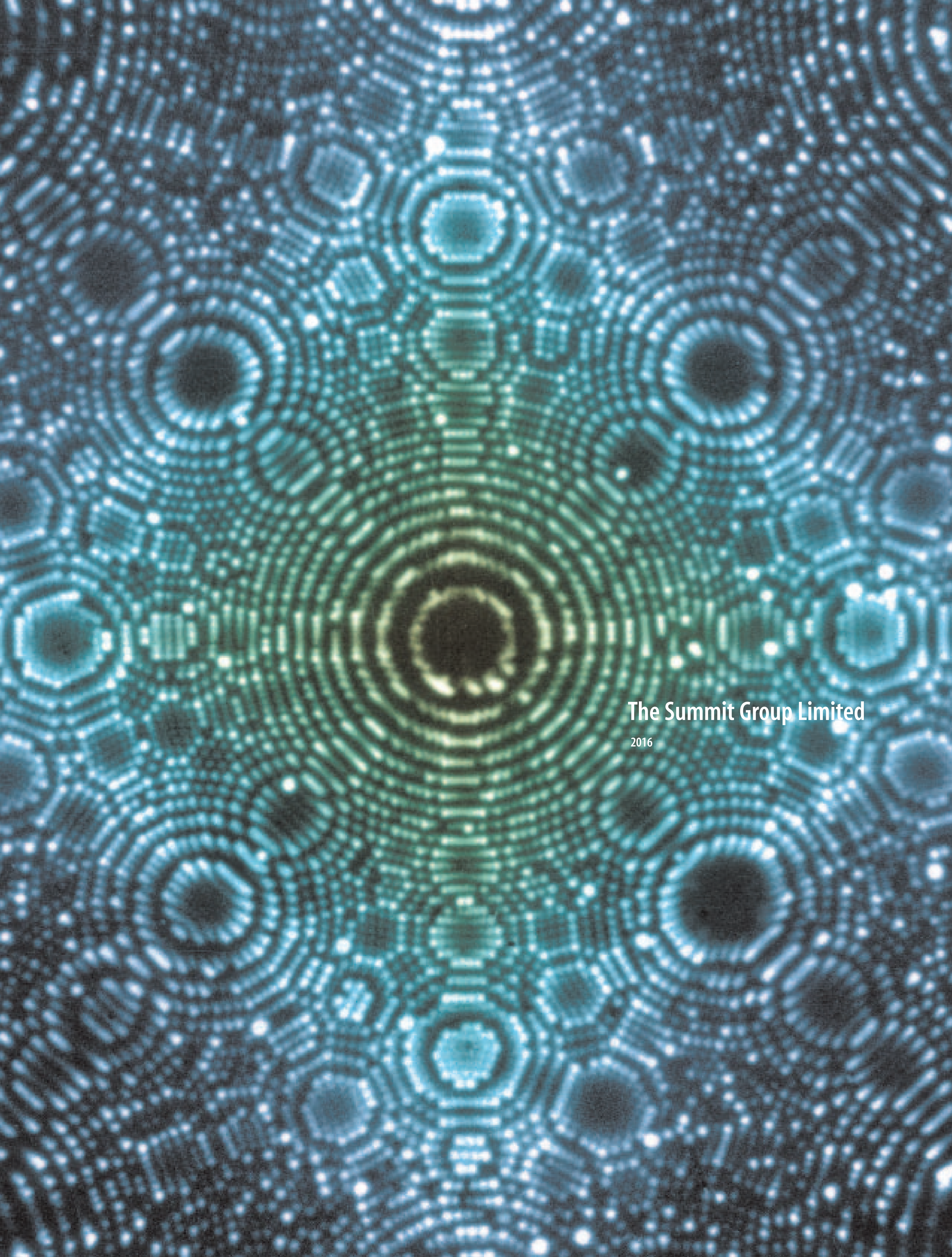
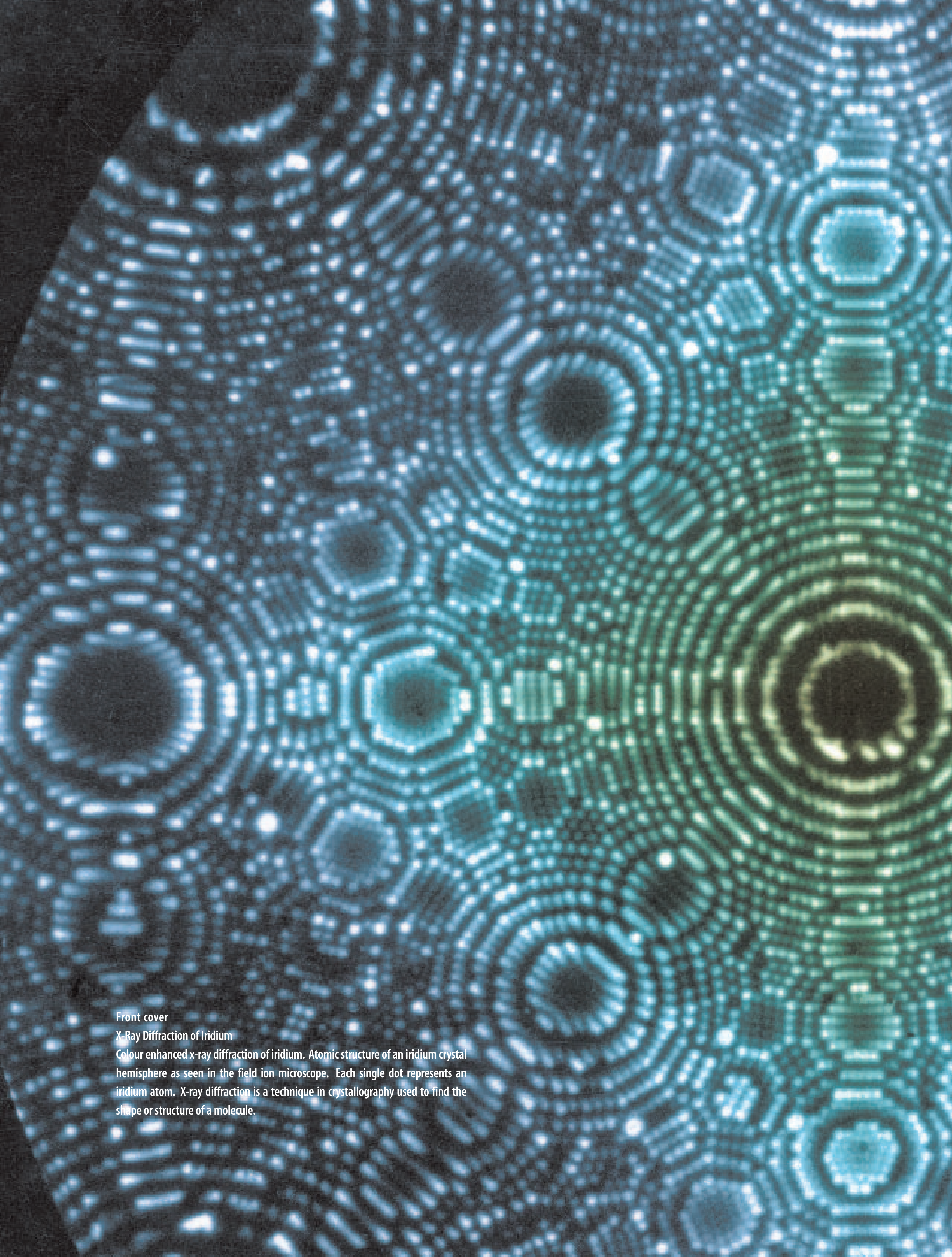


The Summit Group Limited

2016



Front cover

X-Ray Diffraction of Iridium

Colour enhanced x-ray diffraction of iridium. Atomic structure of an iridium crystal hemisphere as seen in the field ion microscope. Each single dot represents an iridium atom. X-ray diffraction is a technique in crystallography used to find the shape or structure of a molecule.

