Reports and Consolidated Financial Statements
30 June 2015

avanti capital plc

Company Registration number 03319365

Contents

Directors and advisers

Directors
P J Crawford (Chairman)
R H Kleiner
W A H Crewdson

Secretary
R H Kleiner

Company registration number
03319365

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London SE1 2AF

Bankers
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Nominated adviser and broker
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One New Change
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Berwin Leighton Paisner LLP
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Strategic report

The directors present their strategic report for the year ended 30 June 2015.

Review of the business and key highlights

As the primary purpose of the group is to act as an investment management business, references are made to the net assets and results of the group.

As at 30 June 2015 the group had net assets of £4.3 million (2014: £4.5 million) or 54 pence per ordinary share (2014: 56 pence per share). These figures have been arrived at after the inclusion of a further carried interest provision of £144,000 (or 1.79 pence per share) (2014: £1.66 million).

In the year to 30 June 2015, the loss after tax was £212,000 (2014: profit – £2.8 million). The comparative included the gain realised on the disposal of the group's interest of Eclectic Bars Limited of £4.6 million.

The board consider that the most appropriate key performance indicator for the group is the fair valuation of its assets and the net asset per share reflected in they carrying values. The payment of the carried interest is dependent upon the realisation of the individual assets being at values which are, at least, equal to the values stated in the accounts as at 30 June 2015.

Net asset values per Avanti share by category

Investment	Carrying value as at 30 June 2015 Pence per share	Carrying value as at 30 June 2015 £m
Mblox	55	4.4
Net current assets (including cash)	21	1.7
Total	76	6.1

Net current assets of £1,698,000 include £1,438,000 of cash.

Future business development and investing policy

Investment objective
The company's investing policy is to pursue its objectives through two complementary activities.

- Its investment operation, which acquires interests in technology and trading businesses; and
- Its consultancy operation, which offers a business development service, to develop the investee business until an exit opportunity arises.

The company's current intention is not to invest in any new investments but to support its existing investment portfolio.

Assets or companies in which the company can invest
The companies in which the company can invest are in technology and trading businesses.

In October 2006, the company announced that it would not make any new investments, but would instead concentrate on maximising the value of the investments currently held.

Means by which the investing policy will be achieved
The company's investment objective is to pursue its policy of maximising the value of its investments and, at the appropriate time, to realise such investments. The company also, where appropriate, provides financial support to the existing portfolio.

Whether investments will be active or passive investments
Investments in portfolio companies can be either active or passive.

The investment manager formally monitors the company's investments on an ongoing basis. The investment manager provides a business development service, to help to develop the investee business until an exit opportunity arises.

Holding period for investments
As the company has no fixed life, no time limits are set as a matter of investing policy generally and individual holding periods will vary to achieve the best value from each investment.

Spread of investments and maximum exposure limits
The company's strategy is not to set maximum exposure limits per investment. However, as investments have been sold and monies returned to shareholders, the spread of investments has reduced and, as a result, the portfolio has become more concentrated.

Policy in relation to gearing
The directors may exercise the powers of the company to borrow money and to give security over its assets. The company's articles of association restrict the borrowings to an aggregate principal amount so that it does not, without shareholder approval, exceed the greater of (a) £5,000,000 or (b) an amount equal to three times the adjusted capital and reserves.

The directors currently have no intention to exercise any borrowing powers.

Policy in relation to cross-holdings
The company does not have a formal policy on cross-holdings.

Investing restrictions
Whilst the company's current intention is not to invest in any new investments, this is not a formal restriction in the company's investing policy.

There are no restrictions on the ability of the company to take controlling stakes in portfolio companies, but the company ensures that there is sufficient separation between the company and each portfolio company.

In addition, the company also ensures that there is sufficient separation between each portfolio company by ensuring that there is no:

- cross-financing, including the provision of undertakings or security for borrowings from one portfolio company to another;
- common treasury functions; or
- sharing of operations.

Other than these restrictions set out above, and the requirement to invest in accordance with its investing policy, there are no other investing restrictions.

Returns and Distribution Policy
It is anticipated that returns from the company's investment portfolio will be in the form of capital upon realisation or sale of its investee companies.

When realisations are made, the directors currently intend to use the proceeds to return monies to shareholders in the most efficient manner available.

Principal risks and uncertainties
Through its board of directors, the group evaluates on an ongoing basis the risk appetite of the group after taking into account all relevant factors and circumstances. The principal risks and uncertainties facing the business and the group's financial instruments are investment risk, interest rate risk, liquidity risk and credit risk (see note 26). With the exception of the investment in mBlox, the group does not have a material exposure to foreign currency risk.

Investment risk
Investment risk includes investing in companies that may not perform as expected. The group's investment criteria focus on the quality of the business and the management team of the target company, market potential and the ability of the investment to attain the returns required within the time horizon set for the investment. Due diligence is undertaken on each investment. The group regularly reviews the investments in order to monitor the level of risk and mitigate exposure where appropriate.

Interest rate risk
Interest rate risk is the change that an unexpected change in the interest rates will negatively affect the value of an investment. Certain investee companies borrow in currencies to match the denomination of fixed and floating rates of interest to generate the desired interest rate profile and to manage their exposure to interest rate fluctuation.

Liquidity risk
The group's policy is to finance its operations and expansion through working capital and, in the case of investing in target companies, to raise an appropriate level of acquisition finance.

The risk would be that the company would not be able to finance expansion through working capital.

Credit risk
There are no significant concentrations of credit risk within the group. The maximum credit risk exposure relating to financial assets is presented by the carrying value as at the balance sheet date.

Portfolio review

Mblox
Mblox Inc ("MBlox") is the largest independent application-to-person (A2P) mobile messaging provider in the world, trusted by more companies to carry their mission-critical traffic than any other service. As the industry's most experienced Tier One SMS aggregator, Mblox specialises in the unique demands of large-scale mobile messaging programs and are known for providing reliable, uncompromising connections. By creating positive brand experiences, Mblox helps clients build profitable relationships with their customers.

Mblox offers carrier-based and over-the-top (OTT) mobile messaging services. The carrier-based services are based on application-to-person messaging between brands and mobile devices and include SMS (Short Message Service), MMS (Multimedia Messaging Service) and StarStar services (voice-based dialing codes that enable a variety of brand experiences). OTT services are delivered via smartphone mobile applications and include rich push notifications and in-app messaging.

As of this writing, the Mblox management reports the strongest year on record for Mblox with healthy developments in the company and the industry supporting management's operating plans.

The company began to exceed industry levels of growth as reported by Portio Research last year, posting volume gains averaging between two and three times the industry rate of growth for enterprise messaging through the summer of 2015. In that same period, Mblox has recorded a four-fold increase in profitability in spite of a 32% decline in unit pricing that resulted from currency exchange impacts of a strong US dollar relative to the Euro.

"The team that we have deployed is delivering on the plan we developed in 2013 to capitalise on our focus in enterprise messaging," according to Tom Cotney, CEO. "In spite of the ubiquity of messaging to consumers by enterprises, our research still shows a major gap between demand by consumers and supply by enterprises. Our own research last year with Millward Brown shows that 86% of consumers are open to mobile engagement, while 42% of companies surveyed are still not leveraging the channel of communication to its fullest. These trends are aligned with our business plans, especially with our focus on mission critical quality levels."

SMS and email remain the most effective methods of engagement, while consumers report fatigue with mobile apps as OTT messaging is viewed as having "no cost" and thus over used by many brands. Shockingly, 80% of brands who invested in mobile apps are unable to secure 1,000 downloads while SMS is enabled in every phone delivered around the world.

In June of this year, ROCCO published a ranking of the top Application to Person (enterprise SMS) companies with Mblox receiving its highest rankings. The report scored all providers across 30 KPI's rated by 179 mobile carriers across the world. Mblox is the largest of the top rated providers. This positioning is very favorable in a market where the Top 10 providers hold only 20% share of the $3 billion industry.

