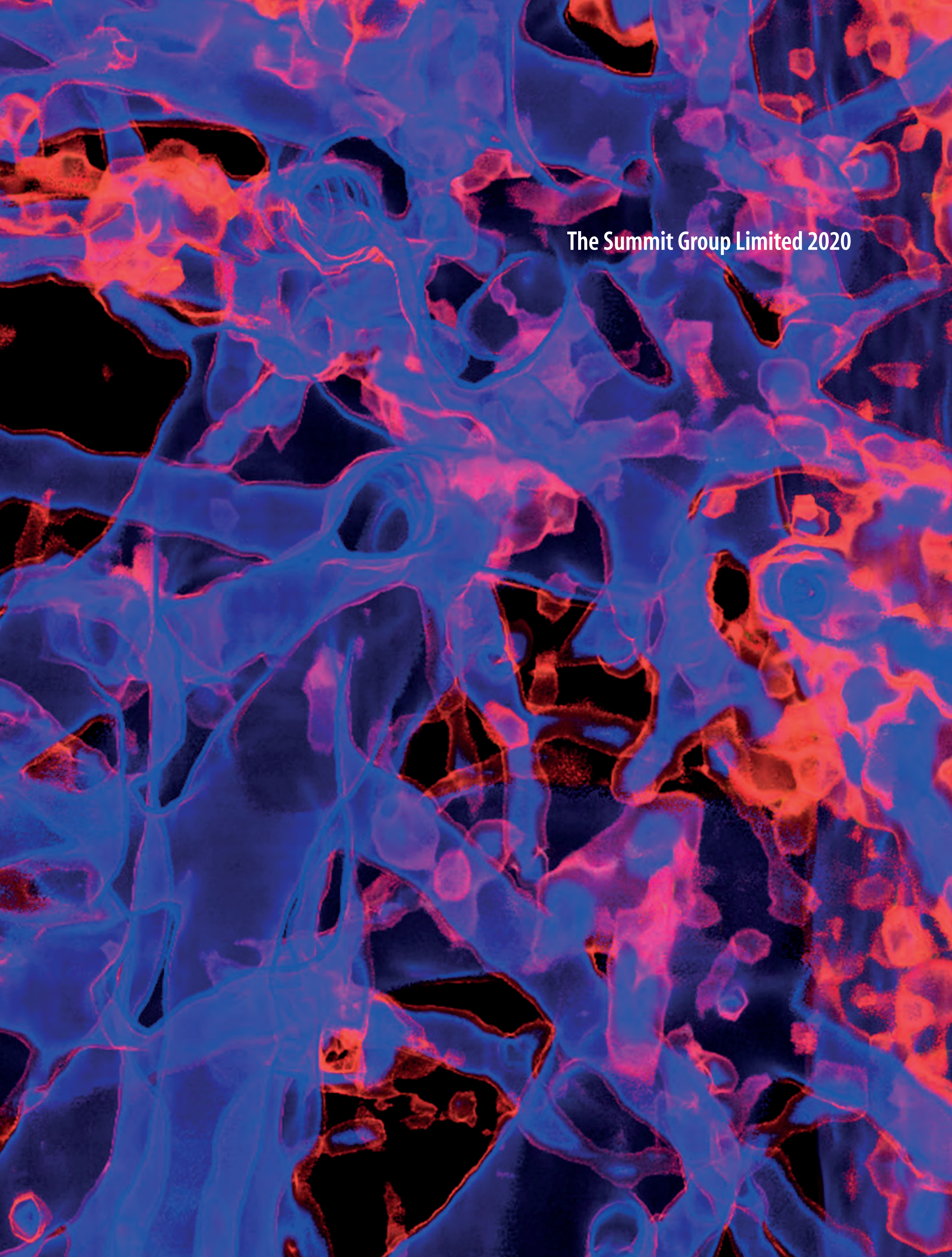
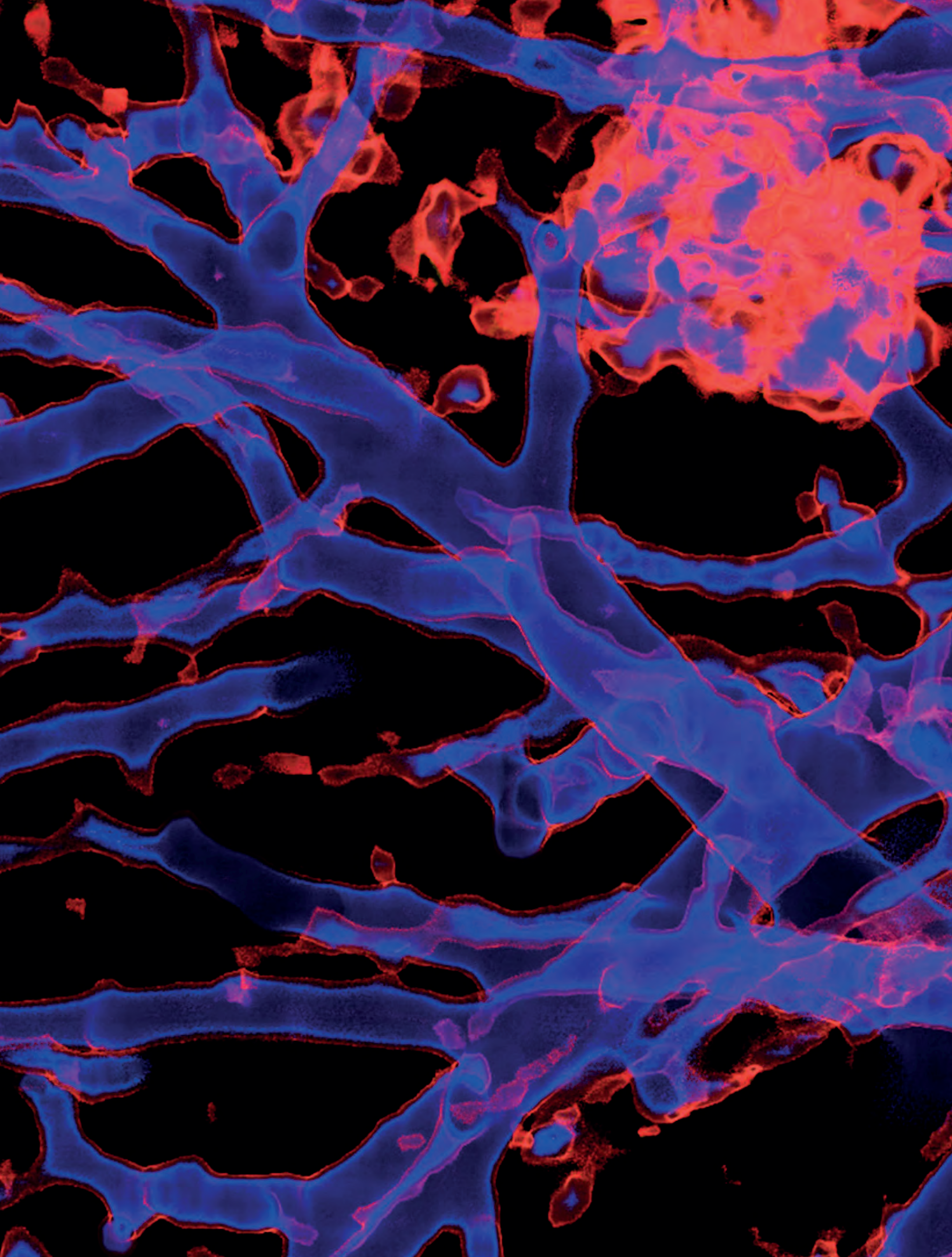


The Summit Group Limited 2020



Cover Image:
Lungs affected by Covid-19 Pneumonia, CT scan

Vsevolod Zviryk / Science Photo Library

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, life sciences and business services markets. Its activities include insurance, woundcare, 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 majority owned by its directors, two of whom work 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 thirty five 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 thirty 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 private equity businesses 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 scalable, preferably with revenues earned under long term arrangements. We generally only invest in businesses whose customers are also businesses and therefore, tend NOT to invest in businesses whose customers are consumers in sectors 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, contacts 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 Space-related investments seeking between £500,000 and £5 million, through Seraphim Space, the enterprise capital fund of which Summit is a managing partner.