The Summit Group

What we do

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

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

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

Who we are

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

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

History of The Summit Group

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

What we look for

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

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

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

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

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

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

How we operate

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

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

How we are structured

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

What we are invested in

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

Review of the year to 31 March 2016

The year under review was, on the whole, a good one. Although a number of the problems highlighted in last year's report persisted throughout the year, there was definite progress both in the year and in the period immediately after its end; and we go into 2016/17 with most of the bigger issues resolved and - leaving aside the consequences of the EU referendum which remain to play out - confidence that we can operate profitably at the operating level. In headline terms, the Group produced a profit before tax of £3.44 million, in the process increasing shareholders' funds to £13 million, and available cash to £6.1 million (including term bank deposits). As in previous years the profit before tax was after interest costs (mostly incurred in companies where their activities are ring-fenced from others in the Group) of £653k and depreciation of £978k. In addition some of the transactions completed over the last year or so are starting to show signs of producing the value that we perceived at the time of completing them.

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

Direct Investments

- **Summit Insurance Services ("SIS")** had a year of consolidation after two years of good growth: the profit before tax was £228k (slightly down on the £259k achieved in 2015), on premiums collected, also down slightly, to £5.26 million. Commissions were down by 3.7% to £1.04 million. However, more importantly, SIS took steps to ensure that the claims ratio for its book decreased throughout the year. As a result profit share payments on both its warranty book and the Compucover (or theft and accidental damage) book are expected to resume in the next year. Payments would have been due on the warranty book as at 30 April 2016, but for a requirement - which was not satisfied - that the relevant book be 60% earned at that date.

- **Tennyson Insurance Ltd ("Tennyson Insurance")** The Group sold its 40% (after employee share options) shareholding in Tennyson Insurance on 30 June 2015 to Zurich Holdings (UK) Ltd, for a total consideration of up to £6.15 million, of which £4.95 million was payable at or shortly after completion. The profit that arose from the initial payment (of £1.975 million) is recognised in these accounts. Uncertainties over the amounts and timing of the receipt of the deferred payments mean that these will be recognised in future years.

- **Tennyson Ltd ("Tennyson")** The founders of Tennyson left the business at the time of the sale of Tennyson Insurance, transferring with that business. We thank them for what they achieved for the Group and wish them well in the future. As a result the Tennyson general manager was promoted to managing director and has done very well in the first year of being in that role. The business achieved all six of its milestones, as in the previous year; and added new teams to service other parts of the business of its main customer, Royal Mail. The business produced profits of just over £300k on turnover of £1.67 million.

- **Summit Property** The Group's property activities (carried on through the joint venture company, The Basingstoke Property Company Ltd ("BPC")) were finally wrapped up during and just after the year to 31 March 2016. All three of the remaining units were sold following the letting of the final vacant unit.

- **SQN Capital Management LLC ("SQN US")** and
- **SQN Capital Management (UK) Ltd ("SQN UK")** were together successful in raising a further £210 million for the listed fund which SQN UK manages, with £30 million in June 2015 followed by a C share issue totalling £180 million in October 2015. Just as importantly, SQN UK has been very successful in investing these funds in the right types of deals, in the process earning both structuring and arrangement fees which cover its increased overheads.

Review of the year to 31 March 2016 continued

- **Summit Asset Management Ltd ("SAM")** In the light of both the increased level of funds under management and the structuring and arrangement fees that SQN UK has earned in the last year, the directors of SAM have revisited and revised upwards the expected consideration due from SQN UK in respect of that element of SAM's goodwill that was sold to SQN UK in January 2015, and which was described in more detail in the accounts for the year to 31 March 2015. In the year a further £2.5 million of expected consideration was recognised.

- SAM's holding in SQN US was also revalued upwards slightly in the light of the increased funds under management.

- **Southeast Power Engineering Ltd ("SEPEL")** The sale by SEPEL of its 80% economic interest in Sion Hydro Ltd in January 2015 gave rise to a number of payments of deferred consideration which at the date of this report had all been received.

- **Romney Hydropower Company Ltd ("Romney")** managed, in the light of 2/3 years of successfully generating electricity from its site in the river Thames (at Windsor), to refinance its borrowings at a much reduced all-in cost. The remaining challenge for it is to improve the levels of electricity that it generates - something that it is working hand in hand with Landustrie (the manufacturer of the screws) to achieve.

- **QSRC Limited ("QSRC")** had its application for judicial review of the NHS England decision to refuse to pay for patients treated by its gamma knife heard in December 2015. Sadly, the first instance decision went against it but it has received leave to appeal and will do so. However it was successful in becoming a sub-contractor to the hospital in whose building it is located (University College Hospitals NHS Foundation Trust or "UCLH") for the provision of gamma knife treatments for parts of London and the South East. Whilst this does not rectify the past - with well over of £2 million value of patients treated but not paid for - it does mean that QSRC has a much brighter future; and QSRC expects to trade profitably in the future and to pay off its historic creditors.

- **The Thornbury Radiosurgery Centre Ltd ("TRC"),** in which the group has a 50% shareholding, was also successful in being awarded a sub-contract for gamma knife services for parts of the North of England. In the light of awards to QSRC and TRC, Medical Equipment Solutions Limited ("MESL") is again actively seeking additional sites for gamma knives.

- **MedTrade Products Ltd** In the Group's venture capital portfolio, MedTrade Products Ltd increased its sales from its trauma and woundcare businesses from £16.0 million to £19.6 million. Profits from that part of the business also rose from £2.58 million to £2.67 million. As in the prior year (to 28 February 2015) its overall profits before tax were reduced by over £650k of research and development expenditure on clinical trials for the internal surgery use of its Celox haemostat product. The current financial year has begun very well with record levels of sales.

Fund Investments

Seraphim Capital ("Seraphim") Although closed to the making of new investments, Seraphim, (in which the Group has a participation) continued to make follow-on investments in its existing portfolio. There was one successful exit with the sale of its investment in **TestPlant** returning to the Company some 40% of its overall commitment to Seraphim, and with further, deferred, consideration to come.

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.

It has built on its third party claims handling book using its claims and supply chain skills to Underwriters of IT and other programmes.

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

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 2016, gross premium written remained steady at over £5.2million.

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

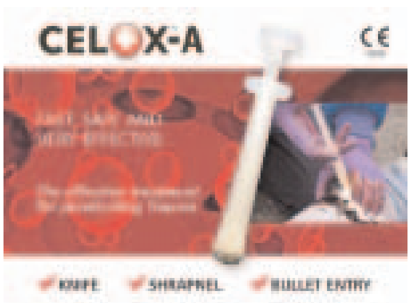
Summit Property undertakes property projects, usually in conjunction with partners with whom it shares in the value it creates through using its expertise to enhance the value of a particular property situation.

Summit Property has a mature development programme which was all sold either during or just after the year to 31 March 2016. The business intends to look for new development opportunities, often in conjunction with joint venture partners.