The Mblox management reports no material changes to capital or debt structure in the past year, noting that its strong financial results were posted during a year when dual platforms were operated. Complete overhauls of its delivery capabilities were undertaken in the spring of 2014. As of the date of this publication, over 80% of the company's client base will be fully operational on the platform. The customer benefits promise to increase utilisation of Mblox capabilities by clients who deploy dual vendor strategies. A significant, additional improvement in financial performance will also accrue to Mblox from the revamped architecture and modernisation of the company's technology base. Management will also retire the company's original operating infrastructure for additional operational savings.

Regulatory oversight in the US, the European Union and Australia are ongoing industry issues. Management reports that self-regulation for the industry continues to ensure consumer privacy is paramount among the brands and providers. Mblox is taking additional measures to comply with new requirements in markets focused on data security. The company delivers 85% of its global traffic over the highest quality direct carrier connections available.

"We posted our best financial results in a year when they were muted by currency exchange rates" said Mr. Cotney. "I think that is the best validation I can offer for our strategy to retool the company to be the cost leader. We are very well positioned as the industry faces a one to two year period of accelerated consolidation where other players who are currently pricing below costs to show growth to potential buyers destroy their balance sheets."

Notwithstanding the positive report from Mblox management and, as previously reported, in view of the lack of any further validation events, the board of Avanti Capital plc have decided to continue to carry the group's investment in Mblox at cost, excluding any adjustment in foreign exchange movements. Accordingly, after adjusting for movements in foreign exchange, as at 30 June 2015, the carrying value of the group's investment in MBlox was £4.4 million (2014 – £4.1 million) equating to 55 pence per share (2014 – 51 pence per share).

Legacy portfolio

In relation to the remainder of the legacy investments in the group's portfolio, the board continues to seek ways of maximising value to the group. As at 30 June 2015, the legacy portfolio had either been sold or written down to a negligible carrying value.

Richard Kleiner
William Crewdson
Directors

2 November 2015

Statement of corporate governance

Compliance with the 2012 FRC Combined Code

The company is not required to comply with the 2012 FRC Combined Code on Corporate Governance. Set out below are the corporate procedures that have been adopted.

The Board

The Board of Avanti Capital plc is the body responsible for the group's objectives, its policies and the stewardship of its resources. At the balance sheet date, the board comprised three directors being Richard Kleiner with Philip Crawford and William Crewdson being the independent directors.

The Board has six board meetings during the year. The two independent directors sit on both the audit and the remuneration committees, namely Philip Crawford and William Crewdson. Philip Crawford is the chairman of both the audit committee and the remuneration committee. The terms of reference of both these committees have been approved by the Board.

Remuneration Committee

The committee's responsibilities include the determination of the remuneration and options of other directors and senior executives of the group and the administration of the company's option schemes and arrangements. The committee takes appropriate advice, where necessary, to fulfil this remit.

Audit Committee

The committee meets twice a year including a meeting with the auditors shortly before the signing of the accounts. The terms of reference of the audit committee include: any matters relating to the appointment, resignation or dismissal of the external auditors and their fees; discussion with the auditors on the nature, scope and findings of the audit; consideration of issues of accounting policy and presentation; monitoring the work of the review function carried out to ensure the adequacy of accounting controls and procedures.

Nomination Committee

The company does not maintain a nomination committee. Any board appointments are dealt with by the Board itself.

Internal Control

The Board is responsible for the group's system of internal control and for reviewing the effectiveness of the system of internal control. Internal control systems are designed to meet the particular needs of a business and manage the risks but not to eliminate the risk of failure to achieve the business objectives. By its nature, any system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Internal Audit

Given the size of the group, the Board does not believe it is appropriate to have a separate internal audit function. The group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and are dealt with appropriately.

Relations with Shareholders

Aside from announcements that the company makes periodically to the market, the Board uses the annual general meeting to communicate with private and institutional investors and welcomes their participation.

Going Concern

On the basis of the current financial projections, the directors have a reasonable expectation that the company and the group have adequate financial resources to continue in operational existence for the foreseeable future. The directors accordingly have adopted the going concern basis in the preparation of the group's accounts. See page 9.

Directors' report
for the year ended 30 June 2015

The directors present their report with the audited consolidated financial statements for the year ended 30 June 2015.

Results and dividends

The group's loss for the year before taxation and profit from discontinued operations amounted to £212,000 (2014 – £2.3 million) and the loss for the year after taxation of the group amounted to £212,000 (2014 – profit £2.8 million). This was equivalent to a loss of 2.64 pence per share (2014 – profit of 34.36 pence per share) attributable to shareholders of the parent. The net assets of the group were £4.3 million (2014 – £4.5 million) attributable to the shareholders of the parent.

The directors do not recommend dividend payment (2014 – £8.4 million; 105 pence per share) for the year ended 30 June 2015.

Principal activity and review of the business

The company's principal activity during the year continued to be that of an investment management and ancillary services company. Further details are set out in the Strategic Report on pages 3 to 7.

The board consider that the most appropriate key performance indicator for the group is the fair valuation of its assets and the net asset per share, as set out on page 3.

The various categories of risk are proactively managed to ensure exposure to risk is mitigated whenever possible and appropriate. The board has assessed that the Key Performance Indicator that is the most effective measure of progress towards achieving the group's strategies and as such towards fulfilling the group's objectives is the net asset value per share.

Future business developments and investing policy

This has been fully described in the Strategic Report on pages 4 to 5 .

Directors and their interests

P J Crawford
R H Kleiner
W A H Crewdson

The company has not granted qualifying third party indemnities as defined in Section 234 of Companies Act 2006 on behalf of any of its directors during the year.

The company and its subsidiaries entered into an investment advisory agreement with Odyssey Partners Limited ("OPL") in October 2008, which was amended in November 2008. The principal terms of the investment advisory agreement are that OPL, a company controlled by Richard Kleiner, provides all of the functions previously carried out by the executive management team in respect of the group's portfolio. OPL bears all of its internal overheads and was paid a fee of £145,200 per annum which is equivalent to 2.37% of the company's asset value as at 30 June 2015. In addition, OPL has a carried interest by reference to the realisations achieved in relation to the assets. The threshold, after which the carried interest becomes payable, is based on realisations of not less than £6.6m or 82.5 pence per share (based on the issued share capital of the company on 30 November 2008). There is a hurdle of 6% per annum to protect the company from the effects of time in relation to the realisation of the portfolio. Once realisations are achieved in excess of £6.6 million, provided that the return to the company would be at least that amount together with the hurdle, then in relation to any excess, OPL will be entitled to 25% of such excess up to £9.1m of realisations or 113 pence per share. OPL's share will be increased by 5% for each £2.5m in excess of £9.1m up to a maximum of 40% for realisations in excess of £14.1m or 176 pence per share (refer also to note 22 on page 42 to 43). As part of the arrangements to preserve the company's cash assets, an agreement was reached with OPL, the investment adviser, such that with effect from 1 July 2015 OPL's management fees are to be deferred until there are realisation proceeds from the remaining assets held by the company.

Directors' report continued

Report on directors' remuneration

The remuneration of the directors for the year ended 30 June 2015 is as follows:

	Fees £	Benefits £	**2015 Total £**	2014 Total
Directors				
P J Crawford	30,000	13,415	**43,415**	38,000
W A H Crewdson	15,000	–	**15,000**	15,000
R H Kleiner	–	5,646	**5,646**	6,678
	45,000	19,061	**64,061**	59,678

(1) The above figures represent the due proportion of each director's annual fees and benefits reflecting the period during the year for which each director was a director of the company.

(2) There were no pension payments in respect of either year.

(3) During the year, as part of the investment advisory agreement entered into between the company and Odyssey Partners Limited, Odyssey Partners Limited received fees totalling £145,200 (2014: £228,800) including the non-executive director's fee of Richard Kleiner.

The remuneration committee comprises Philip Crawford (chairman) and William Crewdson. Its terms of reference are concerned principally with the remuneration packages offered to directors in that they should be competitive and are designed to attract, retain and motivate directors of the right calibre.

Employee involvement

The group is aware of the importance of good communication in relationships with its staff. The group follows a policy of encouraging training and regular meetings between management and staff in order to:

- provide common awareness on the part of staff of the financial and economic circumstances affecting the group's performance;
- provide employees or their representatives with information on matters of concern to them as employees; and
- consult employees or their representatives on a regular basis, so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

Disabled persons

The group gives full and fair consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Going concern

The group's principal activities, together with the risk factors likely to have an impact on its future are set out on page 4 and in note 26 on pages 38 to 40.