What we are invested in

Sector	The Summit Group	Summit Alpha	Seraphim Space
Business Services	Voicenotes Freightsafe	iX Group Authenticate Information Systems	Spire Global Iceye Nightingale Security LeoLabs Altitude Angel D-Orbit Xona Space Systems
Communications	Aria Networks		ArQit QuadSAT
Environmental & Energy	Powerstax	Powerstax	
Financial	SQN Capital Management Summit Insurance Services		
Marketing Services	Tennyson		
Medical & Pharmaceutical	MedTrade Products		
Technology	Pyreos		Bamboo Systems TransRobotics UltraSoC
Software & Internet	BookingLive t-Plan	t-Plan	PlanetWatchers

Portfolio review
Directly held investments

Investment	Year	Percentage ownership	Business
BookingLive Software	2016	13.9%	Booking software

Based in Cardiff and Bristol, BookingLive develops and sells software enabling online booking of events, courses and locations. It has developed a "freemium" version (called "Connect") of its paid for product, which was launched during early 2019.

Clients include a number of NHS trusts, local authorities and universities and such corporate names as Microsoft, Universal Music Group and BMW.

Summit initially invested just over £300k (alongside an investment of £100k from a fund managed on behalf of Creative England) for a shareholding of 20%. During the course of the year to 31 May 2020, the company raised a further circa £1.25 million, at a pre-new money valuation of £3 million, reducing Summit's shareholding to 13.9%

Investment	Year	Percentage ownership	Business
Freightsafe	2018 - 2020	29.2%	Logistics

Freightsafe (formerly CityPort) has developed an innovative method of protecting goods being transported by lorry from theft by providing secure, monitored and alarmed bays in which to park lorries and, separately, just their trailers. These are located at ports, service stations and dedicated trailer parks. Working in conjunction with a Robert Bosch subsidiary (which provides the management software and monitoring services), it launched its first two sites in Germany and Sweden during the year which functioned well with high levels of utilisation. The company now has a high level of demand to provide its bays at further sites across Europe and is planning to raise additional funds to achieve this and to reach cash flow breakeven.

Summit invested £250,000 for a 25% shareholding in March 2018 and a further £125,000 alongside other investors during 2019 and 2020, increasing its shareholding to 29.2%.

Investment	Year	Percentage ownership	Business
MedTrade Products	2000	22.4%	Medical product fulfilment

MedTrade Products designs and produces specialised medical products, which utilise new materials and processes. It sources and procures the manufacture of product to meet orders placed by major medical and pharmaceutical retailers and distributors throughout the world. Summit invested £630,000 in four tranches for a 28% shareholding in the company. In May 2019, Summit sold just under one fifth of its overall shareholding for just over £5 million valuing the company at over £100m.

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 2020 MedTrade had sales and profits from its trauma and woundcare businesses of £31.3 million and £4.6 million respectively. As in previous years, research and development expenditure incurred during the year was all expensed. This totalled in excess of £1 million in the year.

The Celox product is now being used across the world by an ever-increasing number of military forces and first responder units, with great praise for its efficacy; and the move into hospital and surgical use is the next stage in the development of its sales strategy.

Portfolio review

Directly held investments continued

Investment	Year	Percentage ownership	Business
Summit 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 and "Protech Gadget", aimed at the ever-growing electronic gadget market. It has also developed a Gap product and has arranged the underwriting of an insurance product that relies on nano-technology to protect the screens of phones and IT equipment.

The company is regulated by the Financial Conduct Authority and the implementation of the Insurance Distribution Directive ("IDD") on 1st October 2018 has had an effect on its business and that of many others. SIS has built its own online training portal to meet the Continuing Professional Development requirement of IDD and this has proven to be very popular with its resellers.

In the year ending 31 March 2020, gross premium written was £3.89 million, an increase of just under 20% on the previous year.

Tennyson	1998	100%	Sales channel development

Tennyson is a sales-outsourcing company, working with major organisations to improve their sales and profits 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.

Its team blends consultancy with hands on sales and marketing - 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.

Tennyson has worked with its main client, Royal Mail, for 14 years and was the first ever outsourced sales agency to be engaged by them. This particular client relationship has remained a constant throughout the changes within Royal Mail and the wider postal market, from deregulation through to privatisation. Currently it is engaged across several of Royal Mail's business strands with a team of desk-based Media Specialists being the unique aspect of their service. This team is now accountable for generating new business revenues in excess of £20m.

Tennyson produced profits before tax of £214k on turnover of £1.62m.

Voicenotes	2007	26.5%	Sales support services

VoiceNotes provides three core services to its customers:

Meeting notes: an ability to use any phone to dictate meeting notes after virtual and face-to-face meetings and to receive a word-perfect transcript back by email, fast;

Transcriptions: a transcription of audio files (single-voice or multi-voice) of calls, interviews, meetings and all other business interactions requiring a documented record; and

Proof-reading: its specialist UK-based team can proof-read, copy-edit or completely re-draft your pre-written documentation, including brochures, websites, marketing material and press releases, to ensure grammatically perfect, coherent and engaging written copy.

Portfolio review
Directly held investments

Investment	Year	Percentage ownership	Business
Aria Networks	2017	2.9%	Artificial-intelligence software

Aria Networks is the developer of next-generation artificial intelligence software that is used to plan, build and optimise telecoms networks. Aria's proprietary technology is based on software that more closely models the adaptive nature of the human brain than any other technique currently available.

Aria's technology 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 fewer people while 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").

Pyreos	2016	7.4%	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. Pyreos was spun out from Siemens following 15 years and €10m of R&D.

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.

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 trade and employees to SQN Capital Management LLC (SQN) in January 2015, it exercised its right to acquire 25% of SQN at par value.

SQN is a US headquartered income (usually from leased or rented assets) fund manager, with c $200 million of funds under management or under advisory arrangements.

Portfolio review

Investments through Summit Alpha

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

Investment	Year	Percentage ownership	Business
iX Group	2001	16.8%	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 over 200 audits, a number 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 £2.87 million in the year to 31 July 2020 (up nearly 27% on the prior year) and produced profits (before audit and management profit share) of just under £1,136k.

Investment	Year	Percentage ownership	Business
Powerstax	2000	2.4% (2.3% by Summit)	Power conversion technology

Powerstax specialises in the design, manufacture and marketing of high efficiency and high-power density DC-DC converters, AC and DC Bulk Power units, and complete power solutions for the Communications, Industrial, Medical, Defence and Aerospace and Transportation markets.

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

Investment	Year	Percentage ownership	Business
Authenticate Information Systems	2001/2013/2019	28%	Food supply chain mapping platform

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

This business provides a collaborative data Platform which allows businesses in the food industry to track, analyse and understand their food supply network from end to end. Through the Platform, AIS provides a network for suppliers in the food industry to share valuable transparency, audit, Key Performance Indicators 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.

It works with five of the top UK supermarkets and many leading global hospitality groups, and has more than 20,000 food companies worldwide registered on its database, including more than 75% of the UK's food manufacturers.

Portfolio review
Investments through Summit Alpha

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

T-PLAN
YOUR VIRTUAL WORKFORCE

t-Plan supplies software for test process management, which provides a consistent and structured approach to testing for IT & business unit managers. The t-Plan suite of software enables auditable management control over software implementation projects to avoid costly errors and delay.

It derives its revenues from overseas distributors and training and the company is expanding the range of its services activities connected with testing. In 2009 t-Plan purchased a testing software business, VNC Robot. Robot is a highly adaptable, easy to use image-based black box testing tool that creates automated tests and exercises applications in the same way as an end user. Robot runs on and automates all major systems such as Windows, Linux and UNIX including mobile platforms and can therefore be used to test any software from mobile phones to secure military software since it does not require access to the original software but only tests the output. As Artificial Intelligence (or "AI") applications become more prevalent, t-Plan is increasingly seeing a demand for the Robot product to assist in the development of such products as testing of the efficacy becomes ever more necessary.

In the year to 31 March 2020 t-Plan had profits before tax of £370k.

Portfolio review
Investments through Seraphim Space

Summit is an investor in Seraphim Space LP, a £67 million Enterprise Capital Fund (ECF) which is the world's first venture capital investor focused on businesses which operate in the Space ecosystem. The fund is focused on the fusion of terrestrial technology and space applications. It is backed by smart capital from leading space companies and also supported by the UK Space Agency and the European Space Agency.

