	21	180,089	(146,306)

The notes on pages 8 to 20 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

1. Accounting policies

(a) Basis of preparation

The financial statements are prepared on the going concern basis (note 2), under the historical cost convention, modified to include the revaluation of certain fixed asset investments, and in accordance with the Companies Act 2006 and applicable accounting standards

The principal accounting policies, which have been applied consistently, are set out below

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and of its subsidiary undertakings for the year ended 30 June 2012. The consolidation is prepared using the acquisition method of accounting. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

(c) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

(d) Depreciation

Tangible fixed assets are stated at cost (including any incidental costs of acquisition), net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value by equal instalments over their estimated useful economic lives. The principal periods applied are as follows:

Computer and electrical equipment	- 3 years
Office equipment and furniture	- 3 years
Office Improvements	- 4 years (being period on lease)

(e) Turnover

Turnover, which excludes value added tax and sales between group companies, represents the invoiced value of investment advice and investment management services in relation to venture capital and private equity funds. Turnover is recognised in the profit and loss account over the period that services are provided which is in accordance with the investment advisory agreements under which the group's revenue is calculated.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

(f) Finance and operating leases

Where fixed assets are financed by leasing agreements which transfer to the group substantially all the benefits and risks of ownership, the lease is treated as a "finance lease". The assets are treated as if they had been purchased outright and are included in tangible fixed assets, and depreciated over the shorter of their estimated useful lives or the term of the lease. The capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

All other leases are accounted for as operating leases and the costs are charged to the profit and loss account on a straight line basis over the term of the lease.

(g) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

(h) Deferred taxation

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits is uncertain. Deferred tax assets and liabilities are not discounted.

(i) Investments

Investments in various Private Equity Funds, including carried interests, are stated at directors valuation, and are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Unrealised gains are carried within the revaluation reserve until such time as the holdings are disposed of. Unrealised losses on the revaluation of investments, where the value of the investment is below original cost, are recognised in the profit and loss account. Realised gains and losses arising on the disposal of investments are recognised in the profit and loss account. In the company's financial statements, investments in subsidiary undertakings are stated at cost, less provision for any permanent diminution in value.

(j) Segmental disclosure

The group operates in one business segment providing investment advisory services to venture capital and private equity funds. The geographical location of the group's operations is the United Kingdom.

(k) Foreign Currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

2. Going Concern

Key estimates and judgements made by the directors in the preparation of the accounts are to prepare them on a going concern basis.

Although the group has net liabilities of £192,222 (2011: £46,052), the directors believe that on the basis of a cash flow forecast prepared to December 2013, and with the ongoing support from the loan providers, it is appropriate to prepare the accounts on a going concern basis.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

3. Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
Owned assets	13,074	42,226
Leased assets	27,574	13,026
Operating lease charges	127,140	206,008
Auditor's remuneration :		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	41,735	33,750
The audit of the Company's subsidiaries, pursuant to legislation	15,300	17,750
Other services in relation to taxation	24,600	16,000

4. Employee information

	2012	2011
	£	£
Employee costs during the year amounted to:		
Wages and salaries	1,632,320	1,403,803
Social security costs	194,208	163,772
Other pension costs	33,339	85,582
	1,859,867	1,653,157

The average monthly number of persons (including Executive Directors) employed by the group during the year was as follows.

	2012	2011
	12	12
Investment advisory		
Administration	6	6
Total	18	18

5. Directors' emoluments

	2012	2011
	£	£
Aggregate emoluments	535,677	169,738
	2012	2011
	£	£
Highest paid director		
Aggregate emoluments	146,641	126,192

No retirement benefits are accruing to directors under a defined benefit scheme No emoluments have been receivable under long-term incentive schemes

During the year, £10,000 (2011 £10,000) was paid to Johnson Brothers for the services of R G Hodgson as a director, a further £10,461 (2011 £10,647) was paid for his services as a consultant A director's fee of £15,000 (2011 £15,000) was paid to Caledonia Investments plc for the services of W Wyatt