The group has adequate financial and management resources together with long term relationships with suppliers and as a result, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have also reviewed and considered the cash flow forecasts of Avanti Capital plc and the group for the next twelve months from the approval of the financial statements and on this basis, the directors are of the view that both the company and the group will be able to continue as a going concern for the foreseeable future.

Purchase of own shares

During the year under review, the company has not purchased any of its own shares. The board intends to pursue the purchase by the company of its own shares where it believes will enhance the value per share to the continuing shareholders.

When future realisations are made, the board currently intends to use the proceeds to return monies to shareholders in the most efficient manner available, which may include the company's purchase of its own shares.

Directors' report
continued

Post-balance sheet event
As part of the arrangements to preserve the company's cash assets, an agreement was reached with Odyssey Partners Limited ("OPL"), the investment adviser, such that with effect from 1 July 2015 OPL's management fees are to be deferred until there are realisation proceeds from the remaining assets held by the group.

Auditor
A resolution to re-appoint Ernst & Young LLP will be put to the members at the forthcoming Annual General Meeting.

Disclosure of information to auditor
The directors who were members of the board at the time of approving the directors' report are listed on Page 2. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Richard Kleiner
Secretary
2 November 2015

11 Statement of directors' responsibilities

The directors are responsible for preparing the Annual Reports and the group and parent company financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law, and as required by the AIM rules, the directors have elected to prepare group and parent company financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under Company Law the directors must not approve the group and parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the group and parent company financial statements the directors are required to:

- present fairly the financial position, financial performance and cash flows of the group and parent company;
- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's and the company's financial position and financial performance; and
- state whether the group and parent company financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the group and parent company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Avanti Capital plc

We have audited the financial statements of Avanti Capital plc for the year ended 30 June 2015 which comprise the consolidated income statement, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement, the company cash flow statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 page 11, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.

Philippa Jane Green (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

2 November 2015

Notes:

1. The maintenance and integrity of the Avanti Capital plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

13 Consolidated income statement
for the year ended 30 June 2015

	Notes	2015 £000	2014 £000
Revenue		**–**	–
Cost of sales		**–**	–
GROSS PROFIT		**–**	–
Administrative expenses – others		**(569)**	(2,249)
Foreign exchange loss		**(10)**	(12)
Administrative expenses – exceptional		**–**	(8)
Fair valuation movements of financial assets – designated at fair value through profit or loss	16	**341**	–
OPERATING LOSS	5	**(238)**	(2,269)
Finance revenue	9	**26**	7
Finance cost	10	**–**	–
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION FROM CONTINUING OPERATIONS		**(212)**	(2,262)
Income tax expense	11	**–**	–
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FROM CONTINUING OPERATIONS		**(212)**	(2,262)
Discontinued operation			
Profit after tax for the period from discontinued operations	3, 17	**–**	5,110
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**(212)**	2,848
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(212)**	2,848
Attributable to			
Shareholders of the parent		**(212)**	2,758
Non-controlling interest		**–**	90
		(212)	2,848
Earnings per share			
(Loss)/Profit per share attributable to shareholders of the parent			
Basic and diluted	13	**(2.64)p**	34.36p
Basic and diluted from continuing operations	13	**(2.64)p**	(28.18)p

14 Consolidated balance sheet
at 30 June 2015

	Notes	2015 £000	2014 £000
ASSETS			
Non current assets			
Intangible assets	14	**–**	–
Property, plant & equipment	15	**–**	1
Financial assets held at fair value through profit or loss	16	**4,438**	4,079
Non-current financial assets		**234**	–
Deferred tax asset	11	**–**	–
		4,672	4,080
Current assets			
Trade and other receivables	18	**26**	84
Cash and cash equivalents	19	**1,438**	2,048
		1,464	2,132
TOTAL ASSETS		**6,136**	6,212
EQUITY			
Issued share capital	22	**80**	80
Capital redemption reserve	23	**–**	–
Other reserves	23	**–**	–
Retained earnings		**4,214**	4,426
Equity attributable to equity shareholders of the parent		**4,294**	4,506
Non-controlling interest	23	**–**	–
TOTAL EQUITY		**4,294**	4,506
LIABILITIES			
Current liabilities			
Trade and other payables	20	**67**	75
		67	75
Non-current liabilities			
Provision	21	**1,775**	1,631
Deferred tax liabilities	11	**–**	–
		1,775	1,631
TOTAL LIABILITIES		**1,842**	1,706
TOTAL EQUITY AND LIABILITIES		**6,136**	6,212

The financial statements were approved by the board on 2 November 2015.

Richard Kleiner – Director

William Crewdson – Director

15 Company balance sheet
at 30 June 2015

	Notes	2015 £000	2014 £000
ASSETS			
Non current assets			
Property, plant & equipment	15	–	1
Financial assets held at fair value through profit or loss	16	**2,854**	2,854
		2,854	2,855
Current assets			
Trade and other receivables	18	**1,163**	1,000
Cash and cash equivalents	19	**1,393**	1,994
		2,556	2,994
TOTAL ASSETS		**5,410**	5,849
EQUITY AND LIABILITIES			
EQUITY			
Issued share capital	22	**80**	80
Capital redemption reserves	23	–	–
Other reserves	23	–	–
Retained earnings		**5,268**	5,699
TOTAL EQUITY		**5,348**	5,779
LIABILITIES			
Current liabilities			
Trade and other payables	20	**62**	70
Non-current liabilities			
Provision	21	–	–
TOTAL LIABILITIES		**62**	70
TOTAL EQUITY AND LIABILITIES		**5,410**	5,849

The financial statements were approved by the board on 2 November 2015.

Richard Kleiner – Director

William Crewdson – Director

16 Consolidated and Company statement of changes in equity
for the year ended 30 June 2015

Consolidated	Issued share capital £000	Other reserves £000	Capital redemption reserve £000	Retained earnings £000	Total attributable to owners of the parent £000	Non-controlling interest £000	Total £000
At 1 July 2013	4,815	2,045	1,409	1,906	10,175	1,311	11,486
Profit for the year	–	–	–	2,758	2,758	90	2,848
Capital reduction (see note 22)	(4,735)	(2,045)	(1,409)	8,189	–	–	–
Dividends	–	–	–	(8,427)	(8,427)	–	(8,427)
Movements on disposal of subsidiary	–	–	–	–	–	(1,401)	(1,401)
At 30 June 2014	80	–	–	4,426	4,506	–	4,506
Loss for the year	–	–	–	(212)	(212)	–	(212)
At 30 June 2015	80	–	–	4,214	4,294	–	4,294

Company	Issued share capital £000	Other reserves £000	Capital redemption reserve £000	Retained earnings £000	Total share-holders' equity £000
At 1 July 2013	4,815	2,045	1,409	1,828	10,097
Profit for the year	–	–	–	4,109	4,109
Capital reduction (see note 22)	(4,735)	(2,045)	(1,409)	8,189	–
Dividends	–	–	–	(8,427)	(8,427)
At 30 June 2014	80	–	–	5,699	5,779
Loss for the year	–	–	–	(431)	(431)
At 30 June 2015	80	–	–	5,268	5,348

