



For SMEs looking to raise money, we provide the following:

Equity capital

This form of financing is typically long term and is usually appropriate for fast growing businesses or early stage companies. We will consider equity financings where the investment is a maximum of £2m although we are happy to participate in larger financings as part of a syndicate.

The money we invest comes from a variety of sources and is sometimes linked to particular geographical locations.

To the investor, we provide a one-stop-shop service to those in one of the following groups who are looking for exposure to SME investments:

- High net worth (HNW) individuals looking to build tax efficient Enterprise Investment Scheme (EIS) and Seed EIS portfolios;
- Family offices and private sector institutions; and
- The public sector.

Debt finance

Typically short to medium term and for companies with cash flow to service the loan. Our unit size for this type of finance is up to £1m and we will usually provide junior debt which is unsecured but linked to an equity instrument.

Investors can choose between investment types ranging from self-build portfolios, to a full fund management service.

We have offices in Perth, Yorkshire and Belfast.

Strategic Report

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Operational

- First realisation from Finance Yorkshire Equity Fund;
- Northern Ireland Growth Loan Fund performing in line with expectations;
- Establishment of the Crowdcube Venture Fund (CCVF) and partnership with Crowdcube Ventures;
- Divestment of corporate finance subsidiary Envestors Ltd; and
- Non-executive director Edward Cunningham retired.

Financial

- Profit from continuing and discontinued operations was £38,000 in H2 (H1 loss of £845,000);
- Impairment to intangibles for Envestors Ltd was £610,000 in H1;
- Investment management income remained stable at £2,044,000 (2013: £2,046,000);
- Net unrealised gain on revaluation of portfolio investments of £111,000 (2013: gain of £254,000), giving total portfolio fair value of £3,725,000 (2013: £3,560,000);
- Earnings per share loss of 3.45 pence (2013: profit of 0.36 pence)
- Placed a total of 2,283,855 shares raising £250,000;
- Cash balances of £159,000 (2013: £39,000) with no material borrowings; and
- Net assets per share of 15.51 pence (2013: 19.43 pence).

Events since the year end

- First realisation from the Lachesis fund; and
- Non-executive director Trevor Brown appointed.

Disclaimer

This Annual Report contains certain forward-looking statements, which reflect the knowledge of, and information available to, the directors at the date of preparation of this Annual Report. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and there are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

02 | Strategic Report | CHAIRMAN'S STATEMENT

I am pleased to provide shareholders with my statement which accompanies our financial results for the year ended 31 March 2014.

I would like to begin by thanking all the staff for their diligence and hard work and also recognise the effort and time expended by the non-executive directors. I also extend a warm welcome to Trevor Brown who joined the board as a non-executive director in April 2014.

Envestors Ltd was sold to a management buy-out team on 13 December 2013 and is presented in the financial statements as a discontinued activity. Excluding unrealised portfolio movements, the profit before tax for continuing operations was £1,000 (2013: loss of £120,000). The total profit after tax and amounts attributable to non-controlling interests for continuing operations decreased to £15,000 (2013: £186,000).

Discontinued operations net loss for the year was £823,000 (2013: loss of £119,000).

The profit from continuing and discontinued operations was £38,000 in H2 (H1: loss of £854,000), the improvement in H2 being largely due to the disposal of Envestors Ltd.

The Group will continue to focus on growing the funds under management and achieving realisations from the portfolio to enhance earnings per share.

The economic climate has improved and smaller companies are being encouraged by the Chancellor although I think that further action by the Government should be devoted to research and development, which is always the backbone and future for success.

Annual General Meeting

The notice regarding the business to be dealt with at the Company's Annual General Meeting, to be held on 22 September 2014, is set out on pages 53 to 55.

Your Directors are unanimously in favour of all Resolutions which they consider to be in the best interests of shareholders.

Accordingly, your Directors recommend shareholders to vote in favour of these Resolutions as they intend to do in respect of their own beneficial shareholdings.

I look forward to welcoming those shareholders who are able to attend.

Jeremy Delmar-Morgan

Chairman

I am pleased to report to shareholders for the 12 months ended 31 March 2014.

This year has seen good performance and output from our fund management business, the launch of an exciting new fund and the divestment of our loss making corporate finance business. We have made steady progress with our directly held portfolio and market sentiment for realisations is improving with some weighty valuations for early stage technology company acquisitions being seen in the public markets.

Growth Loan Fund (GLF)

The GLF is aimed at SMEs in Northern Ireland and typically comprises unsecured term loans of £50k to £1m, usually repayable over three to five years. In 2012, in association with NEL Fund Managers and Clarendon Fund Managers, we established WhiteRock Capital Partners LLP (WhiteRock) to manage the £50m GLF. WhiteRock received its FCA authorisation late in 2013 and took over the management of the GLF as from 1 April 2014. In the interim period, the GLF was run by our subsidiary company, Strathtay Ventures Ltd (see below).

Eighteen months into the investment period, the GLF is now well established in Northern Ireland and we have a good working relationship with local banks, professional advisers and trade organisations. During the year under review, the investment committee approved 43 loans of which 32 were drawn totalling a little of over £10m. In total, 46 loans have been made and we have a good mix of industries in the portfolio.

I am pleased to report that the nine person strong team, led by Paul Miller (CIO), won an industry award at the Insider Northern Ireland Dealmakers Awards on 27 March. This is the third award the team have won and I congratulate them.

Viking Fund Managers

Andrew Burton's team in the Yorkshire and Humber region had a good year: They achieved the first exit for the £43m Finance Yorkshire Equity Fund (FYEF) selling Rotherham-based S3 ID to Singapore-listed CSE Global. S3 ID was the first investment made by the FYEF and the sale made an aggregate return of £3.4million from an original investment of £1.6million, generating a money multiple of 2.2 on the transaction.

In the final quarter of the year the team invested a little over £4m in 12 companies and this level of investment is expected to be maintained over the coming months. The portfolio now comprises 38 live investments and includes some good businesses which should do well for the region and provide significant returns for investors in the fund.

FYEF invests both debt and equity instruments in development capital situations and unit sizes range from £50k to £2m.

Strathtay Ventures

Strathtay, based in Perth, builds and manages the bespoke unquoted portfolios of high net worth individuals with most investments being in maturing technology businesses. These investment typically mirror our own directly-held portfolio (see hereafter).

Strathtay also manages the Lachesis Fund, a £10m seed fund for universities in the East Midlands. This fund is now in wind-up mode and we are in the process of securing two realisations whilst looking at long term disposal options.

During the period under review, we established a partnership with Crowdcube Ventures Ltd and established the Crowdcube Venture Fund (CCVF). Crowdfunding is now a well established fundraising route for SMEs and we are delighted to be working with one of the UK's most established operators. The CCVF, which is believed to be the first of its kind, enables passive investors to build a portfolio of investments by co-investing in crowd-funded ventures which have been carefully screened by a professional fund manager. We achieved a first close of the fund in April 2014 and we expect to announce a series of investments over the coming months.

Portfolio

A key balance sheet asset of the Group is our investment portfolio. Carolyn Smith, our CIO, is in charge of this portfolio that comprises mainly technology companies which are becoming increasingly mature. We are encouraged by the level of valuations being achieved in the technology sector at present and we continue to work towards optimal realisations which we expect to provide a good return on capital and significant cash resources.

Envestors

On 13 December 2013 we announced that the Group had completed the sale of Envestors. The sale followed the decision by our Board to sell the business due to the financial performance of the subsidiary. Following aborted offers from trade buyers, we sold the business back to management with the principal element of the consideration being the cancellation of the final Braveheart shares issue due to the three management buy-out participants, as agreed at the time of the Envestors acquisition and detailed in our 2013 Annual Report.

The financial impact of the eight and a half months trading of Envestors is discussed below.

Financial Review

Envestors Ltd was sold to a management buy-out team on 13 December 2013 and is presented in the financial statements as a discontinued activity.

Excluding unrealised portfolio movements, the profit before tax for continuing operations was £1,000 (2013: loss of £120,000). The total profit after tax and amounts attributable to non-controlling interests for continuing operations decreased to £15,000 (2013: £186,000).

Discontinued operations net loss for the year was £823,000 (2013: loss of £119,000).

The profit from continuing and discontinued operations was £38,000 in H2 (H1:loss of £845,000), the improvement in H2 being largely due to the disposal of Envestors Ltd.

On 25 March 2014 we announced the raising of £250,000 by way of the issue of 2,283,855 ordinary shares at a price of 10.946p per share, being the volume weighted average price over the preceding 60 days (from when the investment was agreed). The cash was raised for working capital purposes.

Board and Personnel

Jeremy Delmar-Morgan took on the role of Non-executive Chairman in April last year and Edward Cunningham stood down as one of our non-executive directors at the AGM in September.

We are pleased to welcome Trevor Brown to the Board as a non-executive director with the appointment being announced in March 2014.

Strategy

89% of the Group's revenue (excluding portfolio realisations) is now based on contracted fund management services and with this comes good visibility of operational revenue and associated cashflow. From this base the Board is continuing with the strategy of building the investment and fund management areas of the business and we are looking at a number of opportunities involving both additional SME focused funds and funds of a more specialist nature.

Alongside the building of our fund and portfolio management roles we are concentrating on realising value in our directly-held portfolio. It should be noted that whereas the former typically result in a performance fee which is paid in the fullness of time the latter has a direct impact on our cash position as these investments sit on our balance sheet.

Outlook

Over the last year the financial climate has markedly improved and SMEs are now finding it easier to attract funding. This bodes well for our portfolios and with more funding in the SME space we are set to grow our business as the economy continues to improve.

In closing, I would like to thank our staff for all of their hard work, professionalism and commitment over the year.

Geoffrey Thomson

Chief Executive Officer

Income statement

Envestors Ltd was sold to a management buy-out team on 13 December 2013 and is presented in the financial statements as a discontinued activity.

Fee based revenue for continuing operations is generated by Strathtay Ventures Ltd (SVL) and Viking Fund Managers Ltd (VFM).

The revenue for continuing operations principally comprises investment management fees which remained stable during the year at £2.044 million (2013: £2.046 million).

Finance income was £4,000 (2013: £13,000), the reduction being due to reducing overall balances for outstanding loan notes within the investment portfolio.

As at 31 March 2013, the Group's own investment portfolio of 20 companies was valued at £3.560 million. During the year the Group made an investment of £3,000 (2013: £46,000) into one existing portfolio company by conversion of an existing loan note to equity with the balance of £68,000 (2013: £32,000) being invested in the Growth Loan Fund (GLF). One portfolio company Convivial London Pubs plc made the decision to sell the assets and an interim distribution of £4,000 was received from the liquidator (2013: no realisations). One existing portfolio company, EctoPharma Ltd, created a new spin-out business, Ryboquin Company Ltd and shares were gifted to the Group as existing shareholders of EctoPharma Ltd. One company repaid loan notes totalling £6,000 (2013: £15,000). At 31 March 2014 the fair value of the investment portfolio of 20 companies was £3.725 million, resulting in an aggregate unrealised revaluation gain of £111,000 (2013: unrealised revaluation gain of £254,000).

The Group's investments are held either by the Company, Strathclyde Innovation Fund LP (SIF), or Caledonia Portfolio Realisations Ltd (CPR). There is an increase in contingent consideration of £97,000 (2013: decrease in contingent consideration of £41,000) payable on future exit values of CPR portfolio companies.

Total income for continuing operations for the year ended 31 March 2014 including realised gains and unrealised revaluation gains was £2.062 million, a decrease from £2.364 million in 2013.

Employee numbers increased by 1 on average in the year. Employee benefits expense for continuing operations was £1.381 million (2013: £1.432 million). Other operating and finance costs decreased to £0.666 million (2013: £0.746 million).

Excluding unrealised portfolio movements, the profit before tax for continuing operations was £1,000 (2013: loss of £120,000). The total profit after tax and amounts attributable to non-controlling interests for continuing operations decreased to £15,000 (2013: £186,000), equivalent to a profit per share of 0.08 pence (2013: profit per share of 0.80 pence).

Discontinued operations net loss for the year was £823,000 (2013: loss of £119,000).

The profit from continuing and discontinued operations was £38,000 in H2 (H1: loss of £845,000), the improvement in H2 being largely due to the disposal of Envestors Ltd.

Financial position

Net assets at 31 March 2014 were £4.012 million (2013: £4.520 million), equivalent to 15.51 pence per share (2013: 19.43 pence) the decrease reflecting the new share issue during the financial year.

The Group's net assets include goodwill of £0.752 million (2013: £1.367 million) and intangible assets of £nil (2013: £96,000) the reduction being due to the disposal of Envestors Ltd. The carrying value of goodwill has been reviewed during the year and in light of current projections of future performance the Directors do not believe the assets are impaired.

A new share subscription raised £250,000 from the placing of 2,283,855 shares during the period.

At the year end the Group had cash balances of £159,000 (2013: £39,000). There were no material borrowings. Cash utilisation for continuing operations decreased to £4,000 (2013: £357,000).

06 | Strategic Review | CHIEF FINANCIAL OFFICER'S REPORT

A summary analysis of the Group's performance is:

	2014	2013
	£'000	£'000
Investment management revenue	2,044	2,046
Finance income	4	13
Income before portfolio movements	2,048	2,059
Change in fair value of investments and movement in contingent consideration	14	306
Total income for continuing operations	2,062	2,365
Employee benefits expense (including share based compensation)	(1,381)	(1,432)
Other operating and finance costs	(666)	(746)
Total costs for continuing operations	(2,047)	(2,178)
Profit/(loss) before tax for continuing operations	15	187
Profit/(loss) after tax and amount	15	187
Net results for the year from discontinued operations	(823)	(119)
Total (loss) / profit and total comprehensive (loss)/profit for the year.	(808)	68
Opening cash balance	39	424
Increase in portfolio investments	(71)	(46)
Utilised in other activities	(59)	(339)
New share issue	250	-
Closing cash balance	159	39
Net assets	4,012	4,519
Net assets per share	15.51 pence	19.43 pence

Aileen Brown

Chief Financial Officer

I am pleased to report to shareholders for the year ended 31 March 2014. My specific responsibility is to manage the Group's directly held portfolio and I report principally on that in addition to the Lachesis Fund where I take a lead role. Our CEO has reported elsewhere on other portfolios.

