

Registered Number: 04455321

Nova Capital Group Limited

Financial report for the year ended

30 June 2011

37



NOVA CAPITAL GROUP LIMITED
Contents
For the year ended 30 June 2011

	Pages
Directors' report	1
Independent auditor's report	4
Consolidated profit and loss account / Statement of total recognised gains and losses	5
Consolidated and parent company balance sheets	6
Consolidated cash flow statement	7
Notes to the financial statements	8

NOVA CAPITAL GROUP LIMITED
Directors' report
For the year ended 30 June 2011

The directors present their report and the audited financial statements for the year ended 30 June 2011

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 2010/11 financial year has been one where, after the challenging economic conditions of the past couple of years, we believe that the firm has made good progress.

The highlight of the year has been the continued strong performance of our portfolio companies which has provided the platform for a number of very positive realisations. The strong trading out-performance has been no coincidence. It is a result of the firm's well established operating model which involves experienced operating professionals working directly with each portfolio company management team to ensure dynamic and sure-footed reaction to changing markets. As a result, we were able to realise our investments in a number of important portfolio companies including ABSL, Sterilin, Continuum, MeetingZone, EIS Optics and Diacom. These exits provided excellent returns for our investors but also generated good levels of revenue for the firm, its shareholders and employees.

On the new transaction front, it was a year which saw an improvement in conditions for agreeing deals with sellers at realistic prices. We were very busy on a number of transactions and while none of these completed during the year, they represented a strong 'work in progress' backlog moving into the new financial year. One specific example was Project Argent which was signed in June 2011 but did not complete until early August. This involved the acquisition of 5 industrial businesses in Canada in a C\$200 million plus transaction. This has led us to open an office in Vancouver where two of our partners are now based. We have high hopes for this, and other investments we have completed since the year end.

We have continued to benefit from strong and consistent support from our institutional shareholder Caledonia Investments, which we greatly appreciate.

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

NOVA CAPITAL GROUP LIMITED

Directors' report

For the year ended 30 June 2011

Financial risk management

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

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

Liquidity risk

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

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

Credit risk

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

Currency risk

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

Approximately 10% (2010 15%) of the group's turnover is transacted in US dollars and a further 5% (2010 6%) in Euros. 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 €230,866 (2010 €217,167) and \$19,348 (2010 \$1,831). Foreign exchange differences on retranslation of these assets are taken to the profit and loss account of the group.

Results and dividends

The consolidated loss for the year after taxation is £184,270 (2010 loss £301,400). The directors do not recommend the payment of an ordinary dividend. £184,270 (2010 loss £301,400) has been transferred from reserves.

Directors

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

M A J Kelly
D S Williamson
R G Hodgson
W Wyatt

Share capital

There were no changes to share capital during the year.

NOVA CAPITAL GROUP LIMITED
Directors' report
For the year ended 30 June 2011

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 auditors are 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 auditors are aware of that information.

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

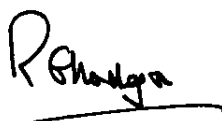
Accounting Policies

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

Auditors

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

On behalf of the Board



R G Hodgson
Director

21 December 2011

NOVA CAPITAL GROUP LIMITED
Independent auditor's report
For the year ended 30 June 2011

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 2011 which comprise the consolidated profit and loss account, the statement of total recognised gains and losses, the consolidated and parent company balance sheets and the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 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 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

21 December 2011

NOVA CAPITAL GROUP LIMITED
Consolidated profit and loss account /
Statement of total recognised gains and losses
For the year ended 30 June 2011

	Notes	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Turnover		2,810,089	3,079,120
Administrative expenses		(2,760,394)	(3,055,827)
Goodwill amortisation	9	-	(27,515)
Operating profit/(loss)	3	49,695	(4,222)
Impairment of investments	11	7,112	(63,846)
Profit/(loss) on sale of fixed asset investments		12,157	(1,968)
Loss on sale of subsidiary		-	(234)
Interest receivable and similar income	6	10,046	9,512
Finance costs	7	(263,280)	(240,642)
Loss on ordinary activities before taxation		(184,270)	(301,400)
Tax on loss on ordinary activities	8	-	-
Retained loss for the financial year		(184,270)	(301,400)

Statement of total recognised gains and losses

Retained loss for the financial year		(184,270)	(301,400)
Revaluation of investments	11	755,709	(179,023)
Total recognised gains/(losses) in the financial year		571,439	(480,423)

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

All activities of the group are classed as continuing

The notes on pages 8 to 22 form part of these financial statements

NOVA CAPITAL GROUP LIMITED
Consolidated and parent company balance sheets
As at 30 June 2011
Registered Number: 04455321

