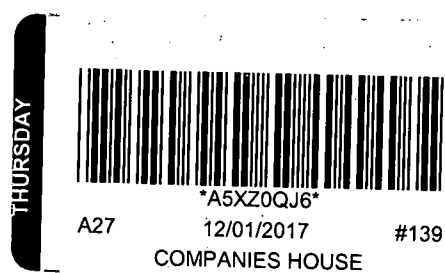


Registered Number: 04455321

Nova Capital Group Limited

Financial report
for the year ended

30 June 2016



NOVA CAPITAL GROUP LIMITED
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For the year ended 30 June 2016

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NOVA CAPITAL GROUP LIMITED

Strategic report

For the year ended 30 June 2016

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 2015/16 financial year was a challenging one for the firm. As reported in the previous year's audited accounts, we decided in September 2015 that we needed to down-size the business, particularly in Europe, and the necessary actions were then implemented over the ensuing months. Although this was a difficult process to go through, the outcome was that we ended the year with a team and footprint in line with the ongoing needs of the business, and in particular of our remaining portfolio of investments.

Our focus at present is to manage out those existing investments over the coming years to ensure that we are delivering optimal results for the benefit of our limited partners and other stakeholders. In that regard, 2015/16 was a positive year, particularly as regards the Wildcat portfolio in the US which, after a difficult period, is now showing a significant upward trend in performance following the turn-around actions which our team have introduced. We also made further good progress on the Shell portfolio where, after the year end, we reported the successful exit of Wescon Controls which means that the fund is now well into profit, with 2 of the 5 original investments still unrealised.

On the new business front, we have been pleased with the quality of our deal-flow. Given our reduced resources we are, of course, being highly selective about which opportunities we pursue. It remains an important, albeit secondary, priority to ensure that we retain a credible capacity to land new portfolio deals where our operational management approach can add real value.

From a financial perspective, the key issue is our ability to generate cash returns from the firm's own investment portfolio to enable us to repay the \$9m loan facility provided by one of our strategic partners. As set out in note 2 to the accounts, 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. In the meantime, we now have the business in a stable position where management fees from our existing portfolios more than cover our operating costs. This should provide us with a platform to ensure that, over the next 2-3 years, we can give our full attention to maximising proceeds from our existing portfolios and selectively adding one or two new ones.

Principal Risks and Uncertainties:

Financial risk management

The group uses various financial instruments which include cash, trade debtors, trade creditors, balance sheet 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.

NOVA CAPITAL GROUP LIMITED

Strategic report

For the year ended 30 June 2016

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 31% (2015: 44%) of the group's turnover is transacted in US dollars, 1% (2015: 1%) in Euros and a further 15% (2015: 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 €54,207 (2015: €96,369), \$215,747 (2015: \$1,244,814) and C\$11,314 (2015: C\$7,291). Financial liabilities in currencies other than sterling amount to \$9,038,698 (2015: \$8,002,359). 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

21 December 2016

NOVA CAPITAL GROUP LIMITED

Directors' report

For the year ended 30 June 2016

The directors present their report and the audited financial statements for the year ended 30 June 2016. The review of the business and risk management disclosures are presented in the strategic report.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Results and dividends

The consolidated loss for the year after taxation is £1,409,321 (2015: loss £2,392,624). The directors do not recommend the payment of an ordinary dividend. The loss of £1,409,321 (2015: loss £2,392,624) 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	
J D Seal	(resigned 17 August 2015)
D S Williamson	

Share capital

There were no changes to the issued or 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.

NOVA CAPITAL GROUP LIMITED

Directors' report

For the year ended 30 June 2016

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

21 December 2016

NOVA CAPITAL GROUP LIMITED

Independent auditor's report

For the year ended 30 June 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 2016 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 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 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 £1,409,321 during the year ended 30 June 2016 and, at that date, the group's total liabilities exceeded its total assets by £6,332,268 but with net current assets of £311,409. 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 continue as a going concern.

NOVA CAPITAL GROUP LIMITED

Independent auditor's report

For the year ended 30 June 2016

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.