Portfolio review

Directly held investments continued

Investment	Year	Percentage ownership	Business
MedTrade Products	2000	28%	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 has invested £630,000 in four tranches for a 28% 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 2016 Medtrade again produced record sales and profits from its trauma and woundcare businesses, of £19.6 million and £2.67 million respectively (year to 28 February 2014, sales of £16.0 million and profit before tax of £2.58 million). As in the prior year its overall profits before tax were reduced by over £650,000 of research and development expenditure on clinical trials for Celox. The current financial year has again begun very well with record levels of sales.

The clinical trials for MedTrade's revolutionary new haemostat product, Celox, for use in internal surgical procedures are nearing completion with it being used on nearly 180 patients to date. It is hoped that these will be completed by the end of the current calendar year. The Celox product is now being used across the world by a considerable number of military forces and first responder units, with great praise for its efficacy; and the move into surgical use is the next stage in the development of its sales strategy.

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

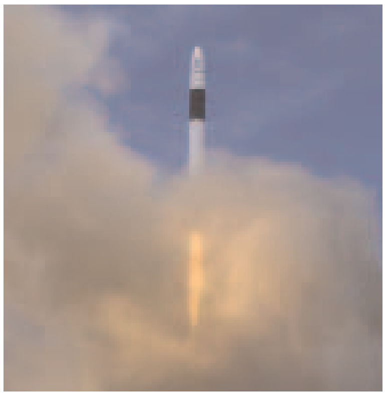
VoiceNotes

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

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 data connectivity across Europe, Africa and the Middle East. Through the HYLAS satellite fleet and more than 180 partners in 118 countries, the network provides ubiquitous internet service to a quarter of the world's population. Avanti delivers the level of quality and flexibility that the most demanding telecoms customers in the world seek. Avanti is the first mover in high throughput satellite data communications in EMEA. It has rights to orbital slots and Ka-band spectrum in perpetuity that covers an end market of over 1.7bn people. The Group has invested $1.2bn in a network that incorporates satellites, ground stations, datacentres and a fibre ring.

The company is listed on AIM and at 31 March 2016 had a market capitalisation of £143 million.

Investment	Year	Percentage ownership	Business
Tennyson	1998	100%	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. Tennyson specialises in the disciplines of new business and account management and has achieved some headline making and ground breaking wins on behalf of its clients. Channels of engagement 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. Its team blends consultancy with hands on doing - which enables it to give results like no other sales agency. These services include the provision of field sales teams, phone sales teams, third party channel programmes and both web and phone based order-processing centres. In addition to providing high quality personnel, Tennyson also adds value through its expert knowledge of business to business sales.

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

Tennyson produced profits before tax of £2.3m, an increase on the previous year, reflecting the profit of the sale of the company's 40% investment in Tennyson Insurance and an increase in the scope of the Royal Mail campaign. The existing Royal Mail New Business team also achieved all six of its milestones, exceeded annual target and continues to go from strength-to-strength.

Portfolio review

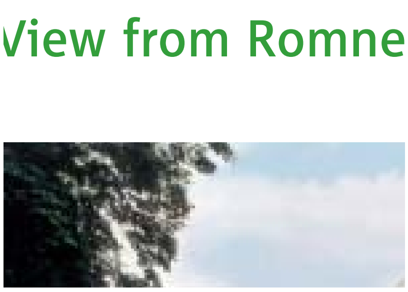
Investments through Summit Asset Management (76% owned)

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

As part of the transaction which transferred Summit Asset Management's business activities to SQN Capital Management LLC (SQN) in January 2015, it exercised its right to acquire 25% of SQN at par value and relinquished its right to acquire a further 10% at market value. It also negotiated to receive continuing goodwill payments geared to the performance of the SQN Asset Finance Income Fund Ltd, a closed end investment fund managed by SQN Capital Management (UK) Ltd and listed on the main market of the London Stock Exchange.

SQN is a US headquartered income (usually from leased or rented assets) fund manager, with over $700 million of funds under management or under advisory arrangements.

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



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

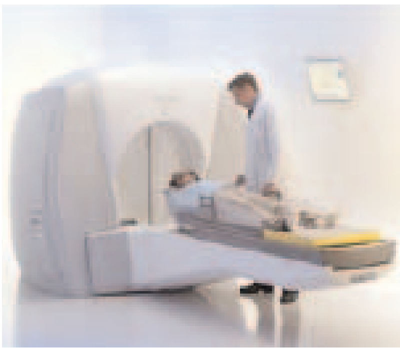
It owns and operates the Romney Weir hydro plant in Windsor, Berkshire where two Archimedes screw turbines operate in two bays of the weir, producing power for Windsor Castle throughout the year under review. The company also held a majority holding in Sion Hydro in Northern Ireland. During the year it received an acceptable offer to sell its 80% economic interest in Sion Hydro and the sale was completed in January 2015.

South East Power Engineering is active in project managing two additional hydro-electric power generating installations on the River Thames, earning in return both fees and profit participations and is seeking to build a portfolio of such hydro-power assets.

Portfolio review

Investments through Summit Asset Management (76% owned) continued

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

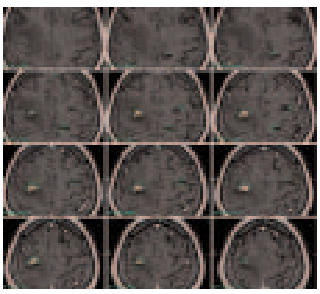


Medical Equipment Solutions has again narrowed its focus to acting almost exclusively as an investor and operator for specialised healthcare operations listed below.

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

Further Gamma Knife radiosurgery centre developments are being explored since the award of major NHSE contracts in April 2016.

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.

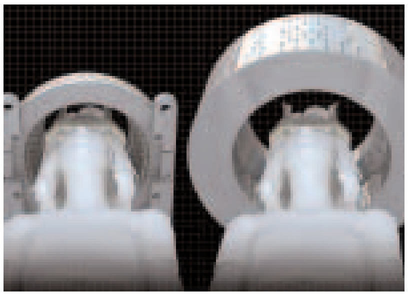
Up to March 2016 NHS England continued to refuse to pay for any NHS patients having gamma knife treatment at the specialist gamma knife centre run by QSRC via UCLH. This has continued to have major consequences for QSRC's income. QSRC's directors believe that NHS England's decision was taken in breach of procurement regulations and are continuing legal action, which will not be concluded until 2017. In April 2016 QSRC via UCLH was advised of awards of major contracts, confirmed by formal contracts in June 2016. NHSE awarded 3 major NHSE contracts to UCLH leading to sub contracts to QSRC for 95% of all patient volume. The NHSE contracts won cover local common tumours, but also Supra Centre status was awarded to UCLH for more complex and rarer tumours for the south of England, being vascular and functional. Finally, in partnership with Great Ormond Street, UCLH was also awarded the South of England Supra Centre status for pediatrics work in radiosurgery, with all treatments to be delivered at QSRC.

* % ownership by Medical Equipment Solutions

Portfolio review

Investments through Summit Asset Management (76% owned) continued

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



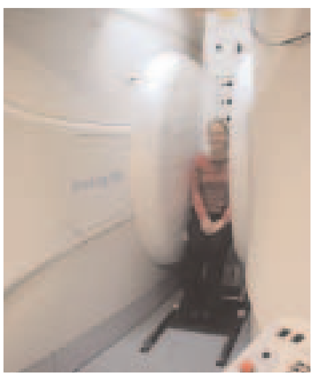
The Thornbury Radiosurgery Centre is a JV with BMI Healthcare Limited at the BMI Thornbury Hospital in Sheffield, 1 mile from the NHS National Radiosurgery Centre. Managed by Medical Equipment Solutions, the Centre uses the Elekta Perfexion Gamma Knife for treating neoplasms in the brain. The Centre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

The Thornbury Radiosurgery Centre was loss-making (with a loss before tax of £180k in the year to 31 March 2016) reflecting much reduced turnover due to lower numbers of referrals from the NHS. Since March 2016, The Thornbury Radiosurgery Centre has signed a 7-year sub contract to support the National Radiosurgery Centre at the Sheffield Teaching Hospital's Trust, which has also signed a 7-year direct NHSE contract. The contractual arrangements mean increased patient flows in the coming years.