Consolidated cash flow statement
for the year ended 30 June 2015

	Notes	2015 £000	2014 £000
Operating activities			
(Loss)/profit after taxation		**(212)**	2,848
Depreciation of property, plant and equipment	15	**1**	505
(Gain)/loss in the fair value of financial assets designated fair value through profit or loss	16	**(341)**	20
Net foreign exchange difference		**(10)**	–
Gain on disposal of subsidiary undertakings	17	**–**	(4,563)
Net interest (income)/expenses	9,10	**(26)**	35
Increase in inventories		**–**	(27)
Decrease in trade and other receivables	19	**58**	160
(Decrease)/increase in trade and other payables	21	**(8)**	257
Increase/(decrease) in provision	22	**144**	(923)
Net cash flows used in operating activities		**(394)**	(1,688)
Investing activities			
Purchase of property, plant & equipment	15	**–**	(537)
Purchase of investment	16	**(18)**	–
Purchase of loan receivable		**(220)**	–
Interest received		**22**	–
Interest paid		**–**	**(35)**
Proceeds from disposal of subsidiary undertaking, net of cash transferred	17	**–**	11,077
Proceeds from disposal of investment	16	**–**	269
Purchase of a business, net of cash acquired		**–**	(1,087)
Net cash flows (used in)/generated from investing activities		**(216)**	9,687
Financing activities			
Dividends paid	12	**–**	(8,427)
Proceeds from borrowings		**–**	750
Repayment of borrowings		**–**	(162)
Capital element on finance lease rental payments		**–**	(10)
Net cash flows used in financing activities		**–**	(7,849)
Net (decrease)/increase in cash and cash equivalents		**(610)**	150
Cash and cash equivalents at 1 July 2014		**2,048**	1,898
Cash and cash equivalents at 30 June 2015	19	**1,438**	2,048

18 Company cash flow statement
for the year ended 30 June 2015

	Notes	2015 £000	2014 £000
Operating activities			
(Loss)/profit from ordinary activities after taxation		**(431)**	4,109
Taxation payable		**–**	–
Depreciation of property, plant and equipment	15	**1**	–
Gain on disposal of financial assets designated at fair value through profit or loss	17	**–**	(4,385)
Net interest income		**(3)**	(284)
(Increase)/Decrease in trade and other receivables	18	**(163)**	285
Decrease in trade and other payables	20	**(8)**	(4)
Decrease in provisions	21	**–**	(2,554)
Net cash flows used in operating activities		**(604)**	(2,833)
Investing activities			
Interest received		**3**	284
Proceeds from disposal of financial assets designated at fair value through profit or loss	17	**–**	11,684
Net cash flows generated from investing activities		**3**	11,968
Financing activities			
Dividends paid		**–**	(8,427)
Net cash flows generated/(used in) financing activities		**–**	(8,427)
Net (decrease)/increase in cash and cash equivalents		**(601)**	708
Cash and cash equivalents at 1 July 2014		**1,994**	1,286
Cash and cash equivalents at 30 June 2015	19	**1,393**	1,994

Notes to the consolidated and company financial statements at 30 June 2015

1. Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of Avanti Capital plc for the year ended 30 June 2015 were authorised for issue by the board of directors on 2 November 2015 and the balance sheet was signed on the board's behalf by Richard Kleiner and Philip Crawford. Avanti Capital plc, the company, is a public limited company incorporated and domiciled in England and Wales. The company's ordinary shares are traded on the AIM market of the London Stock Exchange. The consolidated financial statements for the year ended 30 June 2015 comprise the financial statements of the parent company and its subsidiaries (collectively, 'the group').

The group and parent company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to financial statements of the Group and parent company for the year ended 30 June 2015.

The principal accounting policies adopted by the group and parent company are set out in note 2 and were consistently applied for all the periods presented, unless otherwise stated.

2. Accounting policies

Basis of preparation

The group and parent company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the group and parent company for the year ended 30 June 2015 and applied in accordance with the Companies Act 2006.

The group and parent company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The group and parent company financial statements have been prepared under the historical cost convention as modified for certain financial instruments, which are stated at fair value.

No profit or loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The loss dealt with in the financial statements of the parent company is £431,000 (2014 – profit £4.1 million). The parent company has not made any other comprehensive income.

Significant accounting judgements, estimates and assumptions

The preparation of the group and parent company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the balance sheet date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in future periods.

Judgements

In the process of applying the group and parent company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are described below.

Financial assets designated at fair value through profit or loss

The financial assets designated at fair value through profit or loss is valued in accordance with the accounting policy set out later in this note on page 20. In certain cases, the group is required to make estimates about expected future cash flows and levels of profitability, and hence they are subject to uncertainty. Further details are given in note 16.

Deferred tax assets (Judgement)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Basis of consolidation

The consolidated financial statements include the financial statements of Avanti Capital plc and the entities it controls (its subsidiaries) for the periods reported.

For the purposes of preparing these consolidated accounts, subsidiaries are those entities controlled by the group. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities and is achieved through direct or indirect ownership of voting rights, by way of contractual agreement. The financial statements of subsidiaries, which are prepared for the same reporting period, are included in the consolidated financial statements from the date that control commences until the date control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from the intra-group transactions are eliminated in full. Accounting policies of subsidiary entities are consistent with the group accounting policies disclosed here.

2. Accounting policies (continued)

Foreign currency translation

The consolidated financial statements are presented in pounds Sterling, which is also the parent company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation difference on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets held at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The group currently holds no held-to-maturity or available for sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

The group determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date the group commits to purchase or sell the asset. Regular way purchases or sales of financial assets that require delivery of assets within the period are generally established by regulation or convention in the market place.

Financial assets designated at fair value through profit or loss

Financial assets held at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Financial assets designated at fair value through profit or loss are those that have been designated by management upon initial recognition. Management designated the financial assets, comprising equity shares and share options, at fair value through profit or loss upon initial recognition due to these assets are part of a group of financial assets, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in 'Fair valuation movements of financial assets designated at fair value through profit or loss'. Interest earned or incurred is accrued in 'Interest income' or 'Interest expense' respectively, using the effective interest rate, while dividend income is recorded in 'Other operating income' when the right to the payment has been established.

Financial assets, comprising equity shares and share options, are valued in accordance with the "Guidelines for the valuation and disclosure of venture capital portfolios" published by the British Venture Capital Association on the following basis:

a) Early stage investments: these are investments in immature companies, including seed, start-up and early stage investments. Such investments are valued at a cost less any provision considered necessary, until no longer viewed as early stage or unless a significant transaction involving an independent third party at arm's length, values the investment at a materially different value;

b) Development stage investments: such investments are in mature companies having a maintainable trend of sustainable revenue and from which an exit, by way of flotation or trade sale, can be reasonably foreseen. An investment of this stage is periodically re-valued by reference to open market value. Valuation will usually be by one of five methods as indicated below:

   i. At cost for at least one period unless such a basis is unsustainable;

   ii. On a third party basis based on the price at which a subsequent significant investment is made involving a new investor;

   iii. On an earnings basis, but not until at least a period since the investment was made, by applying a discounted price/earnings ratio to profit after taxation, either before or after interest; or

   iv. On a net asset basis, again applying a discount to reflect the illiquidity of the investment.

2. Accounting policies (continued)

v. On a comparable valuation by reference to similar business that have objective data representing their equity value.

c) Quoted investments: such investments are valued using the quoted market price, discounted if the shares are subject to any particular restrictions or are significant in relation to the issued share capital of a small quoted company.

At each balance sheet date a review of impairment in value is undertaken by reference to funding, investment or offers in progress after the balance sheet date and provision is made accordingly where the impairment in value is recognised.

Loans and receivables
Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted in an active market. After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the income statement.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all the amounts due under the original terms of the invoice. The carrying amount of the receivables is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectable.

Fair value
The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models or other valuation models which are consistent with those permitted by IFRS 13.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and short-term deposits which are subject to an insignificant risk of changes in value – i.e. deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Other financial liabilities
Trade and other payable are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised costs using the effective interest rate method.

De-recognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The group retains the right to receive cash flows from the assets, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The group has transferred its rights to receive cash flows from the asset and neither (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Accounting policies (continued)

When the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

When continuing involvement takes the form of a written and/or purchase option (including a cash settled option or similar provision) on the transferred asset that the group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modifications is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Provisions
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Operating exceptional items
Operational exceptional items are treated as such if the matters are material and fall within one of the categories below:

a) Restructuring costs of an activity of the group;

b) Disposals of investments; and

c) Abortive deals.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income is recognised as interest accrues (using the effective interest rate method).

