

The Summit Group Limited

**Annual report and consolidated financial
statements**

31 March 2023

Registered number 02231277

Annual report and consolidated financial statements

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Strategic report

Principal activities

The Company is a venture capital business, and an intermediate holding company for a group of trading businesses. It has a number of investments, with shareholdings ranging from wholly-owned downwards. In all instances the strategic issues relating to those companies are set out in their own report and accounts; but, in addition, the Company actively monitors their performance, most usually by appointing a non-executive director to the board of the company in which it has invested.

At the end of the 2021/22 financial year, the directors took the decision to stop making new venture capital investments. The Company will however continue, where appropriate, to support its existing portfolio of investments (including companies within the Group). That decision came about in part because of the end of the Company's involvement in two limited partnerships to which it previously had a contractual obligation to contribute funds to make investments. Further investments will still be made if 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%; and obligations the Company has to support Group companies in order for them to continue as going concerns.

Results and business review

After the significant corporate activity of the year ended 31 March 2022, the year under review was a quieter one. But progress was, nevertheless, made in most of the Group's subsidiaries and other investments; and, if the results of that progress were not seen in the current year, there is a belief that the foundations have been laid for developments in future years. There is more detail on all of this in the paragraphs that follow.

In reporting the important numbers – a consolidated loss before tax of £2.47 million and net assets and cash and liquid resources both down to £31.16 million and £8.82 million – it appears at first reading as though the year was one of disappointments. In some cases, this is correct; but in others the accounting masks the somewhat more profitable outcomes. Again, there is comment on this below.

Although the Company has (see above) ceased making new, unlisted investments it has continued to support all the businesses in which it is already invested. Although a small part of the Group's cash resources were deployed in listed funds and investments, it retains sufficient cash resources to support all the businesses in which it has shareholdings, where there is such a requirement.

The year saw a significant and sudden fiscal tightening: on 1 April 2022, the base rate was 0.75% per annum (having been at 0.1% for quite some time before that); by 31 March 2023 it stood at 4.25% and has subsequently risen to 4.5%. That has had two immediate consequences for the Group: (a) we started to earn reasonable rates of return on our cash and liquid resources (most of which are in 32 and 95 day deposits); and (b) the translation of the increased interest rates in both the United Kingdom and, more importantly, the United States of America into decreased valuations of loss-making businesses in parts of the Group's portfolio.

Most notably this was seen in the prices of the shares held by the Company in Seraphim Space Investment Trust plc ("SSIT"), and in a NASDAQ listed business, Arqit Quantum Inc. ("Arqit"), the acquisitions of which were described in more detail in the previous annual report and accounts. The reduction in the price of SSIT reflected uncertainties in the valuations of its investments (higher discount rates applied to future expected earnings lead to reduced present day valuations). The Company had subscribed £200,000 in the flotation of SSIT, and all of these shares (and a small additional number) were sold at or above the flotation price of £1 per share. Those that the Company retains traded at the year-end at just under 37 pence per share and it is this reduction in the carrying value – they have not been sold – which accounts for the vast majority of the loss for the year, having traded at £1.06 per share at the previous year-end.

I commented last year on the way in which the accountancy profession treats what I would regard as revaluations of investments as profit and loss account items. Whilst this is evidenced by the paragraph above it is also shown

Strategic report *(continued)*

Results and business review *(continued)*

by the shareholding acquired by the Company in Arqit. These shares were originally issued to the Company at \$10 per share and during the financial year we sold all of them for an average price per share of about \$9.90. Common sense would say that this would give rise to neither a profit nor a loss, but accounting standards require us to tie this event to the 2021/22 carrying value (considerably above the \$10 per share, despite the shares being subject to a lock-up agreement – and therefore incapable of being sold – at that time). As the shares now trade at between \$1 and \$2 per share, I view this as a not-unattractive outcome despite the accounting for it.

There have been few changes to the valuations of our investments, other than where the Company added to its holdings, and the cost increased commensurately. We have tried to remain cautious in our approach to valuations.