Investment Activity

At the end of the year under review the Group's directly held portfolio of interests comprised 20 companies following the sale of the assets of Convivial London Pubs plc in which the Group and some of its clients had a small holding. Nine of the companies received further funding throughout the year - Traak Systems, Atlas Genetics, Bloxx, mLED, AppShare, EctoPharma, Conjunct, Vascular Flow Technologies and Pyreos. There were no direct investments save for the conversion of fees to equity in the sum of £3,000. Syndicated partners and clients invested £12.6m in aggregate in our portfolio during the year, an increase of £3.2m from the previous year.

Where appropriate, we continue to work with our companies preparing for, and delivering a realisation event - good progress is being made on this front. The timeline to a successful exit is difficult to predict - twelve months ago the M&A market was perceived as largely closed to the size and kind of businesses in our portfolio but we have witnessed some companies being approached as future potential acquisition targets. There is undoubtedly movement in the market with some interesting valuations for technology businesses being made all indicating an apparent renewed level of confidence. In tandem we are seeing some of our portfolio companies transition from prototype production to making product commercially available, and various companies are experiencing a burst in growth in sales and profitability, all helping to solidify a platform from which to seek realisations as part of the strategy for growth. Our portfolio, as can be seen below, is made up of technology-oriented companies most of which are intellectual property asset-rich - this is an important feature in attracting the attention of potential acquirers.

In addition to the owned portfolio, Strathtay Ventures, continues to manage the Lachesis Seed Fund. The limited partners in the Fund are the universities of De Montfort, Leicester, Loughborough, Nottingham, and Nottingham Trent. This fund has been in operation since 2002 and the focus is now on assessing where realisations might be made from the portfolio of 18 spin-out companies. An offer has been accepted to realise the Lachesis stake in one of the companies with completion expected shortly.

Portfolio Performance

During the year the Group's own portfolio showed an unrealised gain before the movement on contingent consideration of £111,083 (2013: unrealised gain of £254,000). The valuations of the portfolio inevitably go up and down year-on-year but the key measurement of success for the Group is the ultimate return on these investments when they are realised.

Our focus continues to be on developing our key Group asset in the drive to optimise the value of our portfolio and to bring about realisations to help increase shareholder value.

¹ Also a Strathclyde Innovation Fund portfolio company ² Also a CPR portfolio company

Carolyn Smith

Chief Investment Officer

Business Review and Future Developments

Accompanying this Directors' Report are the Chairman's Statement, Chief Executive Officer's Report, Chief Financial Officer's Report, Chief Investment Officer's Report, Corporate Governance Statement and Directors' Remuneration Report.

A review of the business and the future developments of the Group is presented in the Chairman's Statement on page 2, the Chief Executive Officer's Report on pages 3 to 4, the Chief Financial Officer's Report on pages 5 to 6 and the Chief Investment Officer's Report on pages 7 to 8, all of which form part of this Directors' Report by reference.

Key Performance Indicators (KPIs) for Continuing Operations

The KPIs we use to monitor business performance, which given the nature of our business are primarily financial measures, are:

	2014	2013
Net assets ('£000)	4,102	4,519
Cash balance (£'000)	159	39
Profit/(Loss) after tax attributable to equity holders (£'000)	15	186
Investments made by Group (£'000)	71	46
Investments made by Group (number of companies)	1	1
Realised gain on sale of Group investments (£'000)	-	-
Net unrealised movement on revaluation of Group investments (£'000)	111	254
Funds under management	£121m	£121m

Commentary on these KPIs can be found in the Chief Financial Officer's Report on pages 5 to 6 and the Chief Investment Officer's Report on pages 7 to 8.

Principal Risks and Uncertainties

Through its operations the Group is exposed to a number of risks. The Group's risk management objectives and policies are described in the Corporate Governance Statement on pages 15 to 17.

On behalf of the Board

Aileen Brown

Company Secretary 18 July 2014

The directors present their report together with the audited financial statements for the year ended 31 March 2014.

Principal Activities

The Group provides debt/equity and advisory services to SMEs and services the investment requirements of business angels, high net worth individuals, family offices and public sector organisations.

Results and Dividends

The financial statements of the Group and the Company for the year to 31 March 2014 are set out on pages 22 to 52.

The Group's consolidated profit for continuing operations for the year was £15,000 (2013: profit of £186,000). The net results from discontinued operations was a loss of £803,000 (2013: loss of £119,000).

The directors do not recommend payment of a dividend for the year (2013: £nil).

Directors and their Interests

The names of the directors who held office during the financial year are listed on page 57.

Biographical details of the directors who held office at the end of the financial year are shown on pages 13 to 14.

No director had a material interest in any contract, other than their contract for services, during or at the end of the financial year that was significant to the Group's business.

Directors' Interests in Shares

The directors at 31 March 2014 and their interests in the share capital in the Company are as follows:

	At 31 Mar	ch 2014	At 31 March 2013		
		Options over		Options over	
Directors	Ordinary shares	ordinary shares	Ordinary shares	ordinary shares	
G C B Thomson	2,350,890	494,646	2,350,890	494,646	
C Smith	247,204	336,054	247,204	336,054	
A Brown	15,524	115,170	15,524	115,170	
J K Brown	38,810	-	38,810	-	
J H Delmar-Morgan	50,000	-	50,000	-	

No notification of any other change in the above interests has been received in the period from 31 March 2014 to the date of this report.

Share Capital

Details of the structure of the Company's share capital and the rights attaching to the shares are set out in note 21 to the financial statements.

At 31 March 2014 the Company had 25,870,491 allotted, called up and fully paid ordinary shares of 2 pence each.

The Company has one class of ordinary shares. All shares carry equal voting rights, equal rights to income and distribution of assets on liquidation or otherwise, and no right to fixed income.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association (the Articles) and prevailing legislation.

Power to purchase the Company's own shares is provided in the Company's Articles subject to statutory provisions. The directors have no existing authority to purchase the Company's own shares.

Financial Instruments

The Group's financial instruments comprise investments designated at fair value through profit or loss, cash and various items such as trade and other receivables, and trade payables, all of which arise directly from its normal operations. The main purposes of these financial instruments are to provide returns from investment and finance for the Group's operations.

Further information regarding the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 26 to the financial statements.

Articles of Association

The Company's Articles may be amended by a special resolution of the shareholders.

Appointment and Replacement of Directors

The Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing directors and may also determine the rotation in which any additional directors are to retire. Any person so appointed by the directors shall hold office only until the conclusion of business at the next Annual General Meeting and shall be eligible for reappointment by ordinary resolution at that meeting. The Company may also by ordinary resolution remove a director from office.

At each Annual General Meeting of the Company, directors eligible to retire shall retire from office by rotation. No director shall continue to hold office as a director after the third Annual General Meeting following his election or re-election, without submitting themselves for reelection at the said third Annual General Meeting.

Significant Shareholdings

As at 31 March 2014, the following beneficial owners each held 3% or more of the Company's issued share capital:

Name	Number	Percentage
G C B Thomson	2,350,890	9.09
D C Thomson Ltd	2,258,490	8.73
BBHISL Nominees Limited ¹	6,599,225	25.51
A T G Burton	925,161	3.58
Chase Nominees Limited ²	1,105,440	4.27
Lynchwood Nominees Limited ³	2,533,855	9.79
¹ Beneficial owner being A Norris		
² Beneficial owner being W Rehman ³ Beneficial owner being T Brown		
Section and Section 1		

Directors' Responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with International Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit or loss of the company and group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
 and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors.

Creditor Payment Policy

The Group's policy is to:

- · agree payment terms with each supplier when placing orders and
- adhere to the agreed terms.

The Group's and Company's average creditor payment period at 31 March 2014 was 43 days (2013: 43 days) and 50 days (2013: 62 days) respectively.

Political and Charitable Donations

It is the Board's policy not to make any political donations nor charitable donations which exceed £200. The Group did not make any such donations in the year (2013: £nil).

Disclosure of Information to Auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution proposing the reappointment of Grant Thornton UK LLP will be put to the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Aileen Brown

Company Secretary

18 July 2014

Jeremy H Delmar-Morgan MA MSI

Chairman (from 1 April 2013)

Jeremy is a Director of the London Symphony Orchestra Endowment Trust and Daylight Ltd. Previously Jeremy was a partner in Hoblyn, Dix & Maurice and a Director of Vickers Da Costa before joining Teather & Greenwood in 1979 where he went on to become Chairman. He subsequently joined Hichens, Harrison & Co as Chairman in 2004, and was previously Chairman of Allenby Capital and The Brendoncare Foundation. Jeremy joined the Board in 2008.

Geoffrey C B Thomson (m)

Chief Executive Officer

One of the founders of Braveheart, Geoffrey is a highly experienced fund manager and deal maker. He is a recognised authority on SME investment, having written columns for various national broadsheets and is a regular speaker at business events. Other than Braveheart, Geoffrey is on the board of the UK Government's £100m Angel CoFund and was, until recently, a director of NESTech (the challenge fund of the universities of St Andrews, Dundee, and Aberdeen). Geoffrey's contribution to Scottish businesses was recognised by the receipt of a special Ernst & Young Entrepreneur of the Year (Scotland) award in 2008. Geoffrey joined the plc Board on the Company's inception in 2003.

Carolyn Smith BA Hons ACIS (m)

Chief Investment Officer

Carolyn Smith has an honours degree in accountancy from the University of Stirling and is a Chartered Secretary. She spent five years working in insolvency before moving to business development and investment. After five years working in private equity with LINC Scotland, the national association for business angels in Scotland, she joined Braveheart as Chief Investment Officer in 2000 and was appointed to the Board in 2006.

Aileen Brown BA CA (m)

Chief Financial Officer and Company Secretary

Aileen joined the Board as Chief Financial Officer in January 2012 having been the CFO (UK, Ireland & Middle East) for Hudson Global Resources, a NASDAQ company, from 2007 to 2011. She is a member of the Institute of Chartered Accountants, has worked in corporate finance, and held Board level positions for over 10 years. Aileen has worked in a variety of sectors including manufacturing, healthcare, telecoms and international education, including five years with Ernst & Young.

Edward B Cunningham CBE FRSE

Senior non-executive Director (resigned 30 September 2013)

Edward has UK and international industry experience. Latterly he was Director, Industry and Enterprise Development with the Scottish Development Agency. He has been chairman of a number of 3i-invested companies as well as other companies including the Scottish Exhibition and Conference Centre. He has also been a Director of TSB Bank Scotland and Watson & Philip. He is currently chairman of two companies, and on the board of one other. Edward has been associated with the Group since 1999 and joined the plc Board on the Company's inception in 2003.

J Kenneth Brown BA CA

Non-executive Director

Ken is a non-executive director of several private and public companies, a member of the Court of the University of Glasgow, and provides advisory services to clients in several sectors including real estate and renewable energy. He has extensive experience as finance director of listed and private groups in real estate, consumer goods, manufacturing and construction. Ken is a chartered accountant and joined the Board in 2007.

Trevor E Brown

Non-executive Director (from 1 April 2014)

Trevor has been a strategic investor in equities and real estate for more than 30 years. He is currently a Non-executive Director of Feedback plc and was until recently a director of Advanced Oncotherapy plc where he was involved in the strategy of transition to the provision of advanced cancer treatment services. Trevor joined the Board of Braveheart as a Non-executive Director with effect from 1 April 2014.

(m) Member of the management board

14 | Governance | MANAGEMENT BOARD

Andrew T G Burton BSc

Andrew is Managing Director of Viking Fund Managers Ltd (VFM). Andrew has been involved in early stage technology investing since 1986. Before setting up VFM in 2002 he ran the Yorkshire Association of Business Angels (which he now chairs) and previously worked for UniVentures International at Leeds Metropolitan University where he was responsible for high growth programmes and incubators.

Vivian D Hallam MBA BSc CEng

Viv is Consultancy Director of VFM. Viv is a Chartered Mechanical Engineer and has an MBA from Aston Business School. He joined VFM in 2003 following twenty years of senior management in international advanced engineering companies, including Sarna, GKN and GEC where he was responsible for design, development and marketing of new products for the plastics, automotive and power industries.

The directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Company is not obliged to comply with the corporate governance regime as set out in the UK Corporate Governance Code, but it does support the principles of the Code. It intends to comply with the Quoted Companies Alliance's Corporate Governance Guidelines for Smaller Quoted Companies insofar as it is reasonably practicable for a public company of its size and nature. The directors have adopted a code of conduct for dealings by directors and employees which complies with the AIM Rules and are committed to maintaining the highest standards of corporate governance.

The Board of Directors

As at 31 March 2014 the Board comprises the Chairman, Jeremy Delmar-Morgan, one other non-executive director, Ken Brown, and three executive directors, the Chief Executive Officer, Geoffrey Thomson, the Chief Investment Officer, Carolyn Smith and the Chief Financial Officer,

Biographical details of the current directors are set out on page 13 to 14. Executive and non-executive directors are subject to re-election at intervals of no more than three years. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least eight times per annum. It has established an Audit and Risk Management Committee, a Remuneration Committee and a Nominations Committee, particulars of which appear hereafter.

All members of the Board and its committees served throughout the year.

Certain executive and non-executive directors are clients of Strathtay Ventures Ltd, the Company's principal investment management subsidiary. Further information regarding related party transactions during the year is detailed in note 25 to the financial statements.

Non-executive Directors

The non-executive directors have a broad range of experience, as evidenced by their biographical details and are well equipped to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct that are vital to the success of the Company.

The Board has adopted guidelines for the appointment of non-executive directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a non-executive director before commencing a first term as chairman.

In accordance with the Companies Act 2006, the directors comply with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Delegation of Responsibilities by the Board of Directors

Ultimate authority for all aspects of the Group's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted two statements; the first sets out matters which are reserved to the Board and the second establishes the division of responsibilities between the Chairman and the Chief Executive Officer. The Chairman is responsible for the effectiveness of the Board and for ensuring communication with shareholders, while management of the Group's business has been delegated by the Board to the Chief Executive Officer.

Audit and Risk Management Committee

The Audit and Risk Management Committee comprises Ken Brown (its Chairman) and Jeremy Delmar-Morgan and has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit and Risk Management Committee meets not less than twice in each financial year and has unrestricted access to the Group's auditors.

Remuneration Committee

The Remuneration Committee comprised Edward Cunningham who chaired the Committee until his resignation on 30 September 2013, Jeremy Delmar-Morgan and Ken Brown.

From 1 October 2013 the Remuneration Committee comprises Jeremy Delmar-Morgan (its Chairman) and Ken Brown. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan.

Nominations Committee

The Nominations Committee comprised Edward Cunningham who chaired the Committee until his resignation on 30 September 2013 and Jeremy Delmar-Morgan.

