

NEL FUND MANAGEMENT GROUP LIMITED

Report and Unaudited Financial Statements

Year ended 31 March 2015

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REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A W Henfrey
B S Hensby

SECRETARY

D I Chambers

REGISTERED OFFICE

City Quadrant
11 Waterloo Square
Newcastle upon Tyne
NE1 4DP

BANKERS

Barclays Bank plc
Regional Large Corporate Banking Centre
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 March 2015. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of acting as a holding company to a group of companies which act as investment managers or partners to nine investment funds that provide risk capital to unquoted small and medium sized businesses based in the North East of England. When these funds realise their investments, they distribute the proceeds to the investors in the funds, thereby providing them with a return.

The company did not make a profit or a loss during the year (2014: £nil). The directors do not recommend the payment of a dividend (2014: £nil).

FUTURE OUTLOOK

The existing fund management contracts will continue to produce a significant amount of income that will underpin the group going forwards.

Based on the company's forecast and projections, and taking into account reasonable possible changes in trading performance, the directors are confident that the company has sufficient funding in place for the next twelve months and beyond to continue in operation. See note 1 (Accounting Policies).

DIRECTORS

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

A W Henfrey
B S Hensby

Approved by the Board of Directors
and signed on behalf of the Board



D I Chambers
Secretary

Date:

27 August 2015

BALANCE SHEET
Year ended 31 March 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	4		7,501		7,501
CURRENT ASSETS					
Debtors	5	-	-	-	-
CREDITORS: amounts falling due within one year	6	(6,641)	(6,641)	(6,641)	(6,641)
NET CURRENT LIABILITIES			(6,641)		(6,641)
TOTAL ASSETS LESS CURRENT LIABILITIES			860		860
NET ASSETS			860		860
CAPITAL AND RESERVES					
Called up share capital	7		600		600
Profit and loss account	8		260		260
SHAREHOLDERS' FUNDS			860		860

NEL Fund Management Group Limited (registered number 2238143) did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss.

For the year ending 31 March 2015 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of NEL Fund Management Group Limited, registered number 2238143, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



Y Gale

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of NF Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of NF Holdings Limited, within which this company is included, can be obtained from the address given in note 10.

Going concern

As highlighted in the profit and loss account and balance sheet the company made nil profit in the year. The company has received confirmation from its subsidiary company, NEL Fund Managers Limited, that it will not seek repayment of the amounts due to it for a period of at least 12 months from the date of approval of these financial statements.

The directors, having assessed the responses of the directors of the company's parent NEL Fund Managers Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the NEL Fund Managers Limited to continue as a going concern.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of NEL Fund Managers Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Investments in subsidiary undertakings are stated at cost.

Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and the law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

2. PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholders' funds during the year under review or the preceding financial year.

3. DIRECTORS AND EMPLOYEES

During the current and preceding financial year there were no employees other than the directors. The directors received no remuneration during the current and preceding financial years in respect of services for this company. Directors are paid by the subsidiary NEL Fund Managers Limited.

The directors are also directors of the subsidiary company, NEL Fund Managers Limited, and the majority of their activities relate to services carried out in relation to NEL Fund Managers Limited and other group companies. Therefore the directors deem it inappropriate to directly allocate any of their costs to the profit and loss account of this company.

4. FIXED ASSET INVESTMENTS

	Subsidiary undertaking £	Total £
Cost		
At 1 April 2014	7,501	7,501
At 31 March 2015	7,501	7,501
Net book value		
1 April 2014	7,501	7,501
31 March 2015	7,501	7,501

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

4. FIXED ASSET INVESTMENTS (CONTINUED)

The undertakings in which the company's interest at the year end is more than 20% are as follows:

<i>Subsidiary undertakings</i>	Country of incorporation	Principal activity	Classes and percentage of shares held
NEL Fund Managers Limited	England and Wales	Fund Manager	100% of ordinary shares
* Northern Enterprise Limited	England and Wales	Limited partner to The First and Second HSBC Enterprise Funds for the North East, The North East Seed Capital Fund and Capital North East	100% of ordinary shares
* NES General Partner Limited	England and Wales	General partner to The North East Seed Capital Fund	100% of ordinary shares
* CNE General Partner Limited	England and Wales	General partner to Capital North East	100% of ordinary shares
* Seed Capital General Partner Limited	England and Wales	General partner to The NEL Growth Fund	100% of ordinary shares
* NEGF General Partner Limited	England and Wales	General partner to the North East Growth Fund	100% of ordinary shares
* Northern Enterprise Employee Benefit Trust Limited	England and Wales	Trustee of the Northern Enterprise Employee Benefit Trust	100% of ordinary shares
White Rock Capital Partners LLP	Scotland	Fund Manager for the NI Growth Loan Fund	33.3%
* White Rock Capital Partners Limited	Scotland	Fund Manager for the NI Growth Loan Fund	33.3%
* NI Growth Fund General Partner Limited	Scotland	General Partner to the NI Growth Loan Fund	33.3%
* BCN Carried Interest Limited	Scotland	Limited Partner in the NI Growth Loan Fund	33.3%
The North East Seed Capital Fund	England and Wales	Provider of risk capital	26.4%
Capital North East	England and Wales	Provider of risk capital	20.0%
The NEL Growth Fund	England and Wales	Provider of risk capital	20.9%
* Interests held indirectly			

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

5. DEBTORS

	2015 £	2014 £
Amounts due from group undertaking	-	-
	-	-
	<u>-</u>	<u>-</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Amounts due to group undertaking	6,641	6,641
	6,641	6,641
	<u>6,641</u>	<u>6,641</u>

7. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid 600 ordinary shares of £1 each	600	600
	<u>600</u>	<u>600</u>

8. RESERVES

	£
As at 1 April 2014	260
Result for the year	-
At 31 March 2015	<u>260</u>

9. ULTIMATE PARENT COMPANY

At 31 March 2015, the parent company and controlling party was NF Holdings Limited. The financial statements of this company can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

At 31 March 2015 and in the opinion of the directors, the ultimate controlling parties are the members of NF Holdings Limited. These are R H Maudslay, N Mundy, H R V Morgan-Williams and M J Stephenson. N Mundy ceased being a member of NF Holdings Limited on 11 April 2014.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

ADDITIONAL INFORMATION (UNAUDITED)

The additional information contained in the detailed profit and loss account has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the responsibilities of the auditor's report thereon.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2015

	2015	2014
	£	£
Turnover	1,064,279	1,170,888
Administrative expenses	(1,061,487)	(1,027,721)
Operating profit	2,792	143,167
Other interest receivable and similar income	2,448	526
Other Income		7
Profit on ordinary activities before taxation	5,240	143,700
Tax on profit on ordinary activities	5,854	3,411
Profit after tax	11,094	147,111

CONSOLIDATED BALANCE SHEET
Year ended 31 March 2015

	£	2015 £	£	2014 £
FIXED ASSETS				
Tangible assets		8,335		9,601
Investments		6,215		6,215
		<u>14,550</u>		<u>15,816</u>
CURRENT ASSETS				
Debtors	195,824		198,311	
Cash at bank and in hand	592,437		616,005	
	<u>788,261</u>		<u>814,316</u>	
CREDITORS: amounts falling due within one year		<u>(109,680)</u>		<u>(118,871)</u>
NET CURRENT ASSETS		<u>678,581</u>		<u>695,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>693,131</u>		<u>711,261</u>
CREDITORS: amounts falling due after more than one year		<u>-</u>		<u>-</u>
NET ASSETS		<u>693,131</u>		<u>711,261</u>
CAPITAL AND RESERVES				
Called up share capital		600		600
Profit and loss account		692,531		710,661
SHAREHOLDERS' FUNDS		<u>693,131</u>		<u>711,261</u>