18 December 2024

HARGREAVE HALE AIM VCT PLC
(the "**Company**" or the "**VCT**")

Full Year Results and Notice of AGM

Hargreave Hale AIM VCT plc announces its results for the year ended 30 September 2024.

The Company also announces that its 2025 Annual General Meeting will be held at 12.30pm on 6 February 2025 at 88 Wood Street, London, EC2V 7QR.

The Company's Annual Report and Financial Statements for the year ended 30 September 2024 and the formal Notice of the Annual General Meeting will be posted to shareholders who have elected to receive hard copies and in accordance with UK Listing Rule 6.4.1 copies of the documents will shortly be available to view on the Company's corporate website at https://www.hargreaveaimvcts.co.uk and have also been submitted to the UK Listing Authority and will be available for inspection from the National Storage Mechanism at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Strategic report

The report has been prepared by the Directors in accordance with the requirements of Section 414A of the Companies Act 2006.

Financial highlights for the year ended 30 September 2024

Net asset value ("NAV") per share	NAV total return	Tax free dividends paid in the period	Share price total return	Ongoing charges ratio ("OCR")
40.55p	-3.86%(1)	4.00p	0%(1)	2.43%(1)

- £9.2 million invested in Qualifying Companies in the year.
- 100% invested by VCT tax value in Qualifying Investments at 30 September 2024.
- Final dividend of 1.25 pence per share proposed for the year end and special dividend of 1.50 pence per share approved by the Board.
- Offer for subscription closed having raised £20.3 million. The Board decided to utilise the over-allotment facility only to the extent that valid applications were received by 5pm on 22 March 2024.
- New Offer for subscription launched on 9 October 2024 to raise up to £20 million.

Summary financial data	**2024**	**2023**
NAV (£m)	**148.01**	151.92
NAV per share (p)	**40.55**	46.34
NAV total return (%)(1)	**-3.86**	-14.70
Market capitalisation (£m)	**142.34**	140.96
Share price (p)	**39.00**	43.00
Share price discount to NAV per share (%)(1)	**-3.82**	-7.21
Share price 5 year average discount to NAV per share (%)(1)	**-5.79**	-5.64
Share price total return (%)(1)	**0.00**	-23.51
Loss per share for the year (p)	**-1.86**	-9.32
Dividends paid per share (p)	**4.00**	5.00
Ongoing charges ratio (%)(1)	**2.43**	2.24

(1) Alternative performance measure definitions and illustrations can be found in this report.

Financial calendar

Record date for final dividend	3 January 2025
Payment of final and special dividends	14 February 2025
Annual General Meeting	6 February 2025
Announcement of half-yearly results for the six months ending 31 March 2025	June 2025
Payment of interim dividend (subject to Board approval)	July 2025

Chair’s statement

Introduction

Once again, I would like to welcome Shareholders who joined us as a result of the recent offers for subscription. As always, we are grateful to new and existing Shareholders who continue to support the VCT, despite the difficult times we continue to live through.

For much of the 2024 financial year, investor sentiment improved as UK inflation (Consumer Price Index) returned to the Bank of England’s target of 2%, drawing to a close a 3-year inflation cycle that was very difficult for UK consumers and households and bringing with it hope that the United Kingdom can finally move on from the cost-of-living crisis. The economy has withstood the pressure better than many had predicted. All the same, businesses and households had to navigate an immensely difficult period of high inflation and stagnating economic activity. With inflation now on target and the Bank of England starting to reduce interest rates, many businesses and households can look forward to reduced borrowing costs.