The fund invests in both downstream (software), and upstream (hardware) 'New Space' opportunities, along with technologies which rely on satellite data such as drones and the Internet of Things, or which have potential space applications such as artificial intelligence, robotics and nanomaterials.

Summit is a managing partner and Summit's managing director, Kit Hunter Gordon, chairs the board.

Investment	Year	Percentage ownership	Business
Spire Global	2017	1%	Aircraft & marine tracking and weather data

Spire is one of the world's leading 'New Space' companies, operating the world's largest constellation of 'listening' nanosatellites that collect radio frequency (RF) data to deliver deep insights into the 75% of the world which comprise oceans and uninhabited areas where collecting data is notoriously difficult.

Leveraging its software-defined radio technology, Spire is unique among current nanosat constellations in being able to use the same payloads on its satellite constellation to collect wholly different datasets simultaneously, enabling it to fuse different datasets to deliver high value proprietary analytical insights, while at the same time seeking to monetise its constellation in multiple different markets and applications. Spire's initial applications include maritime, aviation and meteorology.

The $6bn satellite weather market represents the next major growth opportunity in the commercialisation of the space sector, standing at a tipping point analogous to that of both the launcher and earth observation (imagery) markets before it. As with these markets, a limited number of private companies are ultimately likely to dominate.

By virtue of having proprietary weather data offering much higher vertical resolution with greater observational frequency, Spire has unique access to what holds the potential to become the single biggest driver of accuracy in weather forecasts globally.

Investment	Year	Percentage ownership	Business
Iceye	2017/2018	4.4%	Radar Satelite

Iceye has developed the world's smallest miniaturised Synthetic Aperture Radar (SAR) satellite that costs less than 1/100th of a traditional SAR satellite. SAR can 'see' the earth, both at night and through clouds.

Iceye is developing a constellation of low-cost SAR satellites with the ability to image anywhere in the world every 2-6 hours, providing it the capability to take several images a day of any location. Allied to advancements in machine-learning led image analysis, this holds the potential to enable SAR-based change detection at a global scale for the first time.

Iceye is looking to use a low-cost constellation of nanosats to disrupt the government-dominated incumbents on the basis of price and high temporal resolution with a vertically integrated model. Iceye's founders have built a highly capable technical team supported by world class industry veteran advisors in both the technical and commercial aspects of SAR market.

Portfolio review
Investments through Seraphim Space

Investment	Year	Percentage ownership	Business
Nightingale	2017/2018	13.6%	Site Security using drones

Nightingale has developed an autonomous aerial security drone to enhance physical security at large, sensitive facilities. The installed drone integrates with the customer's security system and, when a sensor is triggered, the drone autonomously deploys from its hangar and flies to the alert location, all the while streaming video to the security team's existing CCTV management system.

Nightingale is initially aiming to enhance existing security teams through more persistent surveillance and greater deterrent. Nightingale introduces cost savings, while boosting security capability, and eventually plans to replace guard roles with its quasi-autonomous drones.

Investment	Year	Percentage ownership	Business
Altitude Angel	2017	21.5 %	Air traffic control for drones

Altitude Angel has developed an extensible software platform that provides air traffic control services to drones. The company sells front-end applications delivering specific information to various customer groups including operators, regulators, insurers, drone manufacturers, etc in a form that is easy to consume and visualise. Current air traffic control systems cannot scale to meet the requirements of today's drone ecosystem or that of the anticipated future where millions of drones autonomously navigate airspace and intersect with manned air traffic. Altitude Angel has created such a system and their vision is to become the central data exchange for individual drone fleet management and air traffic control systems worldwide.

Altitude Angel has created a system that incorporates raw, real-time aeronautical information from national air traffic controllers and the EU air traffic data exchange, to create the worlds' most comprehensive map of real-time, dynamic airspace and ground hazard data in over 160 countries. The company has also made the decision to develop the open source data standard for drone information, which has subsequently been adopted by the industry, and positioned itself as one of only four companies advising the EU on drone legislation.

Investment	Year	Percentage ownership	Business
TransRobotics	2017	21.6%	Software-defined radar

TransRobotics has developed a software-defined digital radar that is several orders of magnitude smaller, lighter, and more powerful than competitors. Its solution has wide applicability in the areas of drones, automotive, consumer electronics, and Augmented Reality/ Virtual Reality.

To operate effectively, autonomous robots, cars and drones all need to construct a three-dimensional view of their surroundings. TransRobotics uses commodity wifi hardware, often already a part of the device in question, to offer radar functionality with almost no incremental hardware requirements. The company's vision is for these digital radars to become a ubiquitous component of virtually all machines / electronic devices.

Portfolio review

Investments through Seraphim Space continued

Investment	Year	Percentage ownership	Business
ArQit	2018	5.4%	Data security/encryption

ArQit is developing a satellite-based cyber-security solution to mitigate the potential for quantum computers to render obsolete the Public Private Key encryption technology that underpins most communications.

ArQit is fixing the key problem by using Quantum Key Distribution. This uses the quantum properties of photons to create unique keys that can be shared between two parties in laser transmissions from a satellite. This is "provably secure", or unhackable, and will greatly enhance the security of existing symmetrical algorithms to guarantee secure communications. It will also boost the strength of some Post Quantum Algorithms for a variety of applications.

Investment	Year	Percentage ownership	Business
Bamboo Systems	2018/2019	33.3%	Data storage/processing

Bamboo has developed a new type of server taking advantage of the energy-efficient ARM processors developed for smart phones to create a smaller, cheaper, and more energy efficient design that is 1/3rd of the cost, uses 1/5th of the power and 1/10th of the space vs comparable Intel servers. Servers are found in everything from telecoms towers, industrial robots, to large data centres that are the backbone of the internet. Bamboo is looking to enter the market in niche applications where their advantages of size, price and energy efficiency allow them to dominate.

Unlike previous attempts to disrupt this market, Bamboo has fundamentally re-architected the server, enabling it to use commercial-off-the-shelf ARM designed smartphone processors to deliver order of magnitude improvements in cost, bandwidth, performance and power consumption, that underpin the whole server/cloud computing market.

Investment	Year	Percentage ownership	Business
Leolabs	2018/2019	4.9%	Low Earth orbit object mapping

LeoLabs is the leading commercial provider of low Earth orbit (LEO) mapping and Space Situational Awareness (SSA) services. LeoLabs is rolling-out a network of higher frequency, 10x lower cost (versus incumbents) and patented phased-array radars to offer commercial data services for commercial satellite operators and other key players such as regulators, Space Agencies and insurers. When fully built out, LeoLabs' radar network of phased array radars will deliver rapid revisit, accurate and precision forecasts of small orbital debris (estimated to be c.250,000 objects).

Portfolio review
Investments through Seraphim Space

Investment	Year	Percentage ownership	Business
QuadSAT	2018	8.9%	Antennae calibration

QuadSAT is a Danish Company with a UK Limited Company at Harwell. QuadSAT has the potential to radically change the Satellite Communication industry with a unique drone platform. It has developed a drone-based tool and technique for testing and calibration of satellite and VSAT antennas, which connect with satellites. This technology solves critical industry issues in a rapidly growing market where quality is critical, and interference can be significant.

Its initial focus is on the high-value Maritime and Aeronautical mobile sat comms markets. The drone mimics an orbiting satellite, while simulating vehicle (ships/planes) motion. The technology reduces vessel and aircraft downtime for testing procedures, significantly reducing operational expenses as well as allowing more uptime on networks.

D-Orbit	2019	10%	Satellite launch services

D-Orbit is a New Space company with solutions covering the entire lifecycle of a space mission, including mission analysis and design, engineering, manufacturing, integration, testing, launch, and end-of-life decommissioning.

Its competitive advantage is the versatility of its launch and deployment services that can be tailored to the customer's needs, from the launch procurement of a single spacecraft using standard deployment strategies to the precise deployment of a full constellation with its ION CubeSat Carrier, a free-flying dispenser which it developed and operates.

The ION CubeSat Carrier can host any combination of CubeSats and release them individually into distinct orbital slots, enabling deployment schemes previously to spacecraft with no independent propulsion.