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

6. Interest receivable and similar income

	2012	2011
	£	£
Interest receivable from other banks	-	495
Interest receivable on staff loans	6,791	9,551
	6,791	10,046

7. Finance costs

	2012	2011
	£	£
Interest payable on shareholder loans	112,466	155,673
Cumulative preference share entitlement	31,358	33,252
Interest on non payment of preference shares	33,475	32,476
Other interest payable	35,786	41,879
	213,085	263,280

Finance costs include dividends on the cumulative redeemable preference shares. The dividends are due for payment semi-annually on 31 March and 30 September, at the higher rate of LIBOR plus 3% or 7%, with interest accruing at 11% on unpaid dividends. The dividend entitlement has been accrued from 26 February 2003, being the date of the issue of the shares. With effect from 1 May 2012, the dividend and interest rate on unpaid dividends, was amended to LIBOR plus 4%.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

8. Taxation

The tax assessed for the year is in line with the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%) The differences are explained below.

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	122,664	(184,270)
Profit/(loss) on ordinary activities multiplied by standard rates in the UK of 25.5% (2011: 27.5%)	31,283	(50,676)
Effects of		
Non-deductible expenses	5,999	(4,638)
Excess of depreciation over capital allowances	(6,626)	(34,676)
Tax losses (utilised) in the year	(44,579)	-
Losses carried forward	-	29,723
Consolidation adjustment	(1,018)	42,967
Overseas rate (lower)/ in excess of UK rate	-	(2,070)
Other timing differences	14,941	19,370
Current tax charge for the year	-	-

No deferred taxation asset has been recognised for tax losses which amount to £1,157,055 (2011 £1,279,434) The deferred tax asset is not recognised as future taxable profits against which the asset may be utilised cannot be addressed with reasonable certainty

The parent company has taken advantage of section 408 of Companies Act 2006 and has not included its own profit and loss account in these financial statements The parent company's profit for the year was £94,891 (2011: loss £83,228)

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

9. Tangible fixed assets

Group	Computer and electrical equipment £	Office equipment/improvements and furniture £	Total £
Cost			
At 1 July 2011	316,819	277,326	594,145
Additions	4,144	4,185	8,329
Disposals	(1,542)	-	(1,542)
At 30 June 2012	319,421	281,511	600,932
Depreciation			
At 1 July 2011	241,451	238,859	480,310
Charge for the year	29,468	9,553	39,021
Disposals	814	-	814
As 30 June 2012	271,733	248,412	520,145
Net book value			
At 30 June 2012	47,688	33,099	80,787
At 30 June 2011	75,368	38,467	113,835

The finance leases with a net book value of £24,661 (2011 £39,493) are included in the amounts above. Depreciation on assets held under finance leases amounted to £14,832 (2011. £13,026)

Company	Computer and electrical equipment £	Office equipment/improvements and furniture £	Total £
Cost			
At 1 July 2011	309,256	267,050	576,306
Additions	4,144	4,185	8,329
Disposals	(1,542)	-	(1,542)
At 30 June 2012	311,858	271,235	583,093
Depreciation			
At 1 July 2011	233,888	228,583	462,471
Charge for the year	29,468	9,553	39,021
Disposals	814	-	814
As 30 June 2012	264,170	238,136	502,306
Net book value			
At 30 June 2012	47,688	33,099	80,787
At 30 June 2011	75,368	38,467	113,835

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

10. Fixed asset investments

Investments

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Cost				
At 1 July 2011 and 1 July 2010	871,437	1,332,942	790,039	1,296,427
Additions	2,222	2,172	84,143	39,260
Disposals	(62,594)	(49,710)	(2,745)	(2,745)
	811,065	1,285,404	871,437	1,332,942
Revaluations				
At 1 July 2011 and 1 July 2010	1,323,867	1,703,242	561,046	903,370
Investment (impairment)/reversal	20,793	14,502	7,112	60,100
Investment revaluations	(268,834)	(254,070)	755,709	739,772
	1,075,826	1,463,674	1,323,867	1,703,242
Valuation at 30 June 2012 and 30 June 2011	1,886,891	2,749,078	2,195,304	3,036,184