From 1 October 2013 the Nominations Committee comprises Jeremy Delmar-Morgan (its Chairman) and Ken Brown and is responsible for the identification and nomination of candidates for the roles of Chairman, Chief Executive Officer, other executive directors and non-executive directors, the nomination of all directors of subsidiary companies and succession planning in relation to the above aforementioned posts. It is also concerned with matters relating to corporate governance, insofar as they may relate to concerns or complaints from shareholders concerning the conduct of Board directors, and bringing any such issue to the attention of the Board.

Attendance at Board and Committee Meetings

The following table summarises the number of board and committee meetings held during the year and the attendance record of individual directors:

			Audit a	nd Risk					
	Воа	ard	Manag	Management		Remuneration		Nominations	
		Eligible to		Eligible to		Eligible to		Eligible to	
	Attended	attend	Attended	attend	Attended	attend	Attended	attend	
G C B Thomson	16	16							
C Smith	16	16							
A Brown	16	16							
E B Cunningham	8	9	1	1					
J K Brown	16	16	2	2	1	1	1	1	
J H Delmar-Morgan	16	16	2	2	1	1	1	1	

Share Dealings

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with rule 21 of the AIM rules.

Investment Authorities

Investment authorities are reviewed in March of each year and more frequently as determined by the Board. These authorities relate to the maximum amount that the executive directors may invest from the Group's own resources in any one portfolio investment. Investments outwith the agreed parameters may be made with the agreement of a non-executive director or by the Board.

Risk Management and Internal Control

Risk management is the responsibility of the Risk Management Group, which comprises the three executive directors. The Risk Management Group reports to the Audit and Risk Management Committee, which is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Group. A risk assessment matrix sets out those risks, and identifies their ownership and the controls that are in place. The Risk Management Group updates this matrix as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Risk Management Committee reviews the risk matrix and the effectiveness of scenario testing by the Risk Management Group on a regular basis.

The following key risks, and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment. Balancing salary with longer term incentive plans.
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime.
Strategic	Damage to reputation Inadequate disaster recovery procedures	Inability to secure new capital or clients Loss of key operational and financial data.	Effective communications with shareholders and road shows. Robust compliance. Secure off-site storage of data. Two networks.
Financial	Liquidity, market and credit risk Inappropriate controls and accounting policies	Inability to continue as going concern. Reduction in asset values. Incorrect reporting of assets	Robust capital management policies and procedures. Appropriate authority and investment levels as set by Treasury and Investment Policies. Audit and Risk Management Committee.

Further details of the financial risks, including quantitative considerations of their potential impacts, are set out in note 26 to the financial statements.

The directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Group and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function.

Going Concern

The directors having reviewed the Group's and the Company's budgets and plans taking account of reasonably possible changes in trading performance and the level of currently available but undrawn bank facilities, have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

Communication with Shareholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its investment clients, many of whom are also private shareholders. Institutional shareholders, private client brokers and analysts have the opportunity to discuss issues and provide feedback at meetings with and presentations by the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company though its website, www.braveheartgroup.co.uk, and via Aileen Brown, Company Secretary who is available to answer investor relations enquiries.

The directors recognise the importance of sound corporate governance. As a Company whose shares are traded on AIM, the Company is not obliged to comply with the corporate governance regime as set out in the UK Corporate Governance Code and the Directors Remuneration Code is prepared on a voluntary basis.

Remuneration Committee

The Remuneration Committee is comprised entirely of non-executive directors. It was chaired by Edward Cunningham until 30 September 2013, thereafter by Jeremy Delmar-Morgan. Ken Brown is also a member of the Committee. The Chief Executive Officer, Geoffrey Thomson, attends by invitation and assists the Committee. The Committee met once during the year.

Remuneration Policy

The Remuneration Committee recognises and has accepted the FCA's Remuneration Code. The Committee is responsible for implementing and maintaining a remuneration policy which ensures that Executive Directors, other Group company directors, senior management and other employees are remunerated in such a manner as to ensure that (i) they are fairly rewarded in a manner which secures and retains the skilled and experienced individuals the Group requires to ensure its corporate objectives, including an increase in shareholder value; (ii) conflicts of interest are minimised and that the interests of staff are aligned with the long term interests of the Group; and (iii) remuneration is consistent with and promotes sound and effective risk management and does not encourage risk taking that exceeds the level of tolerated risk set by the Board and is in line with the business strategy, objectives, values and long-term interests of the Group. The Committee is committed to ensuring compliance with the FCA's Remuneration Code.

Determination of Directors' and Senior Management's Salaries

The Remuneration Committee believes that the interests of the Executive Directors, other Group company directors, senior management and staff and those of the shareholders and other stakeholders are best aligned by a remuneration policy that provides a base salary together with awards under the Group's Share Option Scheme (the "Scheme"). The Remuneration Committee reviews and determines annually directors' and senior management's salaries in relation to the tasks and responsibilities involved and the level of comparable salaries in the market place. In particular, the Committee seeks to ensure that salaries are competitive. In its final determination of salaries, the Committee's conclusions are set within what is affordable. During the year contributions continued in respect of pension arrangements for certain Viking Fund Manager employees.

Executive Director Service Agreements

Each of the executive directors has a service agreement with the Company. These agreements can be terminated by either party giving the other written notice at any time, not less than six months in the case of Geoffrey Thomson and not less than three months in the cases of Carolyn Smith and Aileen Brown. Payments on termination are restricted to the value of the salary for the notice period.

Non-executive Directors

The fees payable to the Chairman and the non-executive directors are first reviewed by the Committee, taking into account market rates, following which it submits recommendations to the Board for approval. The Company increased non-executive directors' contractual fees with effect from 1 April 2013 to £25,000 (2013: £17,000) for the Chairman and £17,500 for the non-executive directors (2013: £12,500).

The Chairman and each non-executive director have agreed a letter of appointment which sets out their duties, responsibilities and fees.

Directors' Remuneration

The non-executive directors and the executive directors agreed to a salary deferral of 50% and 10% respectively from November 2013.

The total amount of directors' remuneration is set out below:

	Total	Total
	2014	2013
	£	£
Executive directors:		
G C B Thomson	138,958	137,750
C Smith	105,417	104,500
A Brown	105,417	104,500
Non-executive directors:		
E B Cunningham (resigned 30 September 2013)	8,750	8,925
J K Brown	13,854	8,925
J H Delmar-Morgan	19,792	8,925
T E Brown		-
	392,188	373,525

The Company did not contribute to any director's pension scheme nor pay any bonuses to directors during the year (2013: £nil). During the year the Company paid private medical insurance premiums of £1,275, £604 and £604 (2013: £1,450, £605 and £530) in respect of Geoffrey Thomson, Carolyn Smith and Aileen Brown.

Share Option Scheme

The Company operates the Braveheart Investment Group plc Executive Share Option Scheme 2006 (the Scheme), which comprises Part A, a share option scheme approved by HMRC (the Approved Scheme) and Part B, an unapproved share option scheme (the Unapproved Scheme).

Historically, the Scheme was open to all directors and employees of the Group, although non-executive directors could only participate in Part B. The Scheme is now open only to all executive directors and employees.

Options are granted by the Board taking into account the need to motivate, retain and recruit high calibre employees and with regard to the contribution that such employees are expected to make in achieving the Company's objectives.

Options granted under the Scheme are categorised as Employment Options, Performance Options or Other Options. Employment Options may be granted under either Part A or Part B. All Performance Options and Other Options are granted under Part B.

Employment Options vest and become exercisable on the third anniversary of date of grant, and generally lapse on the earlier of cessation of employment (or 6 months thereafter if options have vested at cessation date) or the 10th anniversary of date of grant.

Performance Options have to date had vesting conditions linked to the growth in the Company's market capitalisation from the date of grant (Performance Conditions). If a Performance Condition is not met, the related Performance Option lapses at the end of the relevant measurement period.

Otherwise Performance Options vest on attainment of the Performance Condition and become exercisable on the 1st anniversary of the date of the Performance Condition being met, and lapse on the 10th anniversary of date of grant.

No options were granted during the year ended 31 March 2014.

Share Options

The interests of the directors in share options were as follows:

	Date of Grant	At 1 April 2013	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2014	Exercise Price	Date first exercisable	Expiry date
Employment	Options granted unde	r Part A							
G Thomson	25 May 2012 3 September 2012	74,852 10,346 85,198	- - -	- - -	- - -	74,852 10,346 85,198	£0.1200 £0.1600	25 May 2015 3 September 2015	24 May 2022 2 September 2022
C Smith	25 May 2012 3 September 2012	54,823 7,849 62,672	- - -	- - -	- - -	54,823 7,849 62,672	£0.1200 £0.1600	25 May 2015 3 September 2015	24 May 2022 2 September 2022
A Brown	25 May 2012 3 September 2012	25,951 7,849 33,800	-	-	-	25,591 7,849 33,800	£0.1200 £0.1600	25 May 2015 3 September 2015	24 May 2022 2 September 2022
Employment	Options granted unde	<u> </u>				33,000			
G Thomson	18 June 2009 5 July 2010	42,753 49,155 91,908	- - -	- - -	- - -	42,753 49,155 91,908	£0.295 £0.255	18 June 2012 5 July 2013	17 June 2019 4 July 2020
C Smith	18 June 2009 5 July 2010	31,669 36,411 68,080	- -	-	- -	31,669 36,411 68,080	£0.295 £0.255	18 June 2012 5 July 2013	17 June 2019 4 July 2020

			No of	No of	No of				
		At 1	Options	Options	Options	At 31			
		April	granted	exercised	lapsed	March	Exercise	Date first	
	Date of Grant	2013	in year	in year	in year	2014	Price	exercisable	Expiry date
Performance	Options granted unde	r Part B							
G Thomson	5 July 2010	76,923	-	-	-	76,923	£0.255	5 October 2011	4 July 2020
	25 May 2012	62,500	-	-	-	62,500	£0.1200	25 August 2013	24 May 2022
									2 September
	3 September 2012	73,117	-	-	-	73,117	£0.1600	3 December 2013	2022
		212,540	-	-	-	212,540			
C Smith	5 July 2010	46,154	-	-	-	46,154	£0.255	5 October 2011	4 July 2020
	25 May 2012	37,500	-	-	-	37,500	£0.1200	25 August 2013	24 May 2022
									2 September
	3 September 2012	43,870	-	-	-	43,870	£0.1600	3 December 2013	2022
		127,524	-	-	-	127,524			
A D	25 May 2012	27.500				27.500	60.4300	25 Avenuet 2012	24.842022
A Brown	25 May 2012	37,500	-	-	-	37,500	£0.1200	25 August 2013	24 May 2022
		40.000							2 September
	3 September 2012	43,870	-	-	-	43,870	£0.1600	3 December 2013	2022
		81,370	-	-	-	81,370			

Performance Opt	Date of Grant tions granted und	At 1 April 2013 er Part B	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2014	Exercise Price	Date first exercisable	Expiry date
G Thomson	5 July 2010	105,000	-	-	-	105,000	£0.255	5 July 2010	4 July 2020
C Smith	5 July 2010	77,778	-	-	-	77,778	£0.255	5 July 2010	4 July 2020

The Performance Conditions attached to the Performance Options are as follows:

Date of Grant	Performance Condition	Percentage of the Grant to
		which the Performance
		Condition applies to
5 July 2010	The Company's market capitalisation exceeds the benchmark price by 25% for 5 consecutive business days at any time before the 5 October 2011.	100.00%
25 May 2012	The Company's market capitalisation exceeds the benchmark price by 25% for 5 consecutive business days at any time before the 25 August 2013.	100.00%
3 September 2012	The Company's market capitalisation exceeds the benchmark price by 25% for 5 consecutive business days at any time before the 3 December 2013.	100.00%

The benchmark price is the option exercise price multiplied by the number of ordinary shares of 2 pence each in the issued share capital of the Company on the date of grant of the related option.

The charge made in respect of the fair value of options granted to directors was:

	2014	2013
	£	£
Expense arising from equity-settled share-based payments transactions	4,710	7,134

Additional information on share options is provided at note 22.

We have audited the financial statements of Braveheart Investment Group plc for the year ended 31 March 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Andrew Howie

Senior Statutory Auditor For and on behalf of Grant Thornton UK LLP Statutory Auditor **Chartered Accountants GLASGOW** 18 July 2014

			As restated
	Notes	2014 £	2013 £
	_		
Revenue	3	2,044,260	2,046,066
Change in fair value of investments	13	111,083	254,063
Movement on contingent consideration	20	(96,877)	51,459
Finance revenue	5	4,027	12,598
Total income		2,062,493	2,364,186
Employee benefits expense	4	(1,380,985)	(1,431,655)
Other operating costs		(643,045)	(731,329)
Total operating costs		(2,024,030)	(2,162,984)
Finance costs	6	(23,035)	(14,795)
Total costs		(2,047,065)	(2,177,779)
Profit before tax		15,428	186,407
Тах	8	-	-
Profit for the year from continuing operations		15,428	186,407
Discontinued operations			
Net results for the year from discontinued operations	9	(803,149)	(118,837)
Loss on disposal of discontinued operations	-	(19,801)	-
Net result for the year from discontinued operations		(822,950)	(118,837)
Total (loss)/profit and total comprehensive income for the year		(807,522)	67,570
(Loss)/profit attributable to:			
Equity holders of the parent		(805,028)	66,607
Non-controlling interest		(2,494)	963
		(807,522)	67,570
Basic earnings per share		Pence	Pence
- basic and diluted	11		- 32
From continuing operations		0.08	0.83
From discontinued operations		(3.53)	(0.53)
From total operations		(3.45)	0.30

		2014	2013
	Notes	£	f
ASSETS			
Non-current assets			
Goodwill	15	751,944	1,367,105
Other intangibles	16	-	96,278
Property, plant and equipment	12	-	10,332
Investments at fair value through profit or loss	13	3,725,132	3,560,417
Investment in limited liability partnership	14	5,000	5,000
Other receivables	17	-	154,000
		4,482,076	5,193,132
Current assets			
Trade and other receivables	17	511,392	461,814
Cash and cash equivalents	18	159,434	39,084
		670,826	500,898
Total assets		5,152,902	5,694,030
LIABILITIES			
Current liabilities			
Trade and other payables	19	(699,621)	(636,302
Contingent consideration	20	(340,721)	(373,694
Deferred income	20	(56,761)	(121,263
Deferred income		(1,097,103)	(1,131,259
Non-current liabilities		(1,037,103)	(1,131,233
	24	(43,392)	(42.202
Borrowings	24	(43,392)	(43,392 (43,392
Total liabilities		(1,140,495)	(1,174,651
Net assets		4,012,407	4,519,379
EQUITY			
Called up share capital	21	517,409	465,233
Share premium reserve		1,457,208	1,252,885
Merger reserve		523,367	494,936
Retained earnings		1,514,153	2,303,56
Equity attributable to owners of the Parent		4,012,137	4,516,61
Non-controlling interest		270	2,76
			_,, 0

Registered number: SC247376

Approved for issue by the Board of Directors 18 July 2014 and signed on its behalf by:

Jeremy Delmar-Morgan

Chairman

24 | COMPANY STATEMENT OF FINANCIAL POSITION as at 31 March 2014

		2014	2013	
	Notes	£	£	
ASSETS				
Non-current assets				
Investments at fair value through profit or loss	13	2,434,831	2,482,341	
Investment in subsidiaries	14	1,889,877	2,921,783	
Investment in limited liability partnership	14	5,000	5,000	
		4,329,708	5,409,124	
Current assets				
Trade and other receivables	17	675,637	1,768,822	
Cash and cash equivalents	18	95,409	-	
		771,046	1,768,822	
Total assets		5,100,754	7,177,946	
LIABILITIES				
Current liabilities				
Trade and other payables	19	(1,637,762)	(1,813,180)	
Contingent consideration	20	(340,721)	(373,694)	
Bank overdraft	18	-	(322,998)	
Total liabilities		(1,978,483)	(2,509,872)	
Net essets		2 122 271	4 669 074	
Net assets		3,122,271	4,668,074	
EQUITY				
Called up share capital	21	517,409	465,233	
Share premium reserve		1,457,208	1,252,885	
Merger reserve		523,367	494,936	

322,502

301,785

3,122,271

306,882

2,148,138 **4,668,074**

Registered number: SC247376

Equity attributable to owners of the Parent

Share-based payments Retained earnings

Approved for issue by the Board of Directors on 18 July 2014 and signed on its behalf by:

Jeremy Delmar-Morgan

Chairman

The accompanying accounting policies and notes form part of these financial statements.