Planet Watchers	2019	33.2%	Satellite data analysis

PlanetWatchers is a geospatial data analytics company specialising in Synthetic Aperture Radar (SAR) data, combined with optical satellite imagery, for large scale and all-weather natural resources monitoring. Combining multi source satellite imagery with proprietary algorithms to detect patterns, PlanetWatchers delivers a software solution to optimise the management of assets at regional and global scale. PlanetWatchers' cloud platform provides operational teams with timely updates on the condition of their assets. These analytics allow businesses to improve operational efficiency and maximise productivity.

Portfolio review

Investments through Seraphim Space continued

Investment	Year	Percentage ownership	Business
Xona Space	2020	5%	Satellite data/earth observation

Xona Space has the potential to be the pioneering enabler for the adoption of connected and autonomous technologies. GPS (Global Positioning System) is the ubiquitous technology the world uses where PNT (Position, Navigation, Timing) is needed. From electrical power grids, communications infrastructure and mobile devices to all modes of transportation, precision agriculture, weather forecasting, emergency response and defence, GPS is a critical infrastructure. Current GPS systems cannot provide the accuracy, security and availability of service required to keep pace with new technologies such as connected and autonomous technologies. Xona Space has established a world class team to address this problem and opportunity by building the first high precision GPS small satellite constellation in low earth orbit.

UltraSoc	2019	5.2%	Silicon IP and Software

UltraSoc is a Cambridge based silicon IP company selling what are essentially listening posts on systems-on-chips (SoCs), as well as the software that interprets and analyses the data. UltraSoc products put intelligent self-analytic capabilities in the SoCs at the heart of today's consumer electronic, computing and communications products. The embedded analytics technology helps solve the most pressing problems faced by the high-tech industries today- including cybersecurity, functional safety and the management of complexity. UltraSoc's solutions also allow designers to develop SoCs more quickly and cost effectively.

The company was sold to a subsidiary of Siemens in July 2020 showing an IRR on the fund's investment of 76%.

Investments through Seraphim Capital

Seraphim Capital is now in the process of liquidating its remaining holdings with the underlying holdings being distributed to investors in due course.

Financial statements

Strategic report

Principal activities

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

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%; and obligations the Company has to support Group companies in order for them to continue as going concerns.

Results and business review

In the business review for 2018/19 I touched upon the Group's approach to strategic issues affecting it. One of those factors was cash (both in terms of the relevant investments' ability to generate it and their needs for more). As this is written in the middle of the Covid-19 pandemic – albeit that the economy is now showing signs of having some life breathed into it – it is difficult to think of a time when cash has been more important, something addressed in greater detail later on in this review.

All businesses have been and will be affected by the pandemic and the Group and its portfolio are no different in that respect: whether it is a change to ways of working or a loss of revenue every business will have felt its effect in some way. Our businesses have a wide spread of activities; and, as in years gone by, it is almost inevitable that there will be companies which have weathered the lock-down and its consequences reasonably well and those who have not been as fortunate. As a starting point, it has helped the Group in having investment criteria which do not extend to backing retail, leisure and other consumer-facing businesses.

As a result mainly of the sale of part of the Company's shareholding in Medtrade Products Ltd ("Medtrade") in May 2019 (see further below), the Group was able to increase its cash deposits to in excess of £10 million during the year, even after the payment of a significant dividend by its parent company to its shareholders. That, and the availability of cash resources in most of the larger of our investments, has meant that the Group is as well-positioned as it could be for whatever follows. It is perhaps trite to say that what is important is to be around for the eventual upturn and that results until that happens are of secondary consideration. It is unlikely that what was a good business before the pandemic hit will become a bad one when it is over. In that respect it is important to give credit to all those who work for the businesses in which the Group is invested: they have worked hard to ensure that – as far as possible – it is business as normal; and where that has not been possible have taken some tough decisions as fairly as they can.

Last year the report mentioned the potential withdrawal of the United Kingdom from the European Union. In some respects, the position is a little clearer with the withdrawal agreement having been signed and the United Kingdom now having a government with the will and the majority to deliver a departure come what may. What is less clear is the extent to which the United Kingdom is in a position to depart without a trade deal – given the damage done to the economy as a result of the pandemic – and the politicians' willingness to proceed down that path. In the meantime, all our businesses carry on as before, doing business where and how they best can.

With that introduction, it is pleasing to be able to report that the Group produced a consolidated profit before tax of £0.5 million. (If this seems a little odd in the light of what follows, it is because of a change in the way gains on assets previously revalued are recognised in the profit and loss account. So, for example, the profit made on the sale of the Company's shareholding in Medtrade has netted off against it in the profit and loss account the amount by which that shareholding had been revalued in prior years, which seems to be lacking in prudence and counter-intuitive and, as a result, ever more divorced from commercial reality). Shareholders' funds decreased

Strategic report

Results and business review continued

from £33.3 million to £30.6 million: partly as a result of a £3 million dividend paid by the Company to its parent company, Brighthand Ltd; and partly due to the revaluation downwards of certain assets and investments on which more detail is given below. Available cash (including shorter-term bank deposits) increased to £10.6 million, mainly as a result of asset sales during the year.

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

• In June 2020, SQN Capital Management (UK) Ltd ("SQN UK") lost the contract to manage the assets of SQN Asset Finance Income Fund Ltd ("SQN AFIF"). This was for reasons entirely unrelated to the pandemic. Although the new manager has agreed to make payments to SQN UK and its parent entity, SQN Capital Management LLC ("SQN US"), over a period of time, to reflect the notice to which they would otherwise have been entitled to receive from SQN AFIF, the decision by the board of SQN AFIF has two detrimental consequences for the Group.

• First, there will be no further payments from SQN AFIF to SQN UK, which would in turn give rise to deferred consideration due from SQN UK to Summit Asset Management Ltd ("SAM") in relation to the sale of part of SAM's trade to SQN UK in January 2015. As a result, SAM has written off all future amounts the directors had previously estimated as being due, apart from circa £100k received in May 2020. Secondly, SQN US and SQN UK now have significantly reduced assets under management (just under $200 million) so SAM has re-valued downwards its 25% interest in SQN US from £1.66 million to £400k.

• In March 2020, SAM sold its interest (just over 29% at the time of sale) in Medical Equipment Solutions Ltd ("MESL"). Of the £1.4 million consideration paid to SAM, some £730k was used to acquire a loan to MESL made by one of the funds that SQN UK managed. That loan is secured and bears interest at 10% and its acquisition was considered a good use of the Group's surplus funds.

• The results for Summit Insurance Services Ltd ("SIS") again improved. Premiums collected increased by just under 20% to £3.89 million, with the associated commissions to SIS increasing from £750k to £910k; that increase enabled it to report a profit before tax of £181k. During the year, SIS changed underwriters and has recently agreed terms with a second underwriter who will provide competitive rates for areas of SIS's business. Whilst new business levels were low in April and May 2020, SIS has the reserves to ensure that it will be able to take advantage of the new underwriter's rates when sales of IT equipment increase.

• Turnover within Tennyson Ltd ("Tennyson") increased from the £1.53 million of 2018/19 to £1.62 million, with profits before tax from these activities increasing to £214k. This was partly as a result of it achieving all 10 (rather than the 9 in 2018/19) of its milestones under the contract with its major customer and partly as a result of work for a new customer being secured during the year. After the year-end the major customer asked Tennyson to reduce the number of staff working for it for a 3 month period scheduled to end on 31 July, as a result of the pandemic. Like SIS, Tennyson has the reserves to enable it to cope with the reduction in income, although it has furloughed (at its own cost) the staff affected by the customer's decision.

• In March 2020, Tennyson received in full (£240k) the second (and final) element of deferred consideration due on the sale of its shareholding in Tennyson Insurance Ltd.

• As mentioned above, the Company sold just under 20% of its shareholding in Medtrade for a consideration of just over £5 million (and a profit of £4.733 million) in May 2019, as part of a sale of about 25% of the share capital of Medtrade to a third party fund. In the year to 29 February 2020, Medtrade's turnover was slightly down (at £31.3 million) on that for 2018/19 (at £31.9 million) and its profits (excluding exceptional items connected with the share sale) before tax were £4.6 million; these were adversely affected by exchange rate hedging contracts unwinding at less favourable rates.

