The Summit Group Limited

2013

The Summit Group

What we do

The Summit Group is a venture capital business. We provide capital to start up and early stage companies and actively support these businesses as they grow.

We only invest in businesses to which we believe we can add value. We achieve this by providing business infrastructure and support functions as well as our skill and experience and the contacts within our Group and our other investments. Our aim is to give the entrepreneurs we back the support and resources to enable us to succeed together.

Summit always invests less than £500,000. We always seek to have a shareholding in excess of 20% in the companies in which we invest.

Who we are

The Summit Group is a group of companies which operate principally in the financial and business services markets. Its activities include vendor finance, insurance, property and sales outsourcing as well making and managing early stage venture capital investments. Most of the Group's businesses were established as start ups where Summit backed and supported management teams in which we had confidence. We have continued to support these businesses over many years. Although several of the businesses we have backed in the past have gone on to become successful independent businesses our policy is generally only to seek to realise our investment in a business if that is what its management also want.

The Summit Group itself is wholly owned by people who work (or have worked) in the business. Since it is our own money we are investing we treat all our businesses with the attitude of someone who has made a significant personal investment. This makes us hands-on investors: once we have made an investment we work as partners with management to help their business succeed and create value for all of us. Our financial standing, our years of hands-on experience in starting businesses and dealing with the issues and problems that are encountered along the way - and we have encountered many of them - and our extensive contacts all enable us to make a real contribution to the development of businesses in which we invest, over and above the capital we provide.

History of The Summit Group

The Summit Group has been in business for twenty eight years. During this time it has been both a smaller and larger enterprise and raised over £150 million of capital, at its peak growing its total assets to in excess of £500 million with annual revenues of over £200 million. For over twenty years it has had the same core senior management team who have been involved in most aspects of growing and managing both smaller and larger businesses and the issues they encounter across a number of market sectors. As well as being a venture capital investor, it has also had shareholders who themselves were venture capital companies so has experience of the issues that can arise from both parties' perspectives.

What we look for

The key to any business is people. We look for energetic, experienced and talented leaders who can build and run their own businesses. These businesses will typically be in or around our preferred sectors, which include:

- Business Services
- Finance
- Software & Internet
- Medical & Life Science
- Outsourcing
- Marketing Services
- Environmental
- Energy
- Technology

We tend to favour service-type businesses which have business models we can understand, which are cash generative and preferably with revenues earned under long term arrangements. We generally only invest in businesses whose customers are also businesses and therefore, generally, do NOT invest in businesses whose customers are consumers such as retail, entertainment or leisure.

Our investment approach revolves around the people we back, because even the best business ideas will not succeed without energetic and visionary entrepreneurs to implement them.

Our task, therefore, is to identify the people who have the capability to build quality and sustainable businesses - and to provide them with the appropriate infrastructure and financial resources to allow them to succeed.

We have found that entrepreneurs who choose to work with us value having the support, infrastructure, contacts and experience of a substantial and established business such as The Summit Group. Our involvement gives them credibility and frees them to focus on the value-creating elements of their business.

How we operate

We only maintain control over what we consider to be a few key financial and commercial factors. Beyond these, our philosophy is that the people we back should have the freedom to succeed in developing their business in their own way, with our support as a significant shareholder and contributor to the board.

We believe that once we have agreed the terms of our investment we are all shareholders together and should work together to create value.

How we are structured

The Summit Group makes investments out of its own resources; through Summit Alpha and, for investments seeking between £500,000 and £2 million, through Seraphim Capital, the enterprise capital fund of which Summit is a managing partner.

What we are invested in

Sector	The Summit Group	Summit Alpha	Seraphim Capital
Business Services	Voicenotes	iX Group PAI Group	
Communications	Avanti Communications	Avanti Communications	Handmade Mobile Aria Networks
Environmental & Energy	South East Power Engineering BioWayste Services Waste to Energy	Powerstax	
Financial	Summit Asset Management BOSHire Summit Insurance Services Tennyson Insurance		
Marketing Services	Tennyson		MirriAd
Medical & Pharmaceutical	MedTrade Products Medical Equipment Solutions United Open MRI Thornbury Radiosurgery Centre QSRC		
Property	Summit Property		
Technology			Pyreos
Software & Internet	T-Plan	T-Plan	TestPlant Intamac Cognitive Match Knowledge Mill

Portfolio review

Directly held investments

Investment	Year	Percentage ownership	Business
Summit Insurance Services	1991	90%	Insurance services

Summit Insurance Services has created and distributes a number of insurance products of which the most significant is CompuCover; the UK's leading all risks insurance for IT equipment. CompuCover insures over 4,000 educational establishments, small and large organisations in both the public and private sector and thousands of individuals.

As well as CompuCover Summit Insurance Services also manages the insurance schemes for major computer manufacturers including Toshiba and Fujitsu, specialist schemes such as Family Fund and IT insurance for Disabled Students and the IT insurance on salary sacrifice schemes.

The company also provides warranty schemes both as insurance and service agreements which have grown by over 115% in the financial year.

Investment	Year	Percentage ownership	Business
MedTrade Products	2000	27%	Medical product fulfilment

MedTrade Products designs and produces specialised medical products, which utilise new materials and processes. It sources and procures the manufacture of product to meet orders placed by major medical and pharmaceutical retailers and distributors throughout the world. Summit invested £330,000 in three tranches for a 27% shareholding in the company.

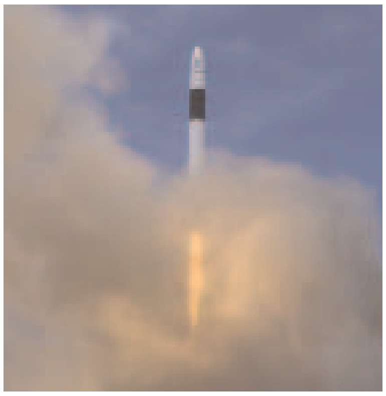
MedTrade's expertise lies in obtaining the necessary CE marking and FDA approvals for its products in timescales that fit its customers' needs for products to be on sale at particular times. In the year to 28 February 2013 it achieved record sales of just over £11 million and a profit before tax of £1.34 million.

Perhaps more importantly, after the year-end the company began the clinical trials for MedTrade's revolutionary new haemostat product, Celox, for use in internal surgical procedures. The Celox product is now being used across the world by a considerable number of military forces and first responder units, with great praise for its efficacy; and the move into surgical use is the next stage in the development of its sales strategy.

Portfolio review

Directly held investments continued

Investment	Year	Percentage ownership	Business
Avanti Communications	2002	Less than 1%	Satellite operator



Avanti Communications is a supplier of satellite communications delivering broadband and corporate data connectivity across Europe. Avanti's first satellite, called HYLAS 1, launched on 26 November 2010 and was the first superfast broadband satellite launched in Europe. Avanti's second satellite called HYLAS 2 was launched in August 2012. It extended Avanti's coverage to Africa and the Middle East. HYLAS 3 is currently in design. The company is listed on AIM with a market capitalisation of £287 million at 24 September 2013.

Investment	Year	Percentage ownership	Business
Tennyson	1998	90%	Sales channel development

Tennyson is a sales outsourcing company, working with major organisations to improve their profit performance by providing services on a long term contract basis. These services include the provision of field sales teams, phone sales teams, third party channel programmes and both web and phone based order-processing centres. In addition to providing high quality personnel, Tennyson also adds value through its expert knowledge of business to business sales.

A significant proportion of the company's earnings come through participation in the additional income it generates for its customers.

Investment	Year	Percentage ownership	Business
Tennyson Insurance	2008	38%	Insurance services

Tennyson Insurance is an insurance broker specialising in meeting the insurance needs of two specific sectors: charities and other voluntary organisations, under the Tennyson brand and town and parish councils, under the Zurich Municipal brand. Its staff are all trained to understand and deal with the insurance needs of customers operating in these two areas. Its insurance products are underwritten by Zurich Insurance and are marketed in conjunction with Zurich and industry organisations dedicated to these two sectors.