* % ownership by Medical Equipment Solutions

Picture: Leksell Gamma Knife® PerfexionTM Courtesy of Elekta

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



The Upright MRI business continues to grow from the original centre in London, with a second centre in Leeds opened in September 2012 and a third in Birmingham opened in late 2014. The London centre uses the Fonar 0.6 T Upright MRI scanner, with Leeds and Birmingham Centres using a Paramed upright MRI, both MRIs can scan patients in a weight-bearing position and being "open", is less stressful for claustrophobic and anxious patients.

* % ownership by Medical Equipment Solutions

Portfolio review

Investments through Summit Alpha

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

Investment	Year	Percentage ownership	Business
Authenticate Information Systems	2001/2013	34%	Food supply chain mapping platform

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, AIS provides a network for suppliers in the food industry to share valuable transparency, audit, KPI and assurance data on a selective and secure basis, thus eliminating the costly and time consuming task of proving supply chain information in an ad-hoc, repetitive and unmanaged way.

Its customers include Tesco, Waitrose, the Co-operative, Aramark, Greencore, Compass, OSI, Finsbury Food and Winterbotham Darby as well as bodies such as AB Agri. The platform holds data on 4,500 food businesses in 70 countries and the rate at which new customers are joining the platform is accelerating. The goal is for the platform to become the comprehensive risk platform for food businesses across the world.

AIS raised additional capital during the year at an increased valuation showing a further substantial gain on Summit Alpha's underlying cost.

Powerstax	2000	2.4% 2.3% by Summit	Power conversion technology

Powerstax specialises in the design, manufacture and marketing of high efficiency and high power density DC-DC converters, AC and DC Bulk Power units, and complete power solutions for the Communications, Industrial, Medical, Defence and Aerospace and Transportation markets. In 2012 it acquired a complimentary business - DP Energy Services - which has started to add to overall sales volume and produce cost savings.

Powerstax is in the business of designing in a technological solution to deliver the optimum mix of performance, features and price. A blue chip customer list is supported by sales made direct to the customers and through power focused international sales channels.

iX Group	2001	16.8%	GMP and GCP audits

Through Rephine (acquired in March 2009), iX provides audits of pharmaceutical companies for both good manufacturing practice ("GMP") and good clinical practice ("GCP") at its suppliers, based both in Europe and the Far East. It has a library of nearly 150 audits, which it is continually increasing and which are available to purchase for companies looking to save the cost of an in-house audit. It also provides consultancy advice to the same customers. Sales from this part of the business were over £1.37 million in the year to 31 July 2016 - up nearly tenfold in the last six years - and this strong growth is budgeted to continue.

Portfolio review

Investments through Seraphim Capital

Summit is an investor in Seraphim Capital, a £30 million Enterprise Capital Fund (ECF) which invests in UK businesses seeking between £500,000 and £2 million. Summit is one of Seraphim's managing partners and Summit's managing director, Kit Hunter Gordon, chairs its board. Although Seraphim is closed to investing in new businesses it continues to invest in and support its existing portfolio.

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

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

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

Its software has particular application in the rapidly developing fields of Software Defined Networks ("SDN") and Network Functions Visualisation ("NFV"). The business has the potential to scale rapidly through partnering with companies like Alcatel Lucent and Accenture.

Major customers include BT, Facebook and Apple.

Portfolio review

Investments through Seraphim Capital continued

Investment	Year	Percentage ownership	Business
MirriAd	2007	2%	Post production product placement

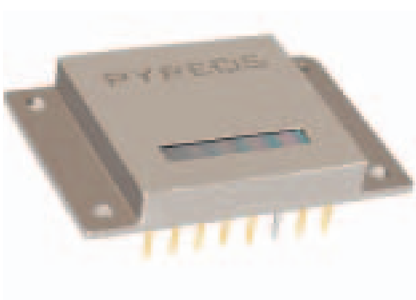
MirriAd's technology digitally inserts brand objects into any kind of video content. This is similar in concept to tried and tested 'product placement' advertising but can be done post production electronically and in volume.

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. It has a worldwide agreement with Havas and agreements with major content owners across the globe - such as Youku in China.

Following Seraphim's original investment the company has gone on to raise over £26 million in which Seraphim has participated, bringing its total investment to £2.4 million but its holding in the enlarged business has now been diluted to 2.3%.

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%	Internet of Things platform

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

Using its open platform and software it can connect virtually anything, creating and managing whole connected device ecosystems. Given the improvements in fixed and mobile broadband, Intamac has developed a web-based platform that delivers a wide range of innovative new value-added services through various simple, affordable and self-install wireless products in the home. This enables users to monitor and control services including home security, remote video monitoring, energy saving, care for the elderly and appliance control. The Intamac platform connects these devices in the cloud, and provides consumers with a simple web 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 an energy management system.

TestPlant	2008	49%	Software testing

TestPlant is an international software business based in London. It has development centers in the USA and the UK with sales and support centers in the USA, the UK, Germany, India, China and Japan as well as an extensive network of business partners. TestPlant's products are used in over 30 countries by well over 350 enterprise customers in sectors which include Financial Services, Automotive, Healthcare and Life Sciences, Media and Entertainment, Retail and Defense and Aerospace. The eggPlant range is a set of tools which supports the design, development, test and management of software applications for mainframe, desktop and mobile use in any technology platform environment. The tools are relevant in agile, mobile, web and DevOps deployments. eggPlant use improves and reports on the quality and responsiveness of software systems, reduces time to market and lowers costs by introducing process automation. The eggPlant tools have been granted patents with several applications pending. TestPlant is a Red Herring Global Top 100 company, a Deloitte UK Technology Fast 50 and EMEA 500 business, a member of the Sunday Times Hiscox Tech Track 100 and is the recipient of two Queen's Awards for Enterprise.

In January 2016 the company was sold to The Carlyle Group in a transaction generating, on full payment of the deferred consideration, a return for Seraphim of over 11 times its investment.

Financial statements

Strategic report

Results and business review

Principal activities

The Company is a venture capital business, operating within a group structure. 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 audited report and accounts; but in addition the Company actively monitors their performance, often by appointing a non-executive director to the board of the company in which it has invested.

In some instances, it also participates 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

The year under review was, on the whole, a good one. Although a number of the problems highlighted in last year's report persisted throughout the year, there was definite progress both in the year and in the period immediately after its end; and it is right to say that we go into 2016/17 with most of the bigger issues resolved and - leaving aside the consequences of the EU referendum which remain to play out - confidence that we can operate profitably at the operating level. In headline terms, the Group produced a profit before tax of £3.44 million, in the process increasing shareholders' funds to £13 million, and available cash to £6.1 million (including term bank deposits). As in previous years the profit before tax was after interest costs (mostly incurred in companies where their activities are ring-fenced from others in the Group) of £653k and depreciation of £978k. In addition some of the transactions completed over the last year or so are starting to show signs of producing the value that we perceived at the time of completing them.