Grant Thornton UK LLP

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

21 December 2016

NOVA CAPITAL GROUP LIMITED

Consolidated profit and loss account / Statement of total recognised gains and losses For the year ended 30 June 2016

Registered Number: 04455321

	Notes	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Turnover		2,243,651	3,602,825
Administrative expenses		(2,015,206)	(5,148,666)
Operating profit / (loss)	3	228,445	(1,545,841)
Foreign exchange movements		(1,050,803)	(190,191)
Impairment of investments	10	84,151	(253,370)
Loss on sale of fixed asset investments		(52,543)	-
Interest receivable and similar income	6	7	10,021
Finance costs	7	(618,578)	(413,243)
Loss on ordinary activities before taxation		(1,409,321)	(2,392,624)
Tax on loss on ordinary activities	8	-	-
Retained loss for the financial year		(1,409,321)	(2,392,624)

Statement of total recognised gains and losses

Retained loss for the financial year		(1,409,321)	(2,392,624)
Revaluation of investments	10	617	(10,406)
Total recognised losses in the financial year		(1,408,704)	(2,403,030)

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 2016
Registered Number: 04455321

	Notes	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Fixed assets					
Tangible assets	9	23,625	23,625	74,533	62,391
Investments	10	152,689	125,000	222,225	181,092
Investment in subsidiaries	10	-	610,964	-	933,856
		<u>176,314</u>	<u>759,589</u>	<u>296,758</u>	<u>1,177,339</u>
Current assets					
Debtors					
- due within one year	11	290,770	283,260	207,585	1,927,858
- due after one year	11	-	-	100,971	100,971
Cash at bank and in hand		<u>316,953</u>	<u>138,935</u>	<u>758,295</u>	<u>665,923</u>
		<u>607,723</u>	<u>422,195</u>	<u>1,066,851</u>	<u>2,694,752</u>
Creditors: amounts falling due within one year	12	(296,314)	(5,336,465)	(1,192,014)	(7,810,271)
Net current assets/(liabilities)		<u>311,409</u>	<u>(4,914,270)</u>	<u>(125,163)</u>	<u>(5,115,519)</u>
Total assets less current liabilities		<u>487,723</u>	<u>(4,154,681)</u>	<u>171,595</u>	<u>(3,938,180)</u>
Creditors: amounts falling due after more than one year	12	(6,819,991)	(6,819,991)	(5,095,159)	(5,095,159)
Net liabilities		<u>(6,332,268)</u>	<u>(10,974,672)</u>	<u>(4,923,564)</u>	<u>(9,033,339)</u>
Capital and reserves					
Called up share capital	15	3,212	3,212	3,212	3,212
Share premium	17	1,074,324	1,074,324	1,074,324	1,074,324
Revaluation reserve	17	2,431	-	1,814	-
Other reserves	17	209,967	209,967	209,967	209,967
Profit and loss account	17	(7,622,202)	(12,262,175)	(6,212,881)	(10,320,842)
Shareholders' deficit	18	<u>(6,332,268)</u>	<u>(10,974,672)</u>	<u>(4,923,564)</u>	<u>(9,033,339)</u>
Analysed as:					
Equity		<u>(6,332,268)</u>	<u>(10,974,672)</u>	<u>(4,923,564)</u>	<u>(9,033,339)</u>
Shareholders' deficit		<u>(6,332,268)</u>	<u>(10,974,672)</u>	<u>(4,923,564)</u>	<u>(9,033,339)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 7 to 23 were approved by the board of directors on 21 December 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 2016

	Notes	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Net cash outflow from operating activities	19	(569,389)	(637,456)
Returns on investments and servicing of finance			
Interest received and similar income		7	10,021
Finance charges on finance leases and other loans		(417,366)	(465,021)
Net cash outflow from returns on investments and servicing of finance		(417,359)	(455,000)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,136)	(40,179)
Purchase of investments		-	(295,560)
Proceeds from sale of investments		101,761	11,816
Net cash inflow/(outflow) from capital expenditure and financial investment		98,625	(323,923)
Tax received		-	3,585
Net cash outflow before financing		(888,123)	(1,412,794)
Financing			
Increase in borrowings		479,071	2,104,410
Capital element of finance lease payments		(32,290)	(32,185)
Net cash inflow from financing		446,781	2,072,225
(Decrease)/increase in net cash	21	(441,342)	659,431

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

NOVA CAPITAL GROUP LIMITED

Notes to the financial statements

For the year ended 30 June 2016

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 Financial Reporting Standard for Smaller Entities (effective January 2015).

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 2016. 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.

NOVA CAPITAL GROUP LIMITED

Notes to the financial statements

For the year ended 30 June 2016

(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 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 re-negotiate repayment terms further with the Group's lenders in order to continue to prepare the accounts on a going concern basis. Those negotiations would take place at a future date and as such this constitutes a material uncertainty.