Tennyson Insurance is developing a significant book, with over 3,500 charity customers, ranging from small community groups, who are happy to purchase and renew their insurance online, to major national charities who engage with senior consultants in order to review, quantify and then offset the risks that they face.

Portfolio review

Directly held investments continued

Investment	Year	Percentage ownership	Business
Summit Property	1994	100%	Property development

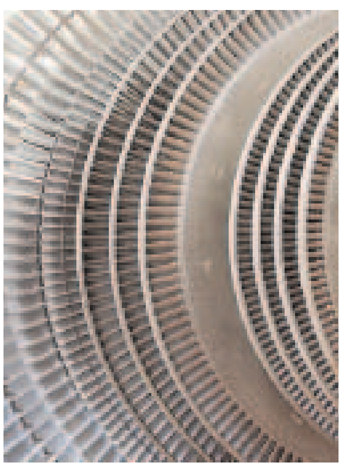
Summit Property undertakes property projects, usually in conjunction with partners with whom it shares in the value it creates through using its expertise to enhance the value of a particular property situation.

Summit Property has a mature development programme of which it has realised a large part and now has no borrowings outstanding. Its portfolio now consists of commercial property some of which is let, and some sold with deferred consideration to be received. As the portfolio is turned into cash the company will be seeking joint venture partners for future development and investment opportunities, utilising the group's cash resources.

Investment	Year	Percentage ownership	Business
Voicenotes	2007	26.5%	Sales support services

Voicenotes provides a highly cost-effective and individual transcription service to corporates, typically in the financial services industry. Staff at those customers dictate meeting and other notes from their mobile phones, and these are then transcribed and e-mailed back to the relevant member of staff and any colleagues that need copies; and these can also provide a link to the customer's CRM system to keep their customer lists and contacts current.

Investment	Year	Percentage ownership	Business
Summit Asset Management	1992	77.5%	Vendor programme management



Summit Asset Management is a leading provider of innovative leasing and project finance structures, primarily for renewables, waste to energy plant and modular buildings, but continuing to serve its traditional markets in the information technology, telecommunications and medical equipment sectors.

Summit Asset Management's products include project financings, operating leases and short term rental. These are delivered through vendor finance programmes, direct marketing and adviser relationships.

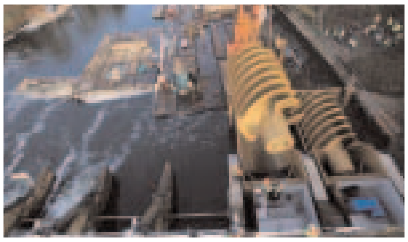
Summit Asset Management has also invested alongside the relevant management teams, in its areas of financing specialisation of medical, modular buildings, energy and environmental technologies.

These specialist investment companies are described on the following pages.

Portfolio review

Investments through Summit Asset Management (77.5% owned)

Investment	Year	Percentage ownership	Business
South East Power Engineering	2007	75%	Hydroelectric power generation

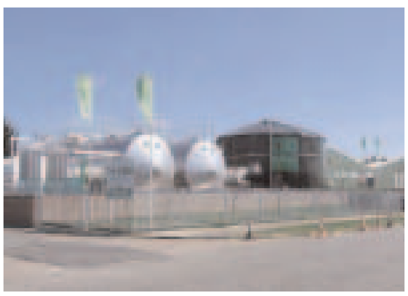


Southeast Power Engineering is a UK based hydro-power development company which specialises in building, owning and operating low head hydro-power projects.

It owns and operates the Romney Weir hydro plant in Windsor, Berkshire where two Archimedes screw turbines operate in two bays of the weir, producing power for Windsor Castle. Immediately after the year-end the company acquired a majority holding in Sion Hydro in Northern Ireland where three high head turbines operate on the River Mourne.

The company is currently developing two additional plants, and is seeking to build a portfolio of hydro power assets.

Investment	Year	Percentage ownership	Business
BioWayste Services	2012	50%	Build own & operate effluent-fed Anaerobic Digestion plants



Summit Asset Management's specialisation in financing anaerobic digestion (AD) plants led to it forming a joint venture with BioWayste Holdings, a specialist manufacturer of effluent AD plants to the food and drink industries.

Where a customer can't or is prevented from purchasing a plant outright, BioWayste Services will finance, build and then operate the plant for the customer. The first plant was supplied to Orchard House Foods in Corby and the second plant - for Brocklesby Ltd near Hull - is presently under construction.

Investment	Year	Percentage ownership	Business
BOSHire	2010	50%	Rental of Modular Buildings

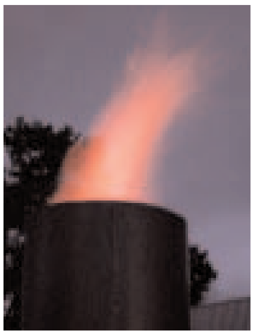
Summit Asset Management's vendor finance programme with Built Offsite has developed into a dedicated joint venture, BOSHire, where residual risks are shared and complex financings are successfully managed ensuring that both very short term rental and semi-permanent provision are offered.

The Company's largest project started in January 2013 and completed in early September, supplying a complete modular constructed sixth form college on a 15-year operating lease to a state school.

Portfolio review

Investments through Summit Asset Management (77.5% owned)

Investment	Year	Percentage ownership	Business
Waste to Energy	1998/2007	100%	Gasification of waste



Waste to Energy selects best in class equipment in a number of complimentary waste processing/energy generating technologies and in conjunction with its technical due diligence team then matches these technologies to specific projects on which Summit Asset Management is prepared to provide the project finance.

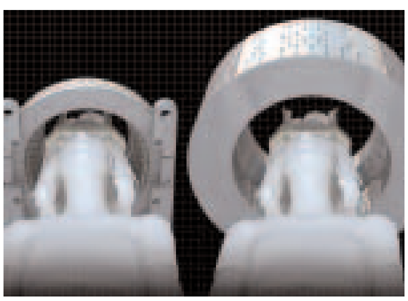
Investment	Year	Percentage ownership	Business
Medical Equipment Solutions	2004	78%	Financing and management of medical projects

Medical Equipment Solutions has narrowed its focus to two main areas within healthcare: financial structuring for sophisticated high capital value projects and acting as investor and operator for specialised healthcare operations listed below.

MESL has established a joint venture to provide gamma knife treatments (at BMI's Thornbury hospital in a 50:50 joint venture called The Thornbury Radiosurgery Centre Limited - see below) and via a 100% subsidiary called QSRC Limited (also see below) to provide the same services at the Hospital for Neurology and Neurosurgery in London, part of University College Hospital London ("UCLH"), which treated its first patient in October 2012.

A further Gamma Knife radio surgery centre is nearing financial close for opening in 2014.

Investment	Year	Percentage ownership	Business
Thornbury Radiosurgery Centre	2008	50%*	Gamma Knife radio surgery centre



The Thornbury Radiosurgery Centre is a JV with BMI Healthcare Limited at the BMI Thornbury Hospital in Sheffield, 1 mile from the NHS National Radiosurgery Centre. Managed by Medical Equipment Solutions, the Centre uses the Elekta Perfexion Gamma Knife for treating neoplasms in the brain. The Centre treated its first patients in September 2008, and treats both private and NHS patients.