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

- Summit Insurance Services Ltd ("SIS") had a year of consolidation after two years of good growth: the profit before tax was £228k (slightly down on the £259k achieved in 2015), on premiums collected also down slightly to £5.26 million. Commissions were down by 3.7% to £1.04 million. However more importantly, SIS took steps to ensure that the claims ratio for its book decreased throughout the year. As a result profit share payments on both its warranty book and the Compucover (or theft and accidental damage) book are expected to resume in the next year. Payments would have been due on the warranty book as at 30 April 2016, but for a requirement - which was not satisfied - that the relevant book be 60% earned at that date.

- The Group sold its 40% (after employee share options) shareholding in Tennyson Insurance Ltd ("Tennyson Insurance") on 30 June 2015 to Zurich Holdings (UK) Ltd, for a total consideration of up to £6.15 million, of which £4.95 million was payable at or shortly after completion. The profit that arose from the initial payment (of £1.975 million) is recognised in these accounts. Uncertainties over the amounts and timing of the receipt of the deferred payments mean that these will be recognised in future years.

- The founders of Tennyson Ltd ("Tennyson") left the business at the time of the sale of Tennyson Insurance, transferring with that business. We thank them for what they achieved for the Group and wish them well in the future. As a result the Tennyson general manager was promoted to managing director and has done very well in the first year of being in that role. The business achieved all six of its milestones, as in the previous year; and added new teams to service other parts of the business of its main customer, Royal Mail. The business produced profits of just over £300k on turnover of £1.67 million.

- The Group's property activities (carried on through the joint venture company, The Basingstoke Property Company Ltd ("BPC")) were finally wrapped up during and just after the year to 31 March 2016. All three of the remaining units were sold following the letting of the final vacant unit.

Strategic report

Results and business review continued

- SQN Capital Management LLC ("SQN US") and SQN Capital Management (UK) Ltd ("SQN UK") were together successful in raising a further £210 million for the listed fund which SQN UK manages, with £30 million in June 2015 followed by a C share issue totalling £180 million in October 2015. Just as importantly, SQN UK has been very successful in investing these funds in the right types of deals, in the process earning both structuring and arrangement fees which cover its increased overheads.

- In the light of both the increased level of funds under management and the structuring and arrangement fees that SQN UK has earned in the last year, the directors of Summit Asset Management Ltd ("SAM") have revisited and revised upwards the expected consideration due from SQN UK in respect of that element of SAM's goodwill that was sold to SQN UK in January 2015, and which was described in more detail in the accounts for the year to 31 March 2015. In the year a further £2.5 million of expected consideration was recognised.

- SAM's holding in SQN US (which is described further in the notes to the accounts) was also revalued upwards slightly in the light of the increased funds under management.

- The sale by Southeast Power Engineering Ltd ("SEPEL") of its 80% economic interest in Sion Hydro Ltd in January 2015 gave rise to a number of payments of deferred consideration which at the date of this report had all been received.

- Romney Hydropower Company Ltd ("Romney") managed, in the light of 2/3 years of successfully generating electricity from its site in the river Thames (at Windsor), to refinance its borrowings at a much reduced all-in cost. The remaining challenge for it is to improve the levels of electricity that it generates - something that it is working hand in hand with Landustrie (the manufacturer of the screws) to achieve.

- QSRC Limited ("QSRC") had its application for judicial review of the NHS England decision to refuse to pay for patients treated by its gamma knife heard in December 2015. Sadly, the first instance decision went against it but it has received leave to appeal and will do so. However it was successful in becoming a sub-contractor to the hospital in whose building it is located (University College Hospitals NHS Foundation Trust or "UCLH") for the provision of gamma knife treatments for parts of London and the South East. Whilst this does not rectify the past - with well over of £2 million of patients treated but not paid for - it does mean that QSRC has a much brighter future; and QSRC expects to trade profitably in the future and to pay off its historic creditors.

- The Thornbury Radiosurgery Centre Ltd ("TRC"), in which the group has a 50% shareholding, was also successful in being awarded a sub-contract for gamma knife services for parts of the North of England. In the light of awards to QSRC and TRC, Medical Equipment Solutions Limited ("MESL") is again actively seeking additional sites for gamma knives.

- In the Group's venture capital portfolio, Medtrade Products Ltd increased its sales from its trauma and woundcare businesses from £16.0 million to £19.6 million. Profits from that part of the business also rose from £2.58 million to £2.67 million. As in the prior year (to 28 February 2015) its overall profits before tax were reduced by over £650k of research and development expenditure on clinical trials for the internal surgery use of its Celox haemostat product. The current financial year has begun very well with record levels of sales.

Although closed to the making of new investments, Seraphim Capital ("Seraphim", in which the Group has a participation) continued to make follow-on investments in its existing portfolio. There was one successful exit with the sale of its investment in Testplant returning to the Company some 40% of its overall commitment to Seraphim, and with further, deferred consideration to come.

The investments held in Summit Alpha also prospered during the year, with increased profits and or successful funding rounds at increased valuations. Further progress - particularly as regards exits for some of the companies - is thought to be likely in the next few years.

By order of the board

SJK Barratt
Secretary

30 June 2016

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 2016.

Results and dividends

The results of the Group can be summarised as follows:

	2016 £000	2015 £000
Profit before tax (all continuing operations)	**3,436**	716
Profit attributable to ordinary shareholders after dividends	**2,926**	792

The Company paid its ordinary shareholder dividends totalling £1,100,000 in the year (2015: £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

30 June 2016

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

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

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

We have audited the financial statements of The Summit Group Limited for the year ended 31 March 2016 set out on pages 22 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

30 June 2016

Consolidated profit and loss account

for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover: Group and share of joint ventures	*1-2*	**25,853**	9,106
Less: share of joint ventures' turnover		**(616)**	(592)
Group turnover - continuing operations		**25,237**	8,514
Cost of sales		**(21,571)**	(4,437)
		3,666	4,077
Gross earnings under finance agreements		**2**	2
Gross profit		**3,668**	4,079
Operating costs	*4-7*	**(4,108)**	(4,335)
Group operating loss		**(440)**	(256)
Share of operating loss in joint ventures		**(101)**	(548)
Share of operating profit in associates		**133**	227
Profit on disposal of investments in subsidiaries		**-**	509
Profit on disposal of joint ventures		**-**	570
Profit on sale of part of trade	*4*	**2,500**	851
Profit on disposal of other investments		**173**	20
Profit on sale of associated companies		**1,805**	-
Operating profit - continuing operations	*3*	**4,070**	1,373
Income from other fixed asset investments		**19**	167
Net interest payable	*8*	**(653)**	(824)
Profit on ordinary activities before taxation		**3,436**	716
Taxation:	*9*		
Group		**(24)**	-
Joint ventures and associates		**-**	(44)
Profit on ordinary activities after taxation		**3,412**	672
Minority interests		**(486)**	120
Profit for the financial year		**2,926**	792

All the above items relate to continuing operations.