The fixed asset investments for the group represent an investment in NextDrive Limited and minority investments in various Private Equity Funds, as follows

TempoPark Fund I L.P. – Outstanding Commitment at 30 June 2012 (€7,182)
TempoPark Fund 2 L.P. – Outstanding Commitment at 30 June 2012 (£183)
NovaVest Fund I L.P. – Outstanding Commitment at 30 June 2012 (€28,008)
TempoVest Fund II L.P. – Outstanding Commitment at 30 June 2012 (€nil)
Nova CI Investments L.P. – Outstanding Commitment at 30 June 2012 (£nil)
Nova Capital GP Investments III L.P. – Outstanding Commitment at 30 June 2012 (£405)

Investment revaluations include the current carrying value of the Company's carried interests derived from its funds under management amount to £1,514,626 (2011: £1,745,544) and £25,034 (2011: £62,950) in relation to investments in Private Equity Funds

NextDrive Limited is incorporated in England and Wales. The company is engaged in the commercial exploitation of intellectual property rights in the field of transmission technologies. The Group owns 6.41% of the issued ordinary share capital.

Investments in Subsidiaries :

	2012 £	2011 £
Company		
Value of investment in subsidiary undertakings		
At 30 June 2012 and 30 June 2011	933,856	933,856
Value of investment in other undertakings		
At 30 June 2012 and 30 June 2011	1,815,222	2,102,328
Group and Company		
Value of investment in associates		
At 30 June 2012 and 30 June 2011	49	49

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2012

10. Fixed asset investments (continued)

Details of the company's subsidiary undertakings are as follows

Subsidiary	Country of incorporation	Principal activity	Class and percentage of shares held by the group
Nova Capital Management Limited	England & Wales	Investment management	Ordinary £543,475 100%
SELECT Industries Management Company Limited ("SIMCO")	Guernsey	Investment management	Ordinary £25,000 100%
Nova General Partner Limited	England & Wales	General Partner	Ordinary £1 100%
Nova Capital Nominees Limited	England & Wales	Nominee	Ordinary £1 100%
Nova Capital Management USA LLC	U.S.A.	Investment management	Ordinary £1 100%
Nova (GP) Scotland Ltd	Scotland	General Partner	Ordinary £1 100%
Nova Paul Investments S à r l	Luxembourg	General Partner	Ordinary £8,500 100%
NT General Partner (Guernsey) Limited	Guernsey	General Partner	Ordinary £10,000 100%
Nova General Partner (Guernsey) Limited	Guernsey	General Partner	Ordinary £2 100%
NCM Management (UK) Limited	England & Wales	Investment management	Ordinary £130,000 100%
NCM GP (North) Limited	England & Wales	General Partner	Ordinary £2 100%
NCM GP (Midlands) Limited	England & Wales	General Partner	Ordinary £2 100%
NCM GP (South) Limited	England & Wales	General Partner	Ordinary £2 100%
Nova Cross GP (Guernsey) Limited	Guernsey	General Partner	Ordinary £2 100%
Nova Boxer GP (Guernsey) Limited	Guernsey	General Partner	Ordinary £2 100%
Nova Argent GP (Guernsey) Limited	Guernsey	General Partner	Ordinary £10,000 100%
Nova Shell GP (Guernsey) Limited	Guernsey	General Partner	Ordinary £2 100%

All the subsidiary companies have 30 June year ends

Investments in associates

Nova Capital Management Services Limited	England & Wales	Interim executive management	Ordinary £49 49%
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The associate has a 30 June year end. At 30 June 2012, it had net assets of £100

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11. Debtors: amounts falling due within one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade debtors	135,568	49,834	49,776	2,865
Amounts owed by group undertakings ¹	-	511,888	-	391,428
Directors / Executive loans & interest	62,498	62,498	83,221	83,221
Called up share capital not paid	22,501	22,501	22,501	22,501
Other debtors	41,690	38,600	47,418	55,347
Prepayments and accrued income	322,021	260,794	122,251	111,849
	584,278	946,115	325,167	667,211

Notes

1 Amounts owed by group undertakings are unsecured, interest free and have no fixed date for repayment.

Debtors: amounts falling due after more than one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Executive loans & interest	108,606	108,606	171,901	171,901
Rent deposit	45,068	45,068	45,068	45,068
	153,674	153,674	216,969	216,969

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12. Creditors : amounts falling due within one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade creditors	271,498	256,797	160,617	157,434
Amounts owed to group undertakings ¹	-	5,321,494	-	5,339,711
Obligations due under finance lease and hire purchase contracts	27,574	27,574	27,574	27,574
Other creditors	41,940	22,410	31,940	12,410
Other tax and social security	66,114	58,194	60,250	60,250
Cumulative redeemable preference shares ²	475,000	475,000	475,000	475,000
Cumulative preference share dividend and interest ³	495,702	495,702	430,869	430,869
Shareholder loans and interest ⁴	-	-	92,524	92,524
Accruals and deferred income	494,908	342,423	498,238	320,740
	1,872,736	6,999,594	1,777,012	6,916,512

Creditors: amounts falling due after more than one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Shareholder loans and interest ⁴	1,453,388	1,453,388	1,340,923	1,340,923
Obligations due under finance lease and hire purchase contracts	12,035	12,035	39,610	39,610
	1,465,423	1,465,423	1,380,533	1,380,533

Notes

- ¹ Amounts owed by the company to group undertakings are unsecured, interest free and have no fixed date for repayment
- ² The £475,000 cumulative redeemable preference shares can be redeemed by the preference shareholders at any time after 26 February 2008. The company can redeem the preference shares at any time. As part of the 2008 shareholder loan facilities, repayment of the preference shares will be made pari-passu with the shareholder loan facilities.
- ³ The preference share dividend is due for payment semi-annually on 31 March and 30 September, at the higher rate of LIBOR +3% or 7%, with interest accruing at 11% on unpaid dividends. The holders of the preference shares are entitled to have the shares redeemed at any time after 26 February 2008. The company is entitled to redeem the preference shares at any time. As part of the 2008 shareholder loan facilities, payment of the preference share dividend will be made pari-passu with the shareholder loan facilities. With effect from 1 May 2012, the dividend and interest rate on unpaid dividends, was amended to LIBOR plus 4%.
- ⁴ In December 2008, Nova Capital Group Limited entered into a £1,100,000 loan facility with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited, bringing the total shareholder loan to £1,360,000. In January 2010, the loans were fully drawn. At the balance sheet date, £969,031 was outstanding and £484,357 of interest was accrued. The loans are due to be repaid by 31 December 2012, however, confirmation has been received from the loan providers that they will not seek repayment within 12 months of signing the accounts.

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13. Obligations under finance leases and hire purchase contracts

Future minimum payments under finance leases and hire purchase contracts for the group are as follows:

	2012	2011
	£	£
Group		
Within one year	27,574	27,574
Within 2-5 years	12,035	39,610
	39,609	67,184

14. Obligations under operating leases

Annual commitments under non-cancellable operating leases for the group are as follows

	2012	2011
	£	£
Group		
Land and buildings leases expiring:		
- within one year	-	-
- within two to five years	150,227	150,227
	150,227	150,227

15. Called up share capital

	2012	2012	2011	2011
	Number	£	Number	£
Authorised				
Equity share capital:				
Ordinary shares of £0.01 each	407,653	4,077	407,653	4,077
Deferred shares of £0.01 each	23,329,647	233,296	23,329,647	233,296
	23,737,300	237,373	23,737,300	237,373
Allotted				
Equity share capital:				
Ordinary shares of £0.01 each	321,166	3,212	321,166	3,212
Deferred shares of £0.01 each	20,996,712	209,967	20,996,712	209,967
	21,317,878	213,179	21,317,878	213,179

Share capital

There were no changes to the allotted share capital during the year

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16. Related party transactions

The group has taken advantage of the exemption under the provision of FRS 8 "Related party disclosures" from disclosing transactions or balances between group entities. The following summarises material transactions with parties which may be regarded as related under FRS 8.

During the year, £10,000 (2011 £10,000) was paid to Johnson Brothers & Company Limited for the services of R G Hodgson as a director, a further £10,461 (2011 £10,647) was paid for his services as a consultant. A director's fee of £15,000 (2011 £15,000) was paid to Caledonia Investments plc for the services of W Wyatt.

At the year end, the group has outstanding loan facilities with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited. At the balance sheet date, £1,453,388 was outstanding.

In November 2010, the group entered into a 5 year property lease with Buckingham Gate Limited, a company owned by Caledonia Investments Plc. The annual rental payments are £150,227.

17. Reserves

Group	Profit and loss reserve		Share premium account		Revaluation reserve (see note 10)	
	2012 £	2011 £	2012 £	2011 £	2012 £	2011 £
At 1 July 2011 and 1 July 2010	(3,142,049)	(2,957,779)	1,074,324	1,074,324	1,808,494	1,052,785
Retained profit/(loss) for the financial year	122,664	(184,270)	-	-	-	-
Movement during the year		-	-	-	(268,834)	755,709
At 30 June 2012 and 30 June 2011	<u>(3,019,385)</u>	<u>(3,142,049)</u>	<u>1,074,324</u>	<u>1,074,324</u>	<u>1,539,660</u>	<u>1,808,494</u>

18. Movement in shareholders' deficit

	2012 £	2011 £
Retained profit/(loss) for the financial year	122,664	(184,270)
Net change in shareholders' deficit	122,664	(184,270)
Shareholders' (deficit) as at 1 July 2011 and 1 July 2010	(46,052)	(617,491)
(Reduction)/increase in revaluation reserve (see note 10)	(268,834)	755,709
Shareholders' deficit as at 30 June 2012 and 30 June 2011	<u>(192,222)</u>	<u>(46,052)</u>

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19. Reconciliation of operating profit to net cash inflow from operating activities

	2012	2011
	£	£
Operating profit	324,477	49,695
Depreciation charge	40,648	55,252
Increase in debtors	(200,498)	(10,894)
Increase/(decrease) in creditors	95,285	(38,214)
Net cash inflow from operating activities	259,912	55,839

20. Reconciliation of net cash flow to movement in net debt

	As at 1 July 2011 £	Cash flow £	As at 30 June 2012 £
Cash in hand and at bank	260,169	180,089	440,258
Debt due after 1 year	(1,061,555)	92,524	(969,031)
Finance leases due after 1 year	(27,574)	-	(27,574)
Finance leases due within 1 year	(39,610)	27,575	(12,035)
	(868,570)	300,188	(568,382)

21. Analysis of net cash

	As at 1 July 2010 £	Cash flow £	As at 30 June 2012 £
Cash at bank and in hand	260,169	180,089	440,258

22. Contingent liabilities

In December 2008, Nova Capital Group Limited entered into a £1,100,000 loan facility with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited. As part of the security arrangements on the loan facility, Nova Capital Group Limited and its subsidiaries became party to the intercreditor deed.

Outstanding commitments to Private Equity Funds are shown in Note 10.

23. Post balance sheet events

In September 2012, the group entered into a new Investment Advisory Agreement to manage a portfolio of businesses located in USA. This transaction will generate significant additional fee income and carried interest for the group over the next 3 – 5 years. As part of this transaction, the Company and a director (TW Leader) made a commitment to invest in Nova Capital GP Investments VI LP, a special purpose vehicle established to make an investment in Nova Shell LP, a Guernsey Limited Partnership. The Company has provided a loan facility to the director up to a maximum of \$100,000. Interest currently accrues on the outstanding balance at 7% above the Bank of England base rate.