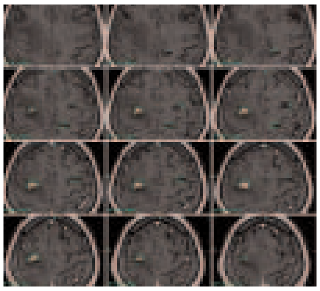
* % ownership by Medical Equipment Solutions

Picture: Leksell Gamma Knife® PerfexionTM Courtesy of Elekta

Portfolio review

Investments through Summit Asset Management (77.5% owned)

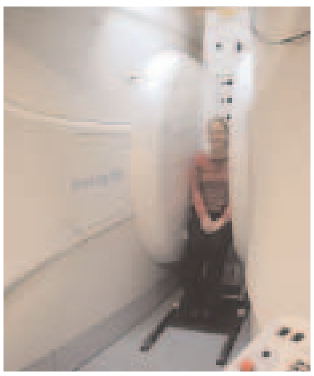
Investment	Year	Percentage ownership	Business
QSRC Limited	2012	100%*	Gamma Knife radio surgery centre



QSRC Limited works with University College London Hospitals NHS Foundation Trust to enhance treatment of brain tumours in the UK and undertake a clinical research programme. Located at The National Hospital for Neurology and Neurosurgery (NHNN), the UK's largest dedicated neurological and neurosurgical hospital, QSRC provides a high quality radiosurgery service for NHS and private patients delivering Gamma Knife Radiosurgery to treat brain tumours and other intracranial indications.

* % ownership by Medical Equipment Solutions

Investment	Year	Percentage ownership	Business
United Upright MRI	2006	8.9%*	MRI Scanning



The London Upright MRI Centre continues to grow and a second centre was opened in Leeds in September 2012. The London centre uses the Fonar 0.6 T Upright MRI scanner and Leeds a Paramed upright MRI, both MRI's can scan patients in a weight-bearing position and being "open", is less stressful for claustrophobic and anxious patients.

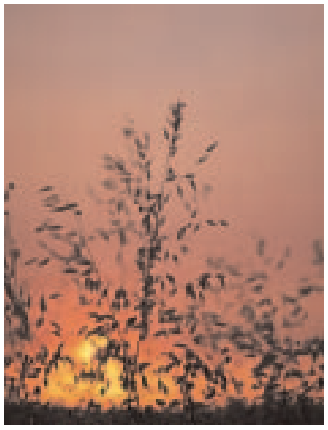
* % ownership by Medical Equipment Solutions

Portfolio review

Investments through Summit Alpha

(Where the Summit Group and Summit Alpha both have a shareholding in the same investment, the percentage ownership figure is the one for the combined ownership.)

Investment	Year	Percentage ownership	Business
Product Authentication International	2001	46%	Food product certification



Product Authentication International ("PAI") continues to be one of Europe's leading approved certifiers of food products, food authenticity, labelling claims and food chain traceability. Its services include product authentication, standards development and certification, food chain auditing, farm assurance and support services. PAI generated revenues of £3.2 m for the year to December 2012.

In September 2013 PAI demerged its Information Services division, now rebranded Authenticate Information Services, to its shareholders. This business provides comprehensive data and software services which allows all businesses in the food industry to track, analyse and understand their food supply network from end to end.

Following the demerger PAI was acquired by KIWA International, a major Dutch quality and certification organisation.

Together these transactions generated a return of over 350% on Summit Alpha's investment.

Investment	Year	Percentage ownership	Business
Powerstax	2000	5%	Power conversion technology

Powerstax specialises in the design, manufacture and marketing of high efficiency and high power density DC-DC converters, AC and DC Bulk Power units, and complete power solutions for the Communications, Industrial, Medical, Defence and Aerospace and Transportation markets. During the year, it acquired a complimentary business - DP Energy Services - which has started to add to overall sales volume and produce cost savings.

Powerstax is in the business of designing in a technological solution to deliver the optimum mix of performance, features and price. A blue chip customer list is supported by sales made direct to the customers and through power focused international sales channels. With full design and low quantity production and test facilities in Farnborough UK, higher quantities of product are produced in mainland China.

Portfolio review

Investments through Summit Alpha

(Where the Summit Group and Summit Alpha both have a shareholding in the same investment, the percentage ownership figure is the one for the combined ownership.)

Investment	Year	Percentage ownership	Business
iX Group	2001	16.8%	Market research and pharmaceutical product information

Through Rephine (acquired in March 2009), iX provides audits of pharmaceutical companies, based both in Europe and the Far East. It has a library of nearly 100 audits, which it is continually increasing and which are available to purchase for companies looking to save the cost of an in-house audit. Sales from this part of the business have trebled in the two years to 31 July 2013, and this strong growth is budgeted to continue.

iX Group also carries out internet-based market research - primarily in the pharmaceutical market - via its subsidiary Medix. Its expertise allows panels of respondents to complete online forms that are immediately analysed and collated to produce reliable and detailed output. This enables very rapid and accurate market research to be undertaken much more quickly and cost effectively than through conventional methods.

Investment	Year	Percentage ownership	Business
T-Plan	2001	29% 3% by Summit	Test management software

T-Plan supplies software for test process management, which provides a consistent and structured approach to testing for IT & business unit managers. The T-Plan suite of software enables auditable management control over software implementation projects to avoid costly errors and delay. The T-Plan product has evolved over 10 years and the company has a substantial blue chip client base including The Bank of England, Lloyds TSB, Merrill Lynch and British Aerospace.

In 2009 T-Plan acquired the rights to VNC Robot, one of the most flexible and universal black box automated testing tools on the market. Developed on generic image based testing principles, it provides a human-like approach to software testing and it performs well in situations where other tools may fail. As a result of its carefully designed open architecture and detailed documentation, it is simple to adopt, integrate and customise.

Portfolio review

Investments through Seraphim Capital

Summit is an investor in Seraphim Capital, a £30 million Enterprise Capital Fund (ECF) which invests in UK businesses seeking between £500,000 and £2 million. Summit is one of Seraphim's managing partners and Summit's managing director, Kit Hunter Gordon, chairs its board.

Investment	Year	Percentage ownership	Business
Handmade Mobile	2007	11%	Social networking via Internet and Mobile Phone

Handmade Mobile operates Flirtomatic, one of the UK's largest mobile internet sites. Flirtomatic is Europe's leading cross platform online flirting service enabling people to access the internet via both mobile phones and PCs to flirt with each other via instant messages. Flirtomatic has grown to over 5 million registered users principally across the US and UK. The company's team in the USA has recently developed an overall "Entertainment Platform" with a progressively growing presence on the US West Coast. The company derives revenues both from micro payments for premium services beyond free usage and advertising revenues. These premium services include not only virtual gifts, but also the ability for users to buy their own advertising. In 2010 the company raised over £5 million in a C series round and a further £1.5 million in 2011 in which Seraphim participated.

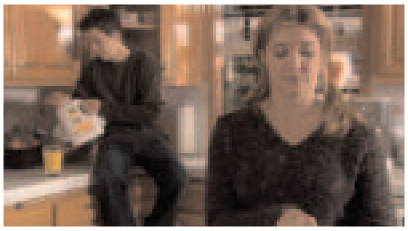
Investment	Year	Percentage ownership	Business
Aria Networks	2008	35%	Artificial-intelligence software

Aria Networks is a developer of next-generation artificial-intelligence software that is used to plan and optimise telecoms networks. Aria's proprietary technology enables it to create artificial intelligence software that more closely mimics the analytical power of the human brain than any other technique currently available. Aria is currently exploiting its advanced software within the trillion dollar global telecoms industry with a view to fundamentally changing the way complex telecoms networks are designed, planned and operated.

Portfolio review

Investments through Seraphim Capital

Investment	Year	Percentage ownership	Business
MirriAd	2007	7%	Post production product placement



MirriAd's technology digitally inserts brand objects into any kind of video content. This is similar in concept to tried and tested 'product placement' advertising but can be done post production electronically and in volume.

MirriAd's technology potentially addresses the crisis facing broadcasters around the world as their advertising revenues fall. Through its virtual product placement service content owners can generate revenues from their back catalogues and can regionalise advertising creating new market opportunities. The company earns sales commissions from placing advertising together with integration fees for its technical and quality assurance services placing the brand into the content.

Following Seraphim's original investment the company has gone on to raise over £13 million in which Seraphim has participated, bringing its total investment to £2 million with a 7% shareholding in the enlarged business.