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

423,974

39,084

39,084

159,434

	2014	2013
	£	£
Operating activities		
(Loss)/profit before tax	(1,846,353)	16,840
Adjustments to reconcile (loss)/profit before tax to net cash flows from operating activities		
Decrease/(increase) in the fair value movements of investments	101,142	(328,640)
Decrease in the fair value of subsidiaries	1,244,403	37,702
Acquisition of subsidiaries	-	(294,244)
Interest income	(3,585)	(4,295)
Decrease/(increase) in trade and other receivables	1,093,185	(1,046,902)
(Decrease)/increase in trade and other payables	(270,338)	1,119,447
Net cash flow from operating activities	318,454	(500,092)
Investing activities		
Investment in subsidiaries	(100,000)	(304,190)
Increase in investments	(70,725)	(45,689)
Repayment	17,093	14,990
Investment in limited liability partnership	-	(5,000)
Interest received	3,585	4,295
Net cash flow from investing activities	(150,047)	(335,594)
Financing activities		
Proceeds from issue of new shares	250,000	164,000
Net cash flow from financing activities	250,000	164,000
Net increase/(decrease) in cash and cash equivalents	418,407	(671,686)
Cash and cash equivalents at the beginning of the year	(322,998)	
		348,688
Cash and cash equivalents at the end of the year	95,409	(322,998)

Attributable to owners of the Parent

	Share Capital	Shares to be issued	Share Premium	Merger Reserve	Retained Earnings	Total	Non- controlling interest	Total Equity
O	£	£	£	£	£	£	£	£
Group	205 522	225 222	242.554	404 004	2244024	4.407.006	4.004	4 400 707
At 1 April 2012	385,620	336,000	819,551	431,821	2,214,934	4,187,926	1,801	4,189,727
Issue of new share capital Share-based payments	79,613	(336,000)	433,334	63,115	22,020	240,062 22,020	-	240,062 22,020
	70.612	(226,000)	422.224	62 115		•	-	
Transactions with owners Profit and total comprehensive	79,613	(336,000)	433,334	63,115	22,020	262,082	-	262,082
income for the year	-	-	-	-	66,607	66,607	963	67,570
At 1 April 2013	465,233	-	1,252,885	494,936	2,303,561	4,516,615	2,764	4,519,379
Issue of new share capital	52,176	-	204,323	28,431	-	284,930	-	284,930
Share-based payments	-	-	-	-	15,620	15,620	-	15,620
Transactions with owners	52,176	-	204,323	28,431	15,620	300,550	-	300,550
Loss and total comprehensive								
income for the year	-	-	-	-	(805,028)	(805,028)	(2,494)	(807,522)
At 31 March 2014	517,409	-	1,457,208	523,367	1,514,153	4,012,137	270	4,012,407
	Share Capital £	Shares to be issued £	Share Premium £	Merger Reserve £	Retained Earnings £	Total £		
Company								
At 1 April 2012	385,620	336,000	819,551	431,821	2,416,160	4,389,152		
Issue of new share capital	79,613	(336,000)	433,334	63,115	-	240,062		
Share-based payments	-	-	-	-	22,020	22,020		
Transactions with owners	79,613	(336,000)	433,334	63,115	22,020	262,082		
Profit and total comprehensive profit for the year	-	-	-	-	16,840	16,840		
At 1 April 2013	465,233	-	1,252,885	494,936	2,455,020	4,668,074		
Issue of new share capital	52,176	-	204,323	28,431	-	284,930		
Share-based payments		-			15,620	15,620		
Transactions with owners	52,176	-	204,323	28,431	15,620	300,550		
Loss and total comprehensive								
income for the year	-	-	-	-	(1,846,353)	(1,846,353)		

1 Corporate information

The Group and Company financial statements of Braveheart Investment Group plc (the Company) for the year ended 31 March 2014 were authorised for issue by the Board of Directors on 18 July 2014 and the statements of financial position were signed on the Board's behalf by Jeremy Delmar-Morgan.

Braveheart Investment Group plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is detailed at the back of this report. The nature of the Group's operations and its principal activities are set out in the Strategic Report and Directors' Report. The Company is registered in Scotland. The Company's ordinary shares are traded on the London Stock Exchange Alternative Investment Market (AIM).

2 Accounting policies

(a) Basis of preparation

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to financial statements for the year ended 31 March 2014 and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Group and by the Company are set out in the following notes.

The Company has taken advantage of the provision of section 408 of the Companies Act 2006 not to publish its own Statement of Comprehensive Income. The amount of loss for the financial year dealt with in the financial statements of the Company is set out in note 10 to the financial statements.

The financial statements have been prepared on a historical cost basis, except where otherwise indicated. The financial statements are presented in sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

The Group's business activities (together with the factors likely to affect its future development, performance and position) and its financial position are set out in the Chairman's Statement on page 2, the Chief Executive Officer's Report on pages 3 and 4, the Chief Financial Officer's Report on pages 5 to 6 and the Chief Investment Officer's Report on pages 7 to 8. The Group's risk management objectives and policies are described in the Corporate Governance Statement on pages 15 to 17. Further information regarding the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 26 to the financial statements. The Group's capital management objectives are stated below on page 32.

The directors have reviewed the Group's and the Company's budgets and plans, taking account of reasonably possible changes in trading performance and the level of currently available but undrawn bank facilities, have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

(b) Changes in accounting policy and disclosures

There were no additional standards, amendments and interpretations that had a material impact on the Group's financial statements during the year. The following standard and amendments were effective in the year but had no material impact on the Group's financial statements:

- IFRS 13 (May 2011) Fair Value Measurement (effective 1 January 2013).
- Amendments to IAS 1 (June 2011) Presentation of Items of Other Comprehensive Income (effective 1 July 2012).
- Amendments to IAS 19 (June 2011) Employee Benefits (effective 1 January 2013).

(c) New standards and interpretations not yet effective

The International Accounting Standards Board has issued the following standards and interpretations with an effective date after the date of these financial statements:

IFRS 9 will eventually replace IAS 39 in its entirety and is intended to simplify the classification and measurement requirements for financial instruments. The process has been divided into three main phases, classification and measurement; impairment; and hedge accounting.

In addition the following new amendments and interpretations of existing standards that are not yet effective and have not been adopted early by the Group are not expected to have any material impact on the Group's consolidated financial statements:

- IFRS 10 (May 2011) Consolidated Financial Statements.
- IFRS 11 (May 2011) Joint Arrangements.
- IFRS 12 (May 2011, updated January 2012) Disclosures of Interests in Other Entities.
- Amendments to IAS 19 (November 2013) Defined Benefit Plans: Employee Contributions (effective 1 July 2014).
- Amendments to IAS 32 (December 2011) Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014).
- IAS 27 (May 2011) Separate Financial Statements (effective 1 January 2014) for EU.
- IAS 28 (May 2011) Investments in Associates and Joint Ventures (effective 1 January 2014) for EU.
- Amendments to IFRS 10, 12 & 27 Investment Entities (effective 1 January 2014).

(d) Basis of consolidation

The Group's financial statements consolidate the results of Braveheart Investment Group plc and its subsidiaries (together referred to as the 'Group') drawn up to 31 March each year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent company using consistent accounting policies. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

The subsidiaries have been consolidated from the date of their acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the subsidiary so as to obtain benefit from its activities and is achieved through direct ownership.

Group companies manage, and have an 89.29% equity interest in, Strathclyde Innovation Fund LP, which is included in the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position separately from parent shareholders' equity.

The Group has a 33.3% interest in the total capital commitments of WhiteRock Capital Partners LLP.

(e) Use of estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Where management's judgement has been applied, this is noted in the relevant accounting policy.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of unquoted investments

Unquoted investments have been valued by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines as endorsed by the European Venture Capital Association. The use of such valuation techniques requires the directors to make certain judgements including making assessments of future revenue and earnings of portfolio companies, appropriate multiples to apply, and marketability and other risk discounts and provisions, and hence they are subject to uncertainty. The fair value of unquoted investments at 31 March 2014 was £3,725,132 (2013: £3,560,417).

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. Judgement is required in determining the most appropriate valuation model for a grant of equity instruments depending on the terms and conditions of the grant. Management are also required to use certain assumptions in determining the most appropriate inputs to the valuation model including expected life of the option, volatility, risk free rate and dividend yield. The assumptions and models used are fully disclosed in note 22.

Contingent consideration

Under IFRS 3: Business combinations contingent consideration is included in the cost of a business combination to the extent that it is deemed probable and can be measured reliably. This requires management to assess the probability and to estimate the financial impact of events on which consideration is contingent. Under IFRS 3 Revised an assessment of probability is no longer required but initial fair value has to be assessed at acquisition date, and post acquisition changes in fair value are charged to the statement of comprehensive income.

Intangible assets

Intangible assets that are acquired as a result of a business combination are separately recognised on acquisition at their fair value, and amortised over their expected useful life. This requires management to make an assessment of an asset's separability, revenue stream and life, and apply suitable valuation methodologies thereto.

Impairment of goodwill

Goodwill is subject to an impairment test on an annual basis or earlier where any event or change in circumstance is identified that indicates that the carrying value may not be recoverable. Testing for impairment requires a comparison of the carrying value amount of goodwill against the recoverable amount, which is the value-in-use of the cash-generating unit to which the goodwill is allocated. Value-in -use requires estimation of future cash flows expected from the cash-generating unit as well as an appropriate growth factor and discount rate to calculate the present value of the cash flows.

(f) Revenue recognition and segmental reporting

The Group earns fee income from the services it provides to its clients. Revenue is recognised at the fair value of the consideration received or receivable, excluding rebates. Fees earned for the provision of an ongoing service are recognised as that service is provided. Deal fees and facilitation fees are earned on individual transactions and related revenue is recognised on completion of the underlying transaction. The Group receives compensation for its role as fund manager; these fund management fees include fixed fees and performance fees and are recognised as the related services are provided.

Interest income is recognised using the effective interest method. Interest income is interest earned on bank deposit accounts and loan notes and is included within the statement of comprehensive income.

Revenue is deferred when it does not meet the revenue recognition policy and is presented as deferred income in the statement of financial position.

The business is regarded as one segment due to the nature of services provided and the methods used to provide these services. All operations are conducted in the United Kingdom and Channel Islands.

(g) Taxation

The tax expense represents the sum of the tax currently payable, and deferred tax. Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits ('temporary differences') and is accounted for using the liability method.

A deferred tax asset or liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax asset or liability arises from (a) the initial recognition of goodwill, (b) the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss) or (c) relates to an investment in subsidiary, except to the extent that (i) the parent is able to control timing of reversal and (ii) it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment.

Computer equipment 33.3% reducing balance Fixtures and fittings 20.0% reducing balance

The carrying value of assets and their useful lives are reviewed at each reporting date and if an indication of impairment exists, the assets will be written down to their recoverable amount and the impairment charged to the statement of comprehensive income in the period in which it arises.

(i) Intangible assets

- Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

- Other intangible assets

Intangible assets that are acquired as a result of a business combination are separately recognised on acquisition at their fair value. Brands are valued using the 'relief from royalty' method and databases are valued using the 'cost to recreate' method. Amortisation is charged on a 10% straight-line basis to the statement of comprehensive income over their expected useful economic lives, and is included within other operating costs.

(j) Impairment of intangibles assets

Goodwill is subject to an impairment test on an annual basis or earlier where any event or change in circumstance is identified that indicates that the carrying value may not be recoverable. Testing for impairment requires a comparison of the carrying value amount of goodwill against the recoverable amount, which is the value-in-use of the cash-generating unit to which the goodwill is allocated. Value-in-use requires estimation of future cash flows expected from the cash-generating unit as well as an appropriate growth factor and discount rate to calculate the present value of the cash flows.

(j) Impairment of intangibles assets (continued)

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment losses are recognised immediately in the statement of comprehensive income.

Financial assets are recognised when the Group becomes party to the contracts that give rise to them and are classified at initial recognition as either financial assets at fair value through profit or loss or loans and receivables. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

Investments at fair value through profit or loss

Investments, which include equity and debt investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting

Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, as recommended by the European Venture Capital Association (EVCA). The fair value of unlisted equity investments is determined using one of the valuation methodologies set out in the guidelines. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

Wherever possible the Group uses valuation techniques which make maximum use of observable market based inputs and accordingly the basis of the valuation methodology used most commonly by the Group is 'price of most recent investment'.