Taxes
Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Accounting policies (continued)

- in respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Changes in accounting policies

The following standards and interpretations are applicable but had no material impact on the group:

	Effective dates*
IFRS 10 Consolidated Financial Statements	1 January 2014
IFRS 11 Joint Arrangements	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014
IAS 27 Separate Financial Statements	1 January 2014
IAS 28 Investments in Associates and Joint Ventures	1 January 2014
IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendments)	1 January 2014
IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (Amendments)	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement– Novation of Derivatives and Continuation of Hedge Accounting (Amendments)	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IFRIC 21 Levies	1 January 2014
IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (Amendments)	1 July 2014
Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to IFRSs 2011–2013 Cycle	1 July 2014

2. Accounting policies (continued)

New standards and interpretations not applied

The following standards and interpretations in issue are not yet effective for the group and have not been adopted by the group:

	Effective dates*
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying Consolidation Exception	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018

The directors do not expect the adoption of these standards and interpretations to have a material impact on the consolidated or company financial statements in the period of initial adoption.

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group prepares its financial statements in accordance with IFRSs as adopted by the European Union (EU), the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the group's discretion to early adopt standards. IFRS 10, 11 and 12 and IAS 27 and 28 were issued by IASB with an effective date of 1 January 2013 but have been adopted by the EU with an effective date of 1 January 2014.

3. Segmental information

The primary reporting format is determined to be business segments as the group's risks and rates of return are affected predominantly by differences in the business segments. Secondary segment information is reported geographically. For management purposes, the group organised into business units based on their products and services. The group had two reportable business segments in previous years as follows:

- Investment and ancillary services provides management services in respect of the investment market.
- Bar and night clubs segment relates to the UK late-night, entertainment-led venues and restaurants, which was exclusive to Eclectic Bars Group

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Following the disposal of Eclectic Bars Group and its subsidiaries in prior year, the company is left with the one reporting segment.

3. Segmental information (continued)

Primary reporting format – business segments

The following tables present revenue and loss and certain asset and liability information regarding the group's business segments for the years ended 30 June 2015 and 2014.

Year ended 30 June 2015

	Investments & ancillary £000	Bars & Night clubs £000	Eliminations £000	Total £000
Revenue				
Inter segment sales	–	–	–	–
Sales to external customers	–	–	–	–
Segment revenue	–	–	–	–
Results				
Segment results	(238)	–	–	(238)
Group operating loss	(238)	–	–	(238)
Net finance revenue	26	–	–	26
Fair valuation of financial assets designated at fair value through profit or loss	–	–	–	–
Loss before taxation	(212)	–	–	(212)
Assets and liabilities				
Other segment assets	1,698	–	–	1,698
Financial assets designated at fair value through profit or loss	4,438	–	–	4,438
Total assets	6,136	–	–	6,136
Segment liabilities	1,842	–	–	1,842
Total liabilities	1,842	–	–	1,842
Other segment disclosures				
Capital expenditure:				
Property, plant and equipment – additions	–	–	–	–
Financial assets designated at fair value through profit or loss – additions	18	–	–	18
Depreciation	1	–	–	1

3. Segmental information (continued)

Year ended 30 June 2014

	Investments & ancillary £000	Bars & Night clubs Discontinued operations (note 17) £000	Eliminations £000	Total £000
Revenue				
Inter segment sales	44	–	(44)	–
Sales to external customers	–	9,337	(9,337)	–
Segment revenue	44	9,337	(9,381)	–
Results				
Segment results	(2,225)	753	(797)	(2,269)
Group operating loss	(2,225)	753	(797)	(2,269)
Net finance revenue/(cost)	284	(318)	41	7
Fair valuation of financial assets designated at fair value through profit or loss	–	–	–	–
Loss before taxation	(1,941)	435	(756)	(2,262)
Assets and liabilities				
Other segment assets	2,133	–	–	2,133
Financial assets designated at fair value through profit or loss	4,079	–	–	4,079
Total assets	6,212	–	–	6,212
Segment liabilities	1,706	–	–	1,706
Total liabilities	1,706	–	–	1,706
Other segment disclosures				
Capital expenditure:				
Property, plant and equipment – additions	–	537	(537)	–
Financial assets designated at fair value through profit or loss – additions	–	–	–	–
Depreciation	1	503	(503)	1

3. Segmental information (continued)

Secondary reporting format – Geographical segments

The following tables present revenue, certain assets and capital expenditure information regarding the Group's geographical segments relating to continuing operations for the years ended 30 June 2015 and 2014.

Year ended 30 June 2015

	UK £000	USA £000	Total £000
Revenue			
Inter segment sales	–	–	–
Revenue from continuing operations	–	–	–
Other segment information			
Segment assets	1,464	234	1,698
Financial assets designated at fair value through profit or loss	–	4,438	4,438
Total assets	1,464	4,672	6,136

Year ended 30 June 2014

	UK £000	USA £000	Total £000
Revenue			
Inter segment sales	–	–	–
Revenue from continuing operations	–	–	–
Other segment information			
Segment assets	2,133	–	2,133
Financial assets designated at fair value through profit or loss	–	4,079	4,079
Total assets	2,133	4,079	6,212
Capital expenditure:			
Property, plant and equipment – additions	–	–	–
Investments			
Profit from discontinued operations	5,110	–	5,110

4. Administrative expenses – exceptional items

	Continuing operations		Discontinued operations (note 17)		Total	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Deal and merger costs:						
– Redundancy costs	**–**	–	**–**	15	**–**	15
– Cost on abortive projects	**–**	–	**–**	1	**–**	1
– Restructuring charges	**–**	–	**–**	82	**–**	82
– Loss in the fair value on sale of financial assets designated at fair value through profit or loss	**–**	8	**–**	–	**–**	8
	–	8	**–**	98	**–**	106

Notes to the consolidated and company financial statements at 30 June 2015

5. Group operating (loss)/profit

This is stated after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
	2015	2014	**2015**	2014	**2015**	2014
	£000	£000	**£000**	£000	**£000**	£000
Depreciation of property, plant and equipment	**1**	1	**–**	505	**1**	506
Net foreign currency differences	**10**	12	**–**	–	**10**	12
Cost of inventories recognised as an expense (included in cost of sales)	**–**	–	**–**	1,956	**–**	1,956
Operating lease payments – land and buildings	**–**	–	**–**	612	**–**	612
Provision for carried interest	**144**	1,660	**–**	–	**144**	1,660

6. Auditor's remuneration

	2015	2014
	£000	£000
Audit of the group's financial statements	**34**	43
Other fees to auditor:		
– auditing the accounts of subsidiaries	**3**	–
	37	43

There are no non-audit fees paid to the auditor.

7. Staff costs

	Continuing operations		Discontinued operations		Total	
	2015	2014	**2015**	2014	**2015**	2014
	£000	£000	**£000**	£000	**£000**	£000
Wages and salaries	**–**	–	**–**	2,112	**–**	2,112
Social security costs	**–**	–	**–**	73	**–**	73
	–	–	**–**	2,185	**–**	2,185

There were no pension contributions during the year.

The average monthly number of employees, including directors, during the year was as follows:

	Continuing operations		Discontinued operations		Total	
	2015	2014	**2015**	2014	**2015**	2014
	No.	No.	**No.**	No.	**No.**	No.
Investment holdings	**3**	3	**–**	–	**3**	3
Bar and night clubs						
– Bar staff	**–**	–	**–**	475	**–**	475
– Head office	**–**	–	**–**	14	**–**	14
	3	3	**–**	489	**3**	489

All employees in continuing operations were directors. Their remuneration is disclosed in note 8 and in the Report on Directors' Remuneration in the Directors' Report on page 9.

8. Directors' remuneration

	2015 £000	2014 £000
Fees	**45**	42

An analysis of directors' remuneration is set out in the Directors' Report. There were no pension payments in respect of either year. Included in the report on directors' remuneration are details of fees payable to Odyssey Partners Limited, a company controlled by Richard Kleiner, in respect of the investment management agreement between the company and Odyssey Partners Limited.

