Registered Number: 04455321

Nova Capital Group Limited

Financial report
for the year ended

30 June 2014

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NOVA CAPITAL GROUP LIMITED
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For the year ended 30 June 2014

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NOVA CAPITAL GROUP LIMITED
Strategic report
For the year ended 30 June 2014

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 2013/14 financial year was an important one for the firm. The significant development was the growth of our activities in North America. This follows a strategic decision made three years ago to build-out our team there. Over that period, we have moved from having just one US based partner to our current position where our investment professionals and operating partners are now equally split between London and Chicago/Toronto. We now operate very much as a transatlantic business.

The one new acquisition we completed during the year was also in the US. This involved the $214 million acquisition of a group of five consumer hardware businesses from Newell Rubbermaid. This was a classic Nova investment involving the carve-out of a group of disparate non-core businesses requiring a programme of substantial re-energising.

Our deal flow in both Europe and North America was strong throughout the year. However, in an increasingly heated M&A environment, we have sought to maintain strict pricing disciplines. Our existing portfolio has continued to perform well. In line with our general investment thesis, we have made good progress on exiting some of our smaller investments during the year, which allows us to focus on managing the key value drivers within our portfolios.

We have spent a great deal of time reviewing our funding model. This led to an important post year-end event when in August 2014 we entered into a $500 million Strategic Investment Partnership with two major investment groups who will provide underwriting capital for us going forward. We expect that this arrangement will strengthen our market position and further differentiate us from our small group of competitors, whilst in parallel, allowing us to continue to work with our current limited partners on future portfolio acquisitions.

At the same time, we put in place new loan and working capital facilities for the company, part of which were applied to re-paying prior loans from our shareholders, principally Caledonia Investments Plc. Caledonia have been a great supporter of the firm over the last 10 years and we continue to have a close relationship with them, as they remain one of our largest limited partners.

Although we have built a very talented team and have established a strong position in the market-place, this still has not generated the financial results we aspire to. Nevertheless, our long term approach is creating a business with strategic depth and capability.

Our business model is founded on linking senior operating and investment professionals to work with portfolio companies and to provide leadership and support to enable 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 commitment we are confident that the firm will continue to generate strong returns for our clients in the years ahead.

Principal Risks and Uncertainties:

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, credit risk and currency 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 39% (2013: 25%) of the group's turnover is transacted in US dollars, 5% (2013: 5%) in Euros and a further 19% (2013: 31%) 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 €121,757 (2013: €164,589), $81,537 (2013: $16,305) and C$3,624 (2013: C$660). Foreign exchange differences on retranslation of these assets are taken to the profit and loss account of the group.

On behalf of the Board



S M Bliss
Director

13 October 2014

The directors present their report and the audited financial statements for the year ended 30 June 2014.

Results and dividends

The consolidated loss for the year after taxation is £176,146 (2013: loss £624,726). The directors do not recommend the payment of an ordinary dividend. The loss of £176,146 (2013: loss £624,726) has been transferred from reserves.

Directors

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

P G Austen	(resigned 4 November 2013)
S M Bliss	
D J Carman	
S Flanagan	(appointed 2 August 2013, resigned 22 August 2014)
R G Hodgson	
D A Jacobs	(appointed 4 November 2013)
K A Jones	(appointed 4 November 2013)
J Kreminski	
T W Leader	
R A Lobo	(appointed 4 November 2013, resigned 25 March 2014)
D W Powers	(resigned 4 November 2013)
A D Robson	
J D Seal	(appointed 4 November 2013)
S M Smith	(resigned 4 November 2013)
D S Williamson	
W Wyatt	(resigned 2 August 2013)

Share capital

There were no changes to share capital during the year.

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 from 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.

Auditor

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



S M Bliss
Director

13 October 2014

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 2014 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses 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 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, 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 Financial Reporting Council'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 of the parent company's affairs as at 30 June 2014 and of the group's loss 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 Strategic Report and 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 Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London

13 October 2014

NOVA CAPITAL GROUP LIMITED
Consolidated profit and loss account / Statement of total recognised gains and losses
For the year ended 30 June 2014

	Notes	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Turnover		4,099,932	3,365,494
Administrative expenses		(4,769,725)	(3,929,422)
Operating loss	3	(669,793)	(563,928)
Impairment of investments	10	(63,010)	2,403
Interest receivable and similar income	6	18,840	9,299
Finance costs	7	538,535	(72,500)
Loss on ordinary activities before taxation		(175,428)	(624,726)
Tax on loss on ordinary activities	8	(718)	-
Retained loss for the financial year		(176,146)	(624,726)