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

- I have described above the position in relation to the Company's holding in SSIT. Until the price returns to something which closer reflects the underlying value of the portfolio, the Company is likely to retain the balance of its shareholding, having sold the shares which it subscribed on SSIT's flotation.
- The Arqit shares issued directly to the Company were (see above) sold during the year. The proceeds were used to acquire other listed investments, and Government gilts.
- Following the receipt of the final monthly loan repayment on the loan to Medical Equipment Solutions Ltd ("MESL"), which was assigned to it at the time of the completion of the sale of MESL, Summit Asset Management Ltd ("SAM") owns only the profit share interests in SQN Capital Management LLC, which were fully provided for at the previous year-end, and a small loan made during the year.
- The results for Summit Insurance Services Ltd ("SIS") improved from a loss of £32k to a profit of £46k, with premiums collected increasing slightly from £1.96 million to £1.985 million, and the associated commissions to SIS increasing from £518k to £555k. As a result of this increase in income and tighter control of costs, the aggregate losses of £77k in SIS and its sister company, Summit Financial Services Limited (which provides claims handling services) were turned into a profit of £12k. Levels of new business ticked upwards but new educational sales (to schools and parents of school children) were still hard to come by.
- Tennyson Ltd ("Tennyson") increased its turnover from £159k to £227k but this was still not sufficient to cover its central staff costs and the property costs associated with its previous, much higher staffing levels. This led to a broadly unchanged loss before tax in the year of £185k. Those property costs (of over £100k in the year) ceased at the end of March 2023.
- Last year in my comments on Medtrade Products Ltd ("Medtrade") I described how it had provided very significant amounts of its Celox © haemostat product to entities involved in the war in Ukraine. Although the sales did not continue for the whole of Medtrade's financial year to 28 February 2023, it ended the year with sales of £42.3 million and EBITDA of £6.5 million (up from respectively £29.1 million and £2.8 million in the previous year). Commercial sales of Medtrade's new post-partum haemorrhage ("PPH") product commenced in March 2023.
- The Summit Alpha portfolio company, iX Group Ltd, paid a second dividend in its solvent liquidation with the Company receiving a further £414k approximately.

In the two other main Summit Alpha companies: t-Plan Ltd was again profitable although at a further reduced level following difficulties in concluding new sales. Authenticate Information Systems Ltd ended its financial year to 31 December 2022 with annual revenues of £1.58 million (up from £1.37 million in 2021) and annual recurring revenues of £1.56 million. Its plan is to nearly treble this to £4.7 million in the year to 31 December 2025. It is now cash-flow positive on a quarterly basis a trend that is projected to grow during the balance of 2023.

Strategic report *(continued)*

Results and business review *(continued)*

- Following the winding up of Seraphim Capital LP ("Seraphim") the Company continued to support the two remaining companies from its portfolio: Aria Networks Ltd ("Aria") and Pyreos Ltd ("Pyreos"). As reported in the previous year, Pyreos sold its trade to a US purchaser in March 2022 and was thereafter placed in members' voluntary liquidation. During this year, the Company received a further £61k of proceeds (repayment of its loans) from its share of the 10% of the purchase price that was held back and placed in escrow and released in full in March 2023.
- Aria had two successful fundraisings (each of just over £300k) during the year with the Company contributing £50k to each and a further £80k to one of £375k concluded in May 2023. It is hoped that sales will grow in 2023/24 from new partnerships with two global telecoms service providers.
- Freightsafe Ltd completed the build of its 30 secure truck parking installations at 3 locations in Spain for Amazon's use. The challenge for both it and Amazon is now to make the truck drivers – for whom it is a much sought-after amenity – use the units. Since then, Freightsafe has raised two further rounds (at increasing valuations) of a total of £850k. It is now working towards its first institutional round of funding, which is earmarked for sites where Samsung and Sony will be leasing parking units.
- Booking Live Software Ltd was forced into a change of direction due a lack of availability of additional funds to continue to invest in its new Connect software as a service (or "SAAS") product. It cut costs significantly (including at senior management level) and is now focusing on its previous Enterprise product. At the current level of costs, the business is profitable and cash generative.

By order of the board



SJK Barratt
Secretary

14th July 2023

Directors' report for The Summit Group Limited

The directors present the directors' report and the audited consolidated financial statements for the year ended 31 March 2023.

Results and dividends

The results of the Group can be summarised as follows:

	2023	2022
	£000	£000
(Loss)/profit before tax (all continuing operations)	(2,467)	3,948
(Loss)/profit attributable to ordinary shareholders	(2,470)	4,048

The Company paid its ordinary shareholder dividends totalling £nil in the year (2022: £nil).

Directors and directors' interests

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

Mr CN Hunter Gordon
Mr SJK Barratt
Mr 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

Saffery Champness LLP have expressed their willingness to remain in office.

By order of the board



SJK Barratt
Secretary

5 Cloisters House
8 Battersea Park Road
London SW8 4BG

 July 2023

Statement of directors' responsibilities in respect of the strategic report, 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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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, Saffery Champness LLP, to the members of The Summit Group Limited

Opinion

We have audited the financial statements of The Summit Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated profit and loss account, the consolidated balance sheet, the parent company balance sheet, the consolidated statement of changes in equity, the parent company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and the parent company's affairs as at 31 March 2023 and its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISA (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Report of the independent auditor, Saffery Champness LLP, to the members of The Summit Group Limited *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Report of the independent auditor, Saffery Champness LLP, to the members of The Summit Group Limited *(continued)*

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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.