Intamac	2009	15%	Remote condition monitoring

Intamac is at a pivotal position in the next stage of Internet development, "The Internet of Things". Intamac connects things to the Internet so that they can be monitored, controlled and accessed remotely.

Using its open platform and software it can connect virtually anything, creating and managing whole connected device ecosystems, for example; the connected home, enabling consumers to have smart services like; home security, energy monitoring, home video, heating control, senior care and home automation.

Developers can use Intamac's platform to create their own applications for the "Internet of Things" and its software can easily integrate with 3rd party hardware and platforms.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
Cognitive Match	2011	17%	Machine learning based behavioural targeting

Cognitive Match has a proprietary artificial intelligence platform which, using real time behavioural analytics, enables the real time targeting of personalised content and advertising to end users on the internet. This enables different people to be shown different content on the internet depending on their profile. Cognitive Match's technology provides the next step in more effective profiling and targeting, using more relevant "here and now" data such as time of day, location and environment - all of which have significant bearing on the decisions people take.

Cognitive Match's technology uses a wide range of different data points and factors and learns in real time which ones are most influential at any given moment. It then matches individual users in real time to the most relevant piece of content. This technology can be applied to personalise content on a website such as news, products and advertising. The Company is therefore positioned at the nexus between real time data and personalisation that is driving radical changes in both the display advertising, e-commerce and online publishing industries.

Investment	Year	Percentage ownership	Business
Knowledge Mill	2012	21%	Email Management

Knowledge Mill has developed a cloud-based email software management system that could revolutionise the way businesses and individuals manage their data. Through assigning a "context" to each email, the company enables automated filing of emails relating to specific work streams and projects. Any email relating to the specific context can be seen by the relevant people, allowing collaborative working which was previously not possible.

Through the solution, which is fully integrated with Microsoft Outlook, customers can benefit in multiple ways including productivity, collaborative working, e-discovery and compliance.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
TestPlant	2008	49%	Software testing

TestPlant owns and develops unique software that automates the process for testing the user interface of other software products. It does this by mimicking the actions of an end user enabling it to test the software through the end user interface. This differs from other testing tools which focus on testing the software's code. This means that for the first time highly manual elements of the testing process - which account for up to 80% of all testing - can be automated. Its software is routinely used by Google and Apple and a number of major organisations.

Investment	Year	Percentage ownership	Business
Pyreos	2010	14%	Infra-red sensors

Pyreos has developed and patented novel thin film technology with the potential to disrupt the $5 billion Infra-red (IR) detection market by producing IR sensors at a fraction of the size and cost whilst also significantly improving performance. This enables a range of new applications to become viable which were previously unfeasible due to either size or cost constraints. Some of the major markets for these applications are motion sensors, gas sensors, spectroscopy and flame detection. The company was a spin out from Siemens which remains its largest shareholder.

Financial statements

Directors' report for The Summit Group Limited (registered number 2231277)

The directors present the directors' report and the audited consolidated financial statements for the year ended 31 March 2013.

Principal activities and business review

The Company provides seed, start-up and development capital to UK businesses. It has a range of investments, typically in companies that provide services to other businesses. Some of these businesses are subsidiaries; in other cases the Company has minority shareholdings, either directly or via an investment in Summit Alpha Ltd in which it is a shareholder, or via an Enterprise Capital Fund - Seraphim Capital LP ("Seraphim") - which was set up to make venture capital investments of between £500k and £2 million in UK businesses.

The year to 31 March 2013 was, on balance, a year of mostly good things: although the pure financial results shown on page 6 don't really reflect the full story. It is worth dealing purely with these reported results first: although the loss before taxation was £418k, this figure was reached only after £517k of net interest and depreciation of £448k. The interest was incurred as a result of taking on a number of loans and lease facilities for significant capital expenditure within two of the businesses in particular. These loans only have recourse to those businesses alone. As a result of a policy of taking on project-specific loans to finance particular projects, where possible to do so, the Group as a whole was able to increase its cash and liquid resources to approximately £3.8 million.

Turning to the individual businesses it owns and investments that the Group has made:

- Summit Insurance Services Ltd ("SIS") had a mixed year: premiums collected increased by over £1 million to £3.56 million but commissions earned fell by £80k to £808k. The fall in commissions was as a result of no profit share being earned in the year, which in turn was a consequence of higher claims being paid from the earnings of the historic smaller book. The expectation is that, as the premiums from today's larger book start to be earned, and claims paid in respect of the smaller book decline, this should reverse. Nevertheless, the business remained profitable, producing a profit before tax of £111k. At the operational level, it was particularly pleasing to see strong growth in the warranty business with the premium collected more than double the previous year's.

- Tennyson Ltd ("Tennyson") produced profits before tax of £272k. This was a slight improvement on last year's figure and reflected the fact that it earned all its milestone commission payments from its main customer, Royal Mail, and saw a slight increase in the base fee payable to it. During the year, Tennyson was also successful in renewing its contract with Royal Mail for a further 3 year period (renewable on an annual basis), with an enlarged territory and greater income.

- Tennyson Insurance Ltd continued its upward trend. Turnover improved nearly 40% to £1.77 million and the company produced a profit before tax of £268k, partly on the back of significant profit share payments received during the year. The payment of these profit shares underlines the ability of the business to win new insurance customers <u>and</u> to underwrite those customers successfully.

- The Basingstoke Property Company Ltd granted a long lease of the final unit of its development in Basingstoke. This lease will generate the majority of the premium in 2015, adding to that which is due in 2014. The letting to the gym operator is now income producing.

- Medical Equipment Solutions Ltd ("MESL") finally opened its gamma knife centre at the Queen Square, London premises of the National Hospital for Neurology and Neurosurgery, in late October 2012. In the five months to the end of March 2013, it managed to generate income of nearly £500k which is a very good start for the business.

Principal activities and business review (continued)

- Although Summit Asset Management Ltd ("SAM") saw its asset financing division cover its costs for the year by way of procuring deals for the funds managed by SQN Management LLC ("SQN"), it was only towards the end of the year that it began to see a correlation between the types of deal which SAM was able to source and the types of investments that SQN was seeking for the funds which it manages. It is hoped that this correlation will continue into 2013/14 leading to an increase of deal flow with SQN.

- The Thornbury Radiosurgery Centre Ltd (the joint venture between MESL and BMI Healthcare) had a much improved year, with turnover up some 30% to £2.65 million. This enabled it to produce a profit (before management fees paid to the two shareholders) of over £500k.

- Romney Hydropower Company Ltd finally saw its hydro-electric power generation facility at Romney Weir, Windsor generate electricity shortly after the year-end. Much delayed and somewhat over budget, this was a welcome development. The expectation is that the higher interest rate facilities taken on for construction will be refinanced during the coming year with lower cost borrowings which will be paid off using the revenues from the electricity generated.

There was less to report on the Group's venture capital portfolio. Medtrade Products continued on its upward path with increasing sales (of £11.04 million) and profits (£1.92 million) from these sales. Its overall profits before tax were depressed by nearly £600k of research and development expenditure on clinical trials for its Celox haemostat product. Further developments on this front are expected in the year to 31 March 2014.

Voicenotes slipped back from the progress seen in the year to 31 August 2011 and - although still profitable - is looking to replace a number of larger clients which were lost during the year to 31 August 2012. Suan Neo went into liquidation.

The Group continued to make new investments through its holding in Seraphim Capital. During the year, Seraphim made its first successful exit, selling its interest in Sirigen Group for a sum which on full payment under an earn-out could exceed 3 times its cost. The Group received a small initial capital return in respect of this sale since the majority of the proceeds were allocated to the Government in respect of its priority interest (gilt related) return on its cumulative portfolio investment. As at 31 March 2013, Seraphim had some £22.85 million invested across twelve companies, of which three have either been written off or fully provided and one (Sirigen) has only cash held in escrow and earn out payments to be received. As last year, the management team at Seraphim have made good progress in getting the companies within its portfolio closer to a time and condition when they can be sold profitably.

Results and dividends

The results of the Group can be summarised as follows:

	2013	2012
	£000	£000
Loss before tax (all continuing operations)	**(418)**	(69)
(Loss)/profit attributable to ordinary shareholders after dividends	**(197)**	15

The Company paid its ordinary shareholder dividends totalling £nil in the year (2012: £nil).

Directors and directors' interests

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

CN Hunter Gordon
SJK Barratt
BL Sack

The interests of Mr Barratt, Mr Hunter Gordon and Mr Sack in the share capital of Brighthand Ltd are shown in the financial statements of that company.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

SJK Barratt
Secretary

10 Cloisters House
Cloisters Business Centre
8 Battersea Park Road
London
SW8 4BG

28 June 2013

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Report of the independent auditor, KPMG LLP, to the members of The Summit Group Limited

We have audited the financial statements of The Summit Group Limited for the year ended 31 March 2013 set out on pages 23 to 48. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

28 June 2013

Andrew Stevenson (Senior Statutory Auditor)
for and behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park, Theale, Reading, RG7 4SD

Consolidated profit and loss account

for the year ended 31 March 2013

	Note	2013 £000	2012 £000
Turnover: Group and share of joint ventures		**11,109**	12,067
Less: share of joint ventures' turnover		**(1,899)**	(1,272)
Group turnover - continuing operations	*1-2*	**9,210**	10,795
Cost of sales		**(4,715)**	(6,692)
		4,495	4,103
Gross earnings under finance agreements		**-**	4
Gross profit		**4,495**	4,107
Operating costs	*4-7*	**(4,722)**	(4,176)
Group operating loss		**(227)**	(69)
Share of operating profit in joint ventures		**102**	109
Profit on disposal of investments in joint ventures		**-**	14
Operating (loss)/profit - continuing operations	*3*	**(125)**	54
Income from participating interests		**218**	34
Income from other fixed asset investments		**6**	6
Net interest payable	*8*	**(517)**	(163)
Loss on ordinary activities before taxation		**(418)**	(69)
Taxation:	*9*		
Group		**-**	-
Joint ventures		**(20)**	14
Loss on ordinary activities after taxation		**(438)**	(55)
Minority interests		**241**	70
(Loss)/profit for the financial year		**(197)**	15

A reconciliation of the movements in shareholders' funds is given in note 20.

Consolidated balance sheet
at 31 March 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Intangible fixed assets	10		**(40)**		(66)
Tangible fixed assets	11		**6,545**		2,240
Investments	12		**3,697**		3,827
Investments in joint ventures:					
Share of gross assets		**2,182**		2,308	
Share of gross liabilities		**(1,676)**		(1,748)	
			506		560
			10,708		**6,561**
Current assets					
Investments in finance agreements	13	**-**		4	
Debtors	14	**1,935**		2,279	
Investments	15	**121**		144	
Liquid resources		**515**		508	
Cash at bank and in hand		**3,286**		2,267	
		5,857		5,202	
Creditors: amounts falling due within one year	16	**(4,833)**		(3,936)	
Total net current assets			**1,024**		1,266
Total assets less current liabilities			**11,732**		7,827
Creditors: amounts falling due after more than one year	17		**(4,266)**		-
Provisions for liabilities and charges	28		**(40)**		(40)
			7,426		7,787
Capital and reserves					
Share capital	18		**7,343**		7,343
Capital redemption reserve	19		**1,049**		1,049
Revaluation reserve	19		**2,039**		2,159
Other reserve	19		**167**		167
Profit and loss account	19		**(3,640)**		(3,519)
			6,958		7,199
Minority interests			**468**		588
Shareholders' funds			**7,426**		7,787

These consolidated financial statements were approved by the board of directors on 28 June 2013 and were signed on its behalf by:

SJK Barratt
Director

Company balance sheet
at 31 March 2013

	Note	2013		2012	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	11		7		12
Investments	12		3,522		3,714
			3,529		3,726
Current assets					
Investments in finance agreements	13	-		4	
Debtors	14	4,055		4,620	
Liquid resources		515		508	
Cash at bank and in hand		2,381		1,197	
		6,951		6,329	
Creditors: amounts falling due within one year	16	(1,611)		(851)	
Net current assets			5,340		5,478
Provisions for liabilities and charges	28		(40)		(40)
Total assets less current liabilities			8,829		9,164
Capital and reserves					
Share capital	18		7,343		7,343
Capital redemption reserve	19		1,049		1,049
Revaluation reserve	19		1,919		1,969
Other reserve	19		167		167
Profit and loss account	19		(1,649)		(1,364)
Shareholders' funds			8,829		9,164

These consolidated financial statements were approved by the board of directors on 28 June 2013 and were signed on its behalf by:

SJK Barratt
Director

Consolidated statement of total recognised gains and losses

for the year ended 31 March 2013

	2013 **£000**	2012 £000
(Loss)/profit for the financial year	**(197)**	15
Revaluation of other investments	**(44)**	294
Total recognised (loss)/gain for the year	**(241)**	309

Consolidated cash flow statement

for the year ended 31 March 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Net cash inflow from operating activities	*23*		**146**		1,379
Returns on investments and servicing of finance					
Interest received		**112**		81	
Interest paid		**(21)**		(131)	
Interest element of finance lease rental payments		**(85)**		(6)	
Dividend from investments		**224**		40	
Net cash inflow/(outflow) from returns on investments and servicing of finance			**230**		(16)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		**(4,753)**		(2,107)	
Other investments made		**(70)**		(125)	
Sale of shares in joint ventures		**-**		25	
Sale of investments		**174**		76	
Net cash outflow from capital expenditure and financial investment			**(4,649)**		(2,131)
Acquisitions and disposals					
Proceeds from minority interest in a subsidiary company from a rights issue		**120**		-	
Net cash inflow from acquisitions and disposals			**120**		-
Net cash outflow before management of liquid resources and financing			**(4,153)**		(768)
Management of liquid resources					
Increase in short term bank deposits			**(7)**		(508)
Financing					
Debt due within one year:					
Net drawing of short term loans			**825**		1,988
Capital element of finance leases			**4,034**		(46)
Debt due after one year:					
Net drawing of loans			**320**		-
Increase in cash	*24*		**1,019**		666

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified for the revaluation of certain assets.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 31 March 2013. The financial statements include the results of all subsidiaries and joint venture companies throughout the year, or from the date of acquisition or to the date of disposal or deemed disposal as appropriate.

The directors have taken advantage of section 408 of the Companies Act 2006 and no profit and loss account has been presented for the Company.

Intangible fixed assets

Goodwill
The cost of purchased goodwill is amortised to nil by equal annual instalments over the estimated useful life.

Goodwill on consolidation
Purchased goodwill arising on consolidation in respect of acquisitions before 1 January 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life ranging between 3 and 10 years. Negative goodwill is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the acquisition are recovered, whether through depreciation or sale.

Tangible fixed assets
Depreciation is provided on a straight line basis to write down the cost of tangible assets to nil over their estimated useful lives as follows:

Fixtures and fittings	3 - 5 years
Plant and equipment	3 - 7 years

Leasehold premises and improvements on properties occupied by the Group are depreciated over the term of the lease.

Fixed assets under construction are recorded at their then current cost. Once completed, they will be depreciated over their expected useful life.

Notes (continued)

1 Accounting policies (continued)

Fixed asset investments

Investments held for their longer term potential are carried at directors' valuation. Provision is made for permanent diminution in value as appropriate.

Shares in group companies

The Company's investments in subsidiary and joint venture companies are stated at cost less any provisions made for permanent diminution in value.

Joint ventures

Joint ventures are those companies in which the Group has both an investment and representation to enable it to exercise significant influence and an involvement in the day to day running of the investee company.

In the consolidated balance sheet, investments in joint ventures are accounted for using the "gross equity" method. Any discount or premium arising on acquisition is capitalised as an intangible fixed asset and amortised over its estimated useful life. The Group's share of the results, gross assets and liabilities of joint ventures has been based on their latest audited accounts, where these have been made up to 31 March, and on unaudited management accounts to 31 March in other cases.

Investment in finance agreements

The Company and one of its subsidiaries act as lessors of printing, agricultural and other equipment. Where substantially all the risks and rewards of ownership pass to the lessee, these leases are accounted for as finance leases in accordance with SSAP 21.

i) Recognition of profit on finance agreements

Finance lease income is recognised on an appropriate basis so as to give a constant periodic rate of return on the net cash investment in the lease.

ii) Investment in finance agreements

The investment in finance agreements is stated in the balance sheet at the total of the gross minimum lease payments receivable under such agreements, less finance income allocated to future periods.

iii) Residual interests in leased equipment

In the majority of cases under the lease arrangements described above, the relevant Group company retains an interest in the residual value of the leased equipment. No recognition is made in the financial statements of any profit attributable to the estimated future disposal proceeds of equipment which will be returned to the Group at the termination of the lease or from rentals resulting from secondary leases until these are realised.

Operating leases

Income from operating leases is recognised on a straight line basis over the lease period. Assets held for use under operating leases are included in fixed assets at cost to the Group and are depreciated on a straight line basis over their estimated useful lives.

Finance leases

Assets held under finance leases are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after more than one year.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant interest rate on the then current capital balance outstanding.

Notes (continued)

1 Accounting policies (continued)

Pension costs

Employees of the Group are eligible to participate in the stakeholder pension plan run by the Company. The charge represents the contributions payable to the stakeholder pension plan in respect of the accounting period.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents amounts, excluding value added tax, receivable from the provision of goods and services. It comprises outright sales for the supply and installation of equipment, rental income and sale proceeds from properties, commissions receivable and advisory and other fees.

Foreign currencies

The accounts of overseas undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the re-translation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against group equity investments in foreign entities, which are taken directly to reserves together with the exchange difference on the net investment in these entities.

Related party transactions

The Company has taken advantage of the exemption in FRS 8 and, other than set out in note 29, has not disclosed related party transactions.

Employee benefit trusts

Contributions made to the employee benefit trusts are charged to the profit and loss account to the extent that the assets held by the trusts as a result of the contribution have been unconditionally gifted to beneficiaries or, if earlier, when a constructive obligation has arisen and created a liability of the Company.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand.

Liquid resources

Liquid resources are short term bank deposits of less than one year.

Notes (continued)

2 Analysis of Group turnover, (loss)/profit on ordinary activities before taxation and net assets/(liabilities)

	Group turnover £000	2013 (Loss)/ profit on ordinary activities before taxation £000	Net assets/ (liabilities) £000	Group turnover £000	2012 Profit/ (loss) on ordinary activities before taxation £000	Net assets/ (liabilities) £000
By activity						
Equipment leasing and sales	**7,064**	**(308)**	**612**	8,588	185	1,427
Advisory and other services	**3,669**	**661**	**(1,450)**	3,232	439	(2,026)
Property investment and trading	**264**	**62**	**(797)**	91	76	(832)
Head office	**112**	**(316)**	**9,061**	156	(606)	9,218
	11,109	**99**	**7,426**	12,067	94	7,787
Net interest payable		**(517)**			(163)	
Loss on ordinary activities before taxation		**(418)**			(69)	

Information relating to finance agreements is given in note 13.

Geographical analysis
A geographical analysis of turnover is given below:

	2013 £000	2012 £000
UK	**9,114**	8,663
Overseas	**1,995**	3,404
	11,109	12,067

3 Analysis of continuing and discontinued operations

The entirety of the Group's activities arose from continuing operations

Notes (continued)

4 Loss on ordinary activities before taxation

	2013 £000	2012 £000
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Auditor's remuneration:		
Audit fee for the Group (including the Company)	**65**	59
Audit fee for the Company only	**13**	10
Depreciation of tangible fixed assets:		
Owned	**100**	78
Held under finance leases	**348**	29
Amortisation of goodwill	**(26)**	(26)
Rentals payable under operating leases:		
Property leases	**233**	202

5 Remuneration of directors

Directors' emoluments during the year amounted to £397,796 (2012: £398,078) and arose as follows:

	2013 £000	2012 £000
Fees to non-executive directors	**5**	5
Emoluments of executive directors:		
Remuneration	**341**	345
Bonuses (discretionary)	**9**	5
Pension contributions	**43**	43
	398	398

No contributions were made on behalf of directors (2012: £nil) to the stakeholder pension plan of the Company.

The total emoluments of the highest paid director are analysed as follows:

	Highest paid director 2013 £	2012 £
Emoluments (including discretionary bonuses)	**177,448**	173,012
Pension contributions	**19,375**	24,000
	196,823	197,012

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 72 (2012: 68)

The aggregate payroll cost of these persons (including directors) was as follows:

	2013 £000	2012 £000
Salaries	**3,106**	2,970
Management discretionary bonuses	**137**	99
Social security costs	**379**	367
Other pension costs	**110**	111
	3,732	3,547

7 Pensions

The employees of the Group are eligible to participate in the stakeholder pension plan run by the Company. The charge represents the contributions payable to the stakeholder pension plan in respect of the accounting period.

The total pension cost for the Group for the year was £110,100 (2012: £110,700).

8 Interest

	2013 £000	2012 £000
Interest payable on finance leases	**(85)**	(6)
Bank interest on loans repayable within five years	**(1)**	(1)
Interest payable on other loans	**(391)**	(130)
Interest payable by joint ventures	**(140)**	(113)
	(617)	(250)
Plus:		
Bank interest receivable	**26**	14
Other interest receivable	**71**	67
Joint ventures	**3**	6
Net interest payable	**(517)**	(163)

Notes (continued)

9 Taxation

The UK corporation tax rate of 24% (2012: 26%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2013 £000	2012 £000
Expected tax charge	**(100)**	(18)
Non-taxable income	**(54)**	(10)
Expenses not deductible for tax purposes	**21**	24
Timing differences on fixed assets	**5**	(5)
Utilisation of tax losses brought forward	**(80)**	(81)
Losses not relieved	**268**	86
Losses carried back	**(43)**	(14)
Marginal relief	**3**	4
Current tax charge recorded in the accounts	**20**	(14)

The Group has a deferred tax asset of £15,560,000 (2012: £16,085,000), which consists of unutilised tax losses of £15,346,000 (2012: £15,840,000) and timing differences on depreciation of £214,000 (2012: £245,000), which would be recoverable against future taxable profits of the Group. This asset has been provided for in full. The directors are unaware of any other factors which may affect the future tax charge of the Group.

The movement in the year represents the current year losses not relieved, utilisation of losses brought forward, losses carried back and timing differences on fixed assets all shown above and adjustments for prior year losses of £26,000 and prior year timing differences on fixed assets of £(27,000). There was a further adjustment of £(665,000) for losses and £(9,000) for timing differences on fixed assets, both relating to the reduction in the UK corporation tax rate from 24% to 23% from 1 April 2013.

Notes (continued)

10 Intangible fixed assets

Group

	Negative goodwill £000	Positive goodwill £000	Total £000
Cost			
At beginning and end of year	(209)	424	215
Amortisation			
At beginning of year	(128)	409	281
Charge for year	(32)	6	(26)
At end of year	(160)	415	255
Net book value			
At 31 March 2013	**(49)**	**9**	**(40)**
At 31 March 2012	(81)	15	(66)

In all cases the positive goodwill arising is being amortised to the profit and loss account over a three or five year period commencing on the date of the investment. The negative goodwill is being amortised to the profit and loss account over six years.

Notes (continued)

11 Tangible fixed assets

Group	Assets under construction	Leasehold buildings and improvements	Fixtures and fittings	Plant and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At beginning of year	2,009	360	24	760	3,153
Additions	833	4	-	3,916	4,753
Disposals	-	-	-	(38)	(38)
At end of year	2,842	364	24	4,638	7,868
Depreciation					
At beginning of year	-	345	23	545	913
Charge for year	-	7	-	441	448
Disposals	-	-	-	(38)	(38)
At end of year	-	352	23	948	1,323
Net book value					
At 31 March 2013	**2,842**	**12**	**1**	**3,690**	**6,545**
At 31 March 2012	2,009	15	1	215	2,240

The leasehold buildings are held under short-term leases.

The net book value of assets held under finance leases included in plant and machinery above is £3,533,000 (2012: £26,779).

Notes (continued)

11 Tangible fixed assets (continued)

Company	**Fixtures and fittings** £000	**Plant and equipment** £000	**Total** £000
Cost			
At beginning of year	27	41	68
Disposals	-	(2)	(2)
At end of year	27	39	66
Depreciation			
At beginning of year	27	29	56
Charge for year	-	5	5
Disposals	-	(2)	(2)
At end of year	27	32	59
Net book value			
At 31 March 2013	**-**	**7**	**7**
At 31 March 2012	-	12	12

Notes (continued)

12 Fixed asset investments

Group		2013 £000	2012 £000
Other investments	(a)	3,544	3,574
Loan notes	(b)	153	253
At end of year		3,697	3,827

(a) Other investments

	£000
Valuation	
At beginning of year	3,920
Additions	70
Disposals	(68)
Revaluation	(50)
At end of year	3,872
Provisions	
At beginning of year	346
Released in the year	(18)
At end of year	328
Net book value	
At 31 March 2013	**3,544**
At 31 March 2012	3,574

Investments

(a) The Company has an investment of £329,940 in a company (Medtrade Products Ltd) producing specialised wound care dressings. The holding consists of 8,130 "B" ordinary shares of 10 pence each, a shareholding of 26.67% (2012: 26.67%). The investment is held at directors' valuation, based on the last subscription price for the share issue in June 2008, and was valued at the year-end at £2,138,190 (2012: £2,138,190).

(b) The Company has a holding of 78 ordinary shares in Insetco PLC. The company's shares are listed on the Alternative Investment Market but it has no trade, and the investment is held at directors' valuation at the year end of £nil (2012: £nil).

(c) The Company has a holding of 42,921 ordinary shares in Avanti Communications Group PLC. The company's shares are listed on the Alternative Investment Market. The investment is held at directors' valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £132,200 (2012: £111,600).

(d) The Company has an investment of £25,000 in a company (T-Plan Ltd) which produces test management and planning software. The holding consists of 18,085 "C" ordinary shares of 0.1 pence each, a shareholding of 2.96% (2012: 2.96%). The investment is held at directors' valuation, and was valued at the year-end at £6,691 (2012: £6,691).

Notes (continued)

12 Fixed asset investments (continued)

(e) The Company has an investment of £160,000 in Suan Neo Ltd, a company supplying take away meals. The holding consists of 373 ordinary shares of £1 each, a shareholding of 28.17% (2012: 28.17%). The investment is held at directors' valuation and was valued at the year-end at £nil (2012: £nil).

(f) The Company has made contributions totalling £365,442 to Seraphim Capital LP, a fund set up to make venture capital investments, following contributions during the year of £27,469 and a disposal of £61,843. The investment is held at directors' valuation of £308,160 (2012: £315,293).

(g) The Company has an investment of £103,757 in Voicenotes Ltd, a company which transcribes detailed meeting notes for companies' sales forces. The holding consists of 1,651 ordinary shares of £1 each, and represents a shareholding of 26.5% (2012: 26.5%). The investment is held at directors' valuation and was valued at the year-end at £103,757 (2012: £190,000).

(h) The Company has an investment of £95,803 in a portfolio of listed shares, following a disposal in the year of £6,193. The investment is held at directors' valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £118,600 (2012: £108,900).

(i) The Company holds, via:

(i) Medical Equipment Solutions Ltd ("MESL"), an investment in United Open MRI Ltd, a company operating a specialist scanning service. The directors of MESL hold the investment at directors' valuation of £235,842 (2012: £235,842). The holding consists of 39,307 ordinary shares, and reflects a shareholding of 8.83% (2012: 8.83%).

(ii) Dalebury (No. 31) Ltd, a holding of 415 ordinary shares of £1 each and 49,536,038 1p preference shares in Summit Alpha Ltd. This company makes investments in early stage businesses. The holding of preference shares in Summit Alpha currently represents 26.36% (2012: 24.13%) of the issued preference share capital. The number of preference shares owned reflects transfers of preference shares to the Company in part satisfaction of management fees owed to it totalling £42,026. The underlying investments were re-valued at the year-end in accordance with the guidelines issued by the British Venture Capital Association. A provision of £9,488 (2012: provision released of £8,084) has been made in the year for the difference between the cost of the investments and the re-valued amount.

(b) Loan notes

The company held, via Summit Asset Holding LLC ("SAH"), 50% of the limited liability company interests in SQN Capital Management LLC ("SQN"), a fund manager based in the United States of America. On 28 June 2011, SAH surrendered those limited liability company interests to SQN in exchange for the issue to it of a promissory note in the amount of $525,000; and the granting to it of warrants to subscribe for up to 35 profit interest units in SQN at varying prices.

The promissory note is repayable in 36 monthly instalments of $16,210.48, representing the capital and interest on the outstanding balance at a rate of 7% per annum. The balance sheet amount represents the directors' valuation of the expected net capital payments still to be received by SAH, discounted appropriately.

The promissory note is secured by a lien over all the limited liability company interests redeemed and all of SQN's personal property (being for the most part its right to receive management fees from the funds that it manages).

Notes (continued)

12 Fixed asset investments (continued)

Company
Investment in subsidiaries and associated companies

	2013 £000	2012 £000
Investments (see Group note)	**2,807**	2,870
Shares in subsidiaries at cost less provisions	**715**	844
	3,522	3,714

The movements during the year were:

	2013 £000	2012 £000
Balance at beginning of financial year	**3,714**	4,464
Other investments made	**28**	82
Disposals	**(68)**	-
Provisions against investments in subsidiaries	**(129)**	(700)
Provisions against other investments	**27**	(140)
Revaluation of other investments	**(50)**	8
Balance at end of financial year	**3,522**	3,714

The following are the principal subsidiaries, which are wholly owned by the Company, either directly or indirectly, unless otherwise indicated:

Activity	Name of subsidiary	Percentage holding of ordinary shares
Asset finance companies	Summit Asset Management Ltd	(77.5%)
Financial advisory and insurance services	Summit Insurance Services Ltd*	(90%)
	Summit Financial Services Ltd*	(90%)
	Tennyson Insurance Ltd*	(75%)
Property investment, trading and development	Summit Property Ltd	
Outsourced sales and related services	Tennyson Ltd	(90%)

All the above companies are registered in England and Wales.
* - shares held via a subsidiary

A list of all the subsidiaries of the Company is filed at Companies House.

Notes (continued)

13 Investments in finance agreements

Group

The Group's investments in finance agreements can be analysed as follows:

	2013 **£000**	2012 £000
Minimum lease payments	-	4
Finance income allocated to future periods	-	-
Investments in finance agreements	-	4
Of which due within one year	-	4
Lease payments receivable in the year	-	69

Company

The Company's investments in finance agreements can be analysed as follows:

	2013 **£000**	2012 £000
Minimum lease payments	-	4
Finance income allocated to future periods	-	-
Investments in finance agreements	-	4
Of which due within one year	-	4
Lease payments receivable in the year	-	-

Notes (continued)

14 Debtors

	Company		Group	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Trade debtors	**9**	2	**635**	988
Amounts owed by group companies	**3,950**	4,522	**582**	403
Amounts owed by joint ventures and associated companies	**-**	-	**421**	307
Taxation and social security	**-**	-	**-**	6
Prepayments and accrued income	**23**	16	**186**	118
Other debtors	**73**	80	**111**	457
	4,055	4,620	**1,935**	2,279

15 Investments

Group

	2013	2012
	£000	£000
Interests in the residual value of equipment subject to operating leases	**121**	144

16 Creditors: amounts falling due within one year

	Company		Group	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Other loans	**-**	-	**2,813**	1,988
Trade creditors	**4**	29	**239**	1,107
Amounts owed to group companies	**1,395**	617	**-**	-
Taxation and social security	**108**	104	**108**	104
Accruals and deferred income	**95**	100	**1,049**	514
Other creditors	**9**	1	**500**	187
Obligations under finance leases	**-**	-	**124**	36
	1,611	851	**4,833**	3,936

Notes (continued)

16 Creditors: amounts falling due within one year (continued)

The other loans represent promissory notes issued by a subsidiary of SAM (Romney Hydropower Company Limited - "RHC") to a corporate lender to provide RHC with the funds necessary to meet the costs associated with the construction of a hydro-electric power generation facility based on the river Thames at the Romney Weir, near Windsor. The promissory notes bear interest at fixed rates ranging between 12% and 18% per annum, and interest on the notes is added to the principal to the extent not paid. The electricity to be generated on completion of the construction of facility will be sold by RHC; and it is projected that the revenue from such sales will be sufficient to enable RHC to (a) raise bank or other loans to repay all or some of the promissory notes and (b) to the extent that some promissory notes remain outstanding, to repay those notes including the accrued interest due thereon.

17 Creditors: amounts falling due after more than one year

Group

	2013 £000	2012 £000
Obligations under finance leases	**3,946**	-
Other loans	**320**	-
	4,266	-

The amount shown within other loans is a loan from a shareholder (Hayes Participation Corp. BVI ("Hayes")) made to Medical Equipment Solutions Limited ("MESL") on 26 April 2012, for the purposes of enabling MESL to subscribe share capital in its subsidiary, QSRC Ltd. The loan bears interest at 10% per annum which, unless paid, is compounded annually on 31 December in each year until 26 April 2017; and 17.5% per annum thereafter. The loan is due for repayment on the earlier of (a) 26 April 2019 and (b) the date of any sale by MESL of its shareholding in QSRC Ltd.

18 Share capital

	At 31 March 2013 £000	At 31 March 2012 £000
Authorised		
339,850,000 ordinary shares of 10p each	**33,985**	33,985
Allotted, called up and fully paid		
73,430,000 ordinary shares of 10p each	**7,343**	7,343

Minority interests

Minority interests in certain of the Company's subsidiaries are held by senior management of those subsidiaries. Restrictions and obligations are placed on the transfer of these shares and, in certain circumstances, the holders have the right to require the Company to buy and the Company has the right to acquire these shares at an independent valuation.

Notes (continued)

19 Reserves

The movements on the Company's and the Group's reserves for the year were as follows:

Capital redemption reserve	Company £000	Group £000
At 31 March 2012 and 2013	1,049	1,049

Revaluation reserve	Company £000	Group £000
At 31 March 2012	1,969	2,159
Revaluation of other investments	(50)	(44)
Reserve transfer	-	(98)
Less: reserve transfer attributable to minorities	-	22
At 31 March 2013	1,919	2,039

Other reserve	Company £000	Group £000
At 31 March 2012 and 2013	167	167

Profit and loss account	Company £000	Group £000
At 31 March 2012	(1,364)	(3,519)
Loss for the financial year	(285)	(197)
Reserve transfer	-	76
At 31 March 2013	(1,649)	(3,640)

Total reserves	Company £000	Group £000
At 31 March 2013	**1,486**	**(385)**
At 31 March 2012	1,821	(144)

The Group's share of post-acquisition accumulated gains of associated and joint venture companies is £199,300 (2012: £259,000).

Notes (continued)

20 Reconciliation of the movements in shareholders' funds

	Company		Group	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
At 1 April	**9,164**	10,164	**7,199**	6,975
(Loss)/profit for the financial year	**(285)**	(1,008)	**(197)**	15
Revaluation of other investments	**(50)**	8	**(44)**	294
Less: attributable to minorities	**-**	-	**-**	(85)
At 31 March	**8,829**	9,164	**6,958**	7,199

21 Commitments in respect of operating leases

Annual commitments of the Group under non-cancellable operating leases are as follows:

	Land and buildings	
	2013	2012
	£000	£000
Leases expiring in:		
In less than one year	**-**	17
From the first to the fifth year, inclusive	**201**	185
After the fifth year	**100**	-
	301	202

At 31 March 2013 the capital commitments authorised by the directors amounted to £nil (2012: £nil).

22 Commitments in respect of finance leases

Group
The future lease payments under finance leases are as follows:

	Plant and machinery	
	2013	2012
	£000	£000
Within one year	**898**	38
Between two to five years	**3,656**	-
Less: finance charges allocated to future periods	**(484)**	(2)
	4,070	36

Notes (continued)

23 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2013 £000	2012 £000
Operating (loss)/profit	**(125)**	54
Depreciation charge	**448**	107
Profit on disposal of joint venture company	**-**	(14)
Profit from joint venture companies	**(102)**	(109)
Decrease in debtors	**328**	397
(Decrease)/increase in creditors	**(386)**	337
Decrease in investments in residuals	**23**	512
Amortisation of goodwill	**(26)**	(26)
Amounts written (back)/off other investments	**(18)**	148
Decrease in provisions	**-**	(28)
Decrease in investments in finance agreements	**4**	1
Net cash inflow from operating activities	**146**	**1,379**

24 Reconciliation of net cash flow to movement in net debt (note 25)

	£000
Increase in cash	1,019
Net finance lease inflow	(4,034)
Increase in debt	(1,145)
Movement in net debt	(4,160)
Net funds at 31 March 2012	243
Net debt at 31 March 2013	(3,917)

Notes (continued)

25 Analysis of changes in net debt

	At 31 March 2012 £000	Cashflow £000	**At 31 March 2013 £000**
Cash at bank and in hand	2,267	1,019	**3,286**
Finance leases	(36)	(4,034)	**(4,070)**
	2,231	(3,015)	**(784)**
Debt due within one year	(1,988)	(825)	**(2,813)**
Debt due after one year	-	(320)	**(320)**
	243	(4,160)	**(3,917)**

26 Analysis of changes in financing during the year

	Loans and finance lease obligations £000
At 31 March 2012	2,024
Net inflow from finance leases	4,034
Net inflow from debt	1,145
At 31 March 2013	**7,203**

Notes (continued)

27 Contingent liabilities

The Company has given an undertaking to certain of its subsidiaries that it will provide financial and other support, for at least the next twelve months, to enable those companies to continue to trade.

28 Provisions for liabilities and charges

	Company		Group	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Other provisions	**40**	40	**40**	40

Other provisions
The provisions in place at 31 March 2012 and 2013 for both the Company and the Group are provisions against cash balances held with Kaupthing, Singer & Friedlander Ltd.

29 Related party transactions

Wentforth Consultancy Ltd
Mr Barratt was a director of Wentforth Consultancy Limited ("Wentforth") until he resigned on 31 July 2012.

During the year, Summit Property Group Ltd paid management fees to Wentforth of £nil (2012: £68,634). Amounts owed by Wentforth at the year end were £nil (2012: £nil).

Seraphim Capital LP
The Company is a limited partner in, and has made capital contributions to, Seraphim Capital LP, as have the family interests of Mr C N Hunter Gordon. Mr Hunter Gordon is a director of the Company, and a shareholder in the Company's parent company, Brighthand Ltd. During the year the Company received £689,060 (2012: £nil) in respect of profit share due to it from Seraphim Capital (General Partner) LLP, the general partner of Seraphim Capital LP, and repaid £622,674 in respect of advances against profit share (2012: received non-refundable advances of £113,935).

30 Ultimate and immediate parent company

The ultimate and immediate parent company is Brighthand Ltd, which is registered in England and Wales. Accounts for this company are available at Companies House.

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Kit Hunter Gordon

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Zac Barratt

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