In calculating fair value, the directors have also taken account of rights which when exercised either enhance or diminish the value of the investment. These rights are reviewed on a regular basis to assess whether they are likely to be exercised. The extent of any impact on the value of the investments has been calculated on the basis that all quantifiable rights are, or are likely to be exercisable, or that occur automatically on certain events taking place, such as exit and liquidation preferences on realisation.

Debt investments are generally unquoted debt instruments which are convertible to equity at a future point in time. Such instruments are considered to be hybrid instruments containing a fixed rate debt host contract with an embedded equity derivative. The Group designates the entire hybrid contract at fair value through profit or loss on initial recognition and accordingly, the embedded derivative is not separated from the host contract and accounted for separately. Given their short term nature, the fair value of debt investments is deemed to be cost less any impairment provision.

The gains and losses arising from changes in fair value are recognised in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables, other financial assets and cash and cash equivalents, all of which are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. They are included in current assets, except for maturity greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Trade receivables

Trade receivables are initially recognised at fair value which is normally the invoice value in short term receivables. Thereafter the receivables are carried at amortised cost. Provision is made where there is objective evidence that a balance will not be recovered in full in accordance with the instruments original terms. An impairment calculation is based on a comparison between the carrying amount and the net present value of expected future cash flows, discounted by the original effective rate.

Cash and cash equivalents

Cash and cash equivalents in the consolidated cashflow comprise cash in hand, short term bank deposits and bank overdrafts. In the consolidated statement of financial position the bank overdraft is offset.

(I) Financial liabilities

Financial liabilities, which comprise bank overdraft and trade and other payables, are initially recognised at fair value and are subsequently carried at amortised cost. The bank overdraft is repayable on demand and forms an integral part of the Group's cash management.

(m) The Company's investment in its subsidiaries and limited liability partnership

In the Company's accounts, investment in its subsidiary undertakings and limited liability partnership are stated at cost less any provision for impairment.

(n) Contingent consideration

Contingent consideration is recognised at fair value. Under IFRS 3 contingent consideration was recognised when it was probable and was capable of being measured reliably, and changes after initial recognition were recognised as movements in goodwill. Under IFRS 3 Revised, contingent consideration is fair valued at initial recognition even if it is not probable, with subsequent changes recognised in the statement of comprehensive income.

(o) Leases

Lease payments under operating leases, where a significant proportion of the risks and benefits remain with the lessor, are recognised on a straight line basis over the term of the lease.

(p) Share capital

Financial instruments issued by the Group are treated as equity if the holders have only a residual interest in the Group's assets after deducting all liabilities. The Group considers its capital to comprise its share capital, merger reserve and retained earnings.

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to ensure a sufficient cash balance is maintained; and
- to maximise returns to shareholders.

The Group continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements. The Group may issue new shares or realise investments to meet such requirements. To date the Group has negligible borrowings and does not pay a dividend. Investments made by the Group are subject to detailed selection criteria and are monitored carefully by the Board. The group considers that it has appropriately managed its capital requirements during the year.

Strathtay Ventures Limited, a Group investment management subsidiary and Viking Fund Managers Ltd, a Group fund management subsidiary, are subject to external capital requirements imposed by the Financial Conduct Authority and as such must ensure that they have sufficient capital to satisfy these requirements. The Group ensures it remains compliant with these requirements as described in the financial statements of each company.

There has been no change in capital management objectives, policies and procedures from the previous year.

(q) Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments issued at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous reporting date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, any expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the statement of comprehensive income.

(r) Pensions

The Group makes defined pension contributions to certain employees of Viking Fund Managers Ltd, a subsidiary undertaking. The assets of the scheme are held separately from those of the Group in independently administered funds. The Group has no further obligations once the contributions have been paid. The contributions are recognised as employee benefits expenses when they are due.

(s) Business combinations

The Group uses the purchase method of accounting to account for acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus, under IFRS 3 but no longer under IFRS 3 Revised, costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any noncontrolling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

(t) Restatement of comparative figures

The Group have restated the 2013 comparative figures to show the results of Envestors Ltd as a discontinued operation.

3 Revenue

Revenue is attributable to the principal activities of the Group. 98% (2013: 86%) arose within the United Kingdom and 2% (2013: 14%) within the Channel Islands.

GROUP	Continuing operations	Discontinued operations	Total
	2014	2014	2014
	£	£	£
Investment management	2,044,260	254,309	2,298,569
Consultancy	-	249,621	249,621
	2,044,260	503,930	2,548,190
	Continuing operations	Discontinued operations	Total
	•		Total 2013
	operations	operations	
Investment management	operations 2013	operations 2013	2013
Investment management Consultancy	operations 2013 £	operations 2013 £	2013 £

The business is regarded as, and financial performance is reported to the Board in respect of one segment due to the nature of services provided and the methods used to provide these services.

4 Employee benefits expense

GROUP	Continuing operations	Discontinued operations	Total
	2014	2014	2014
	£	£	£
Salaries	1,182,989	375,208	1,558,197
Social security costs	148,551	44,175	192,726
Pension costs	33,825	1,922	35,747
Share-based payments	15,620	-	15,620
	1,380,985	421,305	1,802,290

GROUP	Continuing operations	Discontinued operations	Total
	2013	2013	2013
	£	£	£
Salaries	1,213,929	469,798	1,683,727
Social security costs	156,613	65,142	221,755
Pension costs	43,813	-	43,813
Share-based payments	17,300	4,720	22,020
	1,431,655	539,660	1,971,315

The average number of persons (including directors) employed by the Group during the year was 26 (2013: 24), all of whom were involved in management and administrative activities. The Company had 11 employees in the year ended 31 March 2014 (2013: £nil).

During the year 2014, the Company recharged Strathtay Ventures Ltd £144,277 and Envestors Ltd £71,365 in respect of employee benefits expense. During the year 2013 Strathtay Ventures Limited recharged £315,519 and Viking Fund Managers Ltd (previously Neon Capital Partners Limited) recharged £248,963 to the Company in respect of employee benefits expense.

The remuneration of the directors, is set out below in aggregate:

	2014	2013
	£	£
Short-term employee benefits	394,671	391,501
Share-based payments	4,710	6,154
	399,381	397,655

Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report on pages 17 to 19.

The remuneration of the management board detailed on page 18 to 20, who are considered to be key management personnel of the Group, is set out below in aggregate in accordance with IAS 24 'Related Party Disclosures':

	2014	2013
	£	£
Short-term employee benefits	549,209	900,369
Share-based payments	7,500	13,770
	556,709	914,139

5 Finance revenue

	Group	Group
	2014	2013
	£	£
Bank interest receivable	3,582	1,254
Interest on loan notes	445	11,344
	4,027	12,598

6 Finance costs

Gro	up Group
20	14 2013
	£
Bank charges 23,2	24 15,348

In 2014 finance costs included £189 in respect of discontinued operations (2013: £553)

7 Profit/(loss) before tax

	Group	Group
Profit/(loss) for the year has been arrived at after charging:	2014	2013
	£	£
Depreciation of property, plant and equipment	5,338	5,684
Amortisation/impairment of intangibles	616,519	12,837
Lease payments recognised as an operating lease (office rent)	99,587	87,894
Loss on the disposal of property, plant, and equipment	4,994	7,168
Auditors remuneration:		
- audit of parent company	25,000	25,000
- audit of subsidiary companies	16,000	23,000
- audit related regulatory reporting	5,000	5,000
- taxation compliance	6,500	13,000

8 Tax on profit/(loss) on ordinary activities

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2014 or for the year ended 31 March 2013.

	Continuing	Continuing
	operations	operations
	Group	Group
	2014	2013
Reconciliation of total tax:	£	£
Profit before tax	15,428	186,407
Tax at the statutory rate of 20% (2013: 20%)	3,085	37,281
Disallowed expenses	(203,437)	(4,678)
Unrealised gain on the fair value movement of investments	(22,217)	(50,813)
Increase in unutilised tax losses	225,989	17,312
Other adjustments	(3,420)	898
Total tax reported in the statement of comprehensive income	-	-

	Discontinued operations	Discontinued operations	
	Group	Group	
	2014	2013	
Reconciliation of total tax:	£	£	
Loss before tax	(822,950)	(118,837)	
Tax at the statutory rate of 20% (2013 : 20%)	(164,590)	(23,767)	
Disallowed expenses	-	944	
Increase in unutilised tax losses	160,102	22,585	
Other adjustments	4,488	238	
Total tax reported in the statement of comprehensive income	-	-	

8 Tax on profit/(loss) on ordinary activities (continued)

The Group has potential unrecognised deferred tax assets in respect of:

- excess management expenses of £4,436,146 (2013: £3,105,555) arising from Braveheart Investment Group plc;
- excess management expenses of £926,115 (2013: £928,216) arising from Caledonia Portfolio Realisations Ltd; and
- unutilised trading losses of £1,699,171 (2013: £1,805,631) in Strathtay Ventures Limited;

No deferred tax assets have been recognised in respect of these amounts as it is uncertain that there will be suitable taxable profits from which the future reversal of the deferred tax could be deducted.

9 Discontinued operations

The Group announced on 13 December 2013 the sale of Envestors Ltd, to a management buy-out team. Envestors Ltd represented an identifiable division of the Group and as such has been disclosed as a discontinued operation for the year ended 31 March 2014. A single amount is shown on the consolidated statement of comprehensive income representing the post-tax results of the discontinued operation for the period until disposal. Of the total loss from discontinued operations reported in the year, £705,000 was impairment of intangibles. Additionally the loss arising from the disposal of the operation has been recognised within the discontinued operations section of the consolidated statement of comprehensive income.

	Period to 13	Year to 31
Discontinued operation financial performance	December 2013	March 2013
	£	£
Revenue	503,930	974,395
Operating costs	(1,306,890)	(1,092,679)
Finance costs	(189)	(553)
Result from discontinued operations before and after tax	(803,149)	(118,837)

Disposal of discontinued operations	£
Consideration	94,919
Net assets of discontinued operations	(114,720)
Loss on disposal	(19,801)

The consideration for the sale was the cancellation of the final Braveheart share issue due to three management buy-out participants, as agreed at the time of the Envestors acquisition and detailed within the Group's 2013 Annual Report.

10 (Loss)/profit of the Parent Company

	2014	2013
	£	£
(Loss)/profit of the Parent Company only (1,3	846,353)	16,840

11 Earnings per share

Basic profit/(loss) per share has been calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The calculations of loss per share are based on the following loss and numbers of shares in issue:

	2014	2013
	£	£
Profit for the year from continuing operations	17,922	185,444
Loss for the year from discontinued operations	(822,950)	(118,837)
Weighted average number of ordinary shares in issue:	No.	No.
For basic profit/(loss) per ordinary share	23,347,249	22,463,876
Potentially dilutive ordinary shares	-	-
For diluted profit/(loss) per ordinary share	23,347,249	22,463,876

There were no potentially dilutive ordinary shares at the year end.

12 Property, plant and equipment

	Fixtures & fittings	Computer equipment	Total
Group	£	£	£
Cost			
At 1 April 2012	34,762	49,489	84,251
Acquired	729	1,297	2,026
Disposals	(26,266)	(22,767)	(49,033)
At 1 April 2013	9,225	28,019	37,244
Disposals	(9,225)	(28,019)	(37,244)
At 31 March 2014	-	-	-
Accumulated depreciation At 1 April 2012	24,549	38,544	63,093
Charge for year	2,067	3,617	5,684
Disposals	(21,833)	(20,032)	(41,865)
At 1 April 2013	4,783	22,129	26,912
Charge for year	3,328	2,010	5,338
Disposals	(8,111)	(24,139)	(32,250)
At 31 March 2014	-	-	-
Net Book Value			
At 31 March 2014	-	-	-
At 31 March 2013	4,442	5,890	10,332

13 Investments at fair value through profit or loss

	Level 1	Leve	el 2	Leve	<u>13</u>	
	Equity	Equity	Debt	Equity	Debt	
	investments	investments	investments	investments in	investments	
	in quoted	in unquoted	in unquoted	unquoted	in unquoted	
	companies	companies	companies	companies	companies	Total
Group	£	£	£	£	£	£
At 1 April 2012	-	-	-	3,224,402	51,253	3,275,655
Additions at Cost	-	-	-	13,831	31,858	45,689
Repayments	-	-	-	-	(14,990)	(14,990)
Change in Fair Value	-	-	-	254,063	-	254,063
At 1 April 2013	-	-	-	3,492,296	68,121	3,560,417
Additions at Cost	-	-	-	2,725	68,000	70,725
Repayments	-	-	-	(4,604)	(12,489)	(17,093)
Change in Fair Value	-	-	-	111,083	-	111,083
At 31 March 2014				3,601,500	123,632	3,725,132

	Level 1	Leve	<u>! 2</u>	Leve	e <u>l 3</u>	
	Equity	Equity	Debt	Equity	Debt	
	investments	investments	investments	investments	investments	
	in quoted	in unquoted	in unquoted	in unquoted	in unquoted	
	companies	companies	companies	companies	companies	Total
Company	£	£	£	£	£	£
At 1 April 2012	-	-	-	2,071,749	51,253	2,123,002
Additions at Cost	-	-	-	13,831	31,858	45,689
Repayments	-	-	-	-	(14,990)	(14,990)
Change in Fair Value	-	-	-	328,640	-	328,640
At 1 April 2013	-	-	-	2,414,220	68,121	2,482,341
Additions at Cost	-	-	-	2,725	68,000	70,725
Repayments	-	-	-	(4,604)	(12,489)	(17,093)
Change in Fair Value	-	-	-	(101,142)	-	(101,142)
At 31 March 2014	-	-	-	2,311,199	123,632	2,434,831

Investments, which include equity and debt investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting date.

Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective December 2012, as recommended by the European Venture Capital Association (EVCA). The fair value of unlisted equity investments is determined using one of the valuation methodologies set out in the guidelines. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

13 Investments at fair value through profit or loss (continued)

The Group classifies its investments using a fair value hierarchy. Classification within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant investment as follows:

- Level 1 valued using quoted prices in active markets for identical assets;
- Level 2 valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1; and
- Level 3 valued by reference to valuation techniques using inputs that are not based on observable market data.

All unquoted investments have been classified as Level 3 within the fair value hierarchy, their respective valuations having been calculated using a number of valuation techniques and assumptions, notwithstanding that the basis of the valuation methodology used most commonly by the Group is 'price of most recent investment'. The use of reasonably possible alternative assumptions has no material effect on the fair valuation of the related investments. The effect on the consolidated statement of comprehensive income for the period is also not expected to be material. During the years ending 2014 and 2013, one portfolio company went into members voluntary liquidation. The impact on the fair value of investments if the discount rate and provision shift by 1% is £14,708.