Consolidated other comprehensive income

for the year ended 31 March 2016

	2016 £000	2015 £000
Profit for the financial year	**2,926**	792
Other comprehensive income		
Revaluation of other investments	**(52)**	1,090
Total comprehensive income for the year	**2,874**	1,882

Consolidated balance sheet
at 31 March 2016

		2016		2015	
	Note	£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	10		48		-
Tangible fixed assets	11		3,905		4,800
Investments	12		8,049		7,359
Investments in joint ventures:					
Share of gross assets		890		813	
Share of gross liabilities		(856)		(645)	
			34		168
Investments in associates			-		45
			12,036		12,372
Current assets					
Stocks and work in progress	13	2,690		1,309	
Debtors	14	4,661		3,950	
Investments	15	113		178	
Liquid resources		1,028		1,028	
Cash at bank and in hand		5,121		3,004	
		13,613		9,469	
Creditors: amounts falling due within one year	16	(7,841)		(6,853)	
Total net current assets			5,772		2,616
Total assets less current liabilities			17,808		14,988
Creditors: amounts falling due after more than one year	17		(4,779)		(4,490)
Provisions for liabilities and charges	2		(33)		(36)
			12,996		10,462
Capital and reserves					
Share capital	18		7,343		7,343
Capital redemption reserve	19		1,049		1,049
Revaluation reserve	19		5,702		5,195
Other reserve	19		167		167
Profit and loss account	19		(1,287)		(3,108)
			12,974		10,646
Minority interests			22		(184)
Shareholders' funds			12,996		10,462

These consolidated financial statements were approved by the board of directors on 30 June 2016 and were signed on its behalf by:

SJK Barratt
Director
Company registration number: 02231277

Company balance sheet

at 31 March 2016

	Note	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	11		2		2
Investments	12		6,758		6,135
			6,760		6,137
Current assets					
Debtors	14	3,357		4,376	
Liquid resources		1,028		1,028	
Cash at bank and in hand		4,609		2,146	
		8,994		7,550	
Creditors: amounts falling due within one year	16	(2,045)		(1,427)	
Net current assets			6,949		6,123
Provisions for liabilities and charges	23		(33)		(36)
Total assets less current liabilities			13,676		12,224
Capital and reserves					
Share capital	18		7,343		7,343
Capital redemption reserve	19		1,049		1,049
Revaluation reserve	19		4,180		4,232
Other reserve	19		167		167
Profit and loss account	19		937		(567)
Shareholders' funds			13,676		12,224

These consolidated financial statements were approved by the board of directors on 30 June 2016 and were signed on its behalf by:

SJK Barratt
Director
Company registration number: 02231277

Consolidated statement of changes in equity

for the years ended 31 March 2015 and 31 March 2016

Group	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Other reserve £000	Total £000
Balance at 1 April 2014	1,049	4,338	(3,823)	167	1,731
Profit for the financial year	-	-	792	-	792
Revaluation of other investments	-	1,090	-	-	1,090
Less revaluation attributable to minorities	-	(210)	-	-	(210)
Reserve transfer	-	(30)	30	-	-
Less reserve transfer attributable to minorities	-	7	(7)	-	-
Equity dividends	-	-	(100)	-	(100)
Balance at 31 March 2015	**1,049**	**5,195**	**(3,108)**	**167**	**3,303**

Group	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Other reserve £000	Total £000
Balance at 1 April 2015	1,049	5,195	(3,108)	167	3,303
Profit for the financial year	-	-	2,926	-	2,926
Revaluation of other investments	-	550	-	-	550
Less revaluation attributable to minorities	-	(43)	-	-	(43)
Equity dividends	-	-	(1,105)	-	(1,105)
Balance at 31 March 2016	**1,049**	**5,702**	**(1,287)**	**167**	**5,631**

Consolidated statement of changes in equity

for the years ended 31 March 2015 and 31 March 2016

Company	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Other reserve £000	Total £000
Balance at 1 April 2014	1,049	4,306	(1,532)	167	3,990
Profit for the financial year	-	-	965	-	965
Revaluation of other investments	-	(74)	-	-	(74)
Balance at 31 March 2015	**1,049**	**4,232**	**(567)**	**167**	**4,881**

Company	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Other reserve £000	Total £000
Balance at 1 April 2015	1,049	4,232	(567)	167	4,881
Profit for the financial year	-	-	2,604	-	2,604
Revaluation of other investments	-	(52)	-	-	(52)
Equity dividends	-	-	(1,100)	-	(1,100)
Balance at 31 March 2016	**1,049**	**4,180**	**937**	**167**	**6,333**

Consolidated statement of cash flows

for the year ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the financial year	3,412	672
Adjustments for:		
Depreciation of tangible assets	978	978
Amortisation of goodwill	36	74
Interest receivable	(69)	(65)
Interest payable	722	889
Profit on sale of fixed assets	-	(1)
Profit on disposal of joint ventures	-	(570)
Profit on disposal of associates	(1,805)	-
Profit on disposal of subsidiary companies	-	(509)
Profit on sale of trade	(2,500)	(851)
Profit on sale of other investments	(173)	(20)
Loss from joint venture companies	101	548
Profit from associated companies	(133)	(227)
Income from fixed asset investments	(19)	(167)
Amounts written back re investments	-	(291)
Taxation	24	44
Changes in:		
Stock	(1,381)	(1,304)
Other investments	(100)	6
Trade and other debtors	1,790	(24)
Trade and other creditors	(165)	(160)
Cash generated from operations	718	(978)
Interest paid	(703)	(642)
Interest received	69	62
Net cash from operating activities	84	(1,558)
Cash flows from investing activities		
Purchase of intangible fixed assets	(105)	(111)
Proceeds from the sale of investments	199	61
Proceeds from the sale of tangible fixed assets	25	10
Proceeds from sale of subsidiary companies	-	240
Cash disposed of with the sale of subsidiary companies	-	(10)
Dividends received from fixed asset investments	19	167
Purchase other fixed asset investments	-	(167)
Acquisition of additional shares in subsidiaries	(410)	-
Proceeds from sale of subsidiary companies	1,979	-
Net cash from investing activities	1,707	190
Cash flows from financing activities		
Dividends paid	(1,105)	(100)
Net inflow from other short-term creditors (debt due within one year)	282	1,181
Capital element of finance leases	(379)	(301)
Net drawing of loans (debt due after one year)	1,502	127
Net cash from financing activities	300	907
Net increase/(decrease) in cash and cash equivalents	2,091	(461)
Cash and cash equivalents at the beginning of the year	4,029	4,490
Cash and cash equivalents at the end of the year	6,120	4,029

Notes to the financial statements

(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 group and parent company financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 25.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. 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
- 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 2016. The financial statements include the results of all subsidiaries and joint venture companies throughout the year, or from the date of acquisition or to the date of disposal or deemed disposal as appropriate.

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

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

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

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

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

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

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 - 20 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.

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

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

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

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

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

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

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

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.

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 102.33.1A and, other than as set out in note 24, has not disclosed related party transactions.

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

Cash 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)

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

	2016 Group turnover £000	**2016 Profit/(loss) on ordinary activities before taxation £000**	**2016 Net assets/ (liabilities) £000**	2015 Group turnover £000	2015 Profit on ordinary activities before taxation £000	2015 Net (liabilities)/ assets £000
By activity						
Equipment leasing and sales	**22,384**	**1,969**	**431**	6,115	517	(980)
Advisory and other services	**2,763**	**2,564**	**(330)**	2,667	969	(710)
Property investment and trading	**579**	**202**	**(957)**	76	9	(833)
Head office	**127**	**(646)**	**13,852**	248	45	12,985
	25,853	**4,089**	**12,996**	9,106	1,540	10,462
Net interest payable		**(653)**			(824)	
Profit on ordinary activities before taxation		**3,436**			716	

Geographical analysis

A geographical analysis of turnover is given below:

	2016 £000	2015 £000
UK	**25,478**	8,467
Overseas	**375**	639
	25,853	9,106

3 Analysis of continuing and discontinued operations

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

4 Profit on ordinary activities before taxation

	2016	2015
	£000	£000
Profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration:		
audit fee for the company's financial statements	**10**	16
audit fee for the group's (including the company's) financial statements	**62**	67
Depreciation of tangible fixed assets:		
owned	**203**	205
held under finance leases	**775**	773
Amortisation of goodwill	**36**	74
Rentals payable under operating leases:		
Property leases	**234**	292
Profit on the sale of part of a trade	**2,500**	851

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

5 Remuneration of directors

Directors' emoluments during the year amounted to £374,699 (2015: £359,893) and arose as follows:

	2016	2015
	£000	£000
Emoluments of executive directors:		
Remuneration	**355**	341
Bonuses (discretionary)	**20**	5
	375	360

No contributions were made on behalf of directors (2015: £nil) to the stakeholder pension plan of the Company.