Although the Investment Association continues to report sustained outflows from UK equity funds, there was an improvement in the flow dynamic within UK small companies after the UK economy returned to growth in early 2024 and UK inflation returned to target. More recent updates highlight a deteriorating trend in the run up to the 2024 Autumn Budget as markets responded to the Government’s very negative messaging and potential changes to fiscal policy. It is premature to take a definitive position on the impact of the Government’s 2024 Autumn Budget on our portfolio companies. Clearly, changes to National Insurance Contributions are going to weigh heavily on certain companies, particularly those in high service, low margin industries such as those in leisure and hospitality. There are a number of portfolio companies that will feel the impact. However, their response is likely to include price increases, less employment and downward pressure on wages as companies look to mitigate the additional tax burden. However, for most our investments, the change will not significantly impact performance. As ever, profits and losses will (for the most part) be determined by the success of management teams as they seek to develop and then commercialise new products and services.

After a period of improving economic activity, the economy notably softened through the summer with economic indicators and news flow clearly signalling that we were working our way through a soft patch. Falls in business and consumer confidence ahead of the budget gave an early indication of the likely impact of higher taxation. That having been said, the significant increase in Government spending announced at the budget is expected to lift the economy in 2025 and 2026, albeit at a cost.

Consistent with our updates of the last few years, generating performance remains very difficult in the short term. Whilst we entered the second half of the financial year with grounds for optimism, the uncertainty created by the election, the potential for a radically different approach to fiscal policy by the new Government and its stark messaging again undermined confidence in UK small companies. Whilst we believe investors still recognise the value opportunity within the UK stock market, and specifically within small companies, many adopted a wait and see approach pending the outcome of the 2024 Autumn Budget. Three years of outflows from UK funds have weighed heavily on performance. We continue to believe that the sector is in deep value territory. There is a saying within the stock market that ‘value will out’; unfortunately, it is proving very difficult to forecast when that might happen. For the time being, we will need to remain patient.

The fog of uncertainty that hung over the UK markets ahead of the 2024 Autumn Budget continues to weigh on the primary markets through which companies raise new capital. With valuations so depressed and very little capital available for investment (away from VCTs), very few companies have undertaken an initial public offering ("IPO"). On AIM there were just two VCT qualifying IPOs within the year. Ironically, neither IPO succeeded in raising any funds from the established AIM VCTs. After a difficult third quarter, we are pleased to report a stronger final quarter in which we deployed capital into VCT qualifying companies in line with our revised budget. The improved activity levels have continued into the new financial year and the Investment Manager reports that its network of investment banks and corporate advisers are signalling that interest in IPOs is starting to recover and activity is expected to pick up in 2025.

Performance

As described in more detail in the Investment Manager's report, this has been a third year of difficult performance. After notable rallies in UK small companies (including those on AIM) in late 2023 and the early summer of 2024, the tone in the market changed in late May with the calling of the UK General Election. The final quarter was a difficult one for companies on AIM, in particular those favoured by investors looking for Business Property (IHT) Relief or where investors had accumulated significant gains. Trading volumes on AIM increased by 99% in the 3 months to 30 September 2024 when compared to the same period in 2023 as many investors chose to exit the market. This selling pressure weighed on our portfolio of AIM investments in the final quarter of the financial year and, as a result, we are disappointed to report small losses across the year from that element of the portfolio. There was also a slight downward adjustment to the value of the qualifying investments held in private companies; however, this was not a significant factor in performance more broadly. The portfolio of investments in private companies is quite heavily skewed towards the UK consumer discretionary sector, where peer group valuations remain low.

At 30 September 2024, the NAV per share was 40.55 pence which, after adjusting for the dividends paid in the year of 4.00 pence, gives a NAV total return for the year of -3.86%(1) which compares with +3.90% in the FTSE AIM All-Share Index Total Return (calculated on a dividends Index reinvested basis). The Directors consider this to be the most appropriate benchmark from a Shareholder's perspective, however, due to the range of assets held within the investment portfolio and the investment restrictions placed on a VCT it is not wholly comparable.