This determination has been made having also taken into account events occurring after the balance sheet date, as set out in note 22.

NOVA CAPITAL GROUP LIMITED

Notes to the financial statements

For the year ended 30 June 2016

3. Operating profit / (loss)

Operating profit / (loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
Owned assets	24,876	64,447
Leased assets	29,168	29,189
Operating lease charges	105,462	144,075
Auditor's remuneration:		
Trading foreign exchange movements	(63,270)	10,179
Fees payable to the Company's auditors for the audit of the Company's annual accounts and the consolidated Group accounts	36,000	36,500
The audit of the Company's subsidiaries, pursuant to legislation	5,000	2,000
Other assurance services	5,000	7,500
Other services in relation to taxation	15,180	14,300

Note: Foreign exchange movements relating to US\$ denominated loans have been reclassified below operating profits for the year ended 30 June 2016 and 30 June 2015.

4. Employee information

	2016 £	2015 £
Employee costs during the year amounted to:		
Wages and salaries	796,414	2,308,863
Social security costs	85,428	258,397
Other pension costs	5,131	21,552
	<u>886,973</u>	<u>2,588,812</u>

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

	2016	2015
Investment advisory	4	14
Administration	3	8
Total	<u>7</u>	<u>22</u>

5. Directors' emoluments

	2016 £	2015 £
Aggregate emoluments	<u>537,415</u>	<u>1,485,787</u>
	2016 £	2015 £
Highest paid director:		
Aggregate emoluments	<u>156,655</u>	<u>214,926</u>

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, £385 (2015: £20,565) was paid to Johnson Brothers and Company Limited for the services of R G Hodgson as a director and as a consultant, and £9,000 (2015: £nil) was paid to T Leader for consultancy services.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2016

6. Interest receivable and similar income

	2016	2015
	£	£
Bank interest	7	1,093
Interest receivable on executive loans	-	8,928
	<u>7</u>	<u>10,021</u>

7. Finance costs

	2016	2015
	£	£
Interest payable on shareholder loans	-	16,111
Interest payable on other loans ¹	612,471	391,063
Other interest payable	6,107	6,069
	<u>618,578</u>	<u>413,243</u>

Notes

- ¹ As reported in the prior year audited accounts, in August 2014 (as amended August 2015 and May 2016) the group entered into a \$9.0m loan facility with a 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. £612,471 (2015: £391,063) of interest has been charged in the current financial year. After the balance sheet date, some of the terms of the loan were amended (see note 22).

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2016

8. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(1,409,321)	(2,392,624)
Loss on ordinary activities multiplied by standard rates in the UK of 20.00% (2015: 20.75%)	(281,864)	(496,486)
Effects of:		
Non-deductible expenses	(3,827)	58,305
Excess of depreciation over capital allowances	3,595	(1,029)
Tax losses arising in the year	282,096	417,227
Other timing differences	-	21,983
Current tax charge for the year	-	-

No deferred taxation asset has been recognised for tax losses which amount to £2,335,721 (2015: £1,723,956). 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 £1,941,333 (2015: loss £2,361,195).

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2016

9. Tangible fixed assets

Group	Computer and electrical equipment £	Office equipment/ improvements and furniture £	Total £
Cost			
At 1 July 2015	475,901	314,852	790,753
Additions	3,136	-	3,136
At 30 June 2016	479,037	314,852	793,889
Depreciation			
At 1 July 2015	407,933	308,287	716,220
Charge for the year	47,479	6,565	54,044
As 30 June 2016	455,412	314,852	770,264
Net book value			
At 30 June 2016	23,625	-	23,625
At 30 June 2015	67,968	6,565	74,533

The finance leases with a net book value of £11,549 (2015: £40,717) are included in the amounts above. Depreciation on assets held under finance leases amounted to £29,168 (2015: £29,189).