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

	Highest paid director	
	2016	2015
	£	£
Emoluments (including discretionary bonuses)	**201,744**	190,995

6 Staff numbers and costs

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

	2016	2015
	£000	£000
Management staff	**7**	10
Office staff	**45**	49
	52	59

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

	2016	2015
	£000	£000
Salaries	**2,236**	2,546
Management discretionary bonuses	**49**	52
Social security costs	**241**	314
Other pension costs	**43**	74
	2,569	2,986

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 £42,800 (2015: £74,400).

8 Interest

	2016	2015
	£000	£000
Interest payable on finance leases	**(169)**	(179)
Bank interest on loans repayable within five years	**(1)**	(2)
Interest payable on other loans	**(514)**	(665)
Interest payable by joint ventures and associates	**(38)**	(43)
	(722)	(889)
Plus:		
Bank interest receivable	**42**	24
Other interest receivable	**15**	1
Interest receivable by joint ventures and associates	**12**	40
Net interest payable	**(653)**	(824)

9 Taxation

The UK corporation tax rate of 20% (2015: 21%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2016 £000	2015 £000
Expected tax charge	**687**	150
Non-taxable income	**(379)**	(561)
Expenses not deductible for tax purposes	**4**	38
Timing differences on fixed assets	**3**	21
Utilisation of tax losses brought forward	**(565)**	(25)
Losses not relieved	**274**	415
Losses carried back	**-**	2
Marginal relief	**-**	4
Current tax charge recorded in the accounts	**24**	44

The Group has a deferred tax asset of £13,544,000 (2015: £14,047,000), which consists of unutilised tax losses of £13,343,000 (2015: £13,821,000) and timing differences on depreciation of £201,000 (2015: £226,000), 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, permanent timing differences on depreciation of £(42,328) and adjustments for prior year losses of £(45,487), for prior year capital losses of £(141,773) and prior year timing differences on fixed assets of £13,719.

10 Intangible fixed assets

Group

	Negative goodwill £000	Positive goodwill £000	Total £000
Cost			
At beginning and end of year	(209)	424	215
Additions	-	84	84
At end of year	(209)	508	299
Amortisation			
At beginning of year	(209)	424	215
Charge for year	-	36	36
At end of year	(209)	460	251
Net book value			
At 31 March 2016	**-**	**48**	48
At 31 March 2015	-	-	-

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

The addition in the year relates to the acquisition by the company of the minority shareholdings in Tennyson from two employees of Tennyson Insurance at the time of the sale of Tennyson Insurance.

Additional information on these companies is given in note 12.

11 Tangible fixed assets

Group £000	Leasehold buildings and improvements £000	Fixtures and fittings £000	Plant and equipment £000	Total £000
Cost				
At beginning of year	145	24	7,507	7,676
Additions	-	-	110	110
Disposals	(145)	-	(454)	(599)
At end of year	-	24	7,163	7,187
Depreciation				
At beginning of year	145	23	2,708	2,876
Charge for year	-	-	978	978
Disposals	(145)	-	(427)	(572)
At end of year	-	23	3,259	3,282
Net book value				
At 31 March 2016	**-**	**1**	**3,904**	**3,905**
At 31 March 2015	-	1	4,799	4,800

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 £1,237,200 (2015: £2,007,773).

11 Tangible fixed assets (continued)

Company	**Fixtures and fittings**	**Plant and equipment**	**Total**
	£000	£000	£000
Cost			
At beginning of year	27	41	68
Additions	-	1	1
Disposals	-	(1)	(1)
At end of year	27	41	68
Depreciation			
At beginning of year	27	39	66
Charge for year	-	1	1
Disposals	-	(1)	(1)
At end of year	27	39	66
Net book value			
At 31 March 2016	**-**	**2**	**2**
At 31 March 2015	-	2	2

12 Fixed asset investments

Group	2016 £000
Other investments	**8,049**

Other investments

	£000
Valuation	
At beginning of year	7,408
Additions	394
Disposals	(36)
Revaluation	550
At end of year	8,316
Provisions	
At beginning of year	49
Provisions in the year	228
Disposals	(10)
At end of year	267
Net book value	
At 31 March 2016	**8,049**
At 31 March 2015	7,359

Investments

(a) The Company has an investment of £631,440, following additions in the year of £301,500, in a company (Medtrade Products Ltd) producing specialised wound care dressings. The holding consists of 366 "A" ordinary shares of 10 pence each and 8,130 "B" ordinary shares of 10 pence each, an aggregate shareholding of 27.87% (2015: 26.67%). The investment is held at directors' valuation and was valued at the year-end at £4,801,500 (2015: £4,500,000).

(b) The Company has a holding of 78 ordinary shares in Insetco PLC. The company's shares are listed on the Alternative Investment Market but it has no trade, and the investment is held at directors' valuation at the year end of £nil (2015: £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 £40,500 (2015: £91,850).

(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% (2015: 2.96%). The investment is held at directors' valuation, and was valued at the year-end at £nil (2015: £nil).

12 Fixed asset investments (continued)

(e) The Company has made contributions totalling £451,590 to Seraphim Capital LP, a fund set up to make venture capital investments, following contributions during the year of £17,748. The investment is held at directors' valuation of £201,523 (2015: £437,406).

(f) 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% (2015: 26.5%). The investment is held at directors' valuation and was valued at the year-end at £103,757 (2015: £103,757).

(g) The Company has an investment of £97,085 in a portfolio of listed shares. The investment is held at directors' valuation, based on the relevant quoted mid-market prices, and is valued at the year-end at £117,399 (2015: £118,549).

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

(i) The Company holds, via:

(i) MESL, an investment in United Open MRI Ltd, a company operating a specialist scanning service. The directors of MESL hold the investment at directors' valuation of £235,842 (2015: £235,842). The holding consists of 39,307 ordinary shares, and reflects a shareholding of 8.83% (2015: 8.83%).

(ii) Dalebury (No. 31) Ltd, a holding of 415 ordinary shares of £1 each and 32,136,200 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 42.89% (2015: 36.99%) 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 £40,934 and additions of £32,934. 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 £1,378,811 (2015: £897,158). A revaluation of £407,784 (2015: £229,159) has been made in the year for the difference between the cost of the investments and the re-valued amount.

(iii) Summit Asset Holding LLC ("SAH"), a wholly-owned subsidiary of SAM, 25 class B units in SQN US. Those units are held at directors' valuation of £1,130,000 (2015: £935,000).