Strategic report

Results and business review continued

• It was within the portfolio of investments owned by Summit Alpha Ltd (in which the Company has an effective 47% shareholding) that there were real signs of resilience to the pandemic: iX Group's profits improved significantly and is on course to make profits (before tax and management profit share) of over £1 million in the year to 31 July 2020, as its audit reports are increasingly in demand; t-Plan Ltd continued to be profitable (profits before tax of over £370k); and both those companies and Authenticate Information Systems Ltd ended the year with significant cash reserves.

• The Company continued to provide additional finance to two companies in the Seraphim Capital LP ("Seraphim") portfolio: it invested a total of £75k in convertible loan notes issued by Aria Networks Ltd; and £175k in Pyreos Ltd. The shareholding in Aria Networks Ltd has been provided against in full and a 50% provision made against the carrying value of the convertible loan notes.

• Of the Company's other investments: Freightsafe Ltd (formerly Cityport Ltd) raised a total of £250k equally from the Company and external investors in order to enable it to establish its first permanent paying site in Germany and a trial in Sweden; Voicenotes Ltd continued in profitability (profits of just under £100k before directors' fees); and Booking Live Ltd both increased turnover and raised additional finance of £1.25 million at a valuation well above that at which the Company made its investment.

• The Company continued to provide funds to Seraphim Space LP, which at the year-end had invested a total of £25.0 million in 13 companies all with space or space-related technologies.

By order of the board

SJK Barratt
Secretary

10 July 2020

Director' report for The Summit Group Limited

The directors present the directors' report and the audited consolidated financial statements for the year ended 31 March 2020.

Results and dividends

The results of the Group can be summarised as follows:

	2020	2019
	£000	£000
Profit before tax (all continuing operations)	**526**	7,131
Profit attributable to ordinary shareholders after dividends	**666**	6,634

The Company paid its ordinary shareholder dividends totalling £3,000,000 in the year (2019: £nil).

Directors and directors' interests

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

Mr CN Hunter Gordon
Mr SJK Barratt
Mr BL Sack

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

Disclosure of information to auditor

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

Auditor

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

By order of the board

SJK Barratt
Secretary

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

10 July 2020

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

• select suitable accounting policies and then apply them consistently;

• make judgments and estimates that are reasonable and prudent;

• state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

• use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of The Summit Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated profit and loss account, the consolidated balance sheet, the parent company balance sheet, the consolidated statement of changes in equity, the parent company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the state of the group and of the parent company's affairs as at 31 March 2020 and its profit for the period then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA (UK) require us to report to you where:

• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

• the financial statements are not in agreement with the accounting records and returns; or

• certain disclosures of directors' remuneration specified by law are not made; or

• we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Michael Di Leto (Senior Statutory Auditor)
for and behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London EC4V 4BE

10 July 2020

Consolidated profit and loss account
for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Turnover: Group and share of joint ventures	*1-2*	**2,801**	4,405
Less: share of joint ventures' turnover		**-**	-
Group turnover – continuing operations		**2,801**	4,405
Cost of sales		**(1,083)**	(1,871)
		1,718	2,534
Gross earnings under finance agreements		**1**	1
Gross profit		**1,719**	2,535
Operating costs	*4-7*	**(2,021)**	(2,726)
Group operating loss		**(302)**	(191)
Income from associated companies		**22**	32
(Loss)/profit on the sale of part of a trade	*4*	**(1,539)**	1,000
Profit on disposal of subsidiaries	*4*	**240**	1,423
Profit on disposal of associated companies	*4*	**2,226**	-
Profit/(loss) on disposal of other investments	*4*	**1,119**	(47)
(Loss)/profit on financial assets at fair value through profit or loss	*12*	**(1,523)**	4,936
Operating profit – continuing operations	*3*	**243**	7,153
Income from other fixed asset investments		**300**	352
Interest receivable	*8*	**78**	45
Interest payable	*8*	**(95)**	(419)
Profit before taxation		**526**	7,131
Taxation:			
Group	*9*	**-**	-
Profit after taxation		**526**	7,131
Non-controlling interests		**140**	(497)
Profit for the financial year		**666**	6,634

All the above items relate to continuing operations.
The notes on pages 29 – 46 form part of these financial statements

Consolidated balance sheet
at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Goodwill	10		**-**		-
Tangible fixed assets	11		**105**		115
Investments	12		**19,706**		23,597
			19,811		23,712
Current assets					
Debtors	13	**1,447**		2,789	
Investments	14	**-**		15	
Liquid resources		**5,650**		5,610	
Cash at bank and in hand		**4,952**		1,054	
		12,049		9,468	
Creditors: amounts falling due within one year	15	**(1,589)**		(873)	
Total net current assets			**10,460**		8,595
Total assets less current liabilities			**30,271**		32,307
Debtors: amounts falling due after more than one year	16		**412**		1,000
Creditors: amounts falling due after more than one year	17		**(12)**		(19)
Provisions for liabilities and charges	23		**(31)**		(32)
Net assets			**30,640**		33,256
Capital and reserves					
Share capital	18		**7,343**		7,343
Capital redemption reserve	19		**1,049**		1,049
Revaluation reserve	19		**16,026**		20,331
Other reserve	19		**167**		167
Profit and loss account	19		**5,302**		3,331
			29,887		32,221
Non-controlling interests			**753**		1,035
Shareholders' funds			**30,640**		33,256

These consolidated financial statements were approved by the board of directors on 10 July 2020 and were signed on its behalf by:

SJK Barratt
Director
Company registration number: 02231277

The notes on pages 29 – 46 form part of these financial statements

Comapany balance sheet
at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible fixed assets	*11*		**2**		1
Investments	*12*		**18,107**		21,744
			18,109		21,745
Current assets					
Debtors	*13*	**3,506**		4,290	
Liquid resources		**5,650**		5,610	
Cash at bank and in hand		**4,798**		973	
		13,954		10,873	
Creditors: amounts falling due within one year	*15*	**(4,251)**		(2,665)	
Net current assets			**9,703**		8,208
Provisions for liabilities and charges	*23*		**(31)**		(32)
Net assets			**27,781**		29,921
Capital and reserves					
Share capital	*18*		**7,343**		7,343
Capital redemption reserve	*19*		**1,049**		1,049
Revaluation reserve	*19*		**14,831**		18,386
Other reserve	*19*		**167**		167
Profit and loss account	*19*		**4,391**		2,976
Shareholders' funds			**27,781**		29,921

These consolidated financial statements were approved by the board of directors on 10 July 2020 and were signed on its behalf by:

The profit of the Company for the financial year, after taxation, was £860,354 (2019: £5,419,301).

SJK Barratt
Director
Company registration number: 02231277

The notes on pages 29 – 46 form part of these financial statements

Consolidated statement of changes in equity
for the years ended 31 March 2019 and 2020

Group	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	7,343	1,049	15,395	1,633	167	680	26,267
Profit for the financial year	-	-	-	6,634	-	497	7,131
Reserve transfer	-	-	4,936	(4,936)	-	-	-
Equity dividends	-	-	-	-	-	(142)	(142)
Balance at 31 March 2019	**7,343**	**1,049**	**20,331**	**3,331**	**167**	**1,035**	**33,256**

Group	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	7,343	1,049	20,331	3,331	167	1,035	33,256
Profit for the financial year	-	-	-	666	-	(140)	526
Reserve transfer	-	-	(4,589)	4,589	-	-	-
Equity dividends	-	-	-	(3,000)	-	(142)	(3,142)
Reserve transfer: monority interests	-	-	284	(284)	-	-	-
Balance at 31 March 2020	**7,343**	**1,049**	**16,026**	**5,302**	**167**	**753**	**30,640**

The notes on pages 29 – 46 form part of these financial statements

Company statement of changes in equity
for the years ended 31 March 2019 and 2020

Company	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	7,343	1,049	13,346	2,597	167	24,502
Profit for the financial year	-	-	-	5,419	-	5,419
Reserve transfer	-	-	5,040	(5,040)	-	-
Balance at 31 March 2019	**7,343**	**1,049**	**18,386**	**2,976**	**167**	**29,921**

Company	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Other reserve	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	7,343	1,049	18,386	2,976	167	29,921
Profit for the financial year	-	-	-	860	-	860
Reserve transfer	-	-	(3,555)	3,555	-	-
Equity dividends	-	-	-	(3,000)	-	(3,000)
Balance at 31 March 2020	**7,343**	**1,049**	**14,831**	**4,391**	**167**	**27,781**