	Notes	2011 Group £	2011 Company £	2010 Group £	2010 Company £
Fixed assets					
Intangible assets	9	-	-	-	-
Tangible assets	10	113,835	113,835	40,389	40,389
Investments	11	2,195,304	2,102,328	1,351,085	1,275,941
Investment in subsidiaries	11	-	933,856	-	923,856
Investment in associated undertaking	11	49	49	49	49
		2,309,188	3,150,068	1,391,523	2,240,235
Current assets					
Debtors					
- due within one year	12	325,167	667,211	421,446	787,632
- due after one year	12	216,969	216,969	282,144	282,144
Cash at bank and in hand		260,169	173,737	406,475	362,068
		802,305	1,057,917	1,110,065	1,431,844
Creditors amounts falling due within one year	13	(1,777,012)	(6,916,512)	(1,595,203)	(6,893,808)
Net current liabilities		(974,707)	(5,858,595)	(485,138)	(5,461,964)
Total assets less current liabilities		1,334,481	(2,708,527)	906,385	(3,221,729)
Creditors amounts falling due after more than one year	13	(1,380,533)	(1,380,533)	(1,523,876)	(1,523,876)
Net liabilities		(46,052)	(4,089,060)	(617,491)	(4,745,604)
Capital and reserves					
Called up share capital	16	213,179	213,179	213,179	213,179
Share premium	18	1,074,324	1,074,324	1,074,324	1,074,324
Revaluation reserve	18	1,808,494	1,780,352	1,052,785	1,040,580
Profit and loss account	18	(3,142,049)	(7,156,915)	(2,957,779)	(7,073,687)
Shareholders' deficit	19	(46,052)	(4,089,060)	(617,491)	(4,745,604)
Analysed as:					
Equity		(46,052)	(4,089,060)	(617,491)	(4,745,604)
Shareholders' deficit		(46,052)	(4,089,060)	(617,491)	(4,745,604)

The financial statements on pages 5 to 22 were approved by the board of directors on 21 December 2011 and were signed on its behalf by



R G Hodgson
Director

The notes on pages 8 to 22 form part of these financial statements

NOVA CAPITAL GROUP LIMITED
Consolidated cash flow statement
For the year ended 30 June 2011

	Notes	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Net cash inflow/(outflow) from operating activities	20	55,839	(41,322)
Returns on investments and servicing of finance			
Interest received and similar income		10,046	9,512
Finance charges on finance leases / shareholder loans		(2,668)	(3,694)
Net cash inflow from returns on investments and servicing of finance		7,378	5,818
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(128,698)	(5,448)
Purchase of investments		(84,143)	(27,704)
Proceeds from sale of investments		14,902	(1,968)
Sale of subsidiary company		-	(153,734)
Net cash outflow from capital expenditure and financial investment		(197,939)	(188,854)
Tax paid		-	-
Net cash outflow before financing		(134,722)	(224,358)
Financing			
Payment of ordinary share capital	16	172,348	-
(Reduction)/increase in borrowings		(246,102)	222,657
Capital element of finance lease payments		62,170	(16,710)
Net cash (outflow)/inflow from financing		(11,584)	205,947
Decrease in net cash	22	(146,306)	(18,411)

The notes on pages 8 to 22 form part of these financial statements

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

1. Accounting policies

(a) Basis of preparation

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

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and of its subsidiary undertakings for the year ended 30 June 2011. 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) Goodwill

Purchased goodwill arising on consolidation in respect of acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. The purchased goodwill resulting from the acquisition of the management and advisory contracts of the Baring English Growth Fund and the Baring European Private Equity Fund in December 2005 (the "Barings companies") was capitalised and is included within fixed assets.

Such purchased goodwill is being amortised over its estimated useful economic life which is in line with the projected income derived from the Baring English Growth Fund (which covers the period remaining for the Fund to June 2010) and the Baring European Fund (which covered the period remaining for the Fund to December 2008). The fee income is calculated as a percentage of the net asset value of the funds managed and reduces over the remaining life of the contracts. Therefore, goodwill associated with the Barings companies is amortised in line with this reducing scale. As at 30 June 2011, goodwill had been fully amortised (see note 9).

(e) Depreciation

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

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

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

(f) Turnover

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

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

(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 group's operations is the United Kingdom.