Change in fair value in the year

Group	2014	2013
	£	£
Fair value gains	416,858	378,043
Fair value losses	(305,775)	(123,980)
	111,083	254,063

Details of investments where the nominal value of the holding in the undertaking is 20% or more of any class of share are as follows:

		% of class of	
Name of Company	Holding	shares held	Nature of Business
Verbalis Ltd (Verbalis)	'A' Ordinary shares	100%	Design and production of automated language
			translation systems

The above shareholding, which is held by Caledonia Portfolio Realisations Ltd (CPR), represents a 20% aggregate shareholding in Verbalis. Neither CPR nor the Company is represented on the Board or within management of Verbalis and in the opinion of the directors, this shareholding does not entitle the Company to exert a significant or dominant influence over Verbalis. The carrying value of Verbalis is £nil.

14 Investment in subsidiaries and limited liability partnership

(i) Investment in subsidiaries

The Company has the following interests in subsidiary undertakings:

	Count	y of		%
Name	Incorp	oration	Nature of Business	Interest
		_		
Strathtay Ventures Ltd (SVL)	Scotla		Investment management	100%
Braveheart Ventures Ltd (BVL)	Scotla		Dormant	100%
Caledonia Portfolio Realisations Ltd (CPR)	Scotla	nd	Investment management	100%
Caledonia LP Ltd	Scotla	nd	Investment management	100%
Strathclyde Innovation Fund GP Ltd	Scotla	nd	Investment management	100%
Caledonia Specialist Finance Ltd	Scotla	nd	Dormant	100%
Viking Fund Managers Ltd (VFM)	Englan	d	Investment management & business advisory services	100%
Braveheart Academic Seed Fund GP Ltd	Englan	d	Investment management	100%
Neon Capital Partners Ltd	Englan		Dormant	100%
Company				£
Cost				
At 1 April 2012				2,673,968
Increase in investment value arising from share	-based payments			22,020
Additions: SVL (note 25)				90,000
Impairment in investment value: SVL				(37,702)
Additions: ENV (note 25)				200,000
Additions: Neon (note 15)				14,190
Decrease in investment value: CPR				(40,693)
At 1 April 2013				2,921,783
Increase in investment value arising from share	-based payments			15,620
Additions: ENV (note 25)				100,000
Disposal: ENV				(1,244,403)
Increase in investment value: CPR				96,877
At 31 March 2014				1,889,877
Group entities act as General Partner to, and have	e an interest in, the following I	imited part	nership:	
				%
Name		Place of	Business	interest
Strathclyde Innovation Fund (SIF)		Scotland	d	89.29%
Lachesis Seed Fund (Lachesis)		England		0%
Finance Yorkshire Equity Fund		England		0%
SIF has been included in the consolidated financia	al statements since 1 April 200	8.		
In addition, VFM holds the undernoted interest in	the following business:			
	Country of			
Name	Incorporation		of Business	% Interest

This holding which VFM has no significant influence over is classified as an investment held by a venture capital, and is measured at a fair value of £nil (2013: £nil) in accordance with IAS 39 Financial Instruments: Recognition and Measurement. For the year ended 31 March 2014 RHL generated a loss after tax of £90,638 (2013: profit after tax of £93,593) and at 31 March 2014 had share capital and reserves of £367,620 (2013: £458,258).

Fund management

England

Ridings Holdings Ltd (RHL)

(ii) Investment in limited liability partnership

The Group has a 33.3% interest in the total capital commitments of WhiteRock Capital Partners LLP which is classified as an investment in limited liability partnership in the statement of financial position.

15 Goodwill

	VFM	Envestors	Neon	Total
	£	£	£	£
At 1 April 2012	371,944	615,161	365,810	1,352,915
Movement	-	-	14,190	14,190
At 1 April 2013	371,944	615,161	380,000	1,367,105
Movement	-	(615,161)	-	(615,161)
At 31 March 2014	371,944	-	380,000	751,944

The acquisition of Viking Fund Managers (VFM) has been accounted for under IFRS 3. At initial recognition, contingent consideration settled, or to be settled, in shares was fair valued by reference to the Company's share price at the acquisition date.

The acquisition of Envestors has been accounted for under IFRS 3 Revised. At initial recognition, consideration settled, or to be settled, in shares was fair valued by reference to the Company's share price at the acquisition date. Envestors Ltd was sold on 13 December 2013, see note 9.

The acquisition of Neon has been accounted for under IFRS 3 Revised. During the year ended 2013, the consideration was settled in full. Changes which arose within the measurement period resulted in a revised net asset value for Neon.

At the end of the year, the Group assessed the recoverable amount of the above goodwill associated with each of the VFM and Neon's cashgenerating units (both being part of the Group's only operating segment), and determined that goodwill was not impaired. The recoverable amount was assessed by reference to the cash-generating unit's value in use based on internally prepared and approved 3 year cash flow projections and growth based projections for a further 2 years (a reasonable measurement period in the group's line of business) assuming the following growth rates and applying the following discount factors:

Cashflow projections are mainly based on contracted revenues and associated costs, which can therefore be predicted with reasonable certainty and the directors do not consider there to be significant assumptions included within these cash flows.

Cash-generating unit	Neo	n	VFN	Л
	2014	2013	2014	2013
Growth rate (average p.a.)	2.5%	-	2.5%	3 - 5%
Discount factor (p.a.)	9-12.5%	9-12.5%	9-12.5%	9-12.5%

These factors are based on past experience and future expectations which the directors consider to be appropriate. Value in use estimates arising from reasonably possible changes to these factors do not indicate impairment.

16 Intangible assets

Status	Brand	Database	Total
Group	£	£	£
Cost			
At 1 April 2013 and 31 March 2014	66,869	61,500	128,369
Accumulated amortisation			
At 1 April 2013	16,716	15,375	32,091
Amortisation and impairment	50,153	46,125	96,278
At 31 March 2014	66,869	61,500	128,369
Net Book Value			
At 31 March 2014	-	-	-
At 31 March 2013	50,153	46,125	96,278

Intangible assets acquired on acquisition first arose on the acquisition by Envestors of the business of Envestors LLP, and comprised Envestors' brand and database of high-net-worth investor contacts. The impairment charge relates to the discontinued operations of the Group.

17 Trade and other receivables

	Group	Group	Company	Company	
	2014	2013	2014	2013	
	£	£	£	£	
Trade receivables	209,803	227,832	77	-	
Prepayments and accrued income	301,589	233,982	330,538	41,037	
Amounts due from related parties	-	-	345,022	1,727,785	
	511,392	461,814	675,637	1,768,822	
Non-current: Other receivables	-	154,000	-	-	
	511,392	615,814	675,637	1,768,822	

As trade receivables are generally of short-term maturity, the directors consider the carrying amounts to approximate their fair value. All receivables are non-interest bearing and unsecured.

18 Cash and cash equivalents

	Group	Group	Company	Company
	2014	2013	2014	2013
	£	£	£	£
Cash at bank and on hand	159,434	39,084	95,409	-
Bank overdraft used for cash management	-	-	-	(322,998)

Cash balances are held with HSBC Bank plc and Bank of Scotland plc and earn interest at floating rates based on daily bank deposit rates.

19 Trade and other payables

	Group	Group	Company	Company
	2014	2013	2014	2013
	£	£	£	£
Trade payables	158,567	222,284	40,050	48,613
Amounts due to related parties	-	-	1,497,517	1,741,051
Other taxes and social security	101,031	121,710	9,625	-
Accruals	440,023	292,308	90,570	23,516
	699,621	636,302	1,637,762	1,813,180

Due to the short-term maturity of trade payables, the directors consider the carrying amounts to approximate their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

20 Deferred and contingent consideration

Short term contingent consideration of £340,721 is the sum due on future exit values of the Caledonia Portfolio Realisation portfolio. All consideration due to Envestors has been settled in the year.

At the year ended 31 March 2013 short term contingent consideration of £373,694 comprised (i) £129,849 being the fair value of the short term contingent consideration due to Envestors and was due to be satisfied by the issue of 1,207,903 ordinary shares of 2 pence each in the Company, however, this was superseded by the disposal of Envestors Ltd as set out in note 9 and (ii) £243,845 being the sum due on future exit values of the Caledonia Portfolio Realisation portfolio. Contingent consideration relating to CPR is directly linked to movement in its portfolio, a 1% increase in the discount rate would decrease the contingent consideration by £3,984

21 Share capital

	2014 £	2013
Authorised	r	r
33,645,000 ordinary shares of 2 pence each		
(2013: 33,645,000 ordinary shares of 2 pence each)	672,900	672,900
Allotted, called up and fully paid		
25,870,491 ordinary shares of 2 pence each		
(2013: 23,261,712 ordinary shares of 2 pence each)	517,409	465,233

On 14 January 2014 the Company issued 324,924 ordinary shares of 2 pence each in satisfaction of consideration due on its acquisition of Envestors. The Company issued 2,283,855 new ordinary shares on 25 March 2014 at a placing price of 10.94 pence per share.

The Company has one class of ordinary shares. All shares carry equal voting rights, equal rights to income and distribution of assets on liquidation or otherwise, and no right to fixed income. The merger reserve was created for the amounts subscribed for share capital in excess of nominal value in relation to the qualifying acquisition of subsidiary undertakings

22 Share-based payments

The Group operates the Braveheart Investment Group plc Executive Share Option Scheme 2006 (the Scheme), which comprises Part A, a share option scheme approved by HMRC (the Approved Scheme) and Part B, an unapproved share option scheme (the Unapproved Scheme).

Historically, the Scheme was open to all directors and employees of the Group, although non-executive directors could only participate in Part B. The Scheme is now only open to all executive directors and employees.

Options are granted by the Board taking into account the need to motivate, retain and recruit high calibre employees and with regard to the contribution that such employees are expected to make in achieving the Group's objectives.

Options granted under the Scheme are categorised as either Employment Options, Performance Options or Other Options. Employment Options may be granted under either Part A or Part B. All Performance Options and Other Options are granted under Part B.

Employment Options vest and become exercisable on the third anniversary of date of grant, and generally lapse on the earlier of cessation of employment (or 6 months thereafter if options have vested at cessation date) or the 10th anniversary of date of grant.

Performance Options have vesting conditions linked to the growth in the Company's market capitalisation from the date of grant (Performance Conditions). If a Performance Condition is not met, the related Performance Option lapses at the end of the relevant measurement period. Otherwise, Performance Options vest on attainment of the Performance Condition and become exercisable on the 1st anniversary of the date of the Performance Condition being met, and lapse on the 10th anniversary of date of grant.

Other Options are immediately exercisable and lapse on the 10th anniversary of date of grant.

During the current year, no options were granted. 173,303 Employment Options, 537,553 Performance Options lapsed and 25,926 other options lapsed during the year either due to the cessation of employment or related Performance Condition not having been met.

During the year ended 31 March 2013, 507,659 Employment Options and 798,729 Performance Options were granted. 88,683 Employment Options lapsed, 23,846 Performance Options lapsed and 19,556 Other Options lapsed during the year either due to the cessation of employment or related Performance Condition not having been met.

22 Share-based payments (continued)

The current year movement in Share Options is summarised below:

Replayment Options granted under Part A Recember	Date of Grant	At 1 April 2013	Weighted Average Exercise Price	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2014	Exercise Price	Weighted Average Exercise Price	Date first exercisable	Expiry date
8 December 2008 16,185 16,185 6.0.35 2011 20,185 18 June 2019 120,765 - 26,185 120,192 17 June 2019 152,612 - 26,285,18 June 2019 152,612 - 26,285,18 June 2019 17 June 2019 152,612 - 26,285,18 June 2019 17 June 2019 150,192 10 196,154 - 26,693,18 June 2019 18 June 2019 18 June 2019 192,194 192,195 193,194 194,194	Employment O	ntions granted	under Part A	•	·	•					
2008	zpioyene o	ptions grantea	under i di eri								
Same	8 December									8 December	7 December
Sulvy 2010 152,612 - - (28,554) 124,058 £0.255 5 July 2013 4 July 2020 5 October	2008	16,185		-	-	-	16,185	£0.35		2011	2018
5 October 2010 96,154 - 2 (26,923) 69,231 60,235 2035 2013 4 October 2020 25 May 2012 392,440 - 6 (67,887) 324,553 60,1200 25 May 15 24 May 2022 3 September 2012 102,018 - 2 (19,883) 82,135 60,1600 2015 2022 25 25 25 25 25 25 25 25 25 25 25 25 2	18 June 2009	120,765		-	-	(26,013)	94,752	£0.295		18 June 2012	17 June 2019
2010	-	152,612		-	-	(28,554)	124,058	£0.255		-	4 July 2020
25 May 2012		96,154		-	_	(26,923)	69,231	£0.235			4 October 2020
3 September	25 May 2012			-	-			£0.1200		25 May 15	24 May 2022
2012 102,018	· ·	ŕ				, , ,	ŕ			· ·	· ·
September Sept	-	102,018		-	_	(19,883)	82,135	£0.1600		=	•
2012 13,201 13,201 60.1575 2012 2022 893,375 60.188 - (169,260) 724,115 60.187 Employment Options granted under Part B 18 June 2009 74,422 74,422 60.295 18 June 2012 17 June 2019 5 July 2010 89,609 - (4,043) 85,566 60.255 5 July 2013 4 July 2020 164,031 60.273 - (4,043) 159,988 60.274 Performance Options granted under Part B 5 July 2010 260,766 - (26,922) 233,844 60.255 2011 4 July 2020 5 July 2010 95,237 - (27,116) 68,121 60.255 2011 4 July 2020 25 August 25 August 25 August 25 August 25 August 2012 44,6015 - (37,500) 275,000 60.1200 2013 24 May 2022 3 September 2012 446,015 - (446,015) - 60.1600 2013 2022 25 September 2012 40,214 - (54,047) 617,179 60.186 Other Options granted under Part B		ŕ				, , ,	,				
Employment Options granted under Part B 18 June 2009 74,422 74,422 £0.295 18 June 2012 17 June 2019 5 July 2010 89,609 - (4,043) 85,566 £0.255 5 July 2013 4 July 2020 164,031 £0.273 - (4,043) 159,988 £0.274 Performance Options granted under Part B 5 July 2010 260,766 - (26,922) 233,844 £0.255 2011 4 July 2020 5 October 5 July 2010 95,237 - (27,116) 68,121 £0.235 2012 4 October 2020 25 October 2010 95,237 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 September 2012 40,214 - (446,015) - £0.255 25 December 24 September 2012 40,214 - (43,015) - (446,015) - £0.1600 2013 2022 25 September 2012 40,214 - (40,015) - £0.1600 2013 2022 25 October 24 September 25 September 26 September 26 September 27 September 28 September 29 September 29 September 29 September 29 September 20 September 29 September 20 Septembe	September									September	24 September
Employment Options granted under Part B 18 June 2009 74,422 74,422 60.295 18 June 2012 17 June 2019 5 July 2010 89,609 - (4,043) 85,566 £0.255 5 July 2013 4 July 2020 164,031 £0.273 - (4,043) 159,988 £0.274 Performance Options granted under Part B 5 July 2010 260,766 - (26,922) 233,844 £0.255 2011 4 July 2020 5 October 2010 95,237 - (27,116) 68,121 £0.235 2012 4 October 2020 25 August 25 May 2012 312,500 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 3 December 2 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 September 2 40,214 - 40,214 £0.1575 2013 2022 1,154,732 £0.177 - (537,553) 617,179 £0.186 Other Options granted under Part B	2012	13,201		-	-	-	13,201	£0.1575		2012	2022
Employment Options granted under Part B 18 June 2009 74,422 74,422 60.295 18 June 2012 17 June 2019 5 July 2010 89,609 - (4,043) 85,566 £0.255 5 July 2013 4 July 2020 164,031 £0.273 - (4,043) 159,988 £0.274 Performance Options granted under Part B 5 July 2010 260,766 - (26,922) 233,844 £0.255 2011 4 July 2020 5 October 2010 95,237 - (27,116) 68,121 £0.235 2012 4 October 2020 25 August 25 May 2012 312,500 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 3 December 2 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 September 2 40,214 - 40,214 £0.1575 2013 2022 1,154,732 £0.177 - (537,553) 617,179 £0.186 Other Options granted under Part B		893.375	£0.188	-	-	(169.260)	724.115		£0.187		
Feet of the composition of the				-	-	- (4 043)					
5 July 2010 260,766 - (26,922) 233,844 £0.255 2011 4 July 2020 5 October 5 January 2010 95,237 - (27,116) 68,121 £0.235 2012 4 October 2020 25 May 2012 312,500 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 25 25 25 25 25 25 25 25 26 27 2 40,214 (537,553) 617,179 £0.186 25 December 24 September 2012 40,214 (537,553) 617,179 £0.186	5 July 2010		£0.273	-				10.255	£0.274	5 July 2013	4 July 2020
5 July 2010 260,766 - - (26,922) 233,844 £0.255 2011 4 July 2020 5 October 5 January 5 January 5 January 2010 95,237 - - (27,116) 68,121 £0.235 2012 4 October 2020 2020 25 August 25 August 25 August 25 August 2013 24 May 2022 23 September 3 December 2 September 25 December 24 September 2012 40,214 - - - 40,214 £0.1575 2013 2022 Other Options granted under Part B	Performance O	ptions granted	under Part B								
2010 95,237 - (27,116) 68,121 £0.235 2012 4 October 2020 25 August 25 May 2012 312,500 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 September 2012 40,214 - 40,214 £0.1575 2013 2022 1,154,732 £0.177 - (537,553) 617,179 £0.186 Other Options granted under Part B	5 July 2010	260,766		-	-	(26,922)	233,844	£0.255			4 July 2020
25 May 2012 312,500 - (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 25 25 25 25 25 25 25 25 25 25 25 2	5 October									5 January	
25 May 2012 312,500 (37,500) 275,000 £0.1200 2013 24 May 2022 3 September 3 December 2 September 2012 446,015 - (446,015) - £0.1600 2013 2022 25 25 25 25 25 25 25 25 25 25 25 25 2	2010	95,237		-	-	(27,116)	68,121	£0.235			4 October 2020
2012 446,015 - (446,015) - £0.1600 2013 2022 25 September 2012 40,214		312,500		-	-	(37,500)	275,000	£0.1200		2013	24 May 2022 2 September
September 25 December 24 September 2012 40,214 - - - 40,214 £0.1575 2013 2022 1,154,732 £0.177 - - (537,553) 617,179 £0.186 -	2012	446,015		-	-	(446,015)	-	£0.1600			•
2012 40,214 40,214 £0.1575 2013 2022 1,154,732 £0.177 (537,553) 617,179 £0.186 Other Options granted under Part B										25 December	24 September
1,154,732 £0.177 (537,553) 617,179 £0.186 Other Options granted under Part B	•	40,214		-	-	-	40,214	£0.1575			2022
			£0.177	-	-	(537,553)			£0.186	- 17	
5 July 2010 251,019 £0.255 (25,926) 225,093 £0.255 £0.255 5 July 2010 4 July 2020	Other Options a	granted under	Part B								
	5 July 2010	251,019	£0.255	-	-	(25,926)	225,093	£0.255	£0.255	5 July 2010	4 July 2020

22 Share-based payments (continued)

The previous year movement in Share Options is summarised below:

Date of Grant	At 1 April 2012	Weighted Average Exercise Price	No of Options granted in year	No of Options exercised in year	No of Options lapsed in year	At 31 March 2013	Exercise Price	Weighted Average Exercise Price	Date first exercisable	Expiry date
Employment Op	tions granted u	nder Part A								
8 December									8 December	7 December
2008	45,087		-	-	(28,902)	16,185	£0.35		2011	2018
18 June 2009	143,510		-	-	(22,745)	120,765	£0.295		18 June 2012	17 June 2019
5 July 2010 5 October	189,648		-	-	(37,036)	152,612	£0.255		5 July 2013 5 October	4 July 2020 4 October
2010	96,154		_	_	_	96,154	£0.235		2013	2020
25 May 2012	-		392,440	_	_	392,440	£0.1200		25 May 15	24 May 2022
3 September			,			•			3 September	2 September
2012	_		102,018	-	-	102,018	£0.1600		2015	2022
25 September						•			25 September	24 September
2012	-		13,201	-	-	13,201	£0.1575		2015	2022
	474,399	£0.200	507,659	_	(88,683)	893,375		£0.188		
Employment Op	tions granted u	nder Part B								
18 June 2009	74,422	nder Part B	-	-	-	74,422	£0.295		18 June 2012	17 June 2019
	_	f0.273	- - -	- - -	- - -	74,422 89,609 164,031	£0.295 £0.255	£0.273	18 June 2012 5 July 2013	17 June 2019 4 July 2020
18 June 2009	74,422 89,609 164,031	£0.273			-	89,609		£0.273		
18 June 2009 5 July 2010 Performance Op	74,422 89,609 164,031 otions granted u	£0.273		-	-	89,609 164,031	£0.255	£0.273	5 July 2013 5 October	4 July 2020
18 June 2009 5 July 2010 Performance Op 5 July 2010	74,422 89,609 164,031	£0.273			-	89,609		£0.273	5 July 2013 5 October 2011	4 July 2020 4 July 2020
18 June 2009 5 July 2010 Performance Op	74,422 89,609 164,031 otions granted u	£0.273		-	-	89,609 164,031	£0.255	£0.273	5 July 2013 5 October 2011 5 January 2012	4 July 2020
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010	74,422 89,609 164,031 Pitions granted u	£0.273	-	-	-	89,609 164,031 260,766 95,237	£0.255 £0.255 £0.235	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August	4 July 2020 4 July 2020 4 October 2020
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012	74,422 89,609 164,031 Pitions granted u	£0.273		-	- (23,846) -	89,609 164,031 260,766	£0.255	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August 2013	4 July 2020 4 July 2020 4 October 2020 24 May 2022
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012	74,422 89,609 164,031 Pitions granted u	£0.273	- - 312,500	-	- (23,846) -	89,609 164,031 260,766 95,237 312,500	£0.255 £0.255 £0.235 £0.1200	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August	4 July 2020 4 July 2020 4 October 2020
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012 3 September 2012	74,422 89,609 164,031 Pitions granted u	£0.273	-	-	- (23,846) -	89,609 164,031 260,766 95,237	£0.255 £0.255 £0.235	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August 2013 3 December 2013	4 July 2020 4 July 2020 4 October 2020 24 May 2022 2 September 2022
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012 3 September	74,422 89,609 164,031 Pitions granted u	£0.273	- - 312,500	-	- (23,846) -	89,609 164,031 260,766 95,237 312,500	£0.255 £0.255 £0.235 £0.1200	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August 2013 3 December	4 July 2020 4 July 2020 4 October 2020 24 May 2022 2 September
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012 3 September 2012 25 September	74,422 89,609 164,031 Pitions granted u	£0.273	- - 312,500 446,015	-	- (23,846) -	89,609 164,031 260,766 95,237 312,500 446,015	£0.255 £0.255 £0.235 £0.1200 £0.1600	£0.273	5 July 2013 5 October 2011 5 January 2012 25 August 2013 3 December 2013 25 December	4 July 2020 4 October 2020 24 May 2022 2 September 2022 24 September
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012 3 September 2012 25 September	74,422 89,609 164,031 vitions granted u 284,612 95,237 - - - 379,849	£0.273 nder Part B £0.188	- 312,500 446,015 40,214	- - - -	- (23,846) - - -	89,609 164,031 260,766 95,237 312,500 446,015 40,214	£0.255 £0.255 £0.235 £0.1200 £0.1600		5 July 2013 5 October 2011 5 January 2012 25 August 2013 3 December 2013 25 December	4 July 2020 4 July 2020 4 October 2020 24 May 2022 2 September 2022 24 September
18 June 2009 5 July 2010 Performance Op 5 July 2010 5 October 2010 25 May 2012 3 September 2012 25 September 2012	74,422 89,609 164,031 vitions granted u 284,612 95,237 - - - 379,849	£0.273 nder Part B £0.188	- 312,500 446,015 40,214	- - - -	- (23,846) - - -	89,609 164,031 260,766 95,237 312,500 446,015 40,214	£0.255 £0.255 £0.235 £0.1200 £0.1600		5 July 2013 5 October 2011 5 January 2012 25 August 2013 3 December 2013 25 December	4 July 2020 4 July 2020 4 October 2020 24 May 2022 2 September 2022 24 September

22 Share-based payments (continued)

1,306,486 shares were exercisable at 31 March 2014 (2013: 818,394). The weighted average exercise price of the total number of options granted and not exercised at 31 March 2014 was £0.204 (2013: £0.195) and the weighted average contractual life of the options was 2,439 days (2013: 2,804 days).

The charge made in respect of the fair value of options granted was:

	2014	2013
	£	£
Expense arising from equity-settled share-based payments transactions	15,620	22,020

The fair value of Performance and Other Options are estimated at the date of grant using a Trinomial option pricing model. The fair value of Employment Options is estimated at the date of grant using a Black-Scholes option pricing model.

The following assumptions have been used in calculating the fair value of share options:

	2014		2013		
	Employment	Performance	Employment	Performance	
	Options	Options	Options	Options	
Valuation method	Black-Scholes	Trinomial	Black-Scholes	Trinomial	
Risk free interest rate	1.5%	1.5%	1.5%	1.5%	
Expected life (average years)	3	2	3	2	
Expected volatility	42%	42%	42%	42%	
Dividend yield	0%	0%	0%	0%	

The expected life of the options is the expected average point at which an option becomes exercisable. The expected volatility is based on historical volatility of the share price of the Company and of quoted comparable companies over the most recent period at the date of grant that is commensurate with the average expected life of the option. The weighted average share price used in each calculation was equal to the option exercise price.

23 Operating lease commitments

The Group entered into a commercial lease on its office premises in Perth in June 2005 for a 5-year period, and the lease was extended for a further five years. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under operating leases are as follows:

	2014	2013
	£	£
Future minimum payments due:		
Not later than one year	35,000	68,712
In two to five years	5,833	79,333
	40,833	148,045

24 Borrowings

At 31 March 2014 Strathclyde Innovation Fund LP had received £43,392 (2013: £43,392) from limited partners unrelated to the Group to cover partnership obligations. Such sums are treated as long terms loans from limited partners.

25 Related party disclosures

Trade and other receivables (note 17) include the following amounts due from subsidiary undertakings:

	2014	2013
	£	£
Strathtay Ventures Ltd	-	760,392
Strathclyde Innovation Fund LP	27,679	27,679
Envestors Ltd	-	8,621
Caledonia Portfolio Realisations Ltd	1,050	1,030
Caledonia LP Ltd	316,293	316,293
Neon Capital Partners Ltd	-	613,770
	345,022	1,727,785

Trade and other payables (note 19) include the following amounts due to subsidiary undertakings:

	2014	2013
	£	£
Strathtay Ventures Ltd	405,087	563,861
Viking Fund Managers Ltd	1,067,430	1,017,190
Strathclyde Innovation Fund LP	25,000	25,000
Envestors Ltd	-	135,000
	1,497,517	1,741,051

All above amounts are unsecured, interest free and repayable on demand.

During the year ending 2014, the Company subscribed for 100,000 redeemable preference shares (2013: 200,000) of £1 each in Envestors at an aggregate cost of £100,000 (2013: £200,000).

Transactions between the Company and its subsidiaries are eliminated on consolidation.

Group entities have a limited partnership interest in and act as General Partner to, Strathclyde Innovation Fund LP and Caledonia Specialist Finance LP.

Andrew Burton is a director of VFM. During the year, VFM was charged rent totalling £2,912 (2013: £11,060) in respect of business premises owned personally by Mr and Mrs Burton. As at 31 March 2014, £nil (2013: £3,020) was due to Mr and Mrs Burton.

During the year ended 2014, SVL, a subsidiary of Braveheart Investment Group, continued to operate as Fund Managers on behalf of WhiteRock Capital Partners LLP, a joint venture between Braveheart Investment Group plc, NEL Fund Managers Ltd and Clarendon Fund Managers Ltd. As at 31 March 2014, £63,375 was due from SVL to WhiteRock Capital Partners LLP and £130 (2013: £4,082) was due to Strathtay Ventures from WhiteRock Capital Partners LLP.

During the current year, Braveheart Investment Group recharged £144,277 to SVL and VFM recharged £66,336 to SVL in respect of employee benefits expense.

During the year 2013 the Company recharged costs of £404,698 to Braveheart Investment Group plc, £76,481 to Envestors and £248,964 to VFM Limited in respect of costs incurred on behalf of each company. All amounts are unsecured, interest free and repayable on demand.

Certain executive and non-executive directors are clients of the Company. Investment transactions executed on their behalf are carried out on the same commercial terms as all other clients of SVL. Fees arising during the year from such transactions were as follows: £nil (2013: Edward Cunningham £260).