Statement of total recognised gains and losses

Retained loss for the financial year		(176,146)	(624,726)
Revaluation of investments	10	(3,900)	(1,523,540)
Total recognised losses in the financial year		(180,046)	(2,148,266)

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 9 to 22 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated and parent company balance sheets
As at 30 June 2014
Registered Number: 04455321

	Notes	2014 Group £	2014 Company £	2013 Group £	2013 Company £
Fixed assets					
Tangible assets	9	127,990	99,635	45,200	45,200
Investments	10	202,208	141,958	285,044	210,883
Investment in subsidiaries	10	-	933,856	-	933,856
Investment in associated undertaking	10	49	49	49	49
		330,247	1,175,498	330,293	1,189,988
Current assets					
Debtors					
- due within one year	11	510,089	1,424,147	651,507	998,813
- due after one year	11	239,649	233,489	247,964	247,964
Cash at bank and in hand		98,864	59,855	102,703	55,864
		848,602	1,717,491	1,002,174	1,302,641
Creditors: amounts falling due within one year	12	(3,702,509)	(9,568,259)	(2,278,432)	(7,520,141)
Net current liabilities		(2,853,907)	(7,850,768)	(1,276,258)	(6,217,500)
Total assets less current liabilities		(2,523,660)	(6,675,270)	(945,965)	(5,027,512)
Creditors: amounts falling due after more than one year	12	(38,439)	(38,439)	(1,496,995)	(1,496,995)
Net liabilities		(2,562,099)	(6,713,709)	(2,442,960)	(6,524,507)
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	12,220	-	16,120	2,925
Other reserves	17	(41,565)	(41,565)	(102,472)	(102,472)
Profit and loss account	17	(3,820,257)	(7,959,647)	(3,644,111)	(7,712,463)
Shareholders' deficit	18	(2,562,099)	(6,713,709)	(2,442,960)	(6,524,507)
Analysed as:					
Equity		(2,562,099)	(6,713,709)	(2,442,960)	(6,524,507)
Shareholders' deficit		(2,562,099)	(6,713,709)	(2,442,960)	(6,524,507)

The financial statements on pages 6 to 22 were approved by the board of directors on 13 October 2014 and were signed on its behalf by:

S M Bliss
Director

The notes on pages 9 to 22 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated cash flow statement
For the year ended 30 June 2014

	Notes	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Net cash outflow from operating activities	19	(731,082)	(392,203)
Returns on investments and servicing of finance			
Interest received and similar income		18,840	9,299
Finance charges on finance leases / shareholder loans		(50,170)	(2,649)
Net cash inflow from returns on investments and servicing of finance		(31,330)	6,650
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(143,328)	(6,314)
Purchase of investments		(787)	(205)
Proceeds from sale of investments		16,713	80,915
Net cash (outflow)/inflow from capital expenditure and financial investment		(127,402)	74,396
Tax (paid)/received		(718)	417
Net cash outflow before financing		(890,532)	(310,740)
Financing			
Increase in borrowings		828,756	-
Capital element of finance lease payments		57,937	(26,815)
Net cash inflow/(outflow) from financing		886,693	(26,815)
Decrease in net cash	21	(3,839)	(337,555)

The notes on pages 9 to 22 form part of these financial statements.

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 UK 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 2014. 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/2 years (being period on UK/US 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.

(f) Employee Benefit Trust

The group operates an Employee Benefit Trust (EBT) for the benefit of its employees. Ordinary shares are granted to employees at the discretion of the company, which is deemed the sponsoring entity. The assets and liabilities of the EBT have been included in the group accounts in accordance with 'UITF Abstract 38 Accounting for ESOP trusts' on the basis that the EBT is under de facto control of the company.

Investments in the company's own shares held by the EBT are shown as a deduction against shareholders' funds (other reserves).

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 funds advised by the group is the United Kingdom, Channel Islands and Luxembourg.

(l) 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 £2,562,099 (2013: £2,442,960), the directors believe that on the basis of a cash flow forecast prepared to April 2016, it is appropriate to prepare the accounts on a going concern basis. This decision has been made having also taken into account events occurring after the balance sheet date, as set out in note 22.

3. Operating loss

Operating loss is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
Owned assets	27,798	14,318
Leased assets	32,740	27,583
Operating lease charges	147,891	127,140
Auditor's remuneration :		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	28,280	30,660
The audit of the Company's subsidiaries, pursuant to legislation	18,300	18,300
Other services in relation to taxation	16,425	17,596

4. Employee information

	2014	2013
	£	£
Employee costs during the year amounted to:		
Wages and salaries	2,616,468	1,948,298
Social security costs	298,651	238,801
Other pension costs	21,836	35,801
	2,936,955	2,222,900

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

	2014	2013
Investment advisory	16	14
Administration	7	7
Total	23	21

5. Directors' emoluments

	2014	2013
	£	£
Aggregate emoluments	1,547,385	1,139,822

	2014	2013
	£	£
Highest paid director :		
Aggregate emoluments	243,952	163,679

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 (2013: £10,000) was paid to Johnson Brothers and Company Limited for the services of R G Hodgson as a director; a further £11,530 (2013: £10,450) was paid for his services as a consultant. A director's fee of £24,140 (2013: £15,000) was paid to Caledonia Investments plc for the services of W Wyatt and S Flanagan.

6. Interest receivable and similar income

	2014	2013
	£	£
Interest receivable on executive loans	18,840	9,299
	18,840	9,299

7. Finance costs

	2014	2013
	£	£
Interest payable on shareholder loans[1]	(167,498)	43,606
Cumulative preference share entitlement[2]	(168,703)	7,498
Interest on non payment of preference shares[2]	(85,964)	7,700
Other interest payable[3]	(116,370)	13,696
	(538,535)	72,500

As reported in the prior year financial statements, in August 2013, the company agreed a refinancing with the providers of the cumulative redeemable preference shares and shareholder loans. As part of the refinancing:

Notes

1 £265,519, representing 50% of all accrued loan interest was waived with the balance rolled into a new loan note instrument with 5% interest, payable 6 monthly in arrears. During the year, £98,021 of interest has been charged in relation to the new shareholder loans.

2 £256,232 representing 50% of all accrued dividends and interest was waived. The balance remained due and payable, but there was no ongoing entitlement to dividends or interest beyond August 2013. £1,565 has been charged to the profit and loss account for this short period to August 2013.

3 £123,136 of other accruals were also waived during the year. In addition, £6,766 has been charged to the profit and loss account in relation to finance leases.

As reported in note 22, all existing shareholder loans were repaid in full in August 2014, with the preference shares and balance of dividends/interest to be repaid by 31 October 2014.

8. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 22.5% (2013: 23.75%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(175,428)	(624,726)
Loss on ordinary activities multiplied by standard rates in the UK of 22.5% (2013: 23.75%)	(39,474)	(148,376)
Effects of:		
Non-deductible expenses	(24,283)	4,216
Excess of depreciation over capital allowances	(19,182)	(3,272)
Tax losses arising in the year	91,207	143,881
Other timing differences	(7,550)	3,551
Current tax charge for the year	718	-

No deferred taxation asset has been recognised for tax losses which amount to £1,383,086 (2013: £1,252,420). 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 loss for the year was £247,184 (2013: loss £649,439).

9. Tangible fixed assets

Group	Computer and electrical equipment	Office equipment/ improvements and furniture	Total
	£	£	£
Cost			
At 1 July 2013	325,212	282,034	607,246
Additions	118,862	24,466	143,328
At 30 June 2014	444,074	306,500	750,574
Depreciation			
At 1 July 2013	303,472	258,574	562,046
Charge for the year	44,746	15,792	60,538
As 30 June 2014	348,218	274,366	622,584
Net book value			
At 30 June 2014	95,856	32,134	127,990
At 30 June 2013	21,740	23,460	45,200

The finance leases with a net book value of £69,799 (2013: £9,829) are included in the amounts above. Depreciation on assets held under finance leases amounted to £32,740 (2013: £14,832).

Company	Computer and electrical equipment	Office equipment/ improvements and furniture	Total
	£	£	£
Cost			
At 1 July 2013	317,649	271,758	589,407
Additions	93,334	10,607	103,941
At 30 June 2014	410,983	282,365	693,348
Depreciation			
At 1 July 2013	295,909	248,298	544,207
Charge for the year	37,624	11,882	49,506
As 30 June 2014	333,533	260,180	593,713
Net book value			
At 30 June 2014	77,450	22,185	99,635
At 30 June 2013	21,740	23,460	45,200

10. Fixed asset investments

Investments

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Cost				
At 1 July 2013 and 1 July 2012	730,355	1,205,921	811,065	1,285,404
Additions	787	687	205	175
Disposals	(16,713)	(11,453)	(80,915)	(79,658)
	714,429	1,195,155	730,355	1,205,921
Revaluations				
At 1 July 2013 and 1 July 2012	(445,311)	(61,182)	1,075,826	1,463,674
Investment (impairment)/reversal	(63,010)	(55,234)	2,403	(1,499)
Investment revaluations	(3,900)	(2,925)	(1,523,540)	(1,523,357)
	(512,221)	(119,341)	(445,311)	(61,182)
Valuation at 30 June 2014 and 30 June 2013	202,208	1,075,814	285,044	1,144,739

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

TempoPark Fund I L.P. – Outstanding Commitment at 30 June 2014 (€7,182)
TempoPark Fund 2 L.P. – Outstanding Commitment at 30 June 2014 (£53)
NovaVest Fund I L.P. – Outstanding Commitment at 30 June 2014 (€nil)
TempoVest Fund II L.P. – Outstanding Commitment at 30 June 2014 (€nil)
Nova CI Investments L.P. – Outstanding Commitment at 30 June 2014 (£nil)
Nova Capital GP Investments III L.P. – Outstanding Commitment at 30 June 2014 (£nil)

Investment revaluations include £12,220 (2013: £16,120) in relation to investments in Private Equity Funds.

NexxtDrive 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 5.64% of the issued ordinary share capital.

Investments in Subsidiaries:

	2014 £	2013 £
Company		
Value of investment in subsidiary undertakings		
At 30 June 2014 and 30 June 2013	933,856	933,856
Value of investment in other undertakings		
At 30 June 2014 and 30 June 2013	141,958	210,883
Group and Company		
Value of investment in associates		
At 30 June 2014 and 30 June 2013	49	49

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 advisory	Ordinary £543,475 100%
SELECT Industries Management Company Limited ("SIMCO")	Guernsey	Investment management (dormant)	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.	General management	Ordinary £1 100%
Nova (GP) Scotland Ltd	Scotland	General Partner	Ordinary £1 100%
Nova Paul Investments S.àr.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 advisory	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%
Nova Wildcat 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%

The associate has a 30 June year end. At 30 June 2014, it had net assets of £100.

11. Debtors: amounts falling due within one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade debtors	87,935	19,259	213,722	48,112
Amounts owed by group undertakings[1]	-	1,054,128	-	555,112
Called up share capital not paid	22,501	22,501	22,501	22,501
Other debtors	141,343	141,343	132,301	140,230
Prepayments and accrued income	258,310	186,916	282,983	232,858
	510,089	1,424,147	651,507	998,813

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 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Executive loans & interest	188,421	188,421	202,896	202,896
Rent deposits	51,228	45,068	45,068	45,068
	239,649	233,489	247,964	247,964

12. Creditors : amounts falling due within one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade creditors	323,208	315,299	452,654	449,803
Amounts owed to group undertakings[1]	-	5,941,425	-	5,483,251
Obligations due under finance lease and hire purchase contracts	32,293	32,293	12,795	12,795
Other creditors	39,445	31,515	128,373	125,677
Other tax and social security	254,159	254,159	127,639	127,639
Cumulative redeemable preference shares[2]	475,000	475,000	475,000	475,000
Cumulative preference share dividend and interest[2]	256,233	256,233	510,900	510,900
Shareholder loans and interest[3]	2,114,849	2,114,849	-	-
Accruals and deferred income	207,322	147,486	571,071	335,076
	3,702,509	9,568,259	2,278,432	7,520,141

Creditors: amounts falling due after more than one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Shareholder loans and interest[3]	-	-	1,496,995	1,496,995
Obligations due under finance lease and hire purchase contracts	38,439	38,439	-	-
	38,439	38,439	1,496,995	1,496,995

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 and dividends/interest 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 August 2014 refinancing, full repayment of the preference shares and dividends/interest will be made by 31 October 2014.

3 Represents existing shareholder loans and interest which were repaid in full in August 2014 (see note 22).

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:

	2014	2013
	£	£
Group		
Within one year	32,293	12,035
Within 2-5 years	38,439	-
	70,732	12,035

14. Obligations under operating leases

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

	2014	2013
	£	£
Group		
Land and buildings leases expiring:		
- within one year	-	-
- within two to five years	184,969	150,227
	184,969	150,227

15. Called up share capital

	2014 Number	2014 £	2013 Number	2013 £
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. The Ordinary shares are voting shares with dividend rights. The Deferred shares carry no voting or dividend rights.

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 (2013 £10,000) was paid to Johnson Brothers & Company Limited for the services of R G Hodgson as a director; a further £11,530 (2013: £10,450) was paid for his services as a consultant. A director's fee of £24,140 (2013: £15,000) was paid to Caledonia Investments plc for the services of W Wyatt and S Flanagan.

At the year end, the group had outstanding loan facilities with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited. At the balance sheet date £2,114,849 (2013: £1,496,995) was outstanding (see note 22).

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.

T W Leader, a director, has 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 accrues on the outstanding balance at 7% above the base rate of Bank of England, up to a maximum of 10%. As at 30 June 2014, the outstanding loan and accrued interest amounted to $64,754.

A Robson, a director, has made a commitment to invest in Nova Capital GP Investments III LP, a special purpose vehicle established to make an investment in Nova Boxer LP, a Guernsey Limited Partnership. The company has provided a loan facility to the director up to a maximum of £90,000. Interest accrues on the outstanding balance at 3% above the base rate of Bank of Scotland. As at 30 June 2014, the outstanding loan and accrued interest amounted to £70,028.

17. Reserves

Group	Profit and loss reserve		Share premium account		Other reserves		Revaluation reserve (see note 10)	
	2014	2013	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£	£	£
At 1 July 2013 and 1 July 2012	(3,644,111)	(3,019,385)	1,074,324	1,074,324	(102,472)	-	16,120	1,539,660
Retained loss for the financial year	(176,146)	(624,726)	-	-	-	-	-	-
Movement during the year	-	-	-	-	60,907	(102,472)	(3,900)	(1,523,540)
At 30 June 2014 and 30 June 2013	(3,820,257)	(3,644,111)	1,074,324	1,074,324	(41,565)	(102,472)	12,220	16,120

18. Movement in shareholders' deficit

	2014 £	2013 £
Retained loss for the financial year	(176,146)	(624,726)
Net change in shareholders' deficit	(176,146)	(624,726)
Shareholders' deficit as at 1 July 2013 and 1 July 2012	(2,442,960)	(192,222)
Increase/(reduction) in revaluation reserve (see note 10)	(3,900)	(1,523,540)
Other reserve movements	60,907	(102,472)
Shareholders' deficit as at 30 June 2014 and 30 June 2013	(2,562,099)	(2,442,960)

19. Reconciliation of operating loss to net cash outflow from operating activities

	2014 £	2013 £
Operating loss	(669,793)	(563,928)
Depreciation charge	60,538	41,901
Decrease/(increase) in debtors	149,735	(157,253)
(Decrease)/increase in creditors	(271,562)	287,077
Net cash outflow from operating activities	(731,082)	(392,203)

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

	As at 1 July 2013 £	Cash flow £	Other non cash changes £	As at 30 June 2014 £
Cash in hand and at bank	102,703	(3,839)	-	98,864
Debt due within 1 year	(985,900)	(828,756)	(1,031,426)	(2,846,082)
Debt due after 1 year	(1,496,995)	-	1,496,995	-
Finance leases due within 1 year	(12,795)	(19,498)	-	(32,293)
Finance leases due after 1 year	-	(38,439)	-	(38,439)
	(2,392,987)	(890,532)	465,569	(2,817,950)

21. Analysis of net cash

	As at 1 July 2013 £	Cash flow £	As at 30 June 2014 £
Cash at bank and in hand	102,703	(3,839)	98,864

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

22. Events after the balance sheet date

In August 2014, the group entered into a new $9.0m loan facility with a new strategic partner. At completion, $6.1m of the loan was immediately drawn down, and used to repay all existing shareholder loans and accrued interest, together with providing cash for the redemption of the preference shares (and all accrued dividends/interest) which is due to take place by 31 October 2014, with the balance of the draw down, plus the undrawn amounts, available for general working capital purposes.

Interest on the loan will accrue at 10% per annum, compounded monthly, of which 5% can be paid in cash, and 5% rolled up. The maturity date is 22 August 2019, or if earlier, not before 30 June 2017.

As part of the loan, the lender holds a warrant for 20% of the shares of Nova Capital Group Limited, which can be exercised only on a liquidation event, or in August 2024. The company and certain subsidiaries also became party to a first debenture, which provided for charges to be placed over certain assets of the group, and formed part of the overall security package on the loan.