9. Finance revenue

	Continuing operations		Discontinued operations (note 17)		Total	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
On deposits and liquid funds	**3**	7	**–**	3	**3**	10
On loan issued	**23**	–	**–**	–	**23**	–
	26	7	**–**	3	**26**	10

10. Finance cost

	Continuing operations		Discontinued operations (note 17)		Total	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Bank loans and overdrafts	**–**	–	**–**	42	**–**	42
	–	–	**–**	42	**–**	42

11. Taxation

The major components of income tax for the years ended 30 June 2015 and 2014 are:

(a) Analysis of charge in year:

	2015 £000	2014 £000
Current tax		
UK corporation tax on the profit for the year	**–**	–
Deferred tax		
Utilisation of tax losses (note 11(c))	**–**	–
Origination and reversal of temporary differences	**–**	–
Prior year overstatement of deferred tax asset	**–**	–
Total tax charge for year	**–**	–

11. Taxation (continued)

(b) Factors affecting current tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax – continuing operation	(212)	(2,262)
Profit on ordinary activities before tax – discontinued operation	–	5,274
	(212)	3,012
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 – 22.50%)	(44)	678
Effects of:		
Disallowable expenses and non-taxable income	–	1
Movement in unrecognised deferred tax	(44)	(679)
Total tax charge for year (note 11a)	–	–

(c) Deferred tax

	2015 £000	2014 £000
Recognised in balance sheet:		
Deferred tax liability – Goodwill	–	–
Deferred tax asset		
Tax losses	–	–
Capital allowances	–	–
	–	–

Legislation to reduce the UK main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015 was enacted in July 2013. Accordingly, deferred tax balances as at 30 June 2015 have been calculated on these rates.

The group has tax losses, predominantly in the form of capital losses, arising in the UK of approximately £12 million (2014 – £12 million) that are available indefinitely for offset against future chargeable gains in the group. In addition there are excess management expenses of approximately £5.5 million (2014 – £5.3 million) and a non-trade deficit of £2.2 million (2014 – £2.2 million) that are available for offset against future taxable profits of those companies in which the losses arose. Deferred tax assets of £4.0 million (2014 – £4.2 million) in respect of such losses have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group. If investments classified as 'Financial assets designated at fair value through profit or loss' were sold at their valuations at the balance sheet date, capital losses of £2.3 million (2014: £2.3 million) would arise.

In addition, deferred tax assets of £0.1 million (2014 – £0.1 million) arising on decelerated capital allowances of £0.1 million (2014 – £0.1 million) and deferred tax assets of £0.4 million (2014 – £0.4 million) arising on the carried interest provision of £1.775 million (2014 – £1.631 million) have also not been recognised as there is not sufficient certainty of future profits against which the temporary difference will unwind.

12. Dividends

Amounts recognised as distributions to equity holders of the company in the previous year:

	2015 £000	2014 £000
Interim dividend paid on 16 January 2014 at 63p per share	–	4,976
Interim dividend paid on 28 March 2014 at 42p per share	–	3,451
Total dividends	–	8,427

13. (Loss)/earnings per share

The loss per share calculation is based on the group's retained loss attributable to the shareholders of the parent for the year of £212,000 (2014 – profit £2.8 million) and the weighted average number of shares in issue for the year of 8,025,752 (2013 – 8,025,752). Further information is set out in note 22 on page 37.

The (loss)/earnings attributed to ordinary shareholders and the weighted average number of shares for the purposes of calculating the diluted (loss)/earnings per share is identical to those used for basic (loss)/earnings per share.

	2015	2014
	£000	£000
Loss from continuing operations	**(212)**	(2,262)
Profit from discontinuing operations	**–**	5,020
Weighted average number of shares	**8,025,752**	8,025,752
(Loss)/Earnings per share – basic and fully diluted	**(2.64)p**	34.36p
(Loss)/Earnings per share – from discontinued operations	**–**	63.67p

14. Intangible assets

	Goodwill
	£000
Cost:	
At 1 July 2013	5,196
Additions	130
Disposal of subsidiary investments	(5,326)
As at 30 June 2014 and 30 June 2015	–
Net book value as at 30 June 2014 and 30 June 2015	–

Goodwill in previous years arose through the acquisition of Eclectic Bars Limited. The additions in prior year reflect a business acquisition made by Eclectic Bars Limited (see note 15). The carrying amount was reduced to £nil during the prior period to reflect the disposal of its subsidiary investments (see note 17).

15. Property, plant and equipment

Group

	Leasehold improvements £000	IT equipment £000	Furniture and fittings £000	Motor vehicles £000	Total £000
Cost:					
At 30 June 2013	1,698	667	6,803	177	9,345
Additions	353	27	157	–	537
Acquired in business combination (*)	785	–	135	–	920
Disposals (see note 17)	(2,836)	(679)	(7,095)	(177)	(10,787)
At 30 June 2014 and 30 June 2015	–	15	–	–	15
Depreciation:					
At 30 June 2013	974	136	2,718	79	3,907
Charge for the year	83	18	393	11	505
Disposals (see note 17)	(1,057)	(140)	(3,111)	(90)	(4,398)
At 30 June 2014	–	14	–	–	14
Charge for the year	–	1	–	–	–
At 30 June 2015	–	15	–	–	15
Net book value:					
At 30 June 2015	–	–	–	–	–
At 30 June 2014	–	–	–	–	1

(*) The business combination was made by Eclectic Bars Limited. The consideration was £1,096,000. Property, plant and equipment and other net assets were acquired for £920,000 and £46,000 respectively, giving rise to goodwill of £130,000 (see note 14).

Company

	IT equipment £000	Furniture and fittings £000	Total £000
Cost:			
At 30 June 2013	15	3	18
Disposal	–	(3)	(3)
At 30 June 2014 and at 30 June 2015	15	–	15
Depreciation:			
At 30 June 2013	14	3	17
Charge for the year	–	–	–
Disposal	–	(3)	(3)
At 30 June 2014	14	–	14
Charge for the year	1	–	1
At 30 June 2015	15	–	15
Net book value:			
At 30 June 2015	–	–	–
At 30 June 2014	1	–	1

16. Financial assets designated at fair value through profit or loss

	Group 2015 £000	**Company 2015 £000**	Group 2014 £000	Company 2014 £000
Unlisted investments	**4,438**	**–**	4,079	–
Investment in unlisted subsidiaries	**–**	**2,854**	–	2,854
	4,438	**2,854**	4,079	2,854

Group – Unlisted investments

	Cost £000	Provision £000	Revaluation £000	Book value £000
At 30 June 2013	13,772	(7,798)	(1,532)	4,442
Disposals	(1,119)	767	–	(352)
Adjustments	–	59	(59)	–
Exchange differences	–	(11)	–	(11)
At 30 June 2014	12,653	(6,983)	(1,591)	4,079
Additions	18	–	–	18
Exchange differences	–	341	–	341
At 30 June 2015	12,671	(6,642)	(1,591)	4,438

Company – Unlisted investments

	Cost £000	Provision £000	Revaluation £000	Book value £000
At 30 June 2013	11,797	(1,644)	–	10,153
Repayments (see note 17)	(7,299)	–	–	(7,299)
At 30 June 2014 and at 30 June 2015	4,498	(1,644)	–	2,854

All unlisted investments represent investments into equity shares.

Fair value hierarchy

Group
As at 30 June 2015, the group held the following financial instruments measured at fair value:

The group and the company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The disposal in prior year only related to Espresso and did not include that of Eclectic Bars group and its subsidiaries. The total proceeds of £342,000 from Espresso disposal were broadly in line with the carrying value of the investment. Of this amount, £73,000 was included in trade and other receivables as at prior year-end.

16. Financial assets designated at fair value through profit or loss (continued)

Assets measured at fair value

	Total £000	Level 1 £000	Level 2 £000	Level 3 £000
Financial assets held at fair value through profit or loss:				
Equity shares				
At 30 June 2013	4,442	–	4,051	391
Disposals	(352)	–	39	(391)
Exchange differences	(11)	–	(11)	–
At 30 June 2014	4,079	–	4,079	–
Additions	18	–	18	–
Exchange differences	341	–	341	–
Revaluation	–	–	–	–
At 30 June 2015	4,438	–	4,438	–

During the reporting period, there were no transfers between level 1 and level 2 and a transfer into and out of level 3.

The fair values of financial assets are determined in accordance with the valuation guidelines issued by the British Venture Capital Association as set out in accounting policy note 2. This is on a comparable valuation by reference to similar business that have objective data representing their equity value. There have been no changes in the valuation technique during the year.

