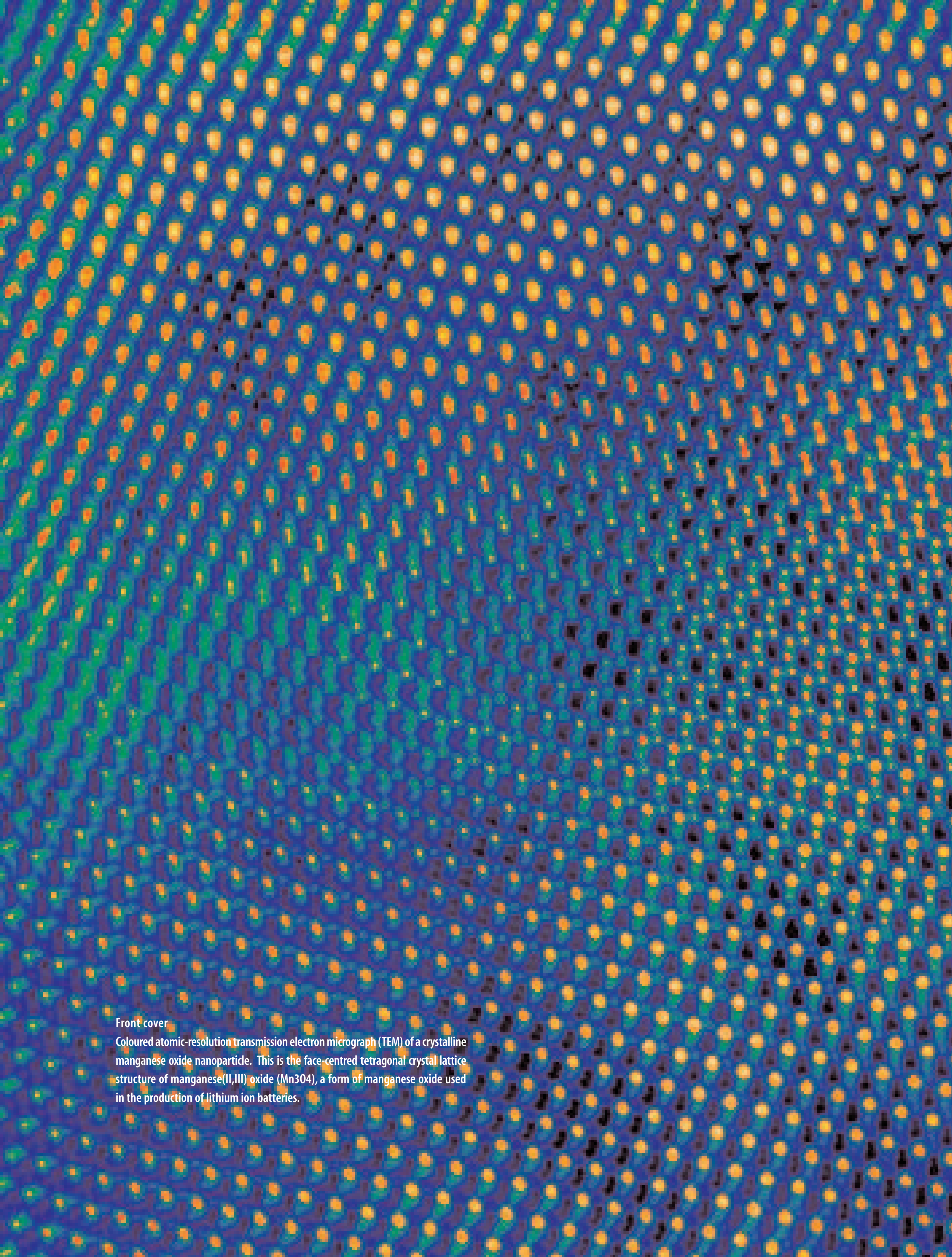
The Summit Group Limited

2015



Front cover
Coloured atomic-resolution transmission electron micrograph (TEM) of a crystalline manganese oxide nanoparticle. This is the face-centred tetragonal crystal lattice structure of manganese(II,III) oxide (Mn304), a form of manganese oxide used in the production of lithium ion batteries.

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 insurance, property, sales outsourcing and fund management as well as 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 a number 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 nearly thirty 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 & Insurance
- 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 - although Seraphim is now closed to making new investments.

What we are invested in

Sector	The Summit Group	Summit Alpha	Seraphim Capital
Business Services	Voicenotes	iX Group Authenticate Information Systems	
Communications	Avanti Communications	Avanti Communications	Aria Networks
Environmental & Energy	South East Power Engineering	Powerstax	
Financial	SQN Capital Management 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			TestPlant Intamac

Review of the year to 31 March 2015

After the disappointing performances of some the Group's more major investments over the last two years - admittedly mostly due to events beyond their control - the year to 31 March 2015 was, overall, one of much better performance. The Group produced a profit before tax of £641k, and increased shareholders' funds to £10.4 million. The profit before tax was after interest costs (mostly incurred in companies where their activities are ring-fenced from others in the Group) of £824k and depreciation of £978k. Cash and liquid resources would have been higher than the £4.03 million shown had a significant profit share payment due to Tennyson Insurance Ltd been paid the day before the year end rather than the day after. Although not of immediate financial impact, the Group completed a number of transactions which are likely to show significant financial benefits in years to come, details of which are given below.

In reviewing the individual business which the Company owns and the investments that the Group has made:

- **Summit Insurance Services ("SIS")** had another good year: the profit before tax was £259k (slightly down on 2014), and there was a further rise in the premiums collected by just under £800k to £5.35 million; with commissions up by just over 3% to £1.08 million. Most of the growth in the premiums collected related to its Compucover book (theft and accidental damage cover for laptops and tablets), whilst the warranty book was broadly flat. Some of the reduction in profit was due to increased staff costs, but there were also reductions in the commission rate earned by SIS to ensure that overpaid profit share payments were repaid sooner rather than later. It is expected that profit share payments - which are likely to have a significant effect on profits - will resume in the year commencing 1 April 2016.

- **Tennyson** produced profits before tax of £374k, an increase on the previous year, reflecting the fact that it achieved all six of its milestones, rather than the five managed in the prior year. The team that was recruited in the previous year to service the enlarged territory awarded to it by its main customer, Royal Mail, bedded in well and the achievement of the six milestones reflects this.

- **Tennyson Insurance** (in which the Group had a 41.7% shareholding) again increased its commission income from £2.06 million to £2.54 million. Profits before tax decreased by just under 14% to £328k. This decrease was due to two factors. There was a change in the way it was paid its profit share: on one of the books that it manages, profit share was previously paid a year after the relevant underwriting year, and this was changed during the year to be due immediately after the end of the relevant underwriting year. As a result two profit share payments for this book were due in this financial year. During the year Tennyson Insurance was also required (at a cost of £180k) to recognise the costs associated with the awarding of options to two employees under its Enterprise Management Incentive scheme.

- Just prior to the year end the shareholders in Tennyson Insurance agreed a sale of the company to a company (Zurich Holdings (UK) Ltd) within its underwriter's group, for a total consideration of up to £6 million, of which £4.8 million is payable at completion.

- **Property.** The Group's property activities (carried on through the joint venture company, The Basingstoke Property Company Ltd ("BPC")) continued without significant change. The additional premium that was due to be received late in the financial year was agreed to be deferred. The rack-rented units continued to produce the contracted income.

Review of the year to 31 March 2015 continued

- **Summit Asset Management ("SAM").** It was within SAM that strategic changes were implemented. Following the successful raising of £150 million for the listed specialist asset finance fund (SQN Asset Finance Income Fund Ltd) by the company and the US based fund manager, SQN Capital Management LLC ("SQN US") it was considered sensible that those members of the company's staff involved in the investing of those funds should work for a UK subsidiary of SQN US. Accordingly, with effect from 1 January 2015, all bar the company's accounting staff transferred to a newly formed UK subsidiary of SQN US, SQN Capital Management (UK) Ltd ("SQN UK"). That company has taken over the management role in respect of the listed fund.

- As consideration for the goodwill transferred, SAM is entitled to receive amounts calculated by reference to the extent the fees received by SQN UK exceed a hurdle. These amounts are to be calculated and paid quarterly until 31 December 2028. SAM retains both its existing portfolio of assets subject to leases, and the staff forming its accounts department. The majority of the costs of the accounts department (and costs of the premises occupied) are re-charged to SQN UK whilst the balance of the costs are expected to be at least covered by the payments due in respect of the goodwill and receipts from the retained portfolio of leased assets.

- **SQN Capital Management.** As part of the transaction SAM exercised its right to acquire 25% of SQN US at par value, and relinquished its right to acquire a further 10% at market value. The totality of the transaction much simplifies the company's activities. Apart from its medical and renewable energy investments (on which, see below), it has an investment in a specialist fund manager making the types of investments that the company's staff having been doing for many years, and a portfolio of assets subject to leases.

- **Medical Equipment Solutions ("MESL") and QSRC.** NHS England has continued to refuse to reverse its decision to stop paying for patients having gamma knife treatment at the specialist gamma knife centre run by the wholly-owned special purpose subsidiary of Medical Equipment Solutions Ltd ("MESL"), QSRC Ltd ("QSRC"). This has continued to have major consequences for that company's income with, it is estimated, approaching £2 million of income being taken away from QSRC in the period since the decision was first taken. That company's directors believe that the decision taken by NHS England was taken in breach of procurement regulations, and a formal complaint has been made to Monitor in respect of NHS England's treatment of QSRC. Given the lack of cooperation from NHS England, QSRC has now commenced proceedings seeking a judicial review of NHS England's decision.

- **Thornbury Radiosurgery Centre,** the joint venture between MESL and BMI Healthcare, was loss-making (with a loss before tax of £641k) reflecting much reduced turnover due to lower numbers of referrals from the NHS, with the challenge for MESL being to restore the numbers of NHS patients to the levels seen in 2013 and before. After the year-end, it entered into a new finance lease to finance amounts owed in respect of the replacement of its radioactive cobalt sources and to match payments to its expected income.

- **Southeast Power Engineering ("SEPEL").** During the year SAM's subsidiary, SEPEL received an acceptable offer to sell its 80% economic interest in Sion Hydro Ltd ("Sion"), and the sale was completed in January 2015.

- **Romney Hydro Power Company,** which is wholly owned by SEPEL, has continued to generate electricity at its site on the river Thames. SEPEL's managing director is active in procuring additional sites for SEPEL to install further hydro-electric power generating equipment, either as a principal in its own right or as an adviser to landowners, earning in return both fees and profit participations.

Review of the year to 31 March 2015 continued

- **MedTrade Products.** In the Group's venture capital portfolio, MedTrade Products again produced record sales and profits from its trauma and woundcare businesses of £16.0 million and £2.58 million respectively. As in the prior year to 28 February 2014 its overall profits before tax were reduced by over £875k of research and development expenditure on clinical trials for its Celox haemostat product. The current financial year has begun very well with record levels of sales.

- **Authenticate Information Systems (AIS).** Through Summit Alpha's venture portfolio the performance of its 37% holding in AIS, which hosts a supply chain mapping platform for all suppliers in the food chain, continued on an upward trend. During the year AIS raised an additional £0.65m at a valuation substantially in excess of the base cost of Summit Alpha's investment.

- **Seraphim Capital.** Although closed to making new investments, Seraphim Capital, in which the Group has a participation and is a Managing Partner, continued to make follow-on investments in its existing portfolio. There were no further exits, although the second payment in relation to the sale of Sirigen Group was distributed following the settlement of the litigation between Sirigen and some of its former shareholders. As at 31 March 2015, Seraphim Capital's investment in its extant portfolio companies was valued at £23.7 million. It is expected that there will be further realisations in the current year as two portfolio companies are being marketed for sale.

Overall the impact of the sales of both Summit Asset Management's lease arrangement business as well as of Tennyson insurance have led to an increase in free cash resources and reduced overhead commitments for the coming year into 2016. This, together with further realisations which Seraphim anticipates during the current year and release of cash from other investments, much improves the Group's liquidity and our ability to support existing businesses and to invest in new opportunities as they arise.

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 educational establishments, small and large organisations in both the public and private sector and thousands of individuals. In the year, it launched Protech Wear a product aimed at the developing "wearable" IT marketplace, in conjunction with a new Underwriter.

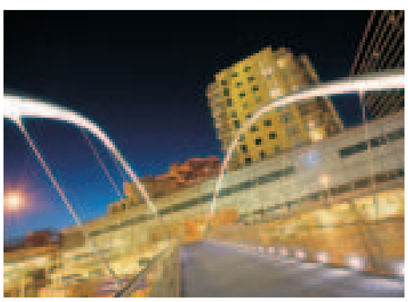
The company also provides warranty schemes both as insurance and service agreements which remains a major growth opportunity for the company. As well as CompuCover Summit Insurance Services also manages the insurance schemes for major computer manufacturers including Toshiba and Fujitsu, specialist schemes such as Family Fund and IT insurance for Disabled Students and the IT insurance on salary sacrifice schemes.

It continues to develop further business lines and in the year launched a warranty product for a home improvements company, an insurance product for IT components and is using its claims expertise to handle claims for third parties.

The company is regulated by the Financial Conduct Authority and takes compliance very seriously. The regulatory burden will continue to grow and this will result in increased costs.

In the year ending 31 March 2015, gross premium written increased by just over 15% from the previous year and for the first time was over £5 million at £5.35 million.

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



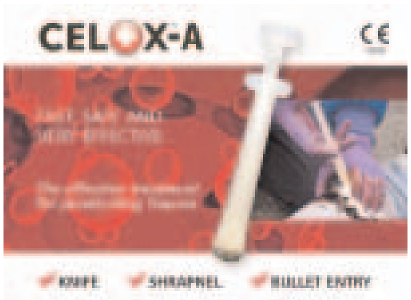
Summit Property undertakes property projects, usually in conjunction with partners with whom it shares in the value it creates through using its expertise to enhance the value of a particular property situation.

Summit Property has a mature development programme of which it has realised a large part and now has no borrowings outstanding. Its current activities (carried on through a joint venture company) continued without significant change in the year. The additional premium that was due to be received late in the financial year was agreed to be deferred, although the company has now agreed a surrender of that lease, and a grant of a new rack-rented lease. The rack-rented units continued to produce the contracted income.

Portfolio review

Directly held investments continued

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 2015 Medtrade again produced record sales and profits from its trauma and woundcare businesses, of £16.0 million and £2.58 million respectively (Year to 28 February 2014, sales of £12.1 million and profit before tax of £1.25 million). As in the prior year its overall profits before tax were reduced by over £875,000 of research and development expenditure on clinical trials for Celox. The current financial year has begun very well with record levels of sales.

The clinical trials for MedTrade's revolutionary new haemostat product, Celox, for use in internal surgical procedures, are continuing with it being used on 80 patients to date and it is hoped that these will be completed by the end of the current year. 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.

Tennyson	1998	90%	Sales channel development

Tennyson

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.

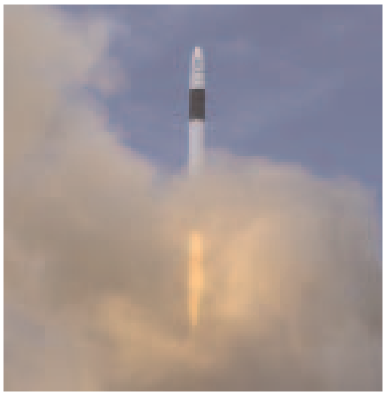
A significant proportion of the company's earnings come through participation in the additional income it generates for its customers.

Tennyson produced profits before tax of £374k, an increase on the previous year, reflecting the fact that it achieved all six of its milestones, rather than the five managed in the prior year. The team that was recruited in the previous year to service the enlarged territory awarded to it by its main customer, Royal Mail, bedded in well and the achievement of the six milestones reflects this.

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. Construction of HYLAS 3 is on schedule for launch of commercial service in 2016. The group continues to expand its coverage through buying a satellite called Artemis in December 2013 and has financed its fifth satellite, HYLAS 4, due to launch in early 2017. The company is listed on AIM with a market capitalisation of £300 million at 31 March 2015.

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 again increased its commission income from £2.06 million to £2.54 million. Profits before tax decreased by just under 14% to £328k due to changes in its profit share arrangements.

Following the year end Tennyson Insurance was acquired by Zurich Insurance - its underwriter - at a price which showed a gain on Summit's investment of £1.8m with the possibility of further payments being received in future years under an earn out arrangement.

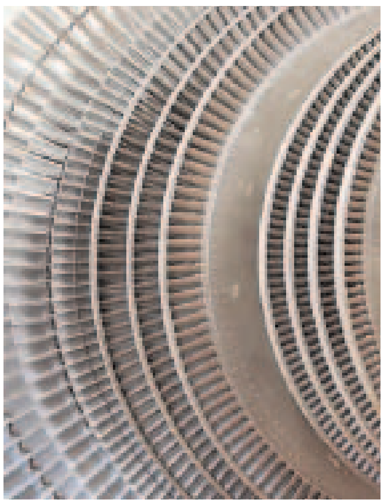
Portfolio review

Directly held investments continued

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 operating 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%	Asset Finance & Fund Management



Summit Asset Management is a leading provider of innovative leasing and project finance structures, primarily for renewables, environmental 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.

Following the successful raising of £150 million for the listed specialist asset finance fund (SQN Asset Finance Income Fund Ltd) by the company and the US based fund manager, SQN Capital Management LLC ("SQN US") it was considered sensible that those members of the company's staff involved in the investing of those funds should work for a UK subsidiary of SQN US. Accordingly, with effect from 1 January 2015, all bar the company's accounting staff transferred to a newly formed UK subsidiary of SQN US, SQN Capital Management (UK) Ltd ("SQN UK"). That company has taken over the management role in respect of the listed fund.

As consideration for the goodwill transferred, Summit Asset Management is entitled to receive amounts calculated by reference to the extent the fees received by SQN UK exceed a hurdle. These amounts are to be calculated and paid quarterly until 31 December 2028. Summit Asset Management retains its existing portfolio of assets subject to leases.

As a result Summit Asset Management's activities have been much simplified, leaving it with investments in medical and renewable energy and environmental technologies and an investment in a specialist fund manager making the types of investments that the company's staff having been doing for many years, and a portfolio of assets subject to leases.

These investments are described below.

Portfolio review

Investments through Summit Asset Management (77.5% owned)

Investment	Year	Percentage ownership	Business
SQN Capital Management LLC	2015	25%	Fund Management

As part of the transaction transferring Summit Asset Management's business activities to SQN it exercised its right to acquire 25% of SQN Capital Management LLC (SQN) at par value, and relinquished its right to acquire a further 10% at market value. SQN is a US based income (usually from leased or rented assets) fund manager, with over $500 million of funds under management or under advisory arrangements.

South East Power Engineering	2007	75%	Hydroelectric power generation

South East 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 throughout the year under review. The company also held a majority holding in Sion Hydro in Northern Ireland. During the year it received an acceptable offer to sell its 80% economic interest in Sion Hydro and the sale was completed in January 2015.

South East Power Engineering is active in procuring additional sites for it to install further hydro-electric power generating equipment, either as a principal or as an adviser to landowners, earning in return both fees and profit participations and is seeking to build a portfolio of hydro-power assets.

BOSHire	2010	50%	Rental of Modular Buildings

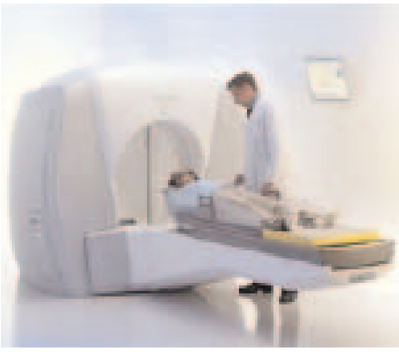
Summit Asset Management's vendor finance programme with Built Offsite developed into a dedicated joint venture, BOSHire, where residual risks are shared and complex financings are successfully managed ensuring that both very short term rental and semi-permanent provision are offered.

BOSHire was sold to SQN as part of the transfer of Summit Asset Management's lease arranging business recording a gain on book value of £437,000.

Portfolio review

Investments through Summit Asset Management (77.5% owned) continued

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

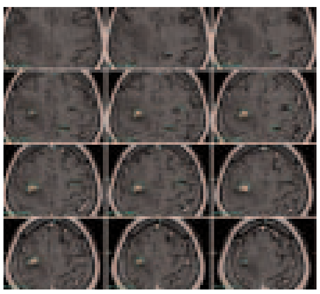


Medical Equipment Solutions has narrowed its focus to two main areas within healthcare: financial structuring for sophisticated high capital value projects and acting as investor and operator for specialised healthcare operations listed below.

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 National Hospital for Neurology and Neurosurgery in London, part of University College Hospital London.

Further Gamma Knife radiosurgery centre developments have been put on hold pending resolution of QSRC's dispute with NHS England over reimbursement (see below).

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. 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.

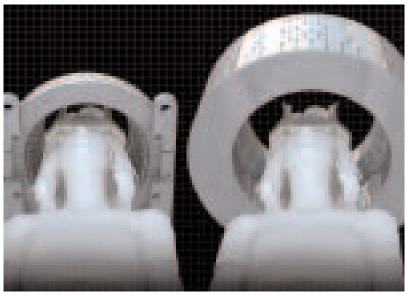
NHS England has continued to refuse to reverse its decision to stop paying for patients having gamma knife treatment at the specialist gamma knife centre run by QSRC. This has continued to have major consequences for QSRC's income with approaching £2 million of income being taken away from QSRC in the period since the decision by NHS England was first taken. QSRC's directors believe that NHS England's decision was taken in breach of procurement regulations and have made a formal complaint to Monitor in respect of NHS England's treatment of QSRC. Given the lack of cooperation from NHS England, QSRC has now commenced proceedings seeking a judicial review of NHS England's decision.

* % ownership by Medical Equipment Solutions

Portfolio review

Investments through Summit Asset Management (77.5% owned) continued

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



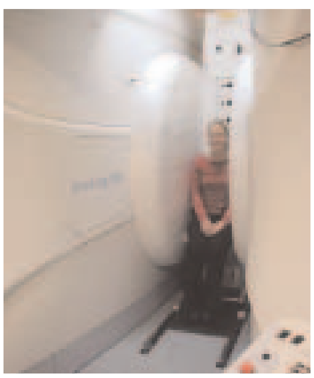
The Thornbury Radiosurgery Centre is a JV with BMI Healthcare Limited at the BMI Thornbury Hospital in Sheffield, 1 mile from the NHS National Radiosurgery Centre. Managed by Medical Equipment Solutions, the Centre uses the Elekta Perfexion Gamma Knife for treating neoplasms in the brain. The Centre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

The Thornbury Radiosurgery Centre was loss-making (with a loss before tax of £641k in the year to 31 March 2015) reflecting much reduced turnover due to lower numbers of referrals from the NHS, with the challenge being to restore the numbers of NHS patients to the levels seen in 2013 and earlier. After the year-end, it entered into a new finance lease to finance amounts owed in respect of the replacement of its radioactive cobalt sources and to match payments to its expected income.

* % ownership by Medical Equipment Solutions

Picture: Leksell Gamma Knife® PerfexionTM Courtesy of Elekta

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



The Upright MRI business continues to grow from the original centre in London, with a second centre in Leeds opened in September 2012 and a third in Birmingham opened in late 2014. The London centre uses the Fonar 0.6 T Upright MRI scanner, with Leeds and Birmingham Centres using a Paramed upright MRI, both MRIs 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
Authenticate Information Systems	2001/2013	37%	Food supply chain mapping platform

Authenticate Information Systems ("AIS") was spun out to its shareholders from Product Authentication Inspectorate ("PAI") as part of the sale of PAI in 2013.

This business provides a collaborative data Platform which allows businesses in the food industry to track, analyse and understand their food supply network from end to end. Through the Platform, called Pyramid, AIS provides a network for suppliers in the food industry to share valuable transparency and assurance data with trading partners on a selective and secure basis, thus eliminating the costly and time consuming task of proving supply chain information in an ad-hoc, repetitive and unmanaged way.

Its customers include Tesco, Waitrose, the Co-operative, Aramark, Greencore, Compass, OSI, Mitie and Winterbotham Darby as well as bodies such as AB Agri and YARA. 24 of the top 100 UK Food & Drink Manufacturers are now members of Authenticate and the rate at which new customers are joining the platform is accelerating. Led by customer demand the platform is already beginning to expand into other EU countries.

AIS raised additional capital during the year at a valuation which shows a substantial gain on Summit Alpha's underlying cost.

Powerstax	2000	2.4% 2.3% by Summit	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. In 2012 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 continued

(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 were over £740k in the year to 31 July 2014 - up nearly fivefold in the last four years - 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.

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. Although Seraphim is closed to investing in new businesses it continues to invest in and support its existing portfolio.

Investment	Year	Percentage ownership	Business
Aria Networks	2008	37%	Artificial-intelligence software

Aria Networks is a developer of next-generation artificial-intelligence software that is used to plan and optimise telecoms networks. It provides network profitability solutions to fixed-line, mobile and cloud service providers through its capacity management software, which unifies design, build and operational planning processes. Aria Networks' solutions apply to anyone rolling out 3G/4G mobile, broadband, and business data services with future proof support for any service, any technology and any vendor.

Aria has highly disruptive technology which brings a step change in capabilities in planning and optimising networks, enabling operators to move towards the vision of real time management of the network and significant reduction in capex and opex. With modern networks struggling to deliver services, Aria's technology allows operators to manage the networks more efficiently with less people whilst deploying an increased number of services.

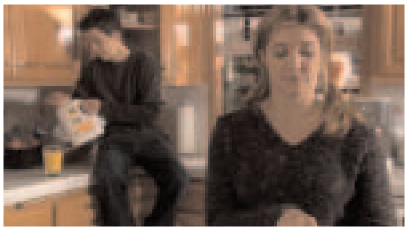
Its software has particular application in the rapidly developing field of software defined networks ("SDN"). The business has the potential to scale rapidly through partnering with companies like Alcatel Lucent.

Major customers include BT, Facebook and Apple.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
MirriAd	2007	5%	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 allow product placement to take place on a much larger scale than previously possible and can generate revenues from their back catalogues while inserting different brands into the same video to suit the target audience or region. 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.

MirriAd has agreements with Vevo and Univeral Music to embed products into their music videos which, together with its other arrangements, give it access to over half the world's most important music video content. It has a worldwide agreement with a leading global advertising agency and is progressing agreements with other major content owners and advertising agencies across the globe.

Following Seraphim's original investment the company has gone on to raise over £20 million in which Seraphim has participated, bringing its total investment to £2.4 million with a 4.6% shareholding in the enlarged business.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
Intamac	2009	18%	Internet of Things platform

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. Given the improvements in fixed and mobile broadband, Intamac has developed a web-based platform that delivers a wide range of innovative new value-added services through various simple, affordable and self-install wireless products in the home. This enables users to monitor and control services including home security, remote video monitoring, energy saving, care for the elderly and appliance control. The Intamac platform connects these devices in the cloud, and provides consumers with a simple web or smartphone app interface through which they can manage all these devices and associated services. 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.

The company has launched a range of "plug and play" connected home solutions in collaboration with partners, including a security alarm system and an energy management system. Clients include CCTV market leader, Swann, and set top box market leader, Technicolor.

Pyreos	2010	17%	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 making sensors that are smaller, cheaper and more sensitive. 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.

Pyreos's technology is protected by 12 patent families relating to a decade and 10m of R&D by Siemens. The technology is developed and validated via numerous customer evaluations and, through its fabless model, the business has the potential to scale production rapidly to meet customer demand.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
TestPlant	2008	49%	Software testing

TestPlant owns and develops the eggPlant range of 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. The eggPlant set of software test tools enables automated functional testing and load testing of any application from mainframe to mobile. eggPlant helps teams get software products to market faster, with higher quality, less effort, and clearer traceability. Easily deployed and sized to minimise the cost of ownership, the eggPlant tools fit the demands of agile software and mobile app development.

TestPlant is based in London and supports over 300 customers in over 30 countries, with operations in North America and Asia. In 2014 it opened a new office in San Francisco to enable it to enhance its support of many of its key Silicon Valley and West Coast customers, including major US clients in the aerospace, automotive, media, medical and technology industries.

Financial statements

Extract from the financial statements
Consolidated profit and loss account
Consolidated balance sheet

Strategic report

Results and business review

Principal activities

The Company is a venture capital business. It has a number of investments, with shareholdings ranging from 90% downwards. In all instances the strategic issues relating to those companies are set out in their audited report and accounts; but in addition Summit actively monitors their performance, often by appointing a non-executive director.

In some instances, it also invests in funds in which it has a management role, and to which it has a (limited) contractual obligation to make capital commitments. Aside from this, investments are made according to whether the directors believe they have cash resources to do so, bearing in mind the Group-wide obligation to meet salaries of those employees working for businesses where the Group maintains a shareholding of more than 75%.

Results and business review

After the disappointing performances of some the Group's more major investments over the last two years - admittedly mostly due to events beyond their control - the year to 31 March 2015 was, overall, one of much better performance. The Group produced a profit before tax of £716k, and increased shareholders' funds to £10.4 million. The profit before tax was after interest costs (mostly incurred in companies where their activities are ring-fenced from others in the Group) of £824k and depreciation of £978k. Cash and liquid resources would have been higher than the £4.03 million shown had a significant profit share payment due to Tennyson Insurance Ltd been paid the day before the year end rather than the day after. Although not of immediate financial impact the Group completed a number of transactions which are likely to show significant financial benefits in years to come, details of which are given below.

In reviewing the individual businesses which the Company owns and the investments that the Group has made:

- Summit Insurance Services Ltd ("SIS") had another good year: the profit before tax was £259k (slightly down on 2014), and there was a further rise in the premiums collected by just under £800k to £5.35 million; with commissions up by just over 3% to £1.08 million. Most of the growth in the premiums collected were related to its Compucover book (theft and accidental damage cover for laptops and tablets), whilst the warranty book was broadly flat. Some of the reduction in profit was due to increased staff costs, but there were also reductions in the commission rate earned by SIS to ensure that overpaid profit share payments were repaid sooner rather than later. It is expected that profit share payments - which are likely to have a significant effect on profits - will resume in the year commencing 1 April 2016.

- Tennyson Ltd ("Tennyson") produced profits before tax of £374k, an increase on the previous year, reflecting the fact that it achieved all six of its milestones, rather than the five managed in the prior year. The team that was recruited in the previous year to service the enlarged territory awarded to it by its main customer, Royal Mail, bedded in well and the achievement of the six milestones reflects this.

- Tennyson Insurance Ltd (in which the Group has a 41.7% shareholding) again increased its commission income from £2.06 million to £2.54 million. Profits before tax increased by just under 33% to £507k. This increase was due to a change in the way it was paid its profit share: on one of the books that it manages, profit share was previously paid a year after the relevant underwriting year, and this was changed during the year to be due immediately after the end of the relevant underwriting year. As a result two profit share payments for this book were due in this financial year.

Strategic report
Results and business review continued

Just prior to the year end the shareholders in Tennyson Insurance Ltd agreed a sale of the company to a company (Zurich Holdings (UK) Ltd) within its underwriter's group, for a total consideration of up to £6 million, of which £4.8 million is payable at completion.

- The Group's property activities (carried on through the joint venture company, The Basingstoke Property Company Ltd ("BPC")) continued without significant change. The additional premium that was due to be received late in the financial year was agreed to be deferred. The rack-rented units continued to produce the contracted income.

- It was within Summit Asset Management Ltd ("SAM") that strategic changes were implemented. Following the successful raising of £150 million for the listed specialist asset finance fund (SQN Asset Finance Income Fund Ltd) by the company and the US based fund manager, SQN Capital Management LLC ("SQN US") it was considered sensible that those members of the company's staff involved in the investing of those funds should work for a UK subsidiary of SQN US. Accordingly, with effect from 1 January 2015, all bar the company's accounting staff transferred to a newly formed UK subsidiary of SQN US, SQN Capital Management (UK) Ltd ("SQN UK"). That company has taken over the management role in respect of the listed fund.

- As consideration for the goodwill transferred, SAM is entitled to receive amounts calculated by reference to the extent the fees received by SQN UK exceed a hurdle. These amounts are to be calculated and paid quarterly until 31 December 2028. SAM retains both its existing portfolio of assets subject to leases, and the staff forming its accounts department. The majority of the costs of the accounts department (and costs of the premises occupied) are re-charged to SQN UK; whilst the balance of the costs are expected to be at least covered by the payments due in respect of the goodwill and receipts from the retained portfolio of leased assets.

- As part of the transaction SAM exercised its right to acquire 25% of SQN US at par value, and relinquished its right to acquire a further 10% at market value. The holding in SQN US is described further in the notes to the accounts. The totality of the transaction much simplifies the company's activities. Apart from its medical and renewable energy investments (on which, see below), it has an investment in a specialist fund manager making the types of investments that the company's staff having been doing for many years, and a portfolio of assets subject to leases.

- NHS England has continued to refuse to reverse its decision to stop paying for patients having gamma knife treatment at the specialist gamma knife centre run by the wholly-owned special purpose subsidiary of Medical Equipment Solutions Ltd ("MESL"), QSRC Ltd ("QSRC"). This has continued to have major consequences for that company's income with, it is estimated, approaching £2 million of income being taken away from QSRC in the period since the decision was first taken. That company's directors believe that the decision taken by NHS England was taken in breach of procurement regulations, and a formal complaint has been made to Monitor in respect of NHS England's treatment of QSRC. Given the lack of cooperation from NHS England, QSRC has now commenced proceedings seeking a judicial review of NHS England's decision.

- The Thornbury Radiosurgery Centre Ltd (the joint venture between MESL and BMI Healthcare) was loss-making (with a loss before tax of £641k) reflecting much reduced turnover due to lower numbers of referrals from the NHS, with the challenge for MESL being to restore the numbers of NHS patients to the levels seen in 2013 and before. After the year-end, it entered into a new finance lease to finance amounts owed in respect of the replacement of its radioactive cobalt sources and to match payments to its expected income.

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 2015.

Principal activities

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.

Results and dividends

The results of the Group can be summarised as follows:

	2015 £000	2014 £000
Profit/(loss) before tax (all continuing operations)	**716**	(991)
Profit/(loss) attributable to ordinary shareholders after dividends	**792**	(284)

The Company paid its ordinary shareholder dividends totalling £nil in the year (2014: £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

26 June 2015

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

The directors are responsible for preparing the strategic report, 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 2015 set out on pages 24 to 51. 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 Directors' Responsibilities Statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on 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 2015 and of the group's profit 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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

26 June 2015

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 2015

	Note	2015 £000	2014 £000
Turnover: Group and share of joint ventures	*1-2*	**9,106**	13,375
Less: share of joint ventures' turnover		**(592)**	(4,917)
Group turnover - continuing operations		**8,514**	8,458
Cost of sales		**(4,437)**	(3,321)
		4,077	5,137
Gross earnings under finance agreements		**2**	2
Gross profit		**4,079**	5,139
Operating costs	*4-7*	**(4,335)**	(5,732)
Group operating loss		**(256)**	(593)
Share of operating loss in joint ventures		**(548)**	(187)
Share of operating profit in associates		**227**	105
Profit on disposal of investments in subsidiaries	*12*	**509**	274
Profit on disposal of joint ventures	*12*	**570**	-
Profit on sale of part of trade	*4*	**851**	-
Profit on disposal of other investments		**20**	3
Profit/(loss) on ordinary activities before taxation	*3*	**1,373**	(398)
Income from other fixed asset investments		**167**	310
Net interest payable	*8*	**(824)**	(903)
Loss on ordinary activities before taxation		**716**	(991)
Taxation:	*9*		
Group		**-**	(31)
Joint ventures and associates		**(44)**	(8)
Profit/(loss) on ordinary activities after taxation		**672**	(1,030)
Minority interests		**120**	746
Profit/(loss) for the financial year		**792**	(284)

All the above items relate to continuing operations.

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

Consolidated balance sheet
at 31 March 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Intangible fixed assets	*10*		-		1,179
Tangible fixed assets	*11*		**4,800**		5,749
Investments	*12*		**7,359**		5,850
Investments in joint ventures:					
Share of gross assets		**813**		1,369	
Share of gross liabilities		**(645)**		(1,196)	
			168		173
Investments in associates			**45**		(125)
			12,372		12,826
Current assets					
Stocks and work in progress	*13*	**1,309**		5	
Debtors	*14*	**3,950**		3,177	
Investments	*15*	**178**		184	
Liquid resources		**1,028**		1,023	
Cash at bank and in hand		**3,004**		3,467	
		9,469		7,856	
Creditors: amounts falling due within one year	*16*	**(6,853)**		(2,954)	
Total net current assets			**2,616**		4,902
Total assets less current liabilities			**14,988**		17,728
Creditors: amounts falling due after more than one year	*17*		**(4,490)**		(8,892)
Provisions for liabilities and charges	*28*		**(36)**		(36)
			10,462		8,800
Capital and reserves					
Share capital	*18*		**7,343**		7,343
Capital redemption reserve	*19*		**1,049**		1,049
Revaluation reserve	*19*		**5,195**		4,338
Other reserve	*19*		**167**		167
Profit and loss account	*19*		**(3,108)**		(3,823)
			10,646		9,074
Minority interests			**(184)**		(274)
Shareholders' funds			**10,462**		8,800

These consolidated financial statements were approved by the board of directors on 26 June 2015 and were signed on its behalf by:

SJK Barratt
Director

Company balance sheet
at 31 March 2015

	Note	2015		2014	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	11		2		2
Investments	12		6,135		6,054
			6,137		6,056
Current assets					
Debtors	14	4,376		4,052	
Liquid resources		1,028		1,023	
Cash at bank and in hand		2,146		2,707	
		7,550		7,782	
Creditors: amounts falling due within one year	16	(1,427)		(2,469)	
Net current assets			6,123		5,313
Provisions for liabilities and charges	28		(36)		(36)
Total assets less current liabilities			12,224		11,333
Capital and reserves					
Share capital	18		7,343		7,343
Capital redemption reserve	19		1,049		1,049
Revaluation reserve	19		4,232		4,306
Other reserve	19		167		167
Profit and loss account	19		(567)		(1,532)
Shareholders' funds			12,224		11,333

These consolidated financial statements were approved by the board of directors on 26 June 2015 and were signed on its behalf by:

SJK Barratt
Director

Consolidated statement of total recognised gains and losses
for the year ended 31 March 2015

	2015 £000	2014 £000
Profit/(loss) for the financial year	**792**	(284)
Revaluation of other investments	**1,090**	2,400
Total recognised gain for the year	**1,882**	2,116

Consolidated cash flow statement

for the year ended 31 March 2015

	Note	2015		2014	
		£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities	23		**(956)**		649
Returns on investments and servicing of finance					
Interest received		**62**		111	
Interest paid		**(549)**		(1,067)	
Interest element of finance lease rental payments		**(93)**		(175)	
Dividend from investments		**168**		310	
Net cash outflow from returns on investments and servicing of finance			**(412)**		(821)
Capital expenditure and financial investment					
Purchase of intangible fixed assets		**-**		(1,300)	
Purchase of tangible fixed assets		**(111)**		(246)	
Sale of tangible fixed assets		**10**		1	
Other investments made		**(167)**		(193)	
Sale of investments		**41**		250	
Net cash outflow from capital expenditure and financial investment			**(227)**		(1,488)
Taxation					3
Acquisitions and disposals					
Proceeds from sale of subsidiary companies		**240**		-	
Net cash inflow from acquisitions and disposals			**240**		-
Equity dividends paid			**(100)**		-
Net cash outflow before management of liquid resources and financing			**(1,455)**		(1,657)
Management of liquid resources					
Increase in short term bank deposits			**(5)**		(508)
Financing					
Debt due within one year:					
Net inflow/(outflow) from other short-term creditors			**1,163**		(2,772)
Capital element of finance leases			**(283)**		(348)
Debt due after one year:					
Net drawing of loans			**127**		5,471
(Decrease)/increase in cash	24		**(453)**		186

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 2015. 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.

Goodwill on acquisitions

Purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of each financial year and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Purchased goodwill arising on acquisition is amortised to nil by equal annual instalments over its estimated useful life, being over 12 years.

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 - 20 years

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

Notes (continued)

1 Accounting policies (continued)

Work in progress
Work in progress represents costs associated with various long term contracts and is stated at the lower of cost and amounts recoverable, less any related amounts received or receivable.

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 and associated companies
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.

Associated companies are those companies where the Group has a substantial interest in the equity capital and whose directors include representatives of the Group such that the Group is able to exert significant influence over the management and operations of those companies. Investments in associated companies are accounted for using the equity method.

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.

Notes (continued)

1 Accounting policies (continued)

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.

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 for 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, profit/(loss) on ordinary activities before taxation and net assets/(liabilities)

	2015 Group turnover £000	2015 Profit on ordinary activities before taxation £000	2015 Net (liabilities)/ assets £000	2014 Group turnover £000	2014 Loss/ profit on ordinary activities before taxation £000	2014 Net (liabilities)/ assets £000
By activity						
Equipment leasing and sales	**6,115**	**517**	**(980)**	8,943	(1,170)	(1,526)
Advisory and other services	**2,667**	**969**	**(710)**	3,840	1,231	(447)
Property investment and trading	**76**	**9**	**(833)**	76	9	(822)
Head office	**248**	**45**	**12,985**	516	(158)	11,595
	9,106	**1,540**	**10,462**	13,375	(88)	8,800
Net interest payable		**(824)**			(903)	
Profit/(Loss) on ordinary activities before taxation		**716**			(991)	

Geographical analysis

A geographical analysis of turnover is given below:

	2015 £000	2014 £000
UK	**8,467**	11,123
Overseas	**639**	2,252
	9,106	13,375

3 Analysis of continuing and discontinued operations

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

4 Loss on ordinary activities before taxation

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before taxation is stated after charging		
Auditor's remuneration:		
audit fee for the Group (including the Company)	**67**	58
audit fee for the Company only	**16**	11
Depreciation of tangible fixed assets:		
owned	**205**	221
held under finance leases	**773**	771
Amortisation of goodwill	**74**	81
Rentals payable under operating leases:		
Property leases	**292**	302
Profit on the sale of part of a trade	**851**	-

Profit on the sale of part of a trade is the directors' estimate of amounts due to its subsidiary company, SAM, from SQN UK in respect of the consideration to be paid by SQN UK to SAM for the sale by SAM of the goodwill relating to certain elements of SAM's trade. Pursuant to the terms of a sale and purchase agreement dated 19th January 2015 and made between SAM, SQN UK and SQN US, SAM transferred certain employees, sold certain assets and the goodwill immediately pertaining to those employees and its shareholdings in a subsidiary and two joint ventures.

5 Remuneration of directors

Directors' emoluments during the year amounted to £359,893 (2014: £392,989) and arose as follows:

	2015 £000	2014 £000
Fees to non-executive directors	-	4
Emoluments of executive directors:		
Remuneration	**355**	341
Bonuses (discretionary)	**5**	5
Pension contributions	-	43
	360	393

No contributions were made on behalf of directors (2014: £nil) to the stakeholder pension plan of the Company.

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

	Highest paid director	
	2015 £	2014 £
Emoluments (including discretionary bonuses)	**190,995**	176,408
Pension contributions	-	19,375
	190,995	195,783

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 59 (2014: 77)

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

	2015 £000	2014 £000
Salaries	**2,546**	3,182
Management discretionary bonuses	**52**	170
Social security costs	**314**	391
Other pension costs	**74**	108
	2,986	3,851

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 £74,400 (2014: £107,900).

8 Interest

	2015 £000	2014 £000
Interest payable on finance leases	**(179)**	(175)
Bank interest on loans repayable within five years	**(2)**	(1)
Interest payable on other loans	**(665)**	(676)
Interest payable by joint ventures	**(43)**	(175)
	(889)	(1,027)
Plus:		
Bank interest receivable	**24**	25
Other interest receivable	**1**	73
Joint ventures	**40**	26
Net interest payable	**(824)**	(903)

9 Taxation

The UK corporation tax rate of 21% (2014: 23%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2015 £000	2014 £000
Expected tax charge	**150**	(227)
Non-taxable income	**(561)**	(73)
Expenses not deductible for tax purposes	**38**	(40)
Timing differences on fixed assets	**21**	27
Utilisation of tax losses brought forward	**(25)**	(63)
Losses not relieved	**415**	404
Losses carried back	**2**	-
Adjustment to tax in respect of prior periods	**-**	1
Marginal relief	**4**	10
Current tax charge recorded in the accounts	**44**	39

The Group has a deferred tax asset of £14,047,000 (2014: £14,509,000), which consists of unutilised tax losses of £13,821,000 (2014: £14,298,000) and timing differences on depreciation of £226,000 (2014: £211,000), 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, permanent differences on fixed assets of £(3,411), timing differences on fixed assets of £(2,000) and tax losses of (£180,000) resulting from the disposal of subsidiary and joint venture companies and adjustments for prior year losses of £17,000, for prior year capital losses of £(15,000) and prior year timing differences on fixed assets of £9,000. There were further adjustments of £(691,000) for losses and £11,000 for timing differences on fixed assets, both relating to the reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015

10 Intangible fixed assets

Group

	Negative goodwill £000	Positive goodwill £000	Total £000
Cost			
At beginning and end of year	(209)	1,724	1,515
Disposals	-	(1,300)	(1,300)
At end of year	(209)	424	215
Amortisation			
At beginning of year	(193)	529	336
Charge for year	(16)	90	74
Disposals	-	(195)	(195)
At end of year	(209)	424	215
Net book value			
At 31 March 2015	-	-	-
At 31 March 2014	(16)	1,195	1,179

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

The disposal in the year represents the balance outstanding in relation to Sion Hydro Ltd, following the sale of that company on 20 January 2015.

Additional information on these companies is given in note 12.

11 Tangible fixed assets

Group	Freehold land	Leasehold buildings and improvements	Fixtures and fittings	Plant and equipment	Total
	£000	£000	£000	£000	£000
£000					
Cost					
At beginning of year	73	364	24	7,420	7,881
Additions	-	-	-	111	111
Disposals	(7)	(219)	-	(15)	(241)
Eliminated on disposal of subsidiary company	(66)	-	-	(9)	(75)
At end of year	-	145	24	7,507	7,676
Depreciation					
At beginning of year	-	359	23	1,750	2,132
Charge for year	-	5	-	973	978
Disposals	-	(219)	-	(14)	(233)
Eliminated on disposal of subsidiary company	-	-	-	(1)	(1)
At end of year	-	145	23	2,708	2,876
Net book value					
At 31 March 2015	**-**	**-**	**1**	**4,799**	**4,800**
At 31 March 2014	73	5	1	5,670	5,749

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 £2,007,773 (2014: £2,762,000).

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11 Tangible fixed assets (continued)

Company	**Fixtures and fittings**	**Plant and equipment**	**Total**
	£000	£000	£000
Cost			
At beginning of year	27	39	66
Additions	-	2	2
At end of year	27	41	68
Depreciation			
At beginning of year	27	37	64
Charge for year	-	2	2
At end of year	27	39	66
Net book value			
At 31 March 2015	**-**	**2**	**2**
At 31 March 2014	-	2	2

12 Fixed asset investments

Group		2015 £000
Other investments	(a)	**7,359**
Loan notes	(b)	-
		7,359

(a) Other investments

	£000
Valuation	
At beginning of year	6,321
Additions	167
Disposals	(170)
Revaluation	1,090
At end of year	7,408
Provisions	
At beginning of year	500
Provisions in the year	(451)
At end of year	49
Net book value	
At 31 March 2015	**7,359**
At 31 March 2014	5,821

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% (2014: 26.67%). The investment is held at directors' valuation and was valued at the year-end at £4,500,000 (2014: £4,500,000).

(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 (2014: £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 £91,850 (2014: £129,300).

(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% (2014: 2.96%). The investment is held at directors' valuation, and was valued at the year-end at £nil (2014: £nil).

12 Fixed asset investments (continued)

(e) The Company had an investment of £160,000 in Suan Neo Ltd, a company which supplied take away meals, but which is in liquidation. The holding consisted of 373 ordinary shares of £1 each, a shareholding of 28.17% (2014: 28.17%). The liquidator's report indicates that no distribution is likely to be paid on the ordinary shares, and as a result the investment was disposed of in the year (2014: held at directors' valuation of £nil).

(f) The Company has made contributions totalling £459,677 to Seraphim Capital LP, a fund set up to make venture capital investments, following contributions during the year of £42,145. The investment is held at directors' valuation of £437,406 (2014: £445,731).

(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% (2014: 26.5%). The investment is held at directors' valuation and was valued at the year-end at £103,757 (2014: £103,757).

(h) The Company has an investment of £97,085 in a portfolio of listed shares, following additions in the year of £15,476 and disposals in the year of £9,978. The investment is held at directors' valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £118,549 (2014: £121,200).

(i) The Company has an investment of £40,000 in Powerstax Plc, a company which makes advanced DC to DC power conversion units. The holding consists of 400,000 ordinary shares of £0.01 each, and represents a shareholding of 2.33% (2014: 2.33%). The investment is held at directors' valuation and was valued at the year-end at £40,000 (2014: £40,000).

(j) The Company holds, via:

(i) 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 (2014: £235,842). The holding consists of 39,307 ordinary shares, and reflects a share holding of 8.83% (2014: 8.83%).

(ii) Dalebury (No. 31) Ltd, a holding of 415 ordinary shares of £1 each and 25,980,931 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 36.99% (2014: 31.40%) 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 £43,059 and additions of £66,015. The underlying invesments were re-valued at the year-end in accordance with the guidelines issued by the British Venture Capital Association at a value of £897,158 (2014: £245,255). A provision release of £313,634 and a revaluation of £229,159 (2014: £227,926 a provision charged) has been made in the year for the difference between the cost of the investments and the re-valued amount.

(iii) Summit Asset Holding LLC ("SAH"), a wholly-owned subsidiary of SAM, 25 class B units in SQN US. Those units are held at directors' valuation of £935,000.

12 Fixed asset investments (continued)

The disposals in the year represent the disposals of SAM's 50% shareholdings in BOSHire Ltd and AD Services (ex Biowayste) Ltd, its 100% shareholding in IBC Management Ltd and the disposal by SEPEL of its 100% shareholding in Sion. The provision in the year is against the investment in SAM's 78% shareholding in MESL.

Sale of Sion Hydro Ltd

	2015 £000	2014 £000
Sale proceeds		240
Plus net liabilities disposed of		
Goodwill	(1,105)	
Fixed assets	(74)	
Debtors	(99)	
Cash	(10)	
Creditors	1,561	273
Profit on disposal		513
Satisfied by:		
Deferred consideration		200
Cash		40
		240

The deferred proceeds of £200,000 are payable by three instalments of £15,000 in each of April, July and October 2015 and a final payment of £155,000 in January 2016.

Sale of IBC Management Ltd

	2015 £000
Sale proceeds	-
Less net assets disposed of	
Debtors	(4)
Loss on disposal	(4)
Satisfied by:	
Cash	-

Sale of BOSHire Ltd

	2015 £000
Sale proceeds	-
Plus net liabilities disposed of	437
Profit on disposal	437
Satisfied by:	
Cash	-

12 Fixed asset investments (continued)

Sale of AD Services (ex Biowayste) Ltd	**2015** **£000**
Sale proceeds	-
Plus net liabilities disposed of	133
Profit on disposal	133
Satisfied by:	
Cash	-

(b) Loan notes

The company held, via SAH, 50% of the limited liability company interests in SQN US, a fund manager based in the United States of America. On 28 June 2011, SAH surrendered those limited liability company interests to SQN US 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 US at varying prices.

The promissory note was 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 amount was repaid in full in the year.

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

Company
Investment in subsidiaries and associated companies

	2015 **£000**	2014 £000
Investments (see Group note)	**5,291**	5,339
Shares in subsidiaries at cost less provisions	**844**	715
	6,135	6,054

The movements during the year were:

Balance at beginning of financial year	**6,054**	3,522
Other investments made	**58**	92
Disposals	**(10)**	(4)
Provisions released against investments in subsidiaries	**129**	-
Provisions (against)/released re other investments	**(22)**	57
Revaluation of other investments	**(74)**	2,387
Balance at end of financial year	**6,135**	6,054

12 Fixed asset investments (continued)

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%)
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.

13 Stocks

Group

	2015 £000	2014 £000
Work in progress	**1,309**	5

14 Debtors

	Company		Group	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Trade debtors	**4**	14	**851**	1,327
Amounts owed by group companies	**4,276**	3,993	**941**	761
Amounts owed by joint ventures and associated companies	**1**	1	**625**	790
Prepayments and accrued income	**23**	23	257	248
Other debtors	**72**	21	**1,276**	51
	4,376	4,052	**3,950**	3,177

Included within other debtors is the directors' estimate of amounts due to a subsidiary company, SAM, from SQN UK in respect of the consideration to be paid by SQN UK to SAM for the sale by SAM of the goodwill relating to certain elements of SAM's trade. The terms of the sale are contained in a sale and purchase agreement dated 19th January 2015 and made between SAM, SQN UK and SQN US; and the consideration to be paid for that goodwill is linked to the amount by which fees received by SQN UK and SQN US from certain fund management activities in each quarter over a 14 year period from the date of sale exceed a hurdle amount. (The directors have made an estimate of the amounts to be received and discounted them to present value at an appropriate discount rate.)

15 Investments

Group

	2015	2014
	£000	£000
Interests in the residual value of equipment subject to operating leases	**178**	184

16 Creditors: amounts falling due within one year

	Company		Group	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Bank overdrafts	**-**	-	**3**	-
Other loans	**-**	-	**1,204**	41
Trade creditors	**12**	3	**696**	761
Amounts owed by group companies	**1,233**	2,270	**-**	-
Amounts owed to joint venture companies	**-**	-	**-**	32
Taxation and social security	**76**	109	**76**	108
Accruals and deferred income	**83**	81	**895**	953
Other creditors	**23**	6	**607**	493
Obligations under finance leases	**-**	-	**3,372**	566
	1,427	2,469	**6,853**	2,954

Included within accruals is an amount of £140,558 (2014: £54,597) relating to accrued interest on finance leases.

At the year-end other loans (falling due within one year and after one year) represent the following:

(a) a senior secured loan of £2,731,272 made to Romney by Ability Insurance Company ("Ability") under a facility agreement dated 25 February 2014. The loan bears interest at 12% per annum, reducing to 8.75% per annum on receipt by Ability of a notice of satisfaction of certain conditions specified in the facility agreement. All of the interest on the loan in the year is charged at 12%. The loan is repayable by quarterly instalments in the period to 30 April 2028. The loan is secured by a debenture over the entirety of the subsidiary company's assets. The loan is stated net of capitalised legal costs of £46,000, which are being amortised over 170 months from March 2014 to 30 April 2028;

(b) a loan note of £1,442,171 issued by Romney to a US fund on 26 February 2014, pursuant to the terms of a loan instrument dated 31 October 2011. The obligations of the subsidiary company under the loan note instrument are guaranteed by its immediate parent company, SEPEL, and are subordinated to the rights of Ability under the loan specified in the previous paragraph. The loan note bears interest at 12% per annum;

(c) a £387,863 loan from a shareholder (Hayes Participation Corp. BVI) made to 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; and

(d) two loans of £542,100 each made to a subsidiary company, SAM, by SQN Asset Finance Income Fund Ltd (a company incorporated in Guernsey) under a facility agreement dated 30 July 2014. The loans bear interest at 15% and are repayable by 31 October 2015. Each loan is secured on the assets that the loan has financed.

(e) In 2014, other loans included a loan note of £1,440,000 issued by Sion to a US fund, pursuant to the terms of a loan note instrument dated 4 April 2013. The obligations of the subsidiary company under the loan note instrument were guaranteed by its immediate parent company, SEPEL. The loan note bore interest at 12% per annum. The loan eliminated on the sale of Sion in the year.

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

Included within obligations under finance leases above is an amount of £2,887,920 due from a subsidiary of the Company, QSRC Ltd, to a third party lease financier. That third party financier has no recourse to any of the assets of, and there is no liability to that financier by, the Company or any of its subsidiaries other than QSRC Ltd. The amount in question has been re-classified from amounts falling due after one year during the year notwithstanding the fact that there has been no requirement on the part of the lease financier for the amounts in question to be so accelerated, and has occurred solely as a result of a failure by QSRC Ltd to meet certain covenants unrelated to the payment of amounts due from QSRC Ltd to the lease financier.

17 Creditors: amounts falling due after more than one year

Group

	2015 £000	2014 £000
Obligations under finance leases	**12**	3,101
Other loans	**4,478**	5,791
	4,490	8,892

18 Share capital

	At 31 March 2015 £000	At 31 March 2014 £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.

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 2014 and 2015	1,049	1,049

Revaluation reserve	Company £000	Group £000
At 31 March 2014	4,306	4,338
Revaluation of other investments	(74)	1,090
Less: revaluation attributable to minorities	-	(210)
Reserve transfer	-	(30)
Less: reserve transfer attributable to minorities	-	7
At 31 March 2015	4,232	5,195

Other reserve	Company £000	Group £000
At 31 March 2014 and 2015	167	167

Profit and loss account	Company £000	Group £000
At 31 March 2014	(1,532)	(3,823)
Profit for the financial year	965	792
Equity dividends	-	(100)
Reserve transfer	-	23
At 31 March 2015	(567)	(3,108)

Total reserves	Company £000	Group £000
At 31 March 2015	**4,881**	**3,303**
At 31 March 2014	3,990	1,731

The Group's share of post-acquisition accumulated gains of associated and joint venture companies is £256,500 (2014: £48,100).

20 Reconciliation of the movements in shareholders' funds

	Company		Group	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
At 1 April	**11,333**	8,829	**9,074**	6,958
Profit/(loss) for the financial year	**965**	117	**792**	(284)
Revaluation of other investments	**(74)**	2,387	**1,090**	2,404
Less: attributable to minorities	**-**	-	**(210)**	(4)
Equity dividends	**-**	-	**(100)**	-
At 31 March	**12,224**	11,333	**10,646**	9,074

21 Commitments in respect of operating leases

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

	Land and buildings	
	2015	2014
	£000	£000
Leases expiring in:		
Within one year	**40**	113
After more than one year and less than five years	**107**	88
After five years	**105**	100
	252	301

At 31 March 2015 the capital commitments authorised by the directors amounted to £nil (2014: £nil).

22 Commitments in respect of finance leases

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

	Plant and machinery	
	2015	2014
	£000	£000
Within one year	**3,793**	725
After more than one year and less than five years	**15**	3,306
Less: finance charges allocated to future periods	**(424)**	(309)
	3,384	3,722

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

	2015 £000	2014 £000
Operating profit/(loss)	**1,373**	(398)
Depreciation charge	**978**	992
Profit on sale of other investments	**-**	(3)
Profit on disposal of subsidiary companies	**(509)**	(274)
Loss from joint venture companies	**548**	187
Profit from associated companies	**(227)**	(105)
Increase in debtors	**(24)**	(1,338)
(Decrease)/increase in creditors	**(158)**	1,407
Decrease/(increase) in investments in residuals	**6**	(63)
Amortisation of goodwill	**74**	81
Amounts written (back)/off other investments	**(291)**	172
Decrease in provisions	**-**	(4)
Profit on sale of fixed assets	**(1)**	-
Increase in stocks	**(1,304)**	(5)
Profit on disposal of joint venture companies	**(570)**	-
Profit on sale of trade	**(851)**	-
Net cash (outflow)/inflow from operating activities	**(956)**	**649**

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

	£000
Decrease in cash	(453)
Other movements	1,430
Net finance lease outflow	283
Increase in debt	(1,290)
Movement in net debt	(30)
Net debt at 31 March 2014	(6,032)
Net debt at 31 March 2015	(6,062)

25 Analysis of changes in net debt

	At 31 March 2014 £000	Cashflow £000	Other £000	**At 31 March 2015 £000**
Cash at bank and in hand	3,467	(453)	(10)	**3,004**
Finance leases	(3,667)	283	-	**(3,384)**
	(200)	(170)	(10)	**(380)**
Debt due within one year	(41)	(1,163)	-	**(1,204)**
Debt due after one year	(5,791)	(127)	1,440	**(4,478)**
	(6,032)	(1,460)	1,430	**(6,062)**

Other movements represent adjustments on the sale of subsidiary companies in the year.

26 Analysis of changes in financing during the year

	Loans and finance lease obligations £000
At 31 March 2014	9,499
Net outflow from finance leases	(283)
Net inflow from debt	1,290
Other movements	(1,440)
At 31 March 2015	**9,066**

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	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Other provisions	**36**	36	**36**	36

Other provisions
The provisions in place at 31 March 2014 and 2015 for both the Company and the Group are provisions against cash balances held with Kaupthing, Singer & Friedlander Ltd.

29 Related party transactions

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 £41,000 (2014: £35,387) in respect of profit share due to it from Seraphim Capital (General Partner) LLP and £37,312 (2014: £40,702) in respect of the supply of the services of Mr Hunter Gordon to a subsidiary of Seraphim Capital (General Partner) LLP which were in turn recharged to the shareholders in a company in which Seraphim Capital LP was an investor, pro rata to their respective shareholdings.

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.

Directory of offices

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Managing Director
Kit Hunter Gordon

Finance & Operations Director
Zac Barratt

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Advisors

Auditor
KPMG LLP

Bankers
Barclays Bank PLC

Other offices

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