The notes on pages 29 – 46 form part of these financial statements

Consolidated statement of cash flows

for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Profit for the financial year		**526**	7,131
Adjustments for:			
Depreciation of tangible assets	*11*	**46**	316
Amortisation of goodwill	*10*	**30**	63
Interest receivable	*8*	**(78)**	(45)
Interest payable	*8*	**95**	419
Loss/(profit) on the sale of part of a trade	*4*	**1,539**	(1,000)
Profit on disposal of subsidiaries	*4*	**(240)**	(1,423)
Profit on disposal of associated companies	*4*	**(2,226)**	-
(Profit)/loss on sale of other investments	*4*	**(1,119)**	47
Loss/(profit) on financial assets at fair value through profit or loss	*12*	**1,523**	(4,936)
Income from investments in associated companies		**(22)**	(32)
Income from fixed asset investments		**(300)**	(352)
Amounts written back to investments		**-**	(33)
Changes in:			
Other investments		**15**	(14)
Trade and other debtors		**391**	751
Trade and other creditors		**714**	374
Cash generated from operations		**894**	1,266
Interest paid		**(3)**	(361)
Interest received		**78**	45
Net cash from operating activities		**969**	950
Cash flows from investing activities			
Purchase of tangible fixed assets	*11*	**(36)**	(95)
Proceeds from the sale of fixed asset investments		**4,813**	134
Dividends received from fixed asset investments		**300**	352
Purchase of other fixed asset investments	*12*	**(591)**	(479)
Proceeds from sale of associated companies		**1,420**	-
Cash on disposal of subsidiary company		**-**	(690)
Deferred consideration on purchase of shares in subsidiary	*10*	**(30)**	-
Deferred consideration on sale of shares in subsidiary	*10*	**240**	-
Net cash from investing activities		**6,116**	(778)
Cash flows from financing activities			
Dividends paid		**(3,142)**	(142)
Net outflow from other short-term creditors (debt due within one year)		**-**	(114)
Capital element of finance leases		**(5)**	(265)
Net cash from financing activities		**(3,147)**	(521)
Net increase/(decrease) in cash and cash equivalents		**3,938**	(349)
Cash and cash equivalents at the beginning of the year		**6,664**	7,013
Cash and cash equivalents at the end of the year		**10,602**	6,664

The notes on pages 29 – 46 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2020

1 Accounting policies

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

General information
The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Cloisters House, Cloisters Business Centre, 8 Battersea Park Road , London, SW8 4BG.

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

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

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

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

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 31 March 2020. The financial statements include the results of all subsidiaries, joint venture and associated companies throughout the year, or from the date of acquisition or to the date of disposal or deemed disposal as appropriate.

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

Judgments and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors consider the valuation of certain of the Group's investments and the amount of deferred consideration due from SQN UK to be key judgments. Further details regarding these judgments can be found in notes 4, 12 and 13 of the accounts.

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

Goodwill on consolidation
Purchased goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life ranging between 3 and 10 years.

Goodwill on acquisitions
Purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of each financial year and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. Purchased goodwill arising on acquisition is amortised to nil by equal annual instalments over its estimated useful life, being over 3-6 years.

Notes to the financial statements

for the year ended 31 March 2020

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 - 10 years straight line or over lease term

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

Fixed asset investments

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

Shares in group companies

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

Joint ventures 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 "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, but not control. 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.

Operating leases

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

Notes to the financial statements
for the year ended 31 March 2020

1 Accounting policies (continued)

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

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

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

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

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

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

Foreign currencies
The accounts of overseas undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the re-translation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Related party transactions
The Company has taken advantage of the exemption in FRS 102.33.1A and, other than as set out in note 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.

Financial instruments

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

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

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

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

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

	2020 Group turnover £000	2020 (Loss)/profit before taxation £000	2020 Net assets/ (liabilities) £000	2019 Group turnover £000	2019 Profit/(loss) before taxation £000	2019 Net assets/ (liabilities) £000
By activity						
Equipment leasing and sales	**87**	**(2,869)**	**2,816**	28	948	4,787
Medical services	**-**	**2,248**	**-**	1,938	1,621	(735)
Advisory and other services	**2,513**	**625**	**96**	2,313	240	(448)
Property investment and trading	**-**	**(2)**	**(1,205)**	-	(3)	(1,203)
Head office	**183**	**541**	**28,933**	126	4,699	30,855
	2,801	**543**	**30,640**	4,405	7,505	33,256
Net interest payable		**(17)**			(374)	
Profit before taxation		**526**			7,131	

Geographical analysis
A geographical analysis of turnover is given below:

	2020 £000	2019 £000
UK	**2,801**	4,405

Notes to the financial statements continued

3 Analysis of continuing and discontinued operations

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

4 Profit before taxation

	2020 **£000**	2019 £000
Profit before taxation is stated after charging/(crediting)		
Auditor's remuneration		
audit fee for the Company's financial statements	**12**	12
audit fee for the Group's (including the Company's) financial statements	**39**	46
Depreciation of tangible fixed assets:		
owned	**39**	37
held under finance leases	**7**	279
Amortisation of goodwill	**30**	63
Rentals payable under operating leases:		
Property leases	**95**	209
Loss/(profit) on the sale of part of a trade	**1,539**	(1,000)
Profit on disposal of subsidiaries	**(240)**	(1,423)
Profit on disposal of associated companies	**(2,226)**	-
(Profit)/loss on disposal of other investments	**(1,119)**	47

Loss/(profit) on the sale of part of a trade is the estimate made by the directors of SAM of amounts due to it 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, the consideration for which included a deferred variable element based upon certain future performance criteria. As of 6 June 2020, SQN UK ceased to have the right to manage the assets (and to receive fees for so doing) which gave rise to amounts taken into consideration in calculating the deferred consideration due to SAM. Accordingly, apart from amounts paid in May 2020 totalling £97,979, the directors have assumed that no further deferred consideration will be received from SQN UK.

Profit on the disposal of subsidiaries in the year reflects the receipt of further, and final, deferred sale proceeds relating to the sale of Tennyson's 40.02% shareholding in Tennyson Insurance Ltd on 30 June 2015.

Profit on the disposal of associated companies in the year reflects the sale on 10 March 2020 of SAM's investment (a 29.21% shareholding at completion) in MESL. The sale proceeds were £1,420,519 and the net liabilities at the date of disposal were £805,246.

Profit on the disposal of other investments includes the company's disposal in the year of part of its investment in Medtrade Products Ltd. The net sale proceeds were £4,800,396 and the original cost of the investment was £67,043, with a fair value realised gain on disposal of £3,627,401.

Notes to the financial statements continued

5 Remuneration of directors

Directors' emoluments during the year amounted to £398,873 (2019: £377,160) and arose as follows:

	2020 £000	2019 £000
Emoluments of executive directors:		
Remuneration	**355**	357
Bonuses (discretionary)	**44**	20
	399	377

No contributions were made on behalf of directors (2019: £nil) to the stakeholder pension plan of the Company.
The total emoluments of the highest paid director are analysed as follows:

	Highest paid director 2020 £000	2019 £000
Emoluments (including discretionary bonuses)	**215**	202

6 Staff numbers and costs

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

	2020 £000	2019 £000
Management staff	**4**	5
Office staff	**49**	56
	53	61

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

	2020 £000	2019 £000
Salaries	**1,964**	2,283
Management discretionary bonuses	**89**	62
Social security costs	**215**	212
Other pension costs	**64**	60
	2,332	2,617

Notes to the financial statements continued

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 £63,800 (2019: £60,200).