The earnings per share total return for the year was a loss of 1.86 pence (comprising a revenue profit of 0.20 pence and a capital loss of 2.06 pence). Revenue income increased by 8.9% to £2.9m as a result of a full-year contribution from the non-qualifying investment grade corporate bonds, unit trust accumulations and bank interest. There was a reduction in the interest accrued on loan note instruments after the Investment Manager (acting on behalf of the VCT) agreed to convert some of the outstanding Kidly loan notes and reduce the balance of accrued interest in exchange for new preference shares in Kidly as part of a refinancing plan. Income received into the revenue account exceeded expenses, resulting in a revenue profit for the year of 0.20 pence per share (FY23: 0.27 pence per share).

The share price decreased from 43.00 pence to 39.00 pence over the reporting period which, after adjusting for dividends paid of 4.00 pence per share, gives a share price total return of nil(1).

Investments

The Investment Manager invested £9.2 million into seven Qualifying Companies during the period. The fair value of Qualifying Investments at 30 September 2024 was £82.8 million (56.0% of NAV) invested in 55 AIM companies and 8(2) unquoted companies. At the year end, the fair value of non-qualifying equities, the IFSL Marlborough UK Micro-Cap Growth Fund and the IFSL Marlborough Special Situations Fund were £12.0 million (8.1% of NAV), £10.4 million (7.0% of NAV) and £9.4 million (6.3% of NAV) respectively, with most of the non-qualifying equities listed within the FTSE 350 and offering good levels of liquidity should the need arise. £19.1 million (12.9% of NAV) was held in short-dated investment grade corporate bonds, £0.7 million (0.4% of NAV) was invested in VanEck Gold Miners UCITS exchange traded fund and £13.7 million(3) (9.3% of NAV) held in cash at the period end (including £8.8m held with the Custodian). Further information can be found in the Investment Manager's report.

Dividend

The Directors continue to maintain their policy of targeting a tax free dividend yield equivalent to 5% of the year end NAV per share.

In the 12-month period to 30 September 2024, the Company paid dividends totalling 4.00 pence (2023: 5.00 pence). A final dividend of 1.50 pence (2022: 2.00 pence) in respect of the 2023 financial year was paid on 15 February 2024 and an interim dividend of 1 penny along with a special dividend of 1.50 pence (2023: 1 penny) was paid on 26 July 2024. The payment of the special dividend reflected the receipt of proceeds from the sale of Abcam plc and Instem plc.

A final dividend of 1.25 pence is proposed (2023: 1.50 pence) which, subject to Shareholder approval at the forthcoming AGM, will be paid on 14 February 2025 to ordinary Shareholders on the register on 3 January 2025. A special dividend of 1.50 pence per share has been approved by the Board. The distribution will return to Shareholders the proceeds from various exits and disposals. The special dividend will be paid together with the final dividend on 14 February 2025.

Dividend re-investment scheme ("DRIS")

Shareholders may elect to reinvest their dividend by subscribing for new shares in the Company. Further information can be found in the Shareholder Information section.

On 15 February 2024, 1,100,783 ordinary shares were allotted at a price of 44.58 pence per share, which was calculated in accordance with the terms and conditions of the DRIS, on the basis of the last reported NAV per share as at 26 January 2024, to shareholders who elected to receive shares as an alternative to the final dividend for the year ended 30 September 2023 announced on 19 December 2023.

On 26 July 2024, 2,235,192 ordinary shares were allotted at a price of 42.49 pence per share, which was calculated in accordance with the terms and conditions of the DRIS, on the basis of the last reported NAV per share as at 5 July 2024, to Shareholders who elected to receive shares as an alternative to the interim and special dividend for the year ended 30 September 2024.

Share buybacks

To maintain compliance with the discount control and management of share liquidity policy, the Company purchased through share buybacks 10,657,350 ordinary shares (nominal value £106,574) during the 2024 financial year at a cost of £4,472,418 (average price: 41.97 pence per share).

As at 17 December 2024, a further 3,559,262 shares have been repurchased post the year end at a cost of £1,361,156 (average price: 38.24 pence per share).