The fair value approximates to the carrying value of the financial assets.

Company

As at 30 June 2015, the company held the following financial instruments measured at fair value:

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly

Assets measured at fair value

	Total £000	Level 1 £000	Level 2 £000
Financial assets held at fair value through profit or loss:			
Equity shares and loans			
At 30 June 2013	10,153	–	10,153
Disposals	(7,299)	–	(7,299)
At 30 June 2014	2,854	–	2,854
At 30 June 2015	2,854	–	2,854

Details of the significant investments in which the company holds, directly or indirectly, 20% or more of the nominal value of any class of share capital as at 30 June 2015 are as follows:

Name of Company	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings:			
Avanti Holdings plc	Ordinary shares	100%	Private equity
Avanti Partners NV*	Ordinary shares	100%	Private equity
Avanti Nominees Limited	Ordinary shares	100%	Dormant

Avanti Partners NV is directly owned by Avanti Holdings plc and is in turn directly owned by Avanti Capital plc.

* Incorporated in Belgium. All other subsidiaries are domiciled and incorporated in England & Wales.

Notes to the consolidated and company financial statements at 30 June 2015

17. Discontinued operations

During the previous period, the group disposed of its interest in Eclectic Bars Limited following Eclectic Bars' floatation on the AIM market of the London Stock Exchange.

	£000
Profit & loss	
Turnover	9,337
Less: Cost of sales	(1,957)
Gross profit	7,380
Operating expenses	(6,026)
EBITDA	1,354
Depreciation	(503)
Interest payable	(42)
Profit on ordinary activities before taxation and exceptional items	809
Exceptional items – other	(98)
Profit on ordinary activities before taxation	711
Taxation	(164)
Profit for the period from discontinued operation*	547
Gain on disposal of the discontinued operations	4,563
Total**	5,110

* The company's investment in Eclectic Bars and its subsidiaries was disposed of when Eclectic Bars listed on the AIM market of the London Stock Exchange in late November 2013 for a cash consideration of £4.5 million (excluding legal and professional fees of £151,000). Up to the date of disposal (and the simultaneous deconsolidation of Eclectic Bars), the group's recognised profits from Eclectic Bars of £0.5 million which has been classified as arising from discontinued operations. The primary segment was that of bars and night clubs (see note 3).

** Including minority interest of £90,000.

The assets and liabilities of Eclectic Bars group at disposal were as follows:

	£000
Cash and cash equivalent	607
Intangible and tangible assets	11,715
Current assets (including inventories)	1,622
Liabilities (including bank loans)	6,823

As there are losses brought forward, there is no tax due on the gain of the disposal (see note 11).

Eclectic Bar group repaid the whole outstanding loan amount subsequent to its flotation on the AIM market of the London Stock Exchange for the amount of £7.3 million. This, together with the net consideration for the sale of shares referred to above of £4.4 million, resulted in total cash receipts of £11.7 million.

Discontinued operations affected the group cash flow statements as follows:

	£000
Net cash provided by/(used in) operating activities	863
Net cash provided by/(used in) investing activities	2,320
Net cash provided by/(used in) financing activities	578

18. Trade and other receivables

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Trade and other receivables	26	11	84	13
Amounts due from subsidiary company	–	1,152	–	987
	26	1,163	84	1,000

Trade receivables are non-interest bearing and are generally on 30-90 days terms. Impairment has been considered and no provision was considered necessary.

At both 30 June 2015 and 30 June 2014 none of the trade receivables were past due or impaired.

The credit quality of trade receivables that are neither past due nor impaired can not be quantified as no credit rating information for the trade receivables is available.

Of the balance in respect of counterparties with internal ratings, 100% of existing customers are with no history of defaults.

19. Cash and cash equivalents

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Cash at bank and on hand	48	3	58	4
Short-term deposits	1,390	1,390	1,990	1,990
	1,438	1,393	2,048	1,994

20. Trade and other payables

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Trade payables	4	4	13	13
Accruals and other creditors	63	58	62	57
	67	62	75	70

21. Provision

	Group £000	Company £000
Carried interest		
At 30 June 2013	2,554	2,554
Provision in period	1,660	29
Utilisation of provision	(2,583)	(2,583)
At 30 June 2014	1,631	–
Provision in period	144	–
Utilisation of provision	–	–
At 30 June 2015	1,775	–

In November 2008, the company and its subsidiaries entered into an arrangement with Odyssey Partners Limited in relation to the management of the group's portfolio which was effected through a change to the terms of the then existing investment management agreement. The terms include a hurdle over which the carried interest has a positive value. This hurdle, based on net assets, is equivalent to 82.5p per share (a 23% premium to the price as at 4 November 2008 the date the new arrangement was effected).

The carried interest has been provided on the basis of terms of agreement between the company and Odyssey Partners Limited. The group's disposal of its interest in Eclectic Bars Limited, following its flotation on the AIM market of the London Stock Exchange and the £7.3 million repayment of the loan by Eclectic Bars, triggered the payment of £2.58 million of the carried interest on 13 December 2013.

The carried interest provision as at 30 June 2015 of £1.775 million assumes that the group's remaining investments (including Mblox) are realised at their respective carrying values.

22. Share capital

	Authorised		Allotted, called up and fully paid	
	2015	2014	**2015**	2014
	No.	No.	**No.**	No.
Ordinary shares of £0.01 each	**20,833,333**	20,833,333	**8,025,752**	8,025,752
	£000	£000	**£000**	£000
Ordinary shares of £0.01 each	**208**	208	**80**	80

As referred to in the Strategic Report and the Report of the Directors', the company effected a Capital Reduction Scheme during the year to 30 June 2014, full details of which were set out in the Circular distributed to shareholders on 6 February 2014. A summary of the Capital Reduction Scheme are as follows:

a) the amount standing to the credit of the company's merger reserve in the sum of £2,044,726.31 was capitalised by way of a bonus issue of newly created Capital Reduction Shares;

b) the newly created Capital Reduction Shares were cancelled;

c) the amount standing to the credit of the company's share capital redemption reserve (such amount being, as at 30 June 2013, £1,409,004 was cancelled; and

d) the share capital of the company was reduced from £4,815,451.20 divided into 8,025,752 ordinary shares of 60 pence each, to £80,257.52 divided into 8,025,752 ordinary shares of 1 pence each, and that the resulting sum of £4,735,193.68 be credited to the distributable reserves of the company.

Following the approval by the company's shareholders of the resolutions in the Capital Reduction and the subsequent approval of the Court, the company's distributable reserves were increased by £8,188,923.99.

In seeking the Court's approval of the Capital Reduction Scheme, the Court required protection for the creditors (including contingent creditors) of the company whose debts remain outstanding on the relevant dated, except in the case of creditors which have consented to the Capital Reduction. Any such creditor protection included seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company. At the time the company owed no more than £45,000 to its creditors and had a provision in its audited accounts for the financial period ended 30 June 2013 of £2,554,000 in respect of carried interest due by the company and its subsidiary, Avanti Partners NV, to Odyssey Partners Limited in connection with the management of the group's portfolio. Following the payment to Odyssey Partners Limited of part of such outstanding carried interest, there was a provision in the sum of £1.631 million that remains provided for as owing to Odyssey Partners Limited. This amount was based on the remaining investments realising proceeds which are equivalent to the values as reflected in the audited accounts for the financial period ended 30 June 2014. As at 6 February 2014, the date of the Circular, consent to the Capital Reduction was obtained from Odyssey Partners Limited in respect of such amount.

In view of the foregoing, as at 30 June 2015, there were 8,025,752 ordinary shares of 1 pence each in the capital of the company. There have been no purchases by the company of its own shares during the year.

23. Reserves

Capital redemption reserve

Capital redemption reserve arose from the purchase and cancellation of own share capital, and represents the nominal amount of the share capital cancelled. This reserve has been cancelled under the Capital Reduction Scheme referred to in note 22.

Other reserves

Other reserves represent share premium paid on the acquisition of subsidiary company. This reserve has been cancelled under the Capital Reduction Scheme referred to in note 22.

Non-controlling interest

Non-controlling interest represented the 40% of Eclectic Bars Limited not owned by the parent (see note 17).