8 Interest

	2020 £000	2019 £000
Bank interest receivable	**60**	44
Other interest receivable	**18**	1
Interest receivable	**78**	45
Interest payable on finance leases	**(3)**	(87)
Interest payable on other loans	**-**	(277)
Interest payable by associates	**(92)**	(55)
Interest payable	**(95)**	(419)

9 Taxation

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax. The UK corporation tax rate of 19% (2019: 19%) is the standard rate for the Group. The factors affecting the current tax charge of the Group are as follows:

	2020 £000	2019 £000
Profit on ordinary activities before taxation	**526**	7,131
Expected tax charge	**100**	1,355
Non-taxable income	**(565)**	(1,296)
Expenses not deductible for tax purposes	**1,052**	20
Timing differences on fixed assets	**7**	58
Utilisation of tax losses brought forward	**(619)**	(249)
Losses not relieved	**25**	112
Total tax recorded in the accounts	**-**	-

The Group has a deferred tax asset of £10,891,000 (2019: £11,489,000), which consists of unutilised tax losses of £10,734,000 (2019: £11,340,000) and timing differences on depreciation of £157,000 (2019: £149,000), which would be recoverable against future taxable profits of the Group. This asset has been provided for in full. The directors are unaware of any other factors which may affect the future tax charge of the Group.

The movement in the year represents the current year losses not relieved, utilisation of tax losses brought forward, and timing differences on fixed assets all shown above, permanent timing differences on depreciation of £1,244 and adjustments for prior year losses of £(12,444).

Notes to the financial statements continued

10 Goodwill

Group

	Positive goodwill £000
Cost	
At beginning of year	628
Additions	30
At end of year	658
Amortisation	
At beginning of year	628
Charge for year	30
At end of year	658
Net book value	
At 31 March 2020	-
At 31 March 2019	-

The positive goodwill arising in the year relates to a further, and final, deferred payent of £30,519 relating to the acquisition by the Company of the minority shareholdings in Tennyson from two employees of Tennyson Insurance Ltd at the time of the sale of Tennyson Insurance Ltd. The period of the original amortisation has since passed so the additional goodwill in the year has been written off in full in the year.

11 Tangible fixed assets

Group

	Fixtures and fittings £000	Plant and equipment £000	Total £000
Cost			
At beginning of year	22	426	448
Additions	2	34	36
Disposals	-	(48)	(48)
At end of year	24	412	436
Depreciation			
At beginning of year	20	313	333
Charge for year	2	44	46
Disposals	-	(48)	(48)
At end of year	22	309	331
Net book value			
At 31 March 2020	**2**	**103**	**105**
At 31 March 2019	2	113	115

The net book value of assets held under finance leases included in plant and machinery above is £10,000 (2019: £16,500).

Notes to the financial statements (continued)

11 Tangible fixed assets (continued)

Company

	Fixtures and fixings £000	Plant and equipment £000	Total £000
Cost			
At beginning of year	25	41	66
Additions	2	-	2
At end of year	27	41	68
Depreciation			
At beginning of year	24	41	65
Charge for year	1	-	1
At end of year	25	41	66
Net book value			
At 31 March 2020	2	-	2
At 31 March 2019	1	-	1

12 Fixed asset investments

Group		2020 £000	2019 £000
Joint ventures	(a)	**-**	-
Associated companies	(b)	**-**	(735)
Other investments	(c)	**19,706**	24,332
		19,706	23,597

(a) Joint venture companies	2020 £000	2019 £000
Share of gross assets	**1**	1
Share of gross liabilities	**(1)**	(1)
	-	-

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

(b) Associated companies

From 1 October 2018 (following the conversion of each preference share held by SAM in MESL into one ordinary share) SAM's percentage ordinary shareholding in MESL reduced from 78% to 33.33%. As a result, the sub-group headed by MESL was accounted for as associated companies rather than subsidiary companies from that date. On 10 March 2020 the investment (a 29.21% shareholding at completion) was sold.

Notes to the financial statements continued

(c) Other investments	**2020 £000**
Valuation	
At beginning of year	24,656
Additions	591
Revaluation – reserve transfer from profit and loss	(962)
Realised gain on disposal – reserve transfer from profit and loss	(3,627)
Disposals	(67)
At end of year	20,591
Provisions	
At beginning of year	324
Provisions in the year	561
At end of year	885
Net book value	
At 31 March 2020	**19,706**
At 31 March 2019	24,332

Investments

(a) The Company has an investment of £564,397 in Medtrade Products Ltd, following disposals of £67,043 during the year. The company produces specialised wound care dressings. The holding consists of 366 "A" ordinary shares of 10 pence each and 6,478 "B" ordinary shares of 10 pence each, an aggregate shareholding of 22.4% (2019: 27.87%). The investment is held at directors' valuation and was valued at the year-end at £15,305,555 (2019: £19,000,000), resulting in a revaluation in the year of £(3,627,402), which relates entirely to the realised gain on the disposal referred to above.

The Company has a holding of 42,921 ordinary shares in Avanti Communications Group PLC, a company whose shares are traded on a matched bargain basis by JP Jenkins. The investment is held at directors' valuation and is valued at the year-end at £nil (2019: £1,073), resulting in a revaluation in the year of £(1,073).

(c) 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% (2019: 2.96%). The investment is held at directors' valuation and was valued at the year-end at £59,200 (2019: £29,600), resulting in a revaluation in the year of £29,600.

(d) The Company has made contributions totalling £448,661 to Seraphim Capital LP. Seraphim Capital LP is a fund set up to make venture capital investments. There were provisions against the investments of £131,999 in the year, and the investment is held at directors' valuation of £10,019 (2019: £142,018).

(e) 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% (2019: 26.5%). The investment is held at directors' valuation and was valued at the year-end at £103,757 (2019: £103,757).

(f) 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 £109,530 (2019: £122,950), resulting in a revaluation in the year of £(13,420).

(g) The Company has an investment of £40,000 in Powerstax Plc, a company which makes advanced DC to DC power conversion units. The holding consists of 400,000 ordinary shares of £0.10 each and represents a shareholding of 2.33% (2019: 2.33%). The investment is held at directors' valuation and was valued at the year-end at £40,000 (2019: £40,000).

Notes to the financial statements (continued)

12 Fixed asset investments (continued)

(h) The Company has an investment of £644,892 in Pyreos Ltd, following further contributions in the year of £50,000 in A ordinary shares, £145,000 in C preference shares and a conversion of loan interest owed of £1,959 into C preference shares. The company manufactures high tech infra-red sensors. The holding consists of 5,053,612 ordinary shares of £0.10 each, 166,155,331 A ordinary shares of 0.01 pence and 64,977,150 C preference shares of 0.01 pence and represents a shareholding of 7.4% (2019: 7.1%) of the fully-diluted ordinary share capital. The investment is held at directors' valuation and was valued at the year-end at £644,892 (2019: £534,995), resulting in a provision in the year of £(87,062).

(i) The Company has an investment of £300,023 in Booking Live Software Ltd, a company which provides its customers with software to enable on-line booking and payment for those companies' services and facilities. The holding consists of 27,273 ordinary shares of £0.01 each and represents a shareholding of 13.55% (2019: 20%). The investment is held at directors' valuation and was valued at the year-end at £300,023 (2019: £300,023).

(j) The Company has made total contributions totalling £379,303 to Seraphim Space LP, following further contributions in the year of £172,973. Seraphim Space LP is a fund set up to make venture capital investments. The investment is held at directors' valuation and was valued at the year-end at £447,953 (2019: £217,573), resulting in a revaluation in the year of £57,407.

(k) The Company has an investment of £325,000 in Freightsafe Ltd (formerly Cityport Ltd), following further contributions in the year of £75,000. The company is trialling products to provide secure parking for lorries at service stations and other locations. The holding consists of 350 (2019: 250) ordinary shares of £1 each and represents a shareholding of 29.17% (2019: 25%). The investment is held at directors' valuation and was valued at the year-end at £325,000 (2019: £250,000).

(l) The Company has an investment of £427,074 in Aria Networks Ltd, following further contributions in the year of £75,000 invested in convertible loan notes. The company is a developer of artificial-intelligence software for planning and optimisation of next generation telecoms networks. The holding consists of 926,677 ordinary shares of £1 each held directly and a further 126,626 held on its behalf by Seraphim Capital (General Partner) LP and represents a total shareholding of 2.98% (2019: 2.98%). The investment is held at directors' valuation and was valued at the year-end at £85,500 (2019: £352,074), resulting in a provision in the year of £341,574.

(m) The Company holds, via:

(i) Dalebury (No.31) Ltd, a holding of 415 ordinary shares of £1 each and 31,749,410 1p preference shares in Summit Alpha Ltd. This company makes investments in early stage businesses. The holding of preference shares in Summit Alpha currently represents 46.88% (2019: 46.88%) of the issued preference share capital. The number of preference shares owned reflects (a) redemptions following realisations of underlying investments made by Summit Alpha Ltd and (b) additional subscriptions and transfers of preference shares to the company by the other shareholders in Summit Alpha Ltd in lieu of management fees due to The Summit Group Ltd, from those other shareholders. Additional investments were made in the year totalling £71,064. 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 £1,874,855 (2019: £1,575,272). A revaluation of £228,519 (2019: £(103,996)) has been made in the year for the difference between the cost of the investments and the re-valued amount.

(ii) Summit Asset Holding LLC ("SAH"), a wholly-owned subsidiary of SAM, 25 class B units in SQN US. Those units are held at directors' valuation of £400,000 (2019: £1,662,500), resulting in a revaluation in the year of £(1,262,500).

Notes to the financial statements continued

12 Fixed asset investments (continued)

Company

Investment in subsidiaries and associated companies	**2020 £000**	2019 £000
Investments (see Group note)	**17,431**	21,094
Shares in subsidiaries at cost less provisions	**676**	650
	18,107	21,744
The movements during the year were:		
Balance at beginning of financial year	**21,744**	16,412
Other investments made	**520**	439
Disposals	**(67)**	(181)
Provisions released in relation to investments in subsidiaries	**(4)**	-
Provisions (made)/released against other investments	**(561)**	34
Revaluation of other investments	**72**	5,040
Realised gain on disposal – reserve transfer from profit and loss	**(3,627)**	-
Investments in subsidiaries	**30**	-
Balance at end of financial year	**18,107**	21,744

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 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	
Property investment, trading and development	Summit Property Ltd	
	Summit Property Investments Ltd *	
Outsourced sales and related services	Tennyson Ltd	
Dormant companies	The Basingstoke Property Company Ltd *	(50%)
	Optionfuture Ltd	
	Waste to Energy Ltd *#	
	Summit Financial Group Ltd	
	Summit Security Trustee 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
The address of the registered office for all of the above companies is 10 Cloisters House, Cloisters Business Centre, 8 Battersea Park Road, London, SW8 4BG except for those marked #, whose registered office address is Melita House, 124 Bridge Road, Chertsey, KT16 8LA, with the exception of Summit Asset Holding LLC which is registered in Delaware, USA and does not have a UK registered office address.

Notes to the financial statements (continued)

13 Debtors : amounts falling due within one year	Company		Group	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade debtors	**14**	14	**434**	551
Amounts owed by group companies	**3,366**	4,171	**-**	860
Prepayments and accrued income	**97**	23	**156**	83
Other debtors	**29**	82	**857**	1,295
	3,506	4,290	**1,447**	2,789

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

a) an amount of £97,979 (2019: £2,202,902) being the estimate made by the directors of SAM of amounts due to it 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. In light of the matters described in note 4, this amount consists only of amounts due in respect of periods to 31 March 2020, and paid on 15 May 2020. In 2019, the financial statements included an amount of £1,000,000 falling due after one year.

b) an amount of £708,109 (2019: £nil) being a loan plus accrued interest to Medical Equipment Solutions Limited ("MESL"). The loan was assigned from SQN Secured Income Fund PLC to SAM on 10 March 2020. The loan facility was originally dated 16 June 2017, under which MESL borrowed a total of £1,380k, which is repayable over 5 years from the date of drawdown in equal monthly instalments and bears interest at 10% per annum. The financial statements include an amount of £411,606 (2019: £nil) that falls due after one year.

14 Investments

Group	**2020**	2019
	£000	£000
Interests in the residual value of equipment subject to operating leases	**-**	15

Notes to the financial statements continued

15 Creditors: amounts falling due within one year

	Company		Group	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade creditors	**4**	13	**44**	31
Amounts owed to group companies	**4,158**	2,566	**1,134**	-
Taxation and social security	**59**	60	**59**	60
Accruals and deferred income	**22**	23	**234**	532
Other creditors	**8**	3	**112**	245
Obligations under finance leases	**-**	-	**6**	5
	4,251	2,665	**1,589**	873

16 Debtors: amounts falling due after more than one year

Group	**2020**	2019
	£000	£000
Other debtors	**412**	1,000

17 Creditors: amounts falling due after more than one year

Group	**2020**	2019
	£000	£000
Obligations under finance leases	**12**	19

18 Share capital

	2020	2019
	£000	£000
Authorised 339,850,000 ordinary shares of 10p each	**33,985**	33,985
Allotted, called up and fully paid 73,430,000 ordinary shares of 10p each	**7,343**	7,343

Minority interests

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

Notes to the financial statements (continued)

19 Reserves

The movement 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 2019 and 2020	**1,049**	1,049

Revaluation reserve	Company £000	Group £000
At 31 March 2019	**18,386**	20,331
Reserve transfer from profit and loss	**72**	(962)
Realised gain on disposal – reserve transfer from profit and loss	**(3,627)**	(3,627)
Reserve transfer from profit and loss – attributable to minority interests	**-**	284
At 31 March 2020	**14,831**	16,026

Other reserve	Company £000	Group £000
At 31 March 2019 and 2020	**167**	167

Profit and loss account	Company £000	Group £000
At 31 March 2019	**2,976**	3,331
Profit for the financial year	**860**	666
Equity dvidends	**(3,000)**	(3,000)
Reserve transfer – to revaluation reserve	**3,555**	4,589
Reserve transfer to revaluation – attributable to minority interest	**-**	(284)
At 31 March 2020	**4,391**	5,302

Total reserves	Company £000	Group £000
At 31 March 2020	**20,438**	22,544
At 31 March 2019	**22,578**	24,878

The Group's share of post-acquisition accumulated gains of joint venture companies is £(50) (2019: £(50)).

Notes to the financial statements continued

20 Commitments in respect of operating leases

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

	Land and buildings	
	2020	2019
	£000	£000
Leases expiring in:		
Not later than one year	**57**	91
Later than one year and not more than five years	**114**	149
Later than five years	**27**	49
	198	289

At 31 March 2020 the capital commitments authorised by the directors amounted to £nil (2019: £nil).

21 Commitments in respect of finance leases

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

	Plant and machinery	
	2020	2019
	£000	£000
Within one year	**8**	8
After more than one year and less than five years	**14**	23
Less: finance charges allocated to future periods	**(4)**	(7)
	18	24

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	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Other provisions	**31**	32	**31**	32

Other provisions
The provisions in place at 31 March 2019 and 2020 for both the Company and the Group are provisions against cash balances held with Kaupthing, Singer & Friedlander Ltd (in administration).

Notes to the financial statements (continued)

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 £nil (2019: £9,360) in respect of profit share due to it from Seraphim Capital (General Partner) LLP.

Seraphim Space LP
The Company is a limited partner in, and has made capital contributions to, Seraphim Space LP. During the year, the Company received £33,343 (2019: £79,800) in respect of non-refundable advances made to it from Seraphim Space (Manager) LLP, the manager of the general partner of Seraphim Space LP.

Summit Asset Management Ltd ("SAM")
During the year the Company paid interest to SAM of £4,610 (2018: £5,810). The amounts owed to SAM at the year end were £1,045,027 (2019: £1,155,520). SAM is a 76.2% subsidiary of the Company.

Summit Insurance Services Ltd ("SIS")
£18,000 (2019: £18,000) received for management and accounting services and interest paid of £5,040 (2019: £3,911). The amounts owed to SIS at the year end were £831,478 (2019: £650,054). SIS is a 90% subsidiary of Summit Corporate Finance Ltd, which in turn is a 100% subsidiary of the Company.

25 Ultimate and immediate parent company

The ultimate and immediate parent company is Brighthand Ltd, which is registered in England and Wales. Accounts for this company are available at Companies House. The address of the registered office for the parent company is 10 Cloisters House, Cloisters Business Centre, 8 Battersea Park Road, London, SW8 4BG.

Directory of offices

Head Office

The Summit Group Limited

Managing Director
Kit Hunter Gordon

Finance & Operations Director
Zac Barratt

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Email kit.huntergordon@summit-group.co.uk
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Web http://www.summit-group.co.uk

Advisors

Auditor
Saffery Champness LLP

Bankers
Barclays Bank PLC

Other offices

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Managing Director
David Milner

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