12 Fixed asset investments (continued)

Company

Investment in subsidiaries and associated companies

	2016 £000	2015 £000
Investments (see Group note)	**5,304**	5,291
Shares in subsidiaries at cost less provisions	**1,454**	844
	6,758	6,135

The movements during the year were:

	2016	2015
Balance at beginning of financial year	**6,135**	6,054
Other investments made	**319**	58
Disposals	**(26)**	(10)
Provisions released against investments in subsidiaries	**200**	129
Provisions against other investments	**(228)**	(22)
Revaluation of other investments	**(52)**	(74)
Investments in subsidiaries	**410**	-
Balance at end of financial year	**6,758**	6,135

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	(76.2%)
	Summit Security Trustee Ltd*	
	Southeast Power Engineering Ltd*	(75%)
	Romney Hydropower Company Ltd*	
	Summit Asset Holding LLC*	
	Summit Property Group Ltd	
Financial advisory and insurance services	Summit Insurance Services Ltd*	(90%)
	Summit Financial Services Ltd*	(90%)
	Summit Corporate Finance Ltd	
	Dalebury (No.31) Ltd	
Medical advisory and services	Medical Equipment Solutions Ltd*	(78%)
	QSRC Ltd*	
	The Thornbury Radiosurgery Centre Ltd*	(50%)
Property investment, trading and development	Summit Property Ltd	
	The Basingstoke Property Company Ltd*	(50%)
	Summit Property Investments Ltd*	
Outsourced sales and related services	Tennyson Ltd	
Dormant companies	Optionfuture Ltd	
	Waste to Energy Ltd*	
	Oxford Radiosurgery Centre Ltd*	
	Summit Financial Group Ltd	

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

13 Stocks

Group

	2016 £000	2015 £000
Work in progress	**2,690**	1,309

14 Debtors

	Company		Group	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Trade debtors	**4**	4	**722**	851
Amounts owed by group companies	**3,231**	4,276	**45**	941
Amounts owed by joint ventures and associated companies	**-**	1	**480**	625
Prepayments and accrued income	**31**	23	**190**	257
Other debtors	**91**	72	**3,224**	1,276
	3,357	4,376	**4,661**	3,950

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

15 Investments

Group

	2016 £000	2015 £000
Interests in the residual value of equipment subject to operating leases	**113**	178

16 Creditors: amounts falling due within one year

	Company		Group	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Bank overdrafts	**-**	-	**29**	3
Other loans	**-**	-	**2,701**	1,204
Trade creditors	**10**	12	**335**	696
Amounts owed by group companies	**1,872**	1,233	**-**	-
Corporation tax	**-**	-	**24**	-
Taxation and social security	**74**	76	**74**	76
Accruals and deferred income	**80**	83	**998**	895
Other creditors	**9**	23	**682**	607
Obligations under finance leases	**-**	-	**2,998**	3,372
	2,045	1,427	**7,841**	6,853

Included within accruals for the Group is an amount of £208,693 (2015: £140,558) relating to accrued interest on finance leases.

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

(a) a senior secured loan of £4,418,533 made to Romney by Ability Insurance Company ("Ability") under a facility agreement dated 25 February 2014 (as amended by an agreement dated 23 December 2015). The loan now bears interest at 9% per annum. The loan is repayable by quarterly instalments in the period to 23 February 2033 (before amendment: 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 £50,840, which are being amortised over 207 months from March 2014 to 23 February 2033 (2015: £46,000 over 170 months to 30 April 2028);

(b) a £426,649 loan from a shareholder (Hayes Participation Corp. BVI) made to MESL on 26 April 2012, for the purposes of enabling MESL to subscribe share capital in its subsidiary, QSRC Ltd. The loan bears interest at 10% per annum (which, unless paid, is compounded annually on 31 December in each year) until 26 April 2017; and 17.5% per annum thereafter. The loan is due for repayment on the earlier of (a) 26 April 2019 and (b) the date of any sale by MESL of its shareholding in QSRC Ltd;

(c) loans of £2,168,664 (2015: £1,163,155) made to a subsidiary company, SAM, by SQN Asset Finance Income Fund Ltd (a company incorporated in Guernsey) under a facility agreement dated 30 July 2014. The loans bear interest at 15% and are repayable by 31 October 2016. Each loan is secured on the assets that the loan has financed;

(d) a loan of £497,023 (2015: £nil) made to a subsidiary company, SAM, by SQN Asset Finance Alternative Investment IV (a company incorporated in the United States) under a facility agreement dated 1 April 2015. The loan is secured on the assets that it has financed. The loans were repaid in full on 21 April 2016; and

(e) in 2015, other loans included a loan note of £1,442,171 issued by 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 were guaranteed by its immediate parent company, SEPEL, and were subordinated to the rights of Ability under the loan specified in paragraph (a). The loan note bore interest at 12% per annum. The loan (including accrued interest thereon) was repaid on 23 December 2015.

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

Included within obligations under finance leases above is an amount of £1,176,269 (2015: £2,887,920) due from a subsidiary of the company, QSRC Ltd, to a third party lease financier. That third party financier has no recourse to any of the assets of, and there is no liability to that financier by, the company or any of its subsidiaries other than QSRC Ltd. The amount in question was re-classified from amounts falling due after one year in the year ended 31 March 2015, notwithstanding the fact that there has been no requirement on the part of the lease financier for the amounts in question to be so accelerated, and has occurred solely as a result of a failure by QSRC Ltd to meet certain covenants unrelated to the payment of amounts due from QSRC Ltd to the lease financier.

17 Creditors: amounts falling due after more than one year

Group

	2016 £000	2015 £000
Obligations under finance leases	**13**	12
Other loans	**4,766**	4,478
	4,779	4,490

18 Share capital

	At 31 March 2016 £000	At 31 March 2015 £000
Authorised		
339,850,000 ordinary shares of 10p each	**33,985**	33,985
Allotted, called up and fully paid		
73,430,000 ordinary shares of 10p each	**7,343**	7,343

Minority interests

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

19 Reserves

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

Capital redemption reserve	Company £000	Group £000
At 31 March 2015 and 2016	1,049	1,049

Revaluation reserve	Company £000	Group £000
At 31 March 2015	4,232	5,195
Revaluation of other investments	(52)	550
Less: revaluation attributable to minorities	-	(43)
At 31 March 2016	4,180	5,702

Other reserve	Company £000	Group £000
At 31 March 2015 and 2016	167	167

Profit and loss account	Company £000	Group £000
At 31 March 2015	(567)	(3,108)
Profit for the financial year	2,604	2,926
Equity dividends	(1,100)	(1,105)
At 31 March 2016	937	(1,287)

Total reserves	Company £000	Group £000
At 31 March 2016	**6,333**	**5,631**
At 31 March 2015	4,881	3,303

The Group's share of post-acquisition accumulated gains of associated and joint venture companies is £34,000 (2015: £256,500).

20 Commitments in respect of operating leases

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

	Land and buildings 2016 £000	2015 £000
Leases expiring in:		
Within one year	**31**	40
After more than one year and less than five years	**38**	107
After five years	**106**	105
	175	252

At 31 March 2016 the capital commitments authorised by the directors amounted to £nil (2015: £nil).

21 Commitments in respect of finance leases

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

	Plant and machinery 2016 £000	2015 £000
Within one year	**3,420**	3,793
After more than one year and less than five years	**14**	15
Less: finance charges allocated to future periods	**(423)**	(424)
	3,011	3,384

22 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.

23 Provisions for liabilities and charges

	Company		Group	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Other provisions	**33**	36	**33**	36

Other provisions
The provisions in place at 31 March 2015 and 2016 for both the Company and the Group are provisions against cash balances held with Kaupthing, Singer & Friedlander Ltd.

24 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 £43,647 (2015: £41,000) in respect of profit share due to it from Seraphim Capital (General Partner) LLP and £nil (2015: £37,312) 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.

25 Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.

26 Ultimate and immediate parent company

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

Directory of offices

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