Company	Computer and electrical equipment £	Office equipment/ improvements and furniture £	Total £
Cost			
At 1 July 2015	430,414	290,457	720,871
Additions	3,136	-	3,136
At 30 June 2016	433,550	290,457	724,007
Depreciation			
At 1 July 2015	371,751	286,729	658,480
Charge for the year	38,174	3,728	41,902
As 30 June 2016	409,925	290,457	700,382
Net book value			
At 30 June 2016	23,625	-	23,625
At 30 June 2015	58,663	3,728	62,391

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2016

10. Fixed asset investments

Investments	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Cost				
At 1 July 2015 and 1 July 2014	998,222	1,483,170	714,429	1,195,155
Additions	-	-	295,560	295,560
Disposals	(154,304)	(140,118)	(11,767)	(7,545)
	843,918	1,343,052	998,222	1,483,170
Revaluations				
At 1 July 2015 and 1 July 2014	(775,997)	(368,222)	(512,221)	(119,341)
Investment (impairment)/reversal	84,151	(238,866)	(253,370)	(248,881)
Investment revaluations	617	-	(10,406)	-
	(691,229)	(607,088)	(775,997)	(368,222)
Valuation at 30 June 2016 and 30 June 2015	152,689	735,964	222,225	1,114,948

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 2016 (€nil)
TempoPark Fund 2 L.P. – Outstanding Commitment at 30 June 2016 (€nil)
NovaVest Fund I L.P. – Outstanding Commitment at 30 June 2016 (€nil)
TempoVest Fund II L.P. – Outstanding Commitment at 30 June 2016 (€nil)
Nova CI Investments L.P. – Outstanding Commitment at 30 June 2016 (€nil)
Nova Capital GP Investments III L.P. – Outstanding Commitment at 30 June 2016 (€nil)
Nova Capital GP Investments VII L.P. – Outstanding Commitment at 30 June 2016 (\$280)
Nova Capital GP Investments IX L.P. – Outstanding Commitment at 30 June 2016 (\$nil)

Investment revaluations include £2,431 (2015: £1,814) 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 5.07% of the issued ordinary share capital (4.47% fully diluted).

Investments in Subsidiaries:

	2016 £	2015 £
Company		
Value of investment in subsidiary undertakings		
At 30 June 2016 and 30 June 2015	610,964	933,856
Value of investment in other undertakings		
At 30 June 2016 and 30 June 2015	125,000	181,092

Note : In June 2016, a full provision of £322,892 has been made in relation to an investment in a subsidiary undertaking.

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Notes to the financial statements

For the year ended 30 June 2016

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.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 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.

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11. Debtors: amounts falling due within one year

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Trade debtors	99,790	35,594	23,892	4,608
Amounts owed by group undertakings ¹	-	93,071	-	1,783,198
Other debtors	82,289	79,690	60,749	76,306
Executive/former executive loans & interest	42,143	42,143	-	-
Prepayments and accrued income	66,548	32,762	122,944	63,746
	<u>290,770</u>	<u>283,260</u>	<u>207,585</u>	<u>1,927,858</u>

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 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Executive / former executive loans & interest	-	-	100,971	100,971
	<u>-</u>	<u>-</u>	<u>100,971</u>	<u>100,971</u>

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For the year ended 30 June 2016

12. Creditors : amounts falling due within one year

	Group 2016	Company 2016	Group 2015	Company 2015
	£	£	£	£
Trade creditors	82,035	74,629	202,307	190,848
Amounts owed to group undertakings ¹	-	5,084,311	-	6,690,860
Obligations due under finance lease and hire purchase contracts	6,257	6,257	32,293	32,293
Other creditors	39,602	35,212	705,433	682,214
Other tax and social security	33,012	24,701	48,735	40,423
Accruals and deferred income	135,408	111,355	203,246	173,633
	<u>296,314</u>	<u>5,336,465</u>	<u>1,192,014</u>	<u>7,810,271</u>

Creditors: amounts falling due after more than one year

	Group 2016	Company 2016	Group 2015	Company 2015
	£	£	£	£
Other loans and interest ²	6,819,991	6,819,991	5,088,905	5,088,905
Obligations due under finance lease and hire purchase contracts	-	-	6,254	6,254
	<u>6,819,991</u>	<u>6,819,991</u>	<u>5,095,159</u>	<u>5,095,159</u>

Notes

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

² As reported in the prior year audited accounts, in August 2014, the group entered into a \$9.0m loan facility with a strategic partner. As at 30 June 2016 the full \$9.0m (2015: \$7.6m) had been drawn. At the balance sheet date, interest on the loan accrues 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. After the balance sheet date, some of the terms of the loan were amended (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.