(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 £46,052 (2010: £617,491), the directors believe that with a further extension of the shareholder loan facilities (note 24), and on the basis of a cash flow forecast prepared to May 2013, which incorporates the significant new business wins secured after the balance sheet date (note 24) and the ongoing support from the loan providers, it is appropriate to prepare the accounts on a going concern basis.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

3. Operating profit/(loss)

Operating loss is stated after charging

	2011	2010
	£	£
Depreciation of tangible fixed assets		
Owned assets	42,226	66,757
Leased assets	13,026	18,269
Operating lease charges	206,008	260,368
Amortisation of goodwill	-	27,515
Auditor's remuneration		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	33,750	36,615
The audit of the Company's subsidiaries, pursuant to legislation	17,750	23,600
Other services in relation to taxation	16,000	17,500

4. Employee information

	2011	2010
	£	£
Employee costs during the year amounted to		
Wages and salaries	1,403,803	1,734,026
Social security costs	163,772	196,330
Other pension costs	85,582	13,886
	1,653,157	1,944,242

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

	2011	2010
	12	13
Investment advisory		
Administration	6	7
Total	18	20

5. Directors' emoluments

	2011	2010
	£	£
Aggregate emoluments	169,738	161,827
	2011	2010
	£	£
Highest paid director		
Aggregate emoluments	126,192	115,342

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 (2010 £10,000) was paid to Johnson Brothers for the services of R G Hodgson as a director, a further £10,647 (2010 £15,278) was paid for his services as a consultant A director's fee of £15,000 (2010 £15,011) was paid to Caledonia Investments plc for the services of W Wyatt

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

6. Interest receivable and similar income

	2011	2010
	£	£
Interest receivable from other banks	495	5
Interest receivable on staff loans	9,551	9,507
	10,046	9,512

7. Finance costs

	2011	2010
	£	£
Interest payable on shareholder loans	155,673	149,609
Cumulative preference share entitlement	33,252	33,251
Interest on non payment of preference shares	32,476	27,442
Other interest payable	41,879	30,340
	263,280	240,642

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

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

8. Taxation

The tax assessed for the year is in line with the standard rate of corporation tax in the UK of 27.5% (2010: 28%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(184,270)	(301,400)
Loss on ordinary activities multiplied by standard rates in the UK of 27.5% (2010: 28%)	(50,676)	(84,392)
Effects of		
Non-deductible expenses	(4,638)	30,363
Excess of depreciation over capital allowances	(34,676)	9,923
Losses carried forward	29,723	21,774
Consolidation adjustment	42,967	4,132
Overseas rate (lower)/ in excess of UK rate	(2,070)	2,272
Other timing differences	19,370	-
Current tax charge for the year	-	-

No deferred tax asset has been recognised for tax losses which amount to £1,279,434 (2010: £1,348,649). 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 £83,228 (2010: loss £658,040).

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

9. Intangible assets

Group	Goodwill £
Cost	
At 1 July 2010	334,619
At 30 June 2011	334,619
Aggregate amortisation	
At 1 July 2010	334,619
Charge for the year	-
At 30 June 2011	334,619
Net book value	
At 30 June 2011	-
At 30 June 2010	-
 Company	 Goodwill £
Cost	
At 1 July 2010	59,153
At 30 June 2011	59,153
Aggregate amortisation	
At 1 July 2010	59,153
Charge for the year	-
At 30 June 2011	59,153
Net book value	
At 30 June 2011	-
At 30 June 2010	-

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

10. Tangible fixed assets

Group	Computer and electrical equipment £	Office equipment/ improvements and furniture £	Total £
Cost			
At 1 July 2010	232,431	233,016	465,447
Additions	84,388	44,310	128,698
At 30 June 2011	316,819	277,326	594,145
Depreciation			
At 1 July 2010	214,436	210,622	425,058
Charge for the year	27,015	28,237	55,252
As 30 June 2011	241,451	238,859	480,310
Net book value			
At 30 June 2011	75,368	38,467	113,835
At 30 June 2010	17,995	22,394	40,389

The finance leases with a net book value of £39,493 (2010 £8,023) are included in the amounts above. Depreciation on assets held under finance leases amounted to £13,026 (2010 £18,269).

