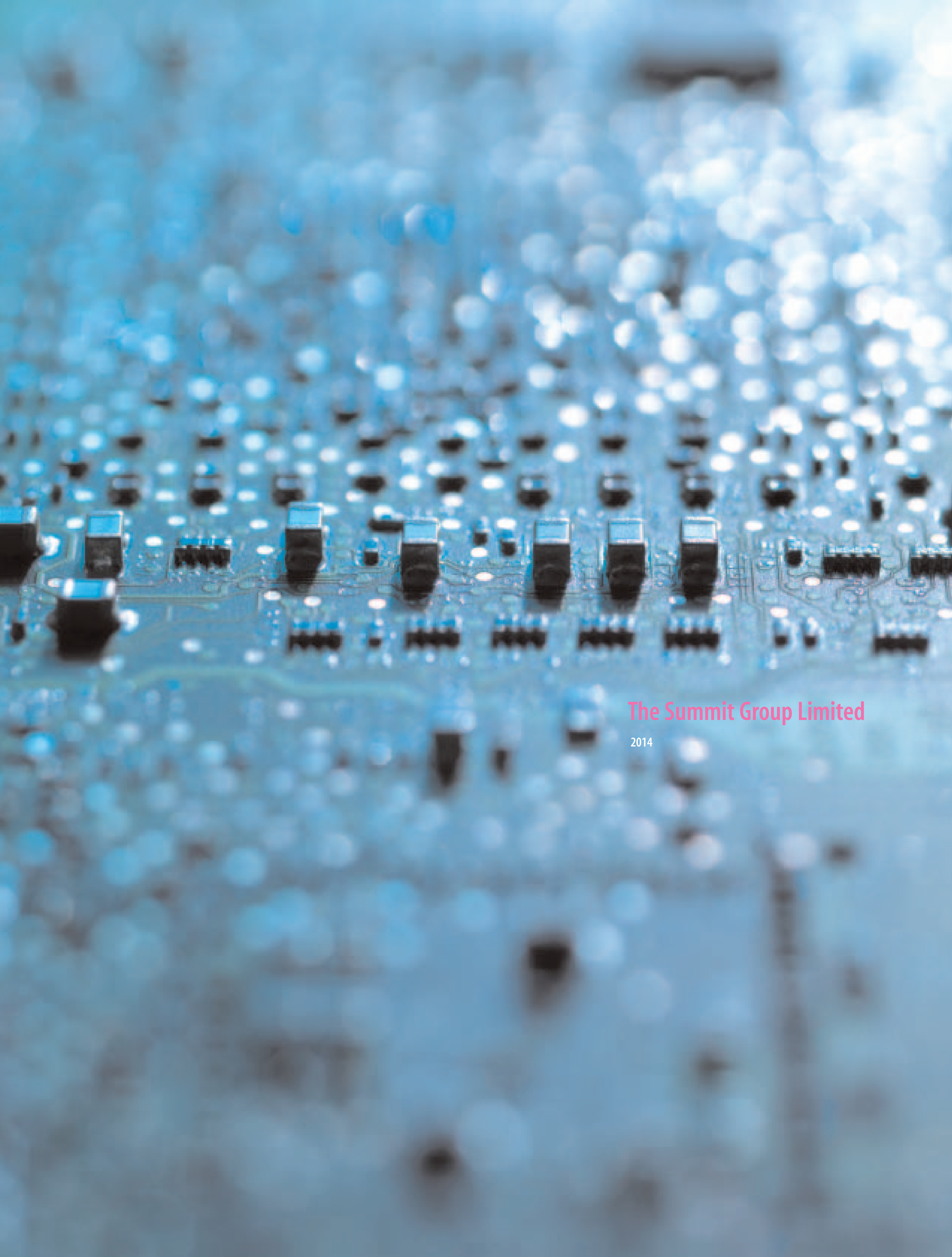

The Summit Group Limited

2014

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49 Directory of offices

The Summit Group

What we do

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

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

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

Who we are

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

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

History of The Summit Group

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

What we look for

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

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

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

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

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

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

How we operate

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

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

How we are structured

The Summit Group makes investments out of its own resources; through Summit Alpha and, for investments seeking between £500,000 and £2 million, through Seraphim Capital, the enterprise capital fund of which Summit is a managing partner - 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	Summit Asset Management BOSHire Summit Insurance Services Tennyson Insurance		
Marketing Services	Tennyson		MirriAd
Medical & Pharmaceutical	MedTrade Products Medical Equipment Solutions United Open MRI Thornbury Radiosurgery Centre QSRC		
Property	Summit Property		
Technology			Pyreos
Software & Internet			TestPlant Intamac Knowledge Mill

Portfolio review
Directly held investments

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

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

The company also provides warranty schemes both as insurance and service agreements which is a major growth area 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.

In the year ending 31 March 2014, gross premium written increased by just under 30% from the previous year.

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 2014 it achieved record sales of just over £12.1 million and a profit before tax of £1.25 million. It also received CoTCCC approval to sell its haemostat products to the US Department of Defence.

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

Portfolio review

Directly held investments continued

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

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

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

Tennyson	1998	90%	Sales channel development

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

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

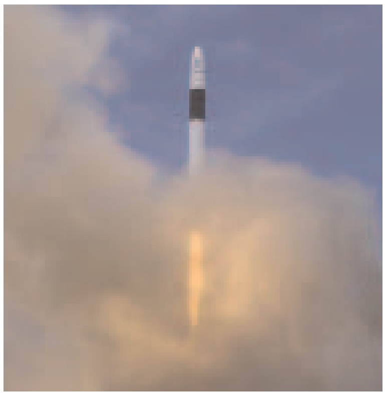
Voicenotes	2007	26.5%	Sales support services

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

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 £199 million at 3 October 2014.

Tennyson Insurance	2008	38%	Insurance services

Tennyson Insurance

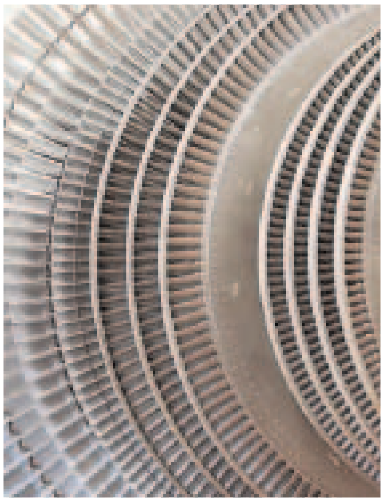
Tennyson Insurance is an insurance broker specialising in meeting the insurance needs of two specific sectors: charities and other voluntary organisations, under the Tennyson brand and town and parish councils, under the Zurich Municipal brand. Its staff are all trained to understand and deal with the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

Tennyson Insurance is developing a significant book, with over 5,000 charity customers, ranging from small community groups, who are happy to purchase and renew their insurance online, to major national charities who engage with senior consultants in order to review, quantify and then offset the risks that they face.

Portfolio review

Directly held investments continued

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



Summit Asset Management is a leading provider of innovative leasing and project finance structures, primarily for renewables, 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 year end the Company was appointed Sub-Manager in conjunction with SQN Capital Management LLC of New York (Manager) of the SQN Asset Finance Income Fund Ltd, the only diversified equipment leasing fund listed on the main market in the UK. The Guernsey based Fund raised £150 million.

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

These specialist investment companies are described below.

Portfolio review

Investments through Summit Asset Management (77.5% owned)

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

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

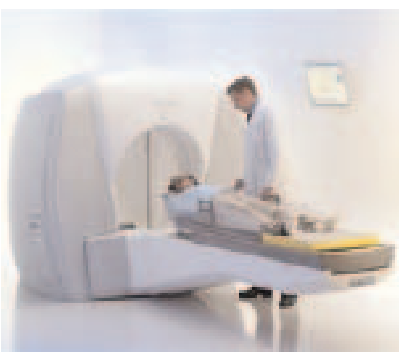
It owns and operates the Romney Weir hydro plant in Windsor, Berkshire where two Archimedes screw turbines operate in two bays of the weir, producing power for Windsor Castle. The company also holds a majority holding in Sion Hydro in Northern Ireland where three high head turbines operate on the River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

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

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

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

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



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

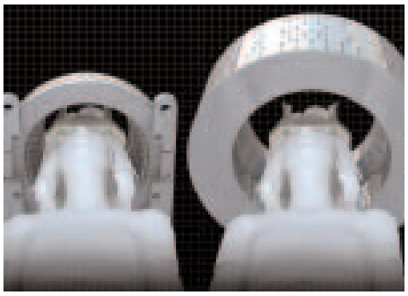
MESL has established a joint venture to provide gamma knife treatments (at BMI's Thornbury hospital in a 50:50 joint venture called The Thornbury Radiosurgery Centre Limited - see below) and via a 100% subsidiary called QSRC Limited (also see below) to provide the same services at the Hospital for Neurology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

A further Gamma Knife radio surgery centre is nearing financial close for opening in 2015.

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

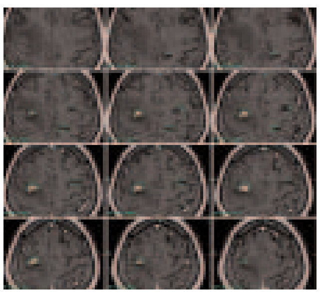


The Thornbury Radiosurgery Centre is a JV with BMI Healthcare Limited at the BMI Thornbury Hospital in Sheffield, one mile from the NHS National Radiosurgery Centre. Managed by Medical Equipment Solutions, the Centre uses the Elekta Perfexion Gamma Knife for treating neoplasms in the brain. The Centre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

* % ownership by Medical Equipment Solutions

Picture: Leksell Gamma Knife® PerfexionTM Courtesy of Elekta

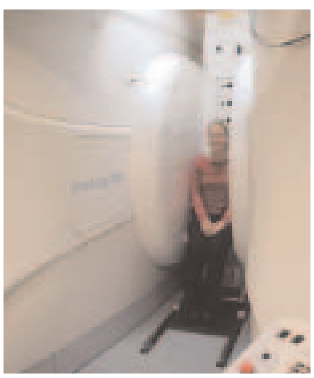
Investment	Year	Percentage ownership	Business
QSRC Limited	2012	100%*	Gamma Knife radio surgery centre



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.

* % ownership by Medical Equipment Solutions

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 planned to open in October 2014. The London centre uses the Fonar 0.6 T Upright MRI scanner, with Leeds and Birmingham Centres using a Paramed upright MRI. Both MRI's can scan patients in a weight-bearing position and being "open", is less stressful for claustrophobic and anxious patients.

* % ownership by Medical Equipment Solutions

Portfolio review

Investments through Summit Alpha

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

Investment	Year	Percentage ownership	Business
Authenticate Information Systems	2001/2013	43%	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 and Winterbotham Darby as well as leading operators and bodies such as AB Agri, YARA and Scottish Salmon Producers Association.

AIS is experiencing strong demand from its food sector customers.

Investment	Year	Percentage ownership	Business
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 complementary 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.

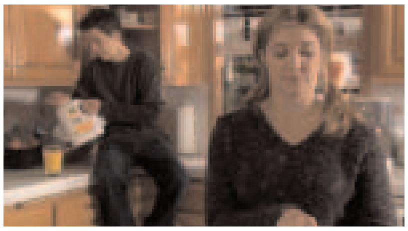
Aria Networks' software ensures planning focuses on service providers' business objectives by analysing market growth and economic constraints along with detailed network capacity models and traffic profiles. With this insight, Aria simplifies and accelerates strategic design tasks, supports just-in-time capacity build plans, and ensures operation of a resilient, service-ready network.

Aria's products allow communication service providers to accurately answer questions about their network that previously would have taken months to estimate. The agility and precision their products bring to the network planning and service design process not only delivers operational efficiencies but also significantly improves estimating and spending CAPEX.

Portfolio review

Investments through Seraphim Capital continued

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



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

MirriAd's technology potentially addresses the crisis facing broadcasters around the world as their advertising revenues fall. Through its virtual product placement service content owners can 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 Universal 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.

Following Seraphim's original investment the company has gone on to raise over £14 million in which Seraphim has participated, bringing its total investment to £2.1 million with a 7% shareholding in the enlarged business.

Investment	Year	Percentage ownership	Business
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
Intamac	2009	18%	Remote condition monitoring

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

Using its open platform and software it can connect virtually anything, creating and managing whole connected device ecosystems. 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 interface through which they can manage all these devices and deliver innovative new 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 two low cost "plug and play" products - a security alarm system and a energy management system. Clients include Scottish Power, Securitas and Danish telecoms provider TDC.

Knowledge Mill	2012	24%	Email Management

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

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

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
TestPlant	2008	50%	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 January 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 BMW, Citrix, Google, NBC Universal and Varian Medical Systems.

Financial statements

Strategic Report

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

As in the year to 31 March 2013, the most recent year was one of, principally, success stories and - primarily due to external factors - two rather disappointing outcomes. At a Group level, the reported loss for the financial year was £284k, up on the loss in 2013 of £197k, arrived at after a contribution from minority interests of £746k, which reflected the fact that a number of the disappointments occurred in businesses where the Group has a smaller percentage ownership. The loss before taxation of £991k, was arrived at after net interest of £903k - most of which related to project-specific loans taken on to expand particular areas of the business - and £1,073k of depreciation and amortisation of goodwill. As a result, the Group was again able to increase its cash and liquid resources to nearly £4.5 million.

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

- Summit Insurance Services Ltd ("SIS") had a good year: the profit before tax was £269k, and there was a further rise in the premiums collected by just under £1 million to £4.56 million; with commissions up by just under 30% to £1.05 million. Again, the growth in the warranty book (up by just under £300k, or just under 40%) was particularly pleasing. The only concern was the continued, higher level of claims, although arrangements put in place towards the end of the financial year are, it is hoped, things which will bring them down to a level at which SIS can earn profit share once again.

- Tennyson Ltd ("Tennyson") produced profits before tax of £347k, an increase on the previous year. This reflected an increase in the territory awarded to it by its main customer, Royal Mail, with a revised and increased base fee payable to Tennyson. Although additional staff were taken on to service this enlarged territory, and these staff had to be recruited and trained, they were integrated relatively quickly and as a result Tennyson was able to hit five of its six milestones, and earn the additional fees payable as a result.

- Tennyson Insurance Ltd again increased its commission income from £1.77 million to £2.06 million. Profits before tax increased by just over 40% to £382k. As in previous years, it received significant profit share payments during the year, reflecting the underlying profitability of the book of business that it is managing. During the year, the interest owned by the Group decreased from 83.3% to 41.7%, reflecting the conversion of certain preference shares by management shareholders.

- 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.

- Summit Asset Management Ltd ("SAM") again struggled to find enough good-quality deals to place with the funds managed by SQN Capital Management LLC ("SQN"); although the asset financing division produced small loss it was only towards the end of the year that it began to see an increase in the volume of deals. However, SAM and SQN were successful in engaging a firm of brokers to launch a publicly-listed investment company whose funds would be invested in lease transactions sourced by SQN and SAM, as its sub-manager. The expectation is that, with the fund expected to close in July 2014, the income from it will provide a solid base for SAM's asset financing division for a number of years to come.

- It was in QSRC Ltd (the special purpose subsidiary of Medical Equipment Solutions Ltd ("MESL")), that the Group experienced one of its major setbacks. Having been contracted - albeit on a case by case basis - to treat patients in the year to 31 March 2013, NHS England then (without warning or reason) decided to prevent it from treating any further patients at the Queen Square London premises. This continued throughout the entirety of the financial year, resulting in a loss of income of more than £1 million. As a result, MESL has complained about this conduct to Monitor, the industry watchdog, and following the publication of relevant guidelines by Monitor, will be attempting to get NHS England to explain how its conduct can be justified in the light of those guidelines. Nevertheless, agreement was reached with QSRC's third party creditors to ensure that the company's cash resources would be sufficient to meet its liabilities as they fell due.

- The Thornbury Radiosurgery Centre Ltd (the joint venture between MESL and BMI Healthcare) was loss-making (with a loss before tax of £266k) reflecting much reduced turnover due to lower numbers of referrals from the NHS. Nevertheless, TRC retained significant cash balances and has since the year end paid the final lease instalment that is not cash-collateralised. As such, its ability to be cash-generative in 2014/15 will be significantly higher.

- The activities of SouthEast Power Engineering Ltd ("SEPEL") were mostly carried out through Romney Hydropower Company Ltd ("Romney") and Sion Hydro Ltd ("Sion"). Romney was the other Group company that was adversely affected by external events, with the very high level of rainfall experienced during the early part of 2014 resulting in it being unable to generate electricity for a period of in excess of six weeks, in turn leading to a significant reduction in its income. Nevertheless, the company was able to complete a refinancing of its external borrowings on a permanent and, in due course, more advantageous basis. The loss for the year of £451k reflected both the shortfall in revenue described above and the delay in refinancing, with the majority of the year having loan facilities at a much higher rate. In addition, these were arrived at after £122k of depreciation.

  Sion was set up to acquire an existing hydro-electric generating facility in Northern Ireland which was acquired for just over £1.3 million using debt facilities provided by an SQN managed fund. The loss for the year before taxation of £179k was arrived at after interest charges of £171k and amortisation of £108k. After a number of improvements were made to the equipment - which necessitated a Group cash contribution of some £90k - the plant operated very well for the balance of the year, and was cash positive.

In the Group's venture capital portfolio, Medtrade Products Ltd again produced record sales and profits of £11.89 million and £1.935 million respectively. As in the prior year (to 28 February 2013) its overall profits before tax were reduced by over £700k 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. In the light of the continued improvements in financial performance, the Company revalued upwards its shareholding in this company.

Voicenotes continued to be profitable: despite declining revenue (down to £370k), it produced profits of £50k nevertheless. It appears difficult for the company to break out of the level of sales that it is currently experiencing, although every attempt (including the managing director re-focusing her efforts in this area) is being made to do so.

Although closed to the making of new investments, Seraphim Capital (in which the Group has a participation) continued to make follow-on investments in its existing portfolio. There were no further exits, although the first earn-out payment in relation to the sale of Sirigen Group was received from the purchaser. Sadly, this could not be distributed to the shareholders due to certain ongoing litigation between Sirigen and some of its shareholders. As at 31 March 2014, Seraphim Capital's investment in its ten portfolio companies was valued at £24.8 million. It is hoped that there will be further realisations in the current year.

By order of the board

SJK Barratt
Secretary

7 July 2014

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 2014.

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:

	2014 **£000**	2013 £000
Loss before tax (all continuing operations)	**(991)**	(418)
Loss attributable to ordinary shareholders after dividends	**(284)**	(197)

The Company paid its ordinary shareholder dividends totalling £nil in the year (2013: £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

7 July 2014

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.

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

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 2014 set out on pages 23 to 48. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.

15 July 2014

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

Consolidated profit and loss account

for the year ended 31 March 2014

	Note	2014 £000	2013 £000
Turnover: Group and share of joint ventures		**13,375**	11,109
Less: share of joint ventures' turnover		**(4,917)**	(1,899)
Group turnover - continuing operations	*1-2*	**8,458**	9,210
Cost of sales		**(3,321)**	(4,715)
		5,137	4,495
Gross earnings under finance agreements		**2**	-
Gross profit		**5,139**	4,495
Operating costs	*4-7*	**(5,732)**	(4,722)
Group operating loss		**(593)**	(227)
Share of operating (loss)/profit in joint ventures		**(187)**	102
Share of operating profit in associates		**105**	-
Profit on partial disposal of investments in subsidiaries	*12*	**274**	-
Profit on disposal of other investments		**3**	-
Operating loss - continuing operations	*3*	**(398)**	(125)
Income from other fixed asset investments		**310**	224
Net interest payable	*8*	**(903)**	(517)
Loss on ordinary activities before taxation		**(991)**	(418)
Taxation:	*9*		
Group		**(31)**	-
Joint ventures and associates		**(8)**	(20)
Loss on ordinary activities after taxation		**(1,030)**	(438)
Minority interests		**746**	241
Loss for the financial year		**(284)**	(197)

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

Consolidated balance sheet
at 31 March 2014

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Intangible fixed assets	10		1,179		(40)
Tangible fixed assets	11		5,749		6,545
Investments	12		5,850		3,697
Investments in joint ventures:					
Share of gross assets		1,369		2,182	
Share of gross liabilities		(1,196)		(1,676)	
			173		506
Investments in associates			(125)		-
			12,826		10,708
Current assets					
Stocks	13	5		-	
Debtors	14	3,177		1,935	
Investments	15	184		121	
Liquid resources		1,023		515	
Cash at bank and in hand		3,467		3,286	
		7,856		5,857	
Creditors: amounts falling due within one year	16	(2,954)		(4,833)	
Total net current assets			4,902		1,024
Total assets less current liabilities			17,728		11,732
Creditors: amounts falling due after more than one year	17		(8,892)		(4,266)
Provisions for liabilities and charges	28		(36)		(40)
			8,800		7,426
Capital and reserves					
Share capital	18		7,343		7,343
Capital redemption reserve	19		1,049		1,049
Revaluation reserve	19		4,338		2,039
Other reserve	19		167		167
Profit and loss account	19		(3,823)		(3,640)
			9,074		6,958
Minority interests			(274)		468
Shareholders' funds			8,800		7,426

These consolidated financial statements were approved by the board of directors on 7 July 2014 and were signed on its behalf by:

SJK Barratt
Director

Company balance sheet
at 31 March 2014

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible fixed assets	*11*		**2**		7
Investments	*12*		**6,054**		3,522
			6,056		3,529
Current assets					
Debtors	*14*	**4,052**		4,055	
Liquid resources		**1,023**		515	
Cash at bank and in hand		**2,707**		2,381	
		7,782		6,951	
Creditors: amounts falling due within one year	*16*	**(2,469)**		(1,611)	
Net current assets			**5,313**		5,340
Provisions for liabilities and charges	*28*		**(36)**		(40)
Total assets less current liabilities			**11,333**		8,829
Capital and reserves					
Share capital	*18*		**7,343**		7,343
Capital redemption reserve	*19*		**1,049**		1,049
Revaluation reserve	*19*		**4,306**		1,919
Other reserve	*19*		**167**		167
Profit and loss account	*19*		**(1,532)**		(1,649)
Shareholders' funds			**11,333**		8,829

These consolidated financial statements were approved by the board of directors on 7 July 2014 and were signed on its behalf by:

SJK Barratt
Director

Consolidated statement of total recognised gains and losses

for the year ended 31 March 2014

	2014 £000	2013 £000
Loss for the financial year	**(284)**	(197)
Revaluation of other investments	**2,400**	(44)
Total recognised gain/(loss) for the year	**2,116**	(241)

Consolidated cash flow statement
for the year ended 31 March 2014

	Note	2014		2013	
		£000	£000	£000	£000
Net cash inflow from operating activities	*23*		649		146
Returns on investments and servicing of finance					
Interest received		111		112	
Interest paid		(1,067)		(21)	
Interest element of finance lease rental payments		(175)		(85)	
Dividend from investments		310		224	
Net cash (outflow)/inflow from returns on investments and servicing of finance			(821)		230
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(1,300)		-	
Purchase of tangible fixed assets		(246)		(4,753)	
Sale of tangible fixed assets		1		-	
Other investments made		(193)		(70)	
Sale of investments		250		174	
Net cash outflow from capital expenditure and financial investment			(1,488)		(4,649)
Taxation			3		-
Acquisitions and disposals					
Proceeds from minority interest in a subsidiary company from a rights issue		-		120	
Net cash inflow from acquisitions and disposals			-		120
Net cash outflow before management of liquid resources and financing			(1,657)		(4,153)
Management of liquid resources					
Increase in short term bank deposits			(508)		(7)
Financing					
Debt due within one year:					
Net (outflow)/inflow from other short-term creditors			(2,772)		825
Capital element of finance leases			(348)		4,034
Debt due after one year:					
Net drawing of loans			5,471		320
Increase in cash	*24*		186		1,019

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 2014. The financial statements include the results of all subsidiaries and joint venture companies throughout the year, or from the date of acquisition or to the date of disposal or deemed disposal as appropriate.

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

Intangible fixed assets

Goodwill

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

Goodwill on consolidation

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

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

Tangible fixed assets

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

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

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

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

Notes (continued)

1 Accounting policies (continued)

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

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

Joint ventures 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.

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

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

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

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

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

Notes (continued)

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 of the Company.

Cash

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

Liquid resources

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

Notes (continued)

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

	2014 Group turnover £000	2014 (Loss)/ profit on ordinary activities before taxation £000	2014 Net (liabilities)/ assets £000	2013 Group turnover £000	2013 Profit/ (loss) on ordinary activities before taxation £000	2013 Net assets/ (liabilities) £000
By activity						
Equipment leasing and sales	**8,943**	**(1,170)**	**(1,526)**	7,064	(308)	612
Advisory and other services	**3,840**	**1,231**	**(447)**	3,669	661	(1,450)
Property investment and trading	**76**	**9**	**(822)**	264	62	(797)
Head office	**516**	**(158)**	**11,595**	112	(316)	9,061
	13,375	**(88)**	**8,800**	11,109	99	7,426
Net interest payable		**(903)**			(517)	
Loss on ordinary activities before taxation		**(991)**			(418)	

Geographical analysis
A geographical analysis of turnover is given below:

	2014 £000	2013 £000
UK	**11,123**	9,114
Overseas	**2,252**	1,995
	13,375	11,109

3 Analysis of continuing and discontinued operations

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

Notes (continued)

4 Loss on ordinary activities before taxation

	2014 £000	2013 £000
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Auditor's remuneration:		
Audit fee for the Group (including the Company)	**58**	65
Audit fee for the Company only	**11**	13
Depreciation of tangible fixed assets:		
Owned	**221**	100
Held under finance leases	**771**	348
Amortisation of goodwill	**81**	(26)
Rentals payable under operating leases:		
Property leases	**302**	233

5 Remuneration of directors

Directors' emoluments during the year amounted to £392,989 (2013: £397,796) and arose as follows:

	2014 £000	2013 £000
Fees to non-executive directors	**4**	5
Emoluments of executive directors:		
Remuneration	**341**	341
Bonuses (discretionary)	**5**	9
Pension contributions	**43**	43
	393	398

No contributions were made on behalf of directors (2013: £nil) to the stakeholder pension plan of the Company.

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

	Highest paid director 2014 £	2013 £
Emoluments (including discretionary bonuses)	**176,408**	177,448
Pension contributions	**19,375**	19,375
	195,783	196,823

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 77 (2013: 72)

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

	2014 £000	2013 £000
Salaries	**3,182**	3,106
Management discretionary bonuses	**170**	137
Social security costs	**391**	379
Other pension costs	**108**	110
	3,851	3,732

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 £107,900 (2013: £110,100).

8 Interest

	2014 £000	2013 £000
Interest payable on finance leases	**(175)**	(85)
Bank interest on loans repayable within five years	**(1)**	(1)
Interest payable on other loans	**(676)**	(391)
Interest payable by joint ventures	**(175)**	(140)
	(1,027)	(617)
Plus:		
Bank interest receivable	**25**	26
Other interest receivable	**73**	71
Joint ventures	**26**	3
Net interest payable	**(903)**	(517)

Notes (continued)

9 Taxation

The UK corporation tax rate of 23% (2013: 24%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2014 £000	2013 £000
Expected tax charge	**(227)**	(100)
Non-taxable income	**(73)**	(54)
Expenses not deductible for tax purposes	**(40)**	21
Timing differences on fixed assets	**27**	5
Utilisation of tax losses brought forward	**(63)**	(80)
Losses not relieved	**404**	268
Losses carried back	**-**	(43)
Adjustment to tax in respect of prior periods	**1**	-
Marginal relief	**10**	3
Current tax charge recorded in the accounts	**39**	20

The Group has a deferred tax asset of £14,509,000 (2013: £15,560,000), which consists of unutilised tax losses of £14,298,000 (2013: £15,346,000) and timing differences on depreciation of £211,000 (2013: £214,000), 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 and timing differences on fixed assets all shown above plus permanent differences on fixed assets of £(16,744), timing differences on fixed assets of £(14,139) resulting from the partial disposal of a subsidiary company and adjustments for prior year losses of £119,000, for prior year capital losses of £(153,000) and prior year timing differences on fixed assets of £21,000. There was a further adjustment of £(1,355,000) for losses and £(21,000) for timing differences on fixed assets, both relating to the reduction in the UK corporation tax rate from 23% to 21% from 1 April 2014.

Notes (continued)

10 Intangible fixed assets

Group

	Negative goodwill £000	Positive goodwill £000	Total £000
Cost			
At beginning and end of year	(209)	424	215
Additions	-	1,300	1,300
At end of year	(209)	1,724	1,515
Amortisation			
At beginning of year	(160)	415	255
Charge for year	(33)	114	81
At end of year	(193)	529	336
Net book value			
At 31 March 2014	**(16)**	**1,195**	1,179
At 31 March 2013	(49)	9	(40)

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.

Notes (continued)

11 Tangible fixed assets

Group £000	Freehold land	Assets under construction £000	Leasehold buildings and improvements £000	Fixtures and fittings £000	Plant and equipment £000	Total £000
Cost						
At beginning of year	-	2,842	364	24	4,638	7,868
Additions	73	56	-	-	117	246
Disposals	-	-	-	-	(12)	(12)
Eliminated on disposal of subsidiary company	-	-	-	-	(221)	(221)
Transfers	-	(2,898)	-	-	2,898	-
At end of year	73	-	364	24	7,420	7,881
Depreciation						
At beginning of year	-	-	352	23	948	1,323
Charge for year	-	-	7	-	985	992
Disposals	-	-	-	-	(11)	(11)
Eliminated on disposal of subsidiary company	-	-	-	-	(172)	(172)
At end of year	-	-	359	23	1,750	2,132
Net book value						
At 31 March 2014	**73**	**-**	**5**	**1**	**5,670**	**5,749**
At 31 March 2013	-	2,842	12	1	3,690	6,545

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 £2,762,000 (2013: £3,533,000).

Notes (continued)

11 Tangible fixed assets (continued)

Company	**Fixtures and fittings** £000	**Plant and equipment** £000	**Total** £000
Cost			
At beginning of year	27	39	66
Depreciation			
At beginning of year	27	32	59
Charge for year	-	5	5
At end of year	27	37	64
Net book value			
At 31 March 2014	**-**	**2**	**2**
At 31 March 2013	-	7	7

Notes (continued)

12 Fixed asset investments

Group		2014 £000	2013 £000
Other investments	(a)	**5,821**	3,544
Loan notes	(b)	**29**	153
		5,850	3,697

(a) Other investments

	£000
Valuation	
At beginning of year	3,872
Additions	193
Disposals	(131)
Revaluation	2,387
At end of year	6,321
Provisions	
At beginning of year	328
Provisions in the year	172
At end of year	500
Net book value	
At 31 March 2014	5,821
At 31 March 2013	3,544

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% (2013: 26.67%). The investment is held at directors' valuation and was valued at the year-end at £4,500,000 (2013: £2,138,190).

(b) The Company has a holding of 78 ordinary shares in Insetco PLC. The company's shares are listed on the Alternative Investment Market but it has no trade, and the investment is held at directors' valuation at the year end of £nil (2013: £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 £129,300 (2013: £132,200).

(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% (2013: 2.96%). The investment is held at directors' valuation, and was valued at the year-end at £nil (2013: £6,691).

Notes (continued)

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% (2013: 28.17%). The investment is held at directors' valuation and was valued at the year-end at £nil (2013: £nil).

(f) The Company has made contributions totalling £417,532 to Seraphim Capital LP, a fund set up to make venture capital investments, following contributions during the year of £52,090. The investment is held at directors' valuation of £445,731 (2013: £308,160).

(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% (2013: 26.5%). The investment is held at directors' valuation and was valued at the year-end at £103,757 (2013: £103,757).

(h) The Company has an investment of £91,587 in a portfolio of listed shares, following a disposal in the year of £4,215. The investment is held at directors' valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £121,200 (2013: £118,600).

(i) The Company made an investment in the year 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% (2013: nil). The investment is held at directors' valuation and was valued at the year-end at £40,000 (2013: £nil).

(j) The Company holds, via:

(i) Medical Equipment Solutions Ltd ("MESL"), an investment in United Open MRI Ltd, a company operating a specialist scanning service. The directors of MESL hold the investment at directors' valuation of £235,842 (2013: £235,842). The holding consists of 39,307 ordinary shares, and reflects a shareholding of 8.83% (2013: 8.83%).

(ii) Dalebury (No. 31) Ltd, a holding of 415 ordinary shares of £1 each and 22,472,069 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 31.40% (2013: 26.36%) of the issued preference share capital. The number of preference shares owned reflects transfers of preference shares to the Company in part satisfaction of management fees owed to it totalling £42,546, additions of £58,126 and disposals of £127,603. The underlying investments were re-valued at the year-end in accordance with the guidelines issued by the British Venture Capital Association. A provision of £227,926 (2013: £9,488) has been made in the year for the difference between the cost of the investments and the re-valued amount.

On 30 November 2013, Tennyson reduced its holding of ordinary shares in its subsidiary, Tennyson Insurance Ltd, from 81.3% to 41.7%, following the conversion of certain preference shares in Tennyson Insurance Ltd. The profit attributable to the Group for the period prior to the deemed disposal was £118,900, and the profit on disposal was £274,000.

(b) Loan notes

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

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

Notes (continued)

12 Fixed asset investments (continued)

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

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

Company
Investment in subsidiaries and associated companies

	2014 £000	2013 £000
Investments (see Group note)	**5,339**	2,870
Shares in subsidiaries at cost less provisions	**715**	715
	6,054	3,522

The movements during the year were:

	2014	2013
Balance at beginning of financial year	**3,522**	3,714
Other investments made	**92**	28
Disposals	**(4)**	(68)
Provisions against investments in subsidiaries	**-**	(129)
Provisions against other investments	**57**	27
Revaluation of other investments	**2,387**	(50)
Balance at end of financial year	**6,054**	3,522

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.

Notes (continued)

13 Stocks

Group

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

	2014	2013
	£000	£000
Work in progress	5	-

14 Debtors

	Company		Group	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	14	9	1,327	635
Amounts owed by group companies	3,993	3,950	761	582
Amounts owed by joint ventures and associated companies	1	-	790	421
Prepayments and accrued income	23	23	248	186
Other debtors	21	73	51	111
	4,052	4,055	3,177	1,935

15 Investments

Group

	2014	2013
	£000	£000
Interests in the residual value of equipment subject to operating leases	184	121

Notes (continued)

16 Creditors: amounts falling due within one year

	Company		Group	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Other loans	**-**	-	**41**	2,813
Trade debtors	**3**	4	**761**	239
Amounts owed by group companies	**2,270**	1,395	**-**	-
Amounts owed to joint venture companies	**-**	-	**32**	-
Taxation and social security	**109**	108	**108**	108
Accruals and deferred income	**81**	95	**898**	1,049
Other creditors	**6**	9	493	500
Obligations under finance leases	**-**	-	**621**	124
	2,469	1,611	**2,954**	4,833

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

(a) a senior secured loan of £2,775,537 made to a subsidiary company of SAM (Romney Hydropower Company Ltd) from Ability Insurance Company ("Ability") made 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 £1,309,564 issued by a subsidiary company of SAM (Romney Hydropower Company Ltd) 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, Southeast Power Engineering Limited, 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 £352,603 loan from a shareholder (Hayes Participation Corp. BVI) made to Medical Equipment Solutions Ltd ("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) a loan note of £1,440,000 issued by a subsidiary company of SAM (Sion Hydro Ltd) 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 are guaranteed by its immediate parent company, Southeast Power Engineering Limited. The loan note bears interest at 12% per annum.

Notes (continued)

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

In 2013, other loans represented loan notes in aggregate amounts of £2,813,036. The loan notes were issued by a subsidiary company of SAM (Romney Hydropower Company Ltd) to a US fund, pursuant to the terms of loan note instruments dated 12 August and 31 October 2011 (two). The obligations of the subsidiary company under the loan note instruments were guaranteed by its immediate parent company, Southeast Power Engineering Limited. Of these loan notes £450,000 bore interest at 18% per annum, £388,036 at 16.5% per annum and £1,975,000 at 12% per annum. Interest was compounded monthly to the extent not paid. The loans and interest were paid in full in February 2014.

17 Creditors: amounts falling due after more than one year

Group

	2014 £000	2013 £000
Obligations under finance leases	**3,101**	3,946
Other loans	**5,791**	320
	8,892	4,266

18 Share capital

	At 31 March 2014 £000	At 31 March 2013 £000
Authorised		
339,850,000 ordinary shares of 10p each	**33,985**	33,985
Allotted, called up and fully paid		
73,430,000 ordinary shares of 10p each	**7,343**	7,343

Minority interests

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

Notes (continued)

19 Reserves

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

Capital redemption reserve	Company £000	Group £000
At 31 March 2013 and 2014	1,049	1,049

Revaluation reserve	Company £000	Group £000
At 31 March 2013	1,919	2,039
Revaluation of other investments	2,387	2,404
Less: revaluation attributable to minorities	-	(4)
Reserve transfer	-	(130)
Less: reserve transfer attributable to minorities	-	29
At 31 March 2014	4,306	4,338

Other reserve	Company £000	Group £000
At 31 March 2013 and 2014	167	167

Profit and loss account	Company £000	Group £000
At 31 March 2013	(1,649)	(3,640)
Profit/(loss) for the financial year	117	(284)
Reserve transfer	-	101
At 31 March 2014	(1,532)	(3,823)

Total reserves	Company £000	Group £000
At 31 March 2014	**3,990**	**1,731**
At 31 March 2013	1,486	(385)

The Group's share of post-acquisition accumulated gains of associated and joint venture companies is £48,100 (2013: £199,300). .

Notes (continued)

20 Reconciliation of the movements in shareholders' funds

	Company		Group	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
At 1 April	**8,829**	9,164	**6,958**	7,199
Profit/(loss) for the financial year	**117**	(285)	**(284)**	(197)
Revaluation of other investments	**2,387**	(50)	**2,404**	(44)
Less: attributable to minorities	**-**	-	**(4)**	-
At 31 March	**11,333**	8,829	**9,074**	6,958

21 Commitments in respect of operating leases

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

	Land and buildings	
	2014	2013
	£000	£000
Leases expiring in:		
Within one year	**113**	-
Within two to five years	**88**	201
After the fifth year	**100**	100
	301	301

At 31 March 2014 the capital commitments authorised by the directors amounted to £nil (2013: £nil).

22 Commitments in respect of finance leases

Group

The future lease payments under finance leases are as follows:

	Plant and machinery	
	2014	2013
	£000	£000
Within one year	**725**	898
Between two to five years	**3,306**	3,656
Less: finance charges allocated to future periods	**(309)**	(484)
	3,722	4,070

Notes (continued)

23 Reconciliation of operating loss to net cash inflow from operating activities

	2014 £000	2013 £000
Operating loss	(398)	(125)
Depreciation charge	992	448
Profit on sale of other investments	(3)	-
Profit on deemed partial disposal of subsidiary company	(274)	-
Loss/(profit) from joint venture companies	187	(102)
Profit from associated companies	(105)	-
(Increase)/decrease in debtors	(1,338)	328
Increase/(decrease) in creditors	1,407	(386)
(Increase)/decrease in investments in residuals	(63)	23
Amortisation of goodwill	81	(26)
Amounts written off/(back) other investments	172	(18)
Decrease in provisions	(4)	-
Decrease in investments in finance agreements	-	4
Increase in stocks	(5)	-
Net cash inflow from operating activities	649	146

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

	£000
Increase in cash	186
Other movements	(5)
Net finance lease outflow	348
Increase in debt	(2,699)
Movement in net debt	(2,170)
Net debt at 31 March 2013	(3,917)
Net debt at 31 March 2014	(6,087)

Notes (continued)

25 Analysis of changes in net debt

	At 31 March 2013 £000	Cashflow £000	Other £000	**At 31 March 2014 £000**
Cash at bank and in hand	3,286	186	(5)	**3,467**
Finance leases	(4,070)	348	-	**(3,722)**
	(784)	534	(5)	**(255)**
Debt due within one year	(2,813)	2,772	-	**(41)**
Debt due after one year	(320)	(5,471)	-	**(5,791)**
	(3,917)	(2,165)	(5)	**(6,087)**

26 Analysis of changes in financing during the year

	Loans and finance lease obligations £000
At 31 March 2013	7,203
Net outflow from finance leases	(348)
Net inflow from debt	2,699
At 31 March 2014	**9,554**

Notes (continued)

27 Contingent liabilities

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

28 Provisions for liabilities and charges

	Company		Group	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Other provisions	**36**	40	**36**	40

Other provisions
The provisions in place at 31 March 2013 and 2014 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 £32,219 (2013: £689,060) in respect of profit share due to it from Seraphim Capital (General Partner) LLP, the general partner of Seraphim Capital LP, and received non-refundable advances of £nil (2013: repaid £622,674) in respect of advances against profit share. In addition during the year the company received £40,702 (2013: £nil) 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.

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