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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:

	2016	2015
	£	£
Group		
Within one year	6,257	32,294
Within 2-5 years	-	6,253
	<u>6,257</u>	<u>38,547</u>

14. Obligations under operating leases

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

	2016	2015
	£	£
Group		
Land and buildings leases expiring:		
- within one year	<u>68,618</u>	<u>88,729</u>
	<u>68,618</u>	<u>88,729</u>

15. Called up share capital

	2016 Number	2016 £	2015 Number	2015 £
Authorised				
Equity share capital :				
Ordinary shares of £0.01 each	<u>407,653</u>	<u>4,077</u>	<u>407,653</u>	<u>4,077</u>
	<u>407,653</u>	<u>4,077</u>	<u>407,653</u>	<u>4,077</u>
Allotted				
Equity share capital :				
Ordinary shares of £0.01 each	<u>321,166</u>	<u>3,212</u>	<u>321,166</u>	<u>3,212</u>
	<u>321,166</u>	<u>3,212</u>	<u>321,166</u>	<u>3,212</u>

Share capital

There were no changes to the allotted ordinary share capital during the year. The Ordinary shares are voting shares with dividend rights.

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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, £385 (2015 £20,565) was paid to Johnson Brothers & Company Limited for the services of R G Hodgson as a director and as a consultant, and £9,000 (2015: £nil) was paid to T Leader for consultancy services.

17. Reserves

Group	Profit and loss reserve		Share premium account		Other reserves		Revaluation reserve (see note 10)	
	2016	2015	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£	£	£
At 1 July 2015 and 1 July 2014	(6,212,881)	(3,820,257)	1,074,324	1,074,324	209,967	(41,565)	1,814	12,220
Retained loss for the financial year	(1,409,321)	(2,392,624)	-	-	-	-	-	-
Movement during the year	-	-	-	-	-	251,532	617	(10,406)
At 30 June 2016 and 30 June 2015	(7,622,202)	(6,212,881)	1,074,324	1,074,324	209,967	209,967	2,431	1,814

Company	Profit and loss reserve		Share premium account		Other reserves	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
At 1 July 2015 and 1 July 2014	(10,320,842)	(7,959,647)	1,074,324	1,074,324	209,967	(41,565)
Retained loss for the financial year	(1,941,333)	(2,361,195)	-	-	-	-
Movement during the year	-	-	-	-	-	251,532
At 30 June 2016 and 30 June 2015	(12,262,175)	(10,320,842)	1,074,324	1,074,324	209,967	209,967

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18. Movement in shareholders' deficit

	2016 £	2015 £
Retained loss for the financial year	(1,409,321)	(2,392,624)
Net change in shareholders' deficit	(1,409,321)	(2,392,624)
Shareholders' deficit as at 1 July 2015 and 1 July 2014	(4,923,564)	(2,562,099)
Increase/(reduction) in revaluation reserve (see note 10)	617	(10,406)
Other reserve movements	-	41,565
Shareholders' deficit as at 30 June 2016 and 30 June 2015	(6,332,268)	(4,923,564)

19. Reconciliation of operating profit / (loss) to net cash outflow from operating activities

	2016 £	2015 £
Operating profit / (loss)	228,445	(1,545,841)
Depreciation charge	54,044	93,636
Decrease in debtors	17,786	436,915
(Decrease)/increase in creditors	(869,664)	377,834
Net cash outflow from operating activities	(569,389)	(637,456)

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

	As at 1 July 2015 £	Cash flow £	Other non cash changes £	As at 30 June 2016 £
Cash in hand and at bank	758,295	(441,342)	-	316,953
Debt due after 1 year	(5,088,905)	(67,812)	(1,663,274)	(6,819,991)
Finance leases due within 1 year	(32,293)	32,293	-	-
Finance leases due after 1 year	(6,254)	(3)	-	(6,257)
	(4,369,157)	(476,864)	(1,663,274)	(6,509,295)

21. Analysis of net cash

	As at 1 July 2015 £	Cash flow £	As at 30 June 2016 £
Cash at bank and in hand	758,295	(441,342)	316,953

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

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22. Events after the balance sheet date

As reported in the prior year audited accounts, 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 strategic partner.

During the current financial year (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. Then, in October 2016, the group entered into further revised arrangements whereby;

- i) The first prepayment date was extended from 30 June 2017 to 31 March 2018;
- ii) The second prepayment date was extended from 31 December 2017 to 30 September 2018;
- iii) Interest payable was reduced (with effect from 1 November 2016) from 10% to 5% per annum, with the remaining 5% rolled up to the maturity date of 28 February 2019;
- iv) Covenant testing would cease to be required with effect from 1 November 2016.