Michael Di Leto (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

 July 2023

Consolidated profit and loss account

for the year ended 31 March 2023

	<i>Note</i>	2023 £000	2022 £000
Group turnover – continuing operations	<i>1-2</i>	881	860
Cost of sales		(141)	(92)
Gross earnings under finance agreements		740	768
		1	1
Gross profit		741	769
Operating costs	<i>4-7</i>	(1,522)	(1,484)
Group operating loss		(781)	(715)
(Loss)/profit on disposal of other investments	<i>4</i>	(350)	4,186
Loss on financial assets at fair value through profit or loss	<i>12</i>	(2,748)	(290)
Amounts written off investments		(20)	(30)
Operating (loss)/profit – continuing operations	<i>3</i>	(3,899)	3,151
Income from other fixed asset investments		1,260	771
Interest receivable	<i>8</i>	174	29
Interest payable	<i>8</i>	(2)	(3)
(Loss)/profit before taxation		(2,467)	3,948
Taxation:			
Group	<i>9</i>	-	-
(Loss)/profit after taxation		(2,467)	3,948
Non-controlling interests		(3)	100
(Loss)/profit for the financial year		(2,470)	4,048

All the above items relate to continuing operations.

The notes on pages 15 – 32 form part of these financial statements

Consolidated balance sheet

at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Goodwill	10	-	-
Tangible fixed assets	11	52	80
Investments	12	22,535	23,921
		<u>22,587</u>	<u>24,001</u>
Current assets			
Debtors	13	172	198
Liquid resources		7,500	3,482
Cash at bank and in hand		1,315	6,742
		<u>8,987</u>	<u>10,422</u>
Creditors: amounts falling due within one year	14	(418)	(713)
		<u>8,569</u>	<u>9,709</u>
Total net current assets			
		<u>31,156</u>	<u>33,710</u>
Total assets less current liabilities			
Debtors: amounts falling due after more than one year	15	25	-
Creditors: amounts falling due after more than one year	16	(18)	(32)
		<u>31,163</u>	<u>33,678</u>
Net assets			
		<u>31,163</u>	<u>33,678</u>
Capital and reserves			
Share capital	17	7,343	7,343
Capital redemption reserve	18	1,049	1,049
Revaluation reserve	18	15,260	16,026
Other reserve	18	167	167
Profit and loss account	18	6,989	8,693
		<u>30,808</u>	<u>33,278</u>
Non-controlling interests		355	400
		<u>31,163</u>	<u>33,678</u>
Shareholders' funds			
		<u>31,163</u>	<u>33,678</u>

These consolidated financial statements were approved by the board of directors on 14th July 2023 and were signed on its behalf by:



SJK Barratt
Director

Company registration number: 02231277

The notes on pages 15 – 32 form part of these financial statements

Company balance sheet

at 31 March 2023

	Note	2023	2022
		£000	£000
Fixed assets			
Tangible fixed assets	11	6	8
Investments	12	21,444	22,602
		<u>21,450</u>	<u>22,610</u>
Current assets			
Debtors	13	3,248	2,902
Liquid resources		7,500	3,482
Cash at bank and in hand		1,188	6,656
		<u>11,936</u>	<u>13,040</u>
Creditors: amounts falling due within one year	14	<u>(2,169)</u>	<u>(3,099)</u>
Total net current assets		<u>9,767</u>	<u>9,941</u>
Total assets less current liabilities		<u>31,217</u>	<u>32,551</u>
Creditors: amounts falling due after more than one year	16	(2)	(3)
Net assets		<u>31,215</u>	<u>32,548</u>
Capital and reserves			
Share capital	17	7,343	7,343
Capital redemption reserve	18	1,049	1,049
Revaluation reserve	18	14,775	15,148
Other reserve	18	167	167
Profit and loss account	18	7,881	8,841
Shareholders' funds		<u>31,215</u>	<u>32,548</u>

The loss of the Company for the financial year, after taxation, was £1,333,875, (2022: £4,158,322 profit).

These consolidated financial statements were approved by the board of directors on 14th July 2023 and were signed on its behalf by:


SJK Barratt
Director

Company registration number: 02231277

The notes on pages 15 – 32 form part of these financial statements

Consolidated statement of changes in equity

for the years ended 31 March 2022 and 2023

Group	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	7,343	1,049	16,777	3,894	167	536	29,766
Profit for the financial year	-	-	-	4,048	-	(100)	3,948
Reserve transfer	-	-	(841)	841	-	-	-
Equity dividends	-	-	-	-	-	(36)	(36)
Reserve transfer: minority interests	-	-	90	(90)	-	-	-
Balance at 31 March 2022	7,343	1,049	16,026	8,693	167	400	33,678

Group	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other Reserve	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	7,343	1,049	16,026	8,693	167	400	33,678
Loss for the financial year	-	-	-	(2,470)	-	3	(2,467)
Reserve transfer	-	-	(766)	766	-	-	-
Equity dividends	-	-	-	-	-	(48)	(48)
Balance at 31 March 2023	7,343	1,049	15,260	6,989	167	355	31,163

The notes on pages 15 – 32 form part of these financial statements

Company statement of changes in equity

for the years ended 31 March 2022 and 2023

Company	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	7,343	1,049	15,352	4,479	167	28,390
Profit for the financial year	-	-	-	4,158	-	4,158
Reserve transfer	-	-	(204)	204	-	-
Balance at 31 March 2022	7,343	1,049	15,148	8,841	167	32,548

Company	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	7,343	1,049	15,148	8,841	167	32,548
Loss for the financial year	-	-	-	(1,333)	-	(1,333)
Reserve transfer	-	-	(373)	373	-	-
Balance at 31 March 2023	7,343	1,049	14,775	7,881	167	31,215

The notes on pages 15 – 32 form part of these financial statements

Consolidated statement of cash flows

for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
(Loss)/profit for the financial year		(2,467)	3,948
Adjustments for:			
Depreciation of tangible assets	11	32	40
Interest receivable	8	(174)	(29)
Interest payable	8	2	3
Loss/(profit) on sale of other investments	4	350	(4,186)
Loss on financial assets at fair value through profit or loss		2,748	290
Amounts written off investments		20	30
Income from fixed asset investments		(1,260)	(771)
Changes in:			
Trade and other debtors		1	820
Trade and other creditors		(296)	(474)
Cash generated from operations		(1,044)	(329)
Interest paid		(2)	(3)
Interest received		174	29
Net cash from operating activities		(872)	(303)
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(4)	(14)
Proceeds from the sale of fixed asset investments		1,640	5,915
Dividends received from fixed asset investments		1,260	771
Purchase of other fixed asset investments	12	(3,372)	(5,307)
Proceeds from sale of fixed assets		-	1
Net cash from investing activities		(476)	1,366
Cash flows from financing activities			
Dividends paid		(48)	(36)
Net inflow from new finance leases		-	4
Capital element of finance leases		(13)	(12)
Net cash from financing activities		(61)	(44)
Net (decrease)/increase in cash and cash equivalents		(1,409)	1,019
Cash and cash equivalents at the beginning of the year		10,224	9,205
Cash and cash equivalents at the end of the year		8,815	10,224

The notes on pages 15 – 32 form part of these financial statements

Notes to 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.

General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5 Cloisters House, 8 Battersea Park Road, London, SW8 4BG.

Basis of preparation

The Group and Company financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006. The presentation currency of these financial statements is sterling.

The financial statements have been prepared under the historical cost accounting rules as modified for the revaluation of certain assets.

The results of the Company are included in the consolidated financial statements, and the Company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. Its financial statements are consolidated into the financial statements of Brighthand Ltd which can be obtained from Companies House. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- no separate parent company cash flow statement with related notes is included; and
- disclosures in respect of financial instruments have not been presented; and
- key management personnel compensation has not been included a second time.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 31 March 2023. 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.

Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors consider the valuation of certain of the Group's investments to be key judgments. Further details regarding these judgments can be found in notes 4 and 12 of the accounts.

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 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.

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 3-6 years.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Tangible fixed assets

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their estimated useful economic lives. Leased assets are depreciated over the shorter of the lease term and their estimated useful economic lives. The estimated useful economic lives are as follows:

Fixtures and fittings	-	3 - 5 years straight line
Plant and equipment	-	3 - 5 years straight line or over lease term

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

Fixed asset investments

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

Shares in group companies

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

Joint ventures

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

In the consolidated balance sheet, investments in joint ventures are accounted for using the "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.

Investment in finance agreements

The Company acts as a lessor 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 FRS 102.

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 to the financial statements (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.

Taxation

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax the Company and the Group is expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

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.

Turnover

Turnover represents amounts, excluding value added tax, receivable from the provision of goods and services. It comprises lease rentals, 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.

Related party transactions

The Company has taken advantage of the exemption in FRS 102.33.1A and, other than as set out in note 22, has not disclosed related party transactions.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits repayable on demand. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Liquid resources

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

Financial instruments

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

	2023			2022		
	Group turnover £000	(Loss) before taxation £000	Net assets/ (liabilities) £000	Group turnover £000	(Loss)/profit before taxation £000	Net assets/ (liabilities) £000
<i>By activity</i>						
Equipment leasing and sales	-	(13)	1,295	25	(385)	1,489
Advisory and other services	782	(157)	(1,343)	678	(227)	(1,170)
Head office	99	(2,469)	31,211	157	4,534	33,359
	<u>881</u>	<u>(2,639)</u>	<u>31,163</u>	<u>860</u>	<u>3,922</u>	<u>33,678</u>
Net interest receivable		172			26	
(Loss)/profit before taxation		<u>(2,467)</u>			<u>3,948</u>	

Geographical analysis

A geographical analysis of turnover is given below:

	2023 £000	2022 £000
UK	<u>881</u>	<u>860</u>

Notes to the financial statements *(continued)*

3 Analysis of continuing and discontinued operations

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

4 (Loss)/profit before taxation

	2023 £000	2022 £000
<i>(Loss)/profit before taxation is stated after charging/(crediting)</i>		
Auditor's remuneration:		
audit fee for the Company's financial statements	14	13
audit fee for the Group's (including the Company's) financial statements	40	36
Depreciation of tangible fixed assets:		
owned	19	28
held under finance leases	12	12
Rentals payable under operating leases:		
Property leases	80	88
Loss/(profit) on disposal of other investments	350	(4,186)

Loss on the disposal of other investments in 2023 includes:

- i) Further distributions to the Company in relation to last year's disposal of its partnership interest in Seraphim Space LP of £21,978 and deferred consideration for the repayment of the loan notes issued by Pyreos Ltd of £60,797, plus distributions of £36,199 relating to the disposal of Seraphim Capital LP in an earlier year.
- ii) The Company's disposal of 118,145 ordinary shares of £0.01 in Seraphim Space Investment Trust PLC ("SSIT"). The sale proceeds were £124,141 and the original cost was £118,145, resulting in a profit on disposal of £5,996.
- iii) The Company's disposal of 161,988 ordinary shares of \$0.0001 in Arqit Quantum Inc ("Arqit"). The sale proceeds were £1,313,994 and the original cost was £1,824,254, resulting in a loss on disposal of £510,260.
- iv) The Company's disposal of various holdings in its listed share portfolio. The sale proceeds were £82,474 and the original cost was £47,223, resulting in a profit on disposal of £35,251.

Profit on the disposal of other investments in 2022 includes:

- i) The Company's disposal of its partnership interest in Seraphim Space LP in exchange for the issue (credited as fully paid) of 3,043,794 shares of £0.01 each in SSIT at a price of £1 per share (£3,043,794) plus cash of £615,050, plus the issue to the Company of 161,988 shares in Arqit of \$0.0001 each (£1,824,254 - derived from its traded price on 15 February 2022 of \$15.21 per share and using an exchange rate of \$1.3506 to the £) – a total of £5,483,098. The fair value of the underlying assets disposed of was £1,081,836 (being the original cost of £502,855 and its revaluation at the date of sale of £578,981), resulting in a profit on disposal of £4,401,262.
- ii) The Company's disposal of 90,000 out of the 200,000 ordinary shares of £0.01 subscribed by it on the flotation of SSIT. The sale proceeds were £109,941 and the original cost was £90,000, resulting in a profit on disposal of £19,941.
- iii) Repayment to the Company of the £100,000 unsecured convertible loan notes and £140,000 of secured convertible loan notes issued by Pyreos Ltd for £321,615, resulting in a profit of £81,615. Thereafter, Pyreos Ltd went into members' voluntary liquidation and, as a result, the cost of the original investment of £781,954 less the provisions of £465,834 were disposed of, resulting in a loss on disposal of £316,120.
- iv) The Company's disposal of its investment in Avanti Communications Group PLC following that company's administration and the sale of all of its assets. The original cost of £25,607 less the revaluation adjustment of £(25,607) have been disposed of, resulting in a £nil profit.

Notes to the financial statements (continued)

5 Remuneration of directors

Directors' emoluments during the year amounted to £398,194 (2022: £357,741) and arose as follows:

	2023 £000	2022 £000
Emoluments of executive directors:		
Remuneration	346	358
Bonuses (discretionary)	52	-
	<u>398</u>	<u>358</u>

No contributions were made on behalf of directors (2022: £nil) to the stakeholder pension plan of the Company.

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

	Highest paid director 2023 £000	2022 £000
Emoluments (including discretionary bonuses)	<u>224</u>	<u>190</u>

6 Staff numbers and costs

The average number of staff employed by the Group during the year was:

	2023	2022
Management staff	4	4
Office staff	14	13
	<u>18</u>	<u>17</u>

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

	2023 £000	2022 £000
Salaries	929	919
Management discretionary bonuses	52	-
Social security costs	124	110
Other pension costs	42	33
	<u>1,147</u>	<u>1,062</u>

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 £41,800 (2022: £32,500).

Notes to the financial statements (continued)

8 Interest

	2023 £000	2022 £000
Bank interest receivable	171	2
Other interest receivable	3	27
Interest receivable	174	29
Interest payable on finance leases	(2)	(3)
Interest payable	(2)	(3)

9 Taxation

The tax assessed on the profit on ordinary activities for the year is lower than (2022: lower than) the standard rate of corporation tax. The UK corporation tax rate of 19% (2022: 19%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2023 £000	2022 £000
(Loss)/profit on ordinary activities before taxation	(2,467)	3,948
Expected tax charge	(469)	750
Non-taxable income	(259)	(118)
Expenses not deductible for tax purposes	628	216
Timing differences on fixed assets	4	(13)
Utilisation of tax losses brought forward	(13)	(981)
Losses not relieved	109	146
Total tax recorded in the accounts	-	-

The Group has a deferred tax asset of £13,035,000 (2022: £9,026,000), which consists of unutilised tax losses of £12,810,000 (2022: £8,879,000) and timing differences on depreciation of £225,000 (2022: £147,000), 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 tax losses brought forward, and timing differences on fixed assets all shown above, capital losses not relieved in the year of £91,000, permanent timing differences on depreciation of £2,000 and adjustments for prior year losses of £670,000 and prior year timing differences on fixed assets of £18,000, plus an adjustment of £3,074,000 for losses and £54,000 for timing differences on depreciation, both relating to the increase in the UK corporation tax rate from 19% to 25% on 1 April 2023.

Notes to the financial statements (continued)

10 Goodwill

Group	Positive goodwill £000
<i>Cost</i>	
At beginning and end of year	297
<i>Amortisation</i>	
At beginning and end of year	297
<i>Net book value</i>	
At 31 March 2023	-
At 31 March 2022	-

11 Tangible fixed assets

Group	Fixtures and fittings	Plant and equipment	Total
	£000	£000	£000
<i>Cost</i>			
At beginning of year	16	451	467
Additions	-	4	4
Disposals	(1)	(145)	(146)
At end of year	15	310	325
<i>Depreciation</i>			
At beginning of year	15	372	387
Charge for year	-	32	32
Disposals	(1)	(145)	(146)
At end of year	14	259	273
<i>Net book value</i>			
At 31 March 2023	1	51	52
At 31 March 2022	1	79	80

The net book value of assets held under finance leases included in plant and machinery above is £22,200 (2022: £34,200).

Notes to the financial statements *(continued)*

11 Tangible fixed assets *(continued)*

Company	Fixtures and fittings	Plant and equipment	Total
	£000	£000	£000
Cost			
At beginning of year	16	30	46
Additions	-	1	1
Disposals	(1)	(3)	(4)
At end of year	15	28	43
Depreciation			
At beginning of year	16	22	38
Charge for year	-	3	3
Disposals	(1)	(3)	(4)
At end of year	15	22	37
Net book value			
At 31 March 2023	-	6	6
At 31 March 2022	-	8	8

12 Fixed asset investments

Group	2023 £000	2022 £000
Joint ventures (a)	-	-
Other investments (b)	22,535	23,921
	22,535	23,921
(a) Joint venture companies	2023 £000	2022 £000
Share of gross assets	-	-
Share of gross liabilities	-	-
	-	-

At the beginning and end of the year the investment in joint ventures represented the holding of 50% of the ordinary shares in The Basingstoke Property Company Ltd.

Notes to the financial statements (continued)

12 Fixed asset investments (continued)

(b) Other investments	2023
	£000
<i>Valuation</i>	
At beginning of year	24,205
Additions	3,372
Revaluation – reserve transfer from profit and loss	(610)
Realised loss on disposal – reserve transfer from profit and loss	(156)
Disposals	(1,990)
Amounts written off investments	(20)
At end of year	24,801
<i>Provisions</i>	
At beginning of year	284
Provisions in the year	1,982
At end of year	2,266
<i>Net book value</i>	
At 31 March 2023	22,535
At 31 March 2022	23,921

Investments

(a) The Company has an investment of £564,397 in Medtrade Products Ltd. The company produces specialised wound care dressings. The holding consists of 366 “A” ordinary shares of 10 pence each and 6,478 “B” ordinary shares of 10 pence each, an aggregate shareholding of 22.4% (2022: 22.4%). The investment is held at directors’ valuation and was valued at the year-end at £15,305,555 (2022: £15,305,555).

(b) 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% (2022: 2.96%). The investment is held at directors’ valuation and was valued at the year-end at £59,200 (2022: £59,200).

(c) 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% (2022: 26.5%). The investment is held at directors’ valuation and was valued at the year-end at £100,000 (2022: £100,000).

(d) The Company has an investment of £3,146,616 (2022: £97,085) in a portfolio of listed shares, following further additions in the year of £3,096,753 and disposals of £47,223, along with a revaluation adjustment for shares disposed of in the year of £32,368. The investment is held at directors’ valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £3,078,957 (2022: £158,174), resulting in the release of the previous year’s revaluation of £28,720 and a provision in the year of £67,659.

(e) 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 £0.10 each and represents a shareholding of 2.33% (2022: 2.33%). The investment is held at directors’ valuation and was valued at the year-end at £40,000 (2022: £40,000).

Notes to the financial statements *(continued)*

12 Fixed asset investments *(continued)*

(f) The Company has an investment of £462,705 in Booking Live Software Ltd, following purchases of shares during the year of £124,992. The company provides its customers with software to enable on-line booking and payment for those companies' services and facilities. The holding consists of 48,971 (2022: 43,823) ordinary shares of £0.01 each and represents a shareholding of 21.11% (2022: 22.37%). The investment is held at directors' valuation and was valued at the year-end at £462,705 (2022: £337,713).

(g) The Company has an investment of £575,625 in Freightsafe Ltd, following further contributions in the year of £50,625. The company is trialling products to provide secure parking for lorries at service stations and other locations. The holding consists of 497 (2022: 470) ordinary shares of £1 each and represents a shareholding of 22.66% (2022: 27.79%). The investment is held at directors' valuation and was valued at the year-end at £575,625 (2022: £525,000).

(h) The Company has an investment of £627,074 in Aria Networks Ltd, following further contributions in the year of £100,000. The company is a developer of artificial-intelligence software for planning and optimisation of next generation telecoms networks. The holding consists of 15,045,260 ordinary shares of £0.001 each, of which 3,285,970 were distributed by Seraphim Capital LLP and 2,532,520 by Seraphim Capital (General Partner) LLP and represents a total shareholding of 4.13% (2022: 4.13%), £210,000 of secured loan notes and £175,000 of unsecured loan notes. The investment is held at directors' valuation and was valued at the year-end at £347,500 (2022: £247,500).

(i) The Company had an investment of £1,824,254 in Arqit. Arqit is a cyber-technology business and its shares are listed on NASDAQ. The holding consisted of 161,988 ordinary shares of \$0.0001 each and represented a shareholding of 0.13%. During the year, these shares were disposed of. The investment was held at directors' valuation of £1,940,892, resulting in a revaluation release on disposal of £116,638.

(j) The Company has an investment of £3,035,649 in SSIT, following the distribution, last year, to it of shares allotted to Seraphim Space LP by SSIT in consideration for the sale by Seraphim Space LP to SSIT of Seraphim Space LP's assets, less a disposal of 8,145 shares in the year, along with a revaluation adjustment for shares disposed of in the year of £505. SSIT is an investment trust listed on the London Stock Exchange making investments in space and space-related technologies. The holding consists of 3,035,649 (2022: 3,043,794) ordinary shares of £0.01 and represents a shareholding of 1.25% (2022: 1.25%). The investment is held at directors' valuation and was valued at the year-end at £1,121,247 (2022: £3,232,509), resulting in the release of the previous year's revaluation of £188,210 and a provision in the year of £1,914,402.

(k) The Company had a further investment of £110,000 in SSIT, following a subscription made last year on SSIT's flotation. The holding consisted of 110,000 ordinary shares of £0.01 and represented a shareholding of 0.4%. During the year, these shares were disposed of. The investment was held at directors' valuation of £116,820, resulting in a revaluation release on disposal of £6,820.

(l) The Company holds, via:

- (i) Dalebury (No. 31) Ltd, a holding of 415 ordinary shares of £1 each and 31,749,410 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 46.88% (2022: 46.88%) of the issued preference share capital. The number of preference shares owned reflects (a) redemptions following realisations of underlying investments made by Summit Alpha Ltd and (b) additional subscriptions and transfers of preference shares to the company by the other shareholders in Summit Alpha Ltd in lieu of management fees due to The Summit Group Ltd, from those other shareholders and (c) amounts subscribed (in common with the other shareholders) to enable Summit Alpha Ltd to meet its annual running costs. There were amounts written off the investment of £20,000. The underlying investments were re-valued at the year-end in accordance with the guidelines issued by the British Venture Capital Association at a value of £1,444,937 (2022: £1,858,446). A revaluation adjustment of £(393,509) (2022: £(235,903)) has been made in the year for the difference between the cost of the investments and the re-valued amount.
- (ii) 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 £nil (2022: £nil).

Notes to the financial statements *(continued)*

12 Fixed asset investments *(continued)*

Company

Investment in subsidiaries and associated companies

	2023 £000	2022 £000
Investments (see Group note)	21,090	22,063
Shares in subsidiaries at cost less provisions	354	539
	21,444	22,602
The movements during the year were:		
Balance at beginning of financial year	22,602	18,823
Additions of other investments	3,372	5,292
Disposals of other investments	(1,990)	(2,086)
Disposals of subsidiaries	-	(366)
(Provisions)/provisions released in relation to investments in subsidiaries	(185)	232
(Provisions)/provisions released against other investments	(1,982)	911
Revaluation of other investments – reserve transfer from profit and loss	(217)	349
Realised loss on disposal – reserve transfer from profit and loss	(156)	(553)
	21,444	22,602
Balance at end of financial year	21,444	22,602

Notes to the financial statements *(continued)*

12 Fixed asset investments *(continued)*

The following is a full list of related undertakings, 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 Summit Asset Holding LLC *	(76.2%)
Financial advisory and insurance services	Summit Insurance Services Ltd * Summit Financial Services Ltd * Summit Corporate Finance Ltd	(90%) (90%)
Venture capital investments	Dalebury (No.31) Ltd	
Outsourced sales and related services	Tennyson Ltd	
Dormant companies	The Basingstoke Property Company Ltd Summit Financial Group Ltd Summit Property Group Ltd	(50%)

All the above companies are registered in England and Wales, other than Summit Asset Holding LLC which is registered in Delaware, USA.

* shares held via a subsidiary

The registered office address for all of the above companies is 5 Cloisters House, 8 Battersea Park Road, London, SW8 4BG. Summit Asset Holding LLC is registered in Delaware, USA and does not have a UK registered office address.

Notes to the financial statements (continued)

13 Debtors: amounts falling due within one year

	Company		Group	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	13	10	74	49
Amounts owed by group companies	3,181	2,866	-	-
Prepayments and accrued income	54	25	66	57
Other debtors	-	1	32	92
	<u>3,248</u>	<u>2,902</u>	<u>172</u>	<u>198</u>

Included within other debtors (falling due within one year and after one year) is:

- (i) a loan plus accrued interest to Medical Equipment Solutions Limited ("MESL") of £nil (2022: £86,460). The loan was assigned from SQN Secured Income Fund PLC to SAM on 10 March 2020. The loan facility was originally dated 16 June 2017, under which MESL borrowed a total of £1,380k, which was repayable over 5 years from the date of drawdown in equal monthly instalments and bore interest at 10% per annum. The loan was repaid in full in June 2022.
- (ii) a loan to Springtime Services Limited ("SSL") of £34,652 (2022: £nil). The loan was made under an agreement dated 27 July 2022, is repayable over 4 years in equal monthly instalments from the date of drawdown and bears interest on a daily basis at 5% per annum. The financial statements include an amount of £25,113 (2022: £nil) that falls due after one year.

14 Creditors: amounts falling due within one year

	Company		Group	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	16	11	59	41
Amounts owed to group companies	2,099	3,023	222	525
Taxation and social security	30	33	31	33
Accruals and deferred income	21	28	72	76
Other creditors	2	3	20	25
Obligations under finance leases	1	1	14	13
	<u>2,169</u>	<u>3,099</u>	<u>418</u>	<u>713</u>

Notes to the financial statements *(continued)*

15 Debtors: amounts falling due after more than one year

Group	2023 £000	2023 £000
Other debtors	25	-

16 Creditors: amounts falling due after more than one year

	Company		Group	
	2023 £000	2022 £000	2023 £000	2022 £000
Obligations under finance leases	2	3	18	32

17 Share capital

	2023 £000	2022 £000
<i>Authorised</i>		
339,850,000 ordinary shares of 10p each	33,985	33,985
<i>Allotted, called up and fully paid</i>		
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 to the financial statements (continued)

18 Reserves

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

	Company £000	Group £000
<i>Capital redemption reserve</i>		
At 31 March 2022 and 2023	1,049	1,049
	Company £000	Group £000
<i>Revaluation reserve</i>		
At 31 March 2022	15,148	16,026
Reserve transfer from profit and loss	(217)	(610)
Realised loss' on disposal – reserve transfer from profit and loss	(156)	(156)
At 31 March 2023	14,775	15,260
	Company £000	Group £000
<i>Other reserve</i>		
At 31 March 2022 and 2023	167	167
	Company £000	Group £000
<i>Profit and loss account</i>		
At 31 March 2022	8,841	8,693
Loss for the financial year	(1,333)	(2,470)
Reserve transfer – to revaluation reserve	373	766
At 31 March 2023	7,881	6,989
	Company £000	Group £000
<i>Total reserves</i>		
At 31 March 2023	23,872	23,465
At 31 March 2022	25,205	25,935

The Group's share of post-acquisition accumulated gains of joint venture companies is £(50) (2022: £(50)).

Notes to the financial statements *(continued)*

19 Commitments in respect of operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2023	2022
	£000	£000
Leases expiring in:		
Not later than one year	35	77
Later than one year and not more than five years	90	122
Later than five years	-	3
	125	202

At 31 March 2023 the capital commitments authorised by the directors amounted to £nil (2022: £nil).

20 Commitments in respect of finance leases

Group

The future lease payments under finance leases are as follows:

	Plant and machinery	
	2023	2022
	£000	£000
Within one year		
	16	16
After more than one year and less than five years	19	35
Less: finance charges allocated to future periods	(3)	(6)
	32	45

Company

The future lease payments under finance leases are as follows:

	Plant and machinery	
	2023	2022
	£000	£000
Within one year		
	1	1
After more than one year and less than five years	3	4
Less: finance charges allocated to future periods	(1)	(1)
	3	4

21 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.

Notes to the financial statements *(continued)*

22 Related party transactions

Seraphim Space LP

The Company was a limited partner in, and made capital contributions to, Seraphim Space LP. During the year, the Company received £nil (2022: £46,278) in respect of non-refundable advances made to it from Seraphim Space (Manager) LLP, the manager of the general partner of Seraphim Space LP.

Summit Asset Management Ltd ("SAM")

During the year the Company paid interest to SAM of £29,422 (2022: £318) and received £12,000 (2022: £12,000) for management and accounting services. The amounts owed to SAM at the year-end were £1,247,845 (2022: £1,366,998). SAM is a 76.2% subsidiary of the Company.

Summit Insurance Services Ltd ("SIS")

£18,000 (2022: £18,000) received for management and accounting services and interest paid of £8,276 (2022: £138). The amounts owed to SIS at the year-end were £423,166 (2022: £441,298). SIS is a 90% subsidiary of Summit Corporate Finance Ltd, which in turn is a wholly-owned subsidiary of the Company.

23 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. The address of the registered office for the parent company is 5 Cloisters House, 8 Battersea Park Road, London, SW8 4BG.