The Company recharged costs to the WhiteRock Capital Partners LLP of £3,494 (2013: £nil). At the year end £77 (2013: £nil) was outstanding and included within debtors.

26 Financial risk management objectives and policies (Group and Company)

The Group and Company's financial instruments comprise investments designated at fair value through profit or loss, cash and various items such as trade and other receivables, and trade and other payables, all of which arise directly from its normal operations.

The carrying values of all of the Group and Company's financial instruments approximate their fair values at 31 March 2014 and 31 March 2013. The Accounting Policies described in note 2 outlines how the financial instruments are measured.

An analysis of the statement of financial position, relevant to an analysis of risk management, is as follows:

Financial instruments

			Non-financial assets	
	Designated at fair		& financial assets	
	value though profit	Loans and	outwith the scope of	
	or loss	receivables	IAS 39	Total
	£	£	£	£
Group				
2014				
Investments	3,730,132	-	-	3,730,132
Trade and other receivables	-	209,803	301,589	511,392
Cash and cash equivalents	-	159,434	-	159,434
	3,730,132	369,237	301,589	4,400,958
2013				
Investments	3,560,417	-	-	3,560,417
Trade and other receivables	· · ·	381,832	233,982	615,814
Cash and cash equivalents	-	39,084	· -	39,084
	3,560,417	420,916	233,982	4,215,315
Company				
2014				
Investments	2,434,831	-	1,894,877	4,329,708
Trade and other receivables	-	345,099	330,538	675,637
Cash and cash equivalents	-	95,409	-	95,409
	2,434,831	440,508	2,225,415	5,100,754
2013				
Investments	2,482,341	-	2,926,783	5,409,124
Trade and other receivables	-	1,727,785	41,037	1,768,822
	2,482,341	1,727,785	2,967,820	7,177,946

	Other financial liabilities at amortised cost £	Financial liabilities at fair value £	Total £
Group			
2014			
Trade and other payables	598,590	-	598,590
Contingent consideration	-	340,721	340,721
Borrowings	43,392	-	43,392
	641,982	340,721	982,703
2013			
Trade and other payables	514,592	-	514,592
Contingent consideration	129,849	243,845	373,694
Borrowings	43,392	-	43,392
	687,833	243,845	931,678
Company			
2014			
Trade and other payables	1,628,137	-	1,628,137
Contingent consideration	-	340,721	340,721
	1,628,137	340,721	1,968,858
2013			
Trade and other payables	1,813,180	-	1,813,180
Contingent consideration	129,849	243,845	373,694
Bank overdraft	322,998	-	322,998
	2,266,027	243,845	2,509,872

One of the Group's principal objectives and policies is to achieve income and capital gains through investment in equity shares in a portfolio of UK companies, the majority of which are unlisted.

Through its normal operations the Group is exposed to a number of financial risks, namely credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

Credit risk

Credit risk arises from the exposure to the risk of loss if the counterparty fails to perform its financial obligations to the Group. The Group's financial assets predominantly comprise investments designated at fair value through profit or loss, and cash. In accordance with its Investment Policy the Group seeks to manage credit risk related to its investments through detailed investment selection criteria and diversification and by placing limits on individual investments. In accordance with its Treasury Policy, the Group seeks to mitigate this risk on cash by placing funds only with banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk within any of its other financial assets. Included within such other financial assets are balances which are past due at the reporting date for which the Group has not provided as there has not been a significant change in their credit quality and which the Group believes are fully recoverable. The age profile of the Group and Company's other financial assets is as follows:

	Neither past				
	due nor	Less than 3	3 to 12	More than 1	
	impaired	months	months	year	Total
	£	£	£	£	£
Group					
2014					
Trade receivables	163,825	24,384	9,000	12,594	209,803
Other receivables	298,302	-	-	-	298,302
	462,127	24,384	9,000	12,594	508,105
2013					
Trade receivables	324,899	33,914	11,400	11,619	381,832
Other receivables	192,757	-	-	-	192,757
	517,656	33,914	11,400	11,619	574,589
Company					
2014					
Amounts due from related parties	345,022	-	-	-	345,022
Other receivables	37,251	-	-	-	37,251
	382,273	-	-	-	382,273
2013					
Amounts due from related parties	1,727,785	-	-	-	1,727,785
Other receivables	39,516	-	-	-	39,516
	1,767,301	-	-	-	1,767,301

The Group considers its exposure to credit risk is negligible. The Groups bank balance of £159,434 at the year end is held in a bank with a high credit rating and the trade receivables of £209, 803 are closely monitored as part of the credit control process.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group seeks to manage its liquidity risk by holding sufficient cash reserves to meet foreseeable needs, and by investing cash assets safely. The Group continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements and, in accordance with its Treasury Policy, the Group only invests cash assets with reputable counterparties.

The maturity profile of the Group and Company's financial liabilities is as follows:

		Less than	3 to 12	More than	
	On demand	3 months	months	1 year	Total
	£	£	£	£	£
Group					
2014					
Trade and other payables	684,627	14,994	-	-	669,621
Other liabilities	56,761	-	-	43,392	100,153
	741,388	14,994	-	43,392	799,774
2013					
Trade and other payables	591,375	38,351	6,464	112	636,302
Other liabilities	121,263	-	-	43,392	164,655
	712,638	38,351	6,464	43,504	800,957
Company					
2014					
Trade and other payables	125,251	14,994	-	-	140,245
Amounts due to related parties	1,497,517	-	-	-	1,497,517
	1,622,768	14,994	-	-	1,637,762
2013					
Trade and other payables	54,998	15,171	1,942	18	72,129
Amounts due to related parties	1,741,051	-	-	-	1,741,051
Bank overdraft	322,998	-	-	-	322,998
	2,119,047	15,171	1,942	18	2,136,178

Market Risk

Market risk is the risk that changes in market conditions such as equity prices, interest rates and foreign exchange rates will have an adverse impact on the Group's financial position or results.

Equity price risk

The Group is exposed to equity price risk due to uncertainties about future values of its portfolio of listed and unlisted equity investments. The Group manages such equity price risk in a similar way to credit risk through detailed investment selection criteria and diversification and by placing limits on individual investments. Investments are monitored carefully and the Board reviews the portfolio on a regular basis.

Interest rate risk

The Group finances its operations through equity funding as opposed to debt and therefore minimises its exposure to interest rate risks. The Group's financial instruments are non-interest bearing, with the exception of loan notes which attract fixed rate interest, and cash balances which attract variable interest rates determined with reference to the bank interest rate.

The interest rate profile of the Group's financial instruments is as follows:

	Fixed Rate	Variable Rate	Interest free	Total
	£	£	£	£
2014				
Financial assets				
Investments: equity	-	-	3,589,011	3,589,011
Investments: loan notes	136,121	-	-	136,121
Cash and cash equivalents	-	159,434	-	159,434
Other financial assets	-	-	511,392	511,392
	136,121	159,434	4,100,403	4,395,958
Phonocal Polither				
Financial liabilities			240 724	240 724
Contingent consideration Other financial liabilities	-	-	340,721	340,721
Other mancial nabilities		-	799,774	799,774
	-	-	1,140,495	1,140,495
2013				
Financial assets				
Investments: equity	-	-	3,492,296	3,492,296
Investments: loan notes	68,121	-	-	68,121
Cash and cash equivalents	-	39,084	-	39,084
Other financial assets	-	-	615,814	615,814
	68,121	39,084	4,108,110	4,215,315
Financial liabilities				
Contingent consideration			373,694	373,694
Other financial liabilities	-	-	800,957	800,957
Other initialicial liabilities		-	1,174,651	1,174,651
	<u> </u>		1,174,031	1,174,031

It is estimated that the maximum effect of a one percentage point (100 basis points) fall in interest rates to which the Group is exposed would be an increase in loss before tax for the twelve months to 31 March 2014 of £1,594 (2013: £381).

Foreign currency risk

The Group is not exposed to foreign currency risk as all of its financial instruments are denominated in sterling.

27 Ultimate controlling party

There is no ultimate controlling party.

28 Post-reporting date events

Trevor Brown was appointed to the Board as a Non-executive Director on 1 April 2014

29 Contingent Liabilities

The Company along with all other UK registered undertakings forming part of Braveheart Investment Group have provided multilateral guarantees across the bank overdraft. The Companies obligations under the multilateral guarantees are secured by Floating charges over the Company assets.

BRAVEHEART INVESTMENT GROUP PLC

("The Company")

NOTICE OF ANNUAL GENERAL MEETING

(registered in Scotland with company number SC247376)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Merlin House, Necessity Brae, Perth, PH2 0PF on Monday 22 September 2014 at 12.30pm to consider the following resolutions:

Ordinary Business

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions of the Company:

Resolution 1

THAT the audited accounts of the Company for the financial year ended 31 March 2014 and the reports of the directors and auditors thereon be received.

Resolution 2

THAT Grant Thornton UK LLP be re-appointed as auditors of the company to hold office until the conclusion of the next general meeting of the Company before which audited accounts are laid.

Resolution 3

THAT the directors be authorised to determine the remuneration of the auditors.

Resolution 4

THAT Jeremy Hugh Delmar-Morgan who retires by rotation under article 109.1 of the Company's existing Articles of Association, be re-elected as a director of the Company.

Resolution 5

THAT Trevor Edward Brown having been appointed by the Board since the last Annual General Meeting, be elected as a director of the Company.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution of the Company:

Resolution 6

THAT the directors, pursuant to the general authority conferred on them, be empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot for cash equity securities (as defined in section 560 of the Act) as if section 561 of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities wholly for cash up to an aggregate nominal value of £54,111 (being 10% of the issued share capital of the Company as at 27 August 2014) and shall expire on 22 September 2015 or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Registered office: Merlin House Necessity Brae Perth PH2 0PF

BY ORDER OF THE BOARD

Aileen Brown Company Secretary

54 | NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Explanations of the Resolutions proposed.

Explanation of Resolution 1: The directors are required by law to present to the shareholders of the Company at a general meeting the audited accounts of the Company for the financial year ended 31 March 2013 and the reports of the directors and auditors thereon. The report of the directors and the audited accounts have been approved by the directors and the report of the auditors has been approved by the auditors. A copy of each of these documents may be found in the annual report of the Company.

Explanation of Resolution 2: The auditors are responsible for examining the annual accounts of the Company and forming an opinion as to whether or not they give a true and fair view of its results and the financial position. It is a requirement of law that the Company appoint auditors at each meeting at which accounts are presented to shareholders, such appointment to continue until the next audited accounts of the Company.

Explanation of Resolution 3: The resolution gives the directors of the Company the authority to determine the remuneration paid to the auditors for the next financial year. The amount of the remuneration for the next financial year will be disclosed in the next audited accounts of the Company.

Explanation of Resolution 4: Jeremy Hugh Delmar-Morgan, a director of the Company, is retiring by rotation pursuant to the requirements of the Company's Articles of Association and is making himself available for re-election. Biographical details for Mr Delmar-Morgan are shown on page 10 of the annual report.

Explanation of Resolution 5: Trevor Edward Brown, was elected a director of the Company by the Board on 24 March 2014 with effect from 1 April 2014 and pursuant to the requirements of the Company's Articles of Association is making himself available for election. Biographical details for Mr Brown are shown on page 10 of the annual report.

Explanation of Resolution 6: This resolution, which will be proposed as a special resolution, supplements the directors' general authority to allot shares as previously conferred on them. Section 561 of the Companies Act 2006 requires a Company proposing to allot equity securities to offer them first to existing shareholders in proportion to their existing shareholdings. If passed, this requirement will not apply to allotments of shares for cash up to a total nominal value of £54,111 being 10% of the issued share capital of the Company at 27 August 2014. This authority enables the directors to raise additional equity capital through an issue of shares for cash. This authority will expire after one year or at the date of the next annual general meeting, whichever is the earlier.

Notes:

- 1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to exercise all or any of his rights to attend, vote and speak instead of him. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share.
- 2. To be valid, a form of proxy (other than an electronic communication appointing a proxy) together with the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially) must be lodged at the office of the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 12.30 pm on 18 September 2014, or not less than 48 hours before the time appointed for holding any adjourned meeting.
- 3. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, the Company has specified that only those shareholders registered in the register of members of the Company as at 6.00 pm on 18 September 2014 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, will be entitled to vote, or to appoint one or more proxies to vote on their behalf, at this meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after 6.00 pm on 18 September 2014 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4. Completion and return of a form of proxy will not prevent a member from attending the meeting and voting in person should he wish to do so.
- 5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 6. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12.30 pm on 18 September 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
- 9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
- 10. Copies of the Articles of Association of the Company will be available for inspection at the Company's registered office from 1 September 2014 to (and including) the date of the Meeting during normal business hours on any day (Saturdays, Sundays and public holidays excepted).

Directors, Secretary, Registered Office and Advisers

Jeremy H Delmar-Morgan MA MSI, Non-executive Director (a)(r) (n) (appointed Chairman 1 April 2013) Directors

> Geoffrey C B Thomson, Chief Executive Officer Carolyn Smith BA Hons ACIS, Chief Investment Officer

Aileen Brown CA, Chief Financial Officer

Edward B Cunningham CBE FRSE, Non-executive Director (a) (n) (r)(resigned 30 September 2013)

J Kenneth Brown BA CA, Non-executive Director (a) (r) (n) Trevor E Brown Non-executive Director (appointed 1 April 2014)

(a) Member of Audit and Risk Management Committee

(n) Member of Nominations Committee (r) Member of Remuneration Committee

Aileen Brown BA CA Secretary

Registration Number

SC247376

Registered Merlin House Office **Necessity Brae**

> Perth PH2 OPF

Telephone +44 (0) 1738 587555

Website www.braveheartgroup.co.uk

Advisers Auditors Registrar

> Capita Asset Services Limited **Grant Thornton UK LLP** The Registry 7 Exchange Crescent 34 Beckenham Road **Conference Square** Beckenham Edinburgh EH3 8AN Kent

BR3 4TU

Nominated Adviser and Broker Solicitors

Maclay Murray & Spens LLP Sanlam Securities UK Limited 10 King William Street Quartermile One London 15 Lauriston Place

Edinburgh EC4N 7TW EH3 6EP

Principal Bankers Bankers

HSBC Bank plc Bank of Scotland plc 76 Hanover Street **Pentland House** Edinburgh 8 Lochside Avenue

EH2 1HQ Edinburgh EH12 9DJ



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