Company	Computer and electrical equipment £	Office equipment/ improvements and furniture £	Total £
Cost			
At 1 July 2010	224,868	222,740	447,608
Additions	84,388	44,310	128,698
At 30 June 2011	309,256	267,050	576,306
Depreciation			
At 1 July 2010	206,873	200,346	407,219
Charge for the year	27,015	28,237	55,252
As 30 June 2011	233,888	228,583	462,471
Net book value			
At 30 June 2011	75,368	38,467	113,835
At 30 June 2010	17,995	22,394	40,389

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

11. Fixed asset investments

Investments

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Cost				
At 1 July 2010 and 1 July 2009	790,039	1,296,427	762,335	1,273,310
Additions	84,143	39,260	27,704	23,117
Disposals	(2,745)	(2,745)	-	-
	871,437	1,332,942	790,039	1,296,427
Revaluations				
At 1 July 2010 and 1 July 2009	561,046	903,370	803,915	1,160,067
Investment (impairment)/reversal	7,112	60,100	(63,846)	(65,469)
Investment revaluations	755,709	739,772	(179,023)	(191,228)
	1,323,867	1,703,242	561,046	903,370
Valuation at 30 June 2011 and 30 June 2010	2,195,304	3,036,184	1,351,085	2,199,797

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

TempoPark Fund I L P – Outstanding Commitment at 30 June 2011 (€7,207)
TempoPark Fund 2 L P – Outstanding Commitment at 30 June 2011 (£232)
NovaVest Fund I L P – Outstanding Commitment at 30 June 2011 (€28,008)
TempoVest Fund II L P – Outstanding Commitment at 30 June 2011 (€nil)
Nova CI Investments L P – Outstanding Commitment at 30 June 2011 (£nil)
Nova Capital GP Investments III L P – Outstanding Commitment at 30 June 2011 (£2,255)

Investment revaluations include the current carrying value of the Company's carried interests derived from its funds under management amount to £1,745,544 (2010 £1,040,207) and £62,950 (2010 £12,578) in relation to investments in Private Equity Funds

NextDrive Limited is incorporated in England and Wales. The company is engaged in the commercial exploitation of intellectual property rights in the field of transmission technologies. The Group owns 6.8% of the issued ordinary share capital.

Investments in Subsidiaries :

	2011 £	2010 £
Company		
Value of investment in subsidiary undertakings		
At 30 June 2011 and 30 June 2010	933,856	923,856
Value of investment in other undertakings		
At 30 June 2011 and 30 June 2010	2,102,328	1,275,941
Group and Company		
Value of investment in associates		
At 30 June 2011 and 30 June 2010	49	49

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

11. Fixed asset investments (continued)

Details of the company's subsidiary undertakings are as follows

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

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 2011, it had net assets of £102

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

12. Debtors: amounts falling due within one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade debtors	49,776	2,865	26,420	17,581
Amounts owed by group undertakings ¹	-	391,428	-	365,384
Directors / Executive loans & interest	83,221	83,221	-	-
Called up share capital not paid	22,501	22,501	194,849	194,849
Other debtors	47,418	55,347	37,744	45,646
VAT recoverable	-	-	18,765	38,123
Prepayments and accrued income	122,251	111,849	143,668	126,049
	325,167	667,211	421,446	787,632

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 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Executive loans & interest	171,901	171,901	282,144	282,144
Rent deposit	45,068	45,068	-	-
	216,969	216,969	282,144	282,144

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

13. Creditors : amounts falling due within one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade creditors	160,617	157,434	320,732	301,145
Amounts owed to group undertakings ¹	-	5,339,711	-	5,571,222
Obligations due under finance lease and hire purchase contracts	27,574	27,574	5,014	5,014
Other creditors	31,940	12,410	20,938	1,407
Other tax and social security	60,250	60,250	55,220	55,220
Cumulative redeemable preference shares ²	475,000	475,000	475,000	475,000
Cumulative preference share dividend and interest ³	430,869	430,869	365,141	365,141
Shareholder loans and interest ⁴	92,524	92,524	-	-
Accruals and deferred income	498,238	320,740	353,158	119,659
	1,777,012	6,916,512	1,595,203	6,893,808

Creditors: amounts falling due after more than one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Shareholder loans and interest ⁴	1,340,923	1,340,923	1,523,876	1,523,876
Obligations due under finance lease and hire purchase contracts	39,610	39,610	-	-
	1,380,533	1,380,533	1,523,876	1,523,876

Notes

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

² The £475,000 cumulative redeemable preference shares can be redeemed by the preference shareholders at any time after 26 February 2008. The company can redeem the preference shares at any time. As part of the 2008 shareholder loan facilities, repayment of the preference shares will be made pari-passu with the shareholder loan facilities.

³ The preference share dividend is due for payment semi-annually on 31 March and 30 September, at the higher rate of LIBOR +3% or 7%, with interest accruing at 11% on unpaid dividends. The holders of the preference shares are entitled to have the shares redeemed at any time after 26 February 2008. The company is entitled to redeem the preference shares at any time. As part of the 2008 shareholder loan facilities, payment of the preference share dividend will be made pari-passu with the shareholder loan facilities.

