Registered Number: 04455321

Nova Capital Group Limited

Financial report
for the year ended

30 June 2015

THURSDAY

A58A3C02

A11 02/06/2016 #217

COMPANIES HOUSE

NOVA CAPITAL GROUP LIMITED
Contents
For the year ended 30 June 2015

	Pages
Strategic report	1
Directors' report	3
Independent auditor's report	5
Consolidated profit and loss account / Statement of total recognised gains and losses	7
Consolidated and parent company balance sheets	8
Consolidated cash flow statement	9
Notes to the financial statements	10

NOVA CAPITAL GROUP LIMITED
Strategic report
For the year ended 30 June 2015

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 the business

The 2014/15 financial year was a disappointing one for the firm. In August 2014, as reported in last year's accounts, we entered into two new strategic relationships with two major investment groups in order to provide us with equity underwriting capital. For various reasons, we were not able to complete any new deals with our new partners during the year.

Although deal flow remained strong, we found the market very competitive and over-priced. Given that our business model requires us to keep "filling the hopper" with new investments, this lack of new deal activity put financial pressures on the business. Accordingly, we were forced to make difficult decisions concerning our team structure. We reduced headcount in the London office during the year, and this continued after the year-end, both in London and North America. We are sorry to have lost some excellent colleagues during this process.

We have now restructured to a team size that reflects our current portfolio of investments. There is still considerable value to be realised from those investments and we believe the work we are putting in across the portfolio will ensure that we can deliver that potential, to the benefit of our limited partners, ourselves, and other stakeholders.

We continue to be open to new deal opportunities, but are currently "setting a high bar" in terms of the quality and probability of any new opportunities that we pursue.

As reflected in the accounts, we have borrowings of $9.0m which have been provided to the Group by one of our strategic partners. As set out in note 2, our ability to repay these loans in full over the next few years will depend on future cash flows and investment returns generated from our current, and any future, portfolios. Our strategic partner has shown its support and flexibility over the past two years and we expect that would continue to be reflected, if in the future, it became necessary to re-negotiate these facilities.

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 44% (2014: 39%) of the group's turnover is transacted in US dollars, 1% (2014: 5%) in Euros and a further 19% (2014: 19%) 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 €96,369 (2014: €121,757), $1,244,814 (2014: $81,537) and C$7,291 (2014: C$3,624). Financial liabilities in currencies other than sterling amount to $8,002,359 (2014: $nil). Foreign exchange differences on retranslation of these assets and liabilities are taken to the profit and loss account of the group.

On behalf of the Board



S M Bliss
Director

27 May 2016

The directors present their report and the audited financial statements for the year ended 30 June 2015. The Review of the Business and Risk Management disclosures are presented in the strategic report.

Results and dividends

The consolidated loss for the year after taxation is £2,392,624 (2014: loss £176,146). The directors do not recommend the payment of an ordinary dividend. The loss of £2,392,624 (2014: loss £176,146) has been transferred from reserves.

Directors

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

S M Bliss	
D J Carman	(resigned 17 August 2015)
R G Hodgson	(resigned 25 November 2015)
D A Jacobs	(resigned 25 November 2015)
K A Jones	
J Kreminski	(resigned 25 November 2015)
T W Leader	
A D Robson	(resigned 27 February 2015)
J D Seal	(resigned 17 August 2015)
D S Williamson	

Share capital

As part of the August 2014 refinancing, the Company purchased back the 20,996,712 Deferred Shares £0.01 each for a nominal consideration, and were subsequently cancelled in October 2014. There were no changes to the allotted ordinary 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

27 May 2016

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 2015 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/auditscopeukprivate.

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 2015 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £2,392,624 during the year ended 30 June 2015 and, at that date, the group's total liabilities exceeded its total assets by £4,923,564 and had net current liabilities of £125,163. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to operate as a going concern.

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

27 May 2016

NOVA CAPITAL GROUP LIMITED
Consolidated profit and loss account / Statement of total recognised gains and losses
For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Turnover		3,602,825	4,099,932
Administrative expenses		(5,338,857)	(4,769,725)
Operating loss	3	(1,736,032)	(669,793)
Impairment of investments	10	(253,370)	(63,010)
Interest receivable and similar income	6	10,021	18,840
Finance costs	7	(413,243)	538,535
Loss on ordinary activities before taxation		(2,392,624)	(175,428)
Tax on loss on ordinary activities	8	-	(718)
Retained loss for the financial year		(2,392,624)	(176,146)

Statement of total recognised gains and losses

Retained loss for the financial year		(2,392,624)	(176,146)
Revaluation of investments	10	(10,406)	(3,900)
Total recognised losses in the financial year		(2,403,030)	(180,046)

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.