24. Related party transactions

In the period under review, Odyssey Partners Limited, a company in which Richard Kleiner has a material interest, provided investment advisory services amounting to £145,200 (2014 – £228,800). The group also paid £61,140 (2014 – £58,050) in respect of accountancy and administration services to Gerald Edelman, a firm in which Richard Kleiner has a partnership interest.

The group considers its key management personnel to be the directors of the company. The compensation of key management personnel, representing short-term employee benefits as disclosed in Report on Directors' Remuneration in the Directors' Report on page 9.

Included in provisions is an amount of £1.775 million (2014: £1.631 million) which relates to carried interest that would be payable to Odyssey Partners Limited if the net assets were to be realised at their carrying value at the balance sheet date (see note 21).

Included in Trade and other receivables is amount of £1,152,000 (2014: £987,000) due from Avanti Holdings plc (see note 16 and note 18), a wholly owned subsidiary.

There are no other related party transactions.

25. Commitments and contingencies

Operating lease commitments
At 30 June 2015 the group and the company has no commitments under non-cancellable operating leases.

Finance lease and hire purchase contracts
At 30 June 2015 the group and the company has no commitments under finance leases or hire purchase contracts.

26. Financial risk management objectives and policies

The group's and company's financial instruments comprise investments, cash and liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The vast majority of the group's and company's financial investments are denominated in sterling.

Neither the group nor the company enter into derivatives or hedging transactions.

The fair values of the group's and company's financial instruments approximate the carrying values as at 30 June 2015 and 30 June 2014.

It is, and has been throughout the period under review, the group's and company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the group's and company's financial instruments are investment risk, interest rate risk and liquidity risk. With the exception of the investment in Mblox, the group does not have a material exposure to foreign currency risk. The board reviews policies for managing each of these risks, and they are summarised as follows:

Investment risk
Investment risk includes investing in companies that may not perform as expected. The group's investment criteria focus on the quality of the business and the management team of the target company, market potential and the ability of the investment to attain the returns required within the time horizon set for the investment. Due diligence is undertaken on each investment. The group regularly reviews the investments in order to monitor the level of risk and mitigate exposure where appropriate.

Interest rate risk
Certain investee companies of the group borrow in currencies to match the denomination of fixed and floating rates of interest to generate the desired interest rate profile and to manage their exposure to interest rate fluctuation.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the group's loss before tax (through the impact on floating rate borrowings).

	Increase/decrease In basis points	Effect on profit before tax 2014 £000
2015		
Sterling	+ 100	(2)
Sterling	- 100	2
2014		
Sterling	+ 100	(2)
Sterling	- 100	2

26. Financial risk management objectives and policies (continued)

Liquidity risk

The group's policy is to finance its operations and expansion through working capital and, in the case of investing in target companies, to raise an appropriate level of acquisition finance.

The table below summarises the maturity profile of the group's and company's financial liabilities at 30 June 2015 and 2014 based on contractual (undiscounted) payments.

Group

Year ended 30 June 2015

	Total £000	On demand £000	Up to 1 year £000	1-2 years £000	2-5 years £000
Trade and other payables	67	–	67	–	–
Trade and other receivables	260	–	–	–	260

Year ended 30 June 2014

	Total £000	On demand £000	Up to 1 year £000	1-2 years £000	2-5 years £000
Trade and other payables	75	–	75	–	–
Trade and other receivables	84	–	84	–	–

Company

Year ended 30 June 2015

	Total £000	On demand £000	Up to 1 year £000	1-2 years £000	2-5 years £000
Trade and other payables	63	–	63	–	–
Trade and other receivables	11	–	11	–	–

Year ended 30 June 2014

	Total £000	On demand £000	Up to 1 year £000	1-2 years £000	2-5 years £000
Trade and other payables	70	–	70	–	–
Trade and other receivables	13	–	13	–	–

The group and the company aims to mitigate liquidity risk by managing cash generation by its operations, and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating up to board level and cash payback periods applied as part of the investment appraisal process.

Credit risk

There are no significant concentrations of credit risk within the group. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Fair Value

There is no material difference between the fair values and book values of any of the group's financial instruments. Fair values of investments are discussed in note 16.

Strategies for managing capital

The primary objective of the group's and company's capital management is to ensure it is able to support its business and maximise shareholder value.

The group and the company manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the company may return capital to shareholders or perhaps issue new shares. No changes were made in the objectives or policies during the years ended 30 June 2015 and 30 June 2014.

26. Financial risk management objectives and policies (continued)

Financial assets

Group

The group has financial assets as shown below:

Currency	Floating rate financial assets 2015 £000	Non-interest bearing financial assets 2015 £000	Floating rate financial assets 2014 £000	Non-interest bearing financial assets 2014 £000
Sterling – cash and short-term deposits	1,438	–	2,048	–
Sterling – unquoted investments	–	–	–	–
US Dollar – unquoted investments	–	4,438	–	4,079
Non-current asset investment				
Loan to Mblox	234	–	–	–
	1,672	4,438	2,048	4,079

Company

The company has financial assets as shown below:

Currency	Floating rate financial assets 2015 £000	Non-interest bearing financial assets 2015 £000	Floating rate financial assets 2014 £000	Non-interest bearing financial assets 2014 £000
Sterling – cash and short-term deposits	1,438	–	1,994	–
Sterling – unquoted investments	–	–	–	–
US Dollar – unquoted investments	–	–	–	–
Non-current asset investment				
Loan to Mblox	–	–	–	–
	1,676	4,438	2,048	4,079

The non-current financial asset comprises the secured loan that was made to Mblox in July 2014 amounting to $367,000 (equivalent amount – £234,000). The terms of the loans are that it has a maturity date of 31 July 2018 and attracts interest based upon LIBOR plus fixed rate. Non-interest bearing financial assets are available on demand.

27. Post-Balance Sheet Event

As part of the arrangements to preserve the company's cash assets, an agreement was reached with Odyssey Partners Limited ("OPL"), the investment adviser, such that with effect from 1 July 2015 OPL's management fees are to be deferred until there are realisation proceeds from the remaining assets held by the company.

Notice of Annual General Meeting

Notice is hereby given that the 2015 Annual General Meeting of Avanti Capital plc ("the Company") will be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA on the 7 day of December 2015 at 11.30 am to transact the following business.

Ordinary Business

1 To receive and adopt the Directors' Report, the financial statements and the auditors report for the year ended 30 June 2015.

2 That the Directors' Remuneration Report as set out on page 9 of the report and accounts (as referred to in 1 above) be approved.

3 To re-elect Richard Kleiner as a director.

4 To confirm the re-appointment of Ernst & Young LLP as auditor of the Company.

5 To authorise the directors to fix the auditor's remuneration.

Special Business

As special business, to consider and, if thought fit, pass the following resolution 6, which will be proposed as a special resolution:

6 That the Company be generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 802,500;

(b) the minimum price which may be paid for an Ordinary Share is 1p per share;

(c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased;

(d) the authority hereby conferred expires at the conclusion of the next annual general meeting of the Company to be held in 2015 or, if earlier, twelve months after the date of the passing of this resolution unless such authority is renewed, varied or revoked prior to such a time; and

(e) the Company can make a contract or contracts to purchase Ordinary Shares under this authority before the expiry of the authority; and may make a purchase of Ordinary Shares in pursuance of any such contract or contract.

BY ORDER OF THE BOARD

Richard Kleiner
Secretary

2 November 2015

Registered Office:
73 Cornhill
London
ECV3 3QQ

Notes:

(1) A member entitled to attend and vote at the above-mentioned Annual General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.

(2) A prepaid form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such an authority) must be deposited at the offices of the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 11.30 am. on 5 December 2015. Completion of the form of proxy will not preclude a member from attending and voting in person.

(3) The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 pm. on 5 December 2015 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

(4) There will be available for inspection at the registered office of the Company, during usual business hours on any weekday from the date of this notice until the date of the meeting and at the place of the meeting for 15 minutes prior to and during the meeting, copies of any directors' service agreements with the Company.

Avanti Capital plc
73 Cornhill
London EC3V 3QQ

www.avanticap.com

Company Registration number 03319365