⁴ In December 2008, Nova Capital Group Limited entered into a £1,100,000 loan facility with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited, bringing the total shareholder loan to £1,360,000. In January 2010, the loans were fully drawn. At the balance sheet date, £1,061,555 was outstanding and £371,892 of interest was accrued. The loans are due to be repaid by 31 December 2012.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

14. Obligations under finance leases and hire purchase contracts

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

	2011	2010
	£	£
Group		
Within one year	27,574	5,014
Within 2-5 years	39,610	-
	67,184	5,014

15. Obligations under operating leases

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

	2011	2010
	£	£
Group		
Land and buildings leases expiring		
- within one year	-	153,915
- within two to five years	150,227	-
	150,227	153,915

16. Called up share capital

	2011	2011	2010	2010
	Number	£	Number	£
Authorised				
Equity share capital				
Ordinary shares of £0.01 each	407,653	4,077	407,653	4,077
Deferred shares of £0.01 each	23,329,647	233,296	23,329,647	233,296
	23,737,300	237,373	23,737,300	237,373
Allotted				
Equity share capital				
Ordinary shares of £0.01 each	321,166	3,212	321,166	3,212
Deferred shares of £0.01 each	20,996,712	209,967	20,996,712	209,967
	21,317,878	213,179	21,317,878	213,179

Share capital

There were no changes to the allotted share capital during the year, however, as part of the 2008 share issue, the third and final tranche payment (£172,348) was received

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

17. 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 (2010: £10,000) was paid to Johnson Brothers & Company Limited for the services of R G Hodgson as a director, a further £10,647 (2010: £15,278) was paid for his services as a consultant. A director's fee of £15,000 (2010: £15,011) was paid to Caledonia Investments plc for the services of W Wyatt.

At the year end, the group has outstanding loan facilities with two of its shareholders, Caledonia Investments Plc and Johnson Brothers & Company Limited. At the balance sheet date, £1,433,447 was outstanding.

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

18. Reserves

Group	Profit and loss reserve		Share premium account		Revaluation reserve (see note 12)	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
At 1 July 2010 and 1 July 2009	(2,957,779)	(2,656,379)	1,074,324	1,074,324	1,052,785	1,231,808
Retained loss for the financial year	(184,270)	(301,400)	-	-	-	-
Movement during the year	-	-	-	-	755,709	(179,023)
At 30 June 2011 and 30 June 2010	(3,142,049)	(2,957,779)	1,074,324	1,074,324	1,808,494	1,052,785

19. Movement in shareholders' deficit

	2011 £	2010 £
Retained loss for the financial year	(184,270)	(301,400)
Net change in shareholders' deficit	(184,270)	(301,400)
Shareholders' (deficit) as at 1 July 2010 and 1 July 2009	(617,491)	(137,068)
Increase/(reduction) in revaluation reserve (see note 12)	755,709	(179,023)
Shareholders' deficit as at 30 June 2011 and 30 June 2010	(46,052)	(617,491)

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

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

	2011 £	2010 £
Operating profit/(loss)	49,695	(4,222)
Depreciation charge	55,252	85,026
Goodwill amortisation	-	27,515
(Increase)/decrease in debtors	(10,894)	35,976
Decrease in creditors	(38,214)	(185,617)
Net cash inflow/(outflow) from operating activities	55,839	(41,322)

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

	As at 1 July 2010 £	Cash flow £	As at 30 June 2011 £
Cash in hand and at bank	406,475	(146,306)	260,169
Debt due after 1 year	(1,307,657)	246,102	(1,061,555)
Finance leases due after 1 year	(5,014)	(22,560)	(27,574)
Finance leases due within 1 year	-	(39,610)	(39,610)
	(906,196)	37,626	(868,570)

22. Analysis of net cash

	As at 1 July 2010 £	Cash flow £	As at 30 June 2011 £
Cash at bank and in hand	406,475	(146,306)	260,169

23. Contingent liabilities

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

Outstanding commitments to Private Equity Funds are shown in Note 11.

NOVA CAPITAL GROUP LIMITED
Notes to the financial statements
For the year ended 30 June 2011

24. Post balance sheet events

In October 2011, the repayment date for the shareholder loans (note 13) was amended to 31 December 2012

In August 2011, the group entered into a new Investment Advisory Agreement to manage a portfolio of industrial businesses located in Canada

In November 2011, the group entered into a new Investment Advisory Agreement to manage a portfolio of technology businesses located in the UK

Both transactions will generate significant additional fee income and carried interest for the group over the next 3 – 5 years