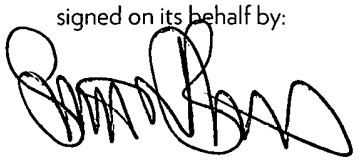
All activities of the group are classed as continuing.

The notes on pages 10 to 23 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated and parent company balance sheets
As at 30 June 2015
Registered Number: 04455321

	Notes	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Fixed assets					
Tangible assets	9	74,533	62,391	127,990	99,635
Investments	10	222,225	181,092	202,208	141,958
Investment in subsidiaries	10	-	933,856	-	933,856
Investment in associated undertaking	10	-	-	49	49
		296,758	1,177,339	330,247	1,175,498
Current assets					
Debtors					
– due within one year	11	207,585	1,927,858	510,089	1,424,147
– due after one year	11	100,971	100,971	239,649	233,489
Cash at bank and in hand		758,295	665,923	98,864	59,855
		1,066,851	2,694,752	848,602	1,717,491
Creditors: amounts falling due within one year	12	(1,192,014)	(7,810,271)	(3,702,509)	(9,568,259)
Net current liabilities		(125,163)	(5,115,519)	(2,853,907)	(7,850,768)
Total assets less current liabilities		171,595	(3,938,180)	(2,523,660)	(6,675,270)
Creditors: amounts falling due after more than one year	12	(5,095,159)	(5,095,159)	(38,439)	(38,439)
Net liabilities		(4,923,564)	(9,033,339)	(2,562,099)	(6,713,709)
Capital and reserves					
Called up share capital	15	3,212	3,212	213,179	213,179
Share premium	17	1,074,324	1,074,324	1,074,324	1,074,324
Revaluation reserve	17	1,814	-	12,220	-
Other reserves	17	209,967	209,967	(41,565)	(41,565)
Profit and loss account	17	(6,212,881)	(10,320,842)	(3,820,257)	(7,959,647)
Shareholders' deficit	18	(4,923,564)	(9,033,339)	(2,562,099)	(6,713,709)
Analysed as:					
Equity		(4,923,564)	(9,033,339)	(2,562,099)	(6,713,709)
Shareholders' deficit		(4,923,564)	(9,033,339)	(2,562,099)	(6,713,709)

The financial statements on pages 7 to 23 were approved by the board of directors on 27 May 2016 and were signed on its behalf by:



S M Bliss
Director

The notes on pages 10 to 23 form part of these financial statements.

NOVA CAPITAL GROUP LIMITED
Consolidated cash flow statement
For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Net cash outflow from operating activities	19	(827,647)	(731,082)
Returns on investments and servicing of finance			
Interest received and similar income		10,021	18,840
Finance charges on finance leases / shareholder and other loans		(465,021)	(50,170)
Net cash outflow from returns on investments and servicing of finance		(455,000)	(31,330)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(40,179)	(143,328)
Purchase of investments		(295,560)	(787)
Proceeds from sale of investments		11,816	16,713
Net cash outflow from capital expenditure and financial investment		(323,923)	(127,402)
Tax received / (paid)		3,585	(718)
Net cash outflow before financing		(1,602,985)	(890,532)
Financing			
Increase in borrowings		2,294,601	828,756
Capital element of finance lease payments		(32,185)	57,937
Net cash inflow from financing		2,262,416	886,693
Increase/(decrease) in net cash	21	659,431	(3,839)

The notes on pages 10to 23 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 2015. 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 normally shown as a deduction against shareholders' funds (other reserves), however, this has been fully provided for in these accounts.