Share price discount

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per share (as measured against the mid-price) by making secondary market purchases of its shares in accordance with parameters set by the Board.

We continued to operate the discount control and management of share liquidity policy effectively during the period. As at 30 September 2024, the Company had one and five year average share price discounts of 5.46%(1) and 5.79%(1) respectively.

The Company's share price was trading at a discount of 3.82%(1) as at 30 September 2024 compared to a discount of 7.21%(1) as at 30 September 2023, this being calculated using the closing mid-price of the Company's shares on 30 September 2024 as a percentage of the year end NAV per share, as published on 10 October 2024.

As at 17 December 2024, the discount to NAV was 4.69% of the last published NAV per share.

Offer for subscription

The Directors of the Company announced on 7 September 2023 the launch of an offer for subscription for shares to raise up to £20 million, together with an over-allotment facility of up to a further £20 million. On 22 March 2024, the Company announced it had received valid applications of approximately £20 million. The Board decided to utilise the over-allotment facility only to the extent that valid applications under the offer were received by 5pm on 22 March 2024. The offer closed on 22 March 2024 at 5pm.

The offer resulted in gross funds being received of £20.3 million and the issue of 44.5 million shares.

New offer for subscription

The Directors of the Company announced on 9 October 2024 the launch of a new 2024/2025 offer for subscription for shares to raise up to £20 million. The offer was approved by shareholders of the Company at a general meeting on 12 November 2024.

By 17 December 2024, the Company had allotted 5.9 million shares raising gross proceeds of £2.4 million. As at the date of this document, the Company has received valid applications for a further £0.2 million.

Cost efficiency

The Board reviews costs incurred by the Company on a regular basis and is focused on maintaining a competitive OCR. The year end OCR was 2.43%[(1)] (FY23: 2.24%[(1)]) when calculated in accordance with the Association of Investment Companies' ("AIC") "Ongoing Charges" methodology.

The increase in the OCR is principally driven by the fall in the average net assets across the year that followed the drop in the NAV per share and the payment of special dividends. Other material factors include increases in some of the fixed costs of the Company such as the administration, auditor and company secretarial fees, and the increased investment in the IFSL Marlborough UK Micro-Cap Growth Fund and the IFSL Marlborough Special Situations Funds. The Ongoing Charges methodology divides ongoing expenses by average net assets.

Board remuneration

Following a review of Board remuneration, and taking into account peer group analysis and inflation, the Board has agreed to increase its remuneration by 3.2%, effective from 1 October 2024. The annual remuneration of the Chair will increase to £42,500, the independent non-executive directors to £33,000 and the non-independent non-executive director, Oliver Bedford, to £30,500.

An additional fee of £1,500 will continue to be paid to the Chair of the MSPEC. The Chair of the Audit Committee will continue to receive an additional fee of £3,000.

Annual General Meeting

Shareholders are invited to attend the Company's AGM to be held at 12.30 pm on 6 February 2025 at 88 Wood Street, London, EC2V 7QR.

Those Shareholders who are unable to attend the AGM in person are encouraged to raise any questions in advance with the Company Secretary at HHV.CoSec@jtcgroup.com. The deadline for the advance submission of questions is 5.00 p.m. on 30 January 2025. Answers will be published on the Company's website on 6 February 2025.

Angela Henderson has notified the Board of her intention not to seek re-election as an Independent Non-Executive Director of the Company at the forthcoming AGM. I wish to take this opportunity to thank Angela for her valuable contribution over the years. The Company has decided that, due to the current size of the Board, there is no intention to appoint an additional Non-Executive Director at the present time.

Shareholder engagement

Shareholder engagement is given a high priority by the Board. The Company provides a significant amount of information, including recorded content, about its activities and performance through its website (www.hargreaveaimvcts.co.uk).