(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

The Directors have determined that the going concern basis of accounting is appropriate having assessed the Group's cash flow forecasts and available financing facilities. Those cash flow forecasts indicate that the Group has sufficient financial resources to trade within in its current financing facilities for 12 months from the date these financial statements have been signed. The Group's longer term financial projections indicate that the Group may not have sufficient funds in the future to meet the repayments on its loan finance under the current terms. If this proves to be the case, the Directors anticipate that the Group would in due course need to re-negotiate repayment terms with the Group's lenders in order to continue 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:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
Owned assets	64,447	27,798
Leased assets	29,189	32,740
Operating lease charges	144,075	147,891
Foreign exchange movements	200,370	42,261
Auditor's remuneration :		
Fees payable to the Company's auditors for the audit of the Company's annual accounts and the consolidated Group accounts	36,500	28,280
The audit of the Company's subsidiaries, pursuant to legislation	2,000	12,200
Other assurance services	7,500	6,100
Other services in relation to taxation	14,300	16,425

4. Employee information

	2015 £	2014 £
Employee costs during the year amounted to:		
Wages and salaries	2,308,863	2,616,468
Social security costs	258,397	298,651
Other pension costs	21,552	21,836
	2,588,812	2,936,955

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

	2015	2014
Investment advisory	14	16
Administration	8	7
Total	22	23

5. Directors' emoluments

	2015 £	2014 £
Aggregate emoluments	1,485,787	1,547,385

	2015 £	2015 £
Highest paid director :		
Aggregate emoluments	214,926	243,952

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 (2014: £10,000) was paid to Johnson Brothers and Company Limited for the services of R G Hodgson as a director; a further £10,565 (2014: £11,530) was paid for his services as a consultant. A director's fee of £3,562 (2014: £24,140) was paid to Caledonia Investments plc for the services of S Flanagan.

6. Interest receivable and similar income

	2015	2014
	£	£
Bank interest	1,093	-
Interest receivable on executive loans	8,928	18,840
	10,021	18,840

7. Finance costs

	2015	2014
	£	£
Interest payable on shareholder loans[1]	16,111	(167,498)
Interest payable on other loans[4]	391,063	-
Cumulative preference share entitlement[2]	-	(168,703)
Interest on non payment of preference shares[2]	-	(85,964)
Other interest payable[3]	6,069	(116,370)
	413,243	(538,535)

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 in the 2014 financial year with the balance rolled into a new loan note instrument with 5% interest, payable 6 monthly in arrears. During that year, £98,021 of interest was charged in relation to the new shareholder loans, and a further £16,111 for the period from 1 July 2014 to the repayment date.

2 £256,232 representing 50% of all accrued dividends and interest was waived in the 2014 financial year. The balance remained due and payable, but there was no ongoing entitlement to dividends or interest beyond August 2013. £1,565 was charged to the profit and loss account for this short period to August 2013. There were no further charges in the current financial year.

3 £123,136 of other accruals were also waived during the 2014 financial year. In addition, £6,766 was charged to the profit and loss account in relation to finance leases, and £6,069 in the current financial year.

As reported in note 12, all existing shareholder loans were repaid in full in August 2014, with the preference shares and balance of dividends/interest repaid in September 2014.

4 In August 2014, the group entered into a new $9.0m loan facility with a new strategic partner. Interest on the loan accrues at 10% per annum, compounded monthly, of which 5% can be paid in cash, and 5% rolled up, so long as the loan balance does not exceed $9.0m. The maturity date is 28 February 2019, or earlier, if a default event occurs (see note 22). £391,063 of interest has been charged in the current financial year.

8. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(2,392,624)	(175,428)
Loss on ordinary activities multiplied by standard rates in the UK of 20.75% (2014: 22.5%)	(496,486)	(39,474)
Effects of:		
Non-deductible expenses	58,305	(24,283)
Excess of depreciation over capital allowances	(1,029)	(19,182)
Tax losses arising in the year	417,227	91,207
Other timing differences	21,983	(7,550)
Current tax charge for the year	-	718

No deferred taxation asset has been recognised for tax losses which amount to £1,723,956 (2014: £1,383,086). 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 £2,361,195 (2014: loss £247,184).

9. Tangible fixed assets

Group	Computer and electrical equipment	Office equipment/ improvements and furniture	Total
	£	£	£
Cost			
At 1 July 2014	444,074	306,500	750,574
Additions	31,827	8,352	40,179
At 30 June 2015	475,901	314,852	790,753
Depreciation			
At 1 July 2014	348,218	274,366	622,584
Charge for the year	59,715	33,921	93,636
As 30 June 2015	407,933	308,287	716,220
Net book value			
At 30 June 2015	67,968	6,565	74,533
At 30 June 2014	95,856	32,134	127,990

The finance leases with a net book value of £40,717 (2014: £69,799) are included in the amounts above. Depreciation on assets held under finance leases amounted to £29,189 (2014: £32,740).

Company	Computer and electrical equipment	Office equipment/ improvements and furniture	Total
	£	£	£
Cost			
At 1 July 2014	410,983	282,365	693,348
Additions	19,431	8,092	27,523
At 30 June 2015	430,414	290,457	720,871
Depreciation			
At 1 July 2014	333,533	260,180	593,713
Charge for the year	38,218	26,549	64,767
As 30 June 2015	371,751	286,729	658,480
Net book value			
At 30 June 2015	58,663	3,728	62,391
At 30 June 2014	77,450	22,185	99,635

10. *Fixed asset investments*

Investments

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Cost				
At 1 July 2014 and 1 July 2013	714,429	1,195,155	730,355	1,205,921
Additions	295,560	295,560	787	687
Disposals	(11,767)	(7,545)	(16,713)	(11,453)
	998,222	1,483,170	714,429	1,195,155
Revaluations				
At 1 July 2014 and 1 July 2013	(512,221)	(119,341)	(445,311)	(61,182)
Investment (impairment)/reversal	(253,370)	(248,881)	(63,010)	(55,234)
Investment revaluations	(10,406)	-	(3,900)	(2,925)
	(775,997)	(368,222)	(512,221)	(119,341)
Valuation at 30 June 2015 and 30 June 2014	222,225	1,114,948	202,208	1,075,814

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 2015 (€nil)
TempoPark Fund 2 L.P. – Outstanding Commitment at 30 June 2015 (£nil)
NovaVest Fund I L.P. – Outstanding Commitment at 30 June 2015 (€nil)
TempoVest Fund II L.P. – Outstanding Commitment at 30 June 2015 (€nil)
Nova CI Investments L.P. – Outstanding Commitment at 30 June 2015 (£nil)
Nova Capital GP Investments III L.P. – Outstanding Commitment at 30 June 2015 (£nil)
Nova Capital GP Investments VII L.P. – Outstanding Commitment at 30 June 2015 ($280)

Investment revaluations include £1,814 (2014: £12,220) 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:

	2015 £	2014 £
Company		
Value of investment in subsidiary undertakings		
At 30 June 2015 and 30 June 2014	933,856	933,856
Value of investment in other undertakings		
At 30 June 2015 and 30 June 2014	181,092	141,958
Group and Company		
Value of investment in associates		
At 30 June 2015 and 30 June 2014	-	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 Limited	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.

11. Debtors: amounts falling due within one year

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade debtors	23,892	4,608	87,935	19,259
Amounts owed by group undertakings[1]	-	1,783,198	-	1,054,128
Called up share capital not paid	-	-	22,501	22,501
Other debtors	60,749	76,306	141,343	141,343
Prepayments and accrued income	122,944	63,746	258,310	186,916
	207,585	1,927,858	510,089	1,424,147

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 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Executive / former executive loans & interest	100,971	100,971	188,421	188,421
Rent deposits	-	-	51,228	45,068
	100,971	100,971	239,649	233,489

12. Creditors : amounts falling due within one year

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade creditors	202,307	190,848	323,208	315,299
Amounts owed to group undertakings[1]	-	6,690,860	-	5,941,425
Obligations due under finance lease and hire purchase contracts	32,293	32,293	32,293	32,293
Other creditors	705,433	682,214	39,445	31,515
Other tax and social security	48,735	40,423	254,159	254,159
Cumulative redeemable preference shares[2]	-	-	475,000	475,000
Cumulative preference share dividend and interest[2]	-	-	256,233	256,233
Shareholder loans and interest[3]	-	-	2,114,849	2,114,849
Accruals and deferred income	203,246	173,633	207,322	147,486
	1,192,013	7,810,271	3,702,509	9,568,259

Creditors: amounts falling due after more than one year

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Other loans and interest[4]	5,088,905	5,088,905	-	-
Obligations due under finance lease and hire purchase contracts	6,254	6,254	38,439	38,439
	5,095,159	5,095,159	38,439	38,439

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 were redeemed in September 2014.

3 Represents shareholder loans and interest which were repaid in full in August 2014.

4 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 took place in September 2014, with the balance of the draw down, plus the undrawn amounts, available for general working capital purposes. As at 30 June 2015, $7.6m had been drawn.

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 28 February 2019, or earlier, if a default event occurs (see note 22).

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.

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:

	2015	2014
	£	£
Group		
Within one year	32,294	32,293
Within 2-5 years	6,253	38,439
	38,547	70,732

14. Obligations under operating leases

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

	2015	2014
	£	£
Group		
Land and buildings leases expiring:		
- within one year	88,729	-
- within two to five years	-	184,969
	88,729	184,969

15. Called up share capital

	2015 Number	2015 £	2014 Number	2014 £
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
	407,653	4,077	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
	321,166	3,212	21,317,878	213,179

Share capital
As part of the August 2014 refinancing, the Company purchased back the 20,996,712 Deferred Shares £0.01 each for a nominal consideration, and were subsequently cancelled in October 2014. There were no changes to the allotted ordinary share capital during the year. The Ordinary shares are voting shares with 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 (2014 £10,000) was paid to Johnson Brothers & Company Limited for the services of R G Hodgson as a director; a further £10,565 (2014: £11,530) was paid for his services as a consultant. A director's fee of £3,562 (2014: £24,140) was paid to Caledonia Investments plc for the services of S Flanagan.

As part of the August 2014 refinancing, the shareholder loan facilities provided by Caledonia Investments Plc, and Johnson Brothers & Company Limited, were repaid in full.

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 2015, the outstanding loan and accrued interest amounted to $399.

17. Reserves

Group	Profit and loss reserve		Share premium account		Other reserves		Revaluation reserve (see note 10)	
	2015	2014	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£	£	£
At 1 July 2014 and 1 July 2013	(3,820,257)	(3,644,111)	1,074,324	1,074,324	(41,565)	(102,472)	12,220	16,120
Retained loss for the financial year	(2,392,624)	(176,146)	-	-	-	-	-	-
Movement during the year	-	-	-	-	251,532	60,907	(10,406)	(3,900)
At 30 June 2015 and 30 June 2014	(6,212,881)	(3,820,257)	1,074,324	1,074,324	209,967	(41,565)	1,814	12,220

18. *Movement in shareholders' deficit*

	2015 £	2014 £
Retained loss for the financial year	(2,392,624)	(176,146)
Net change in shareholders' deficit	(2,392,624)	(176,146)
Shareholders' deficit as at 1 July 2014 and 1 July 2013	(2,562,099)	(2,442,960)
Increase/(reduction) in revaluation reserve (see note 10)	(10,406)	(3,900)
Other reserve movements	41,565	60,907
Shareholders' deficit as at 30 June 2015 and 30 June 2014	(4,923,564)	(2,562,099)

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

	2015 £	2014 £
Operating loss	(1,736,032)	(669,793)
Depreciation charge	93,636	60,538
Decrease in debtors	436,915	149,735
Increase/(decrease) in creditors	377,834	(271,562)
Net cash outflow from operating activities	(827,647)	(731,082)

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

	As at 1 July 2014 £	Cash flow £	Other non cash changes £	As at 30 June 2015 £
Cash in hand and at bank	98,864	659,431	-	758,295
Debt due within 1 year	(2,846,082)	2,538,306	307,776	-
Debt due after 1 year	-	(4,832,907)	(255,998)	(5,088,905)
Finance leases due within 1 year	(32,293)	-	-	(32,293)
Finance leases due after 1 year	(38,439)	32,185	-	(6,254)
	(2,817,950)	(1,602,985)	51,778	(4,369,157)

21. Analysis of net cash

	As at 1 July 2014 £	Cash flow £	As at 30 June 2015 £
Cash at bank and in hand	98,864	659,431	758,295

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

22. Events after the balance sheet date

In August 2015, the group entered into revised arrangements in relation to the $9.0m loan facility put in place in August 2014, with a new strategic partner. The maturity date was amended to 28 February 2019, or earlier, if a default event occurs, although certain prepayment dates were agreed to commence repayment of the outstanding loan. A covenant package was also introduced with testing with effect from 31 December 2016 through 28 February 2019. A further $0.7m of the loan was also drawn down as part of these revised arrangements.

In May 2016, a further amendment was made to the arrangements, whereby the first prepayment date was extended from 31 December 2016, to 30 June 2017.

After the balance sheet date, the group continued to implement a significant cost reduction plan, further details of which can be found in the Strategic Report (Review of the business) on page 1.