The website also allows Shareholders to request (by email) updates on Shareholder events, the performance of the fund (interim management statements, fact sheets and video updates) and information on the Company's fundraising activities.

Reflecting our wish to improve the flow of information to our Shareholders whilst simultaneously reducing costs and waste, we launched a major drive to upgrade and expand our database of Shareholders who opt in for email and digital communications. Please do register your consent with us through the website.

Whilst the Board strongly encourages Shareholders to make use of everything the website has to offer, the Directors recognise that it is not for everyone. Should you prefer, you can of course continue to communicate with the Chair, any other member of the Board or the Investment Manager by writing to the Company, for the attention of the Company Secretary.

The Board also wants to provide Shareholders with regular opportunities to meet directly with the Directors and the CGAM VCT investment management team. As a result, the Company held four in-person events (including the 2024 Annual General Meeting) and a webinar in the 12 months to 30 September 2024.

The first of these was our annual Shareholder event on 28 November 2024, once again held at Everyman Cinema Broadgate, City of London. The event included a presentation by the Investment Manager covering the 12 months to 30 September 2024, along with presentations, pre-recorded interviews and a panel discussion with several guest speakers and a number of portfolio companies. The event concluded with the screening of a feature film. Summary recordings of the Investment Manager's presentations are available to view on the Company's website (www.hargreaveaimvcts.co.uk).

In the new financial year, we expect to hold 3 in-person events (including the Annual General Meeting) and two webinars. The next Shareholder events include the forthcoming AGM to be held at the Investment Manager's offices at 88 Wood Street, London EC2V 7QR at 12.30 pm on 6 February 2025 and a separate Shareholder webinar at 4.30 pm on Monday 10 February 2025. Shareholders are asked to register their interest in attending Shareholder events through the Company's website (www.hargreaveaimvcts.co.uk) or by emailing aimvct@canaccord.com.

Electronic communications and digital dividends

As ever, we are asking Shareholders to opt in to electronic communications and update their dividend payment preference from cheque to bank transfer.

With this in mind, we intend to bring to a close the use of bank cheques for the payment of dividends. The last dividend payment by bank cheque will be in July 2025. Thereafter, all future dividends will be paid by bank transfer. We are therefore asking all Shareholders currently receiving dividends by bank cheque to provide their bank account details ahead of the payment of the final dividend in respect of the year to 30 September 2025, due in February 2026.

Switching to the digital delivery of Shareholder communications and dividend distributions is more cost efficient, secure and faster whilst also helping to reduce our environmental footprint.

The Company no longer prints and distributes interim reports to Shareholders. The interim results continue to be available for download on the Company's website (www.hargreaveaimvcts.co.uk) and a summary of the results are published via a Regulatory Information Service on the London Stock Exchange. Where necessary, the Administrator can produce and send out a hard copy.

Shareholders are also encouraged to make use of the shareview portal operated by the Registrar, which can be used to monitor their investment, review their transaction history, see information on dividend payments and update their communication preferences.

Electronic voting

Electronic proxy voting is available for Shareholders to register the appointment of a proxy and voting instructions for any general meeting of the Company once notice has been given. This service assists the Company to make further printing and production cost savings, reduce our environmental footprint and streamline the voting process for investors.

Regulatory update

There were no major changes to VCT legislation during the period under review.

Through the Finance Act 2024, the Government extended the sunset clause for the VCT scheme from 5 April 2025 to 5 April 2035, allowing investors to claim income tax relief for subscriptions for new VCT shares for a further 10 years. The Treasury Order was laid before Parliament on 3 September 2024, meaning the sunset clause has now been officially extended to 5 April 2035.

Administration agreement

With effect from 1 October 2024, the administration agreement was novated from CGWL to CGAM. Under the terms of the novation agreement, the administration fees paid by the Company were unchanged at £250,000 (plus VAT). Notwithstanding the novation, CGWL will continue to receive a fee of £30,000 per annum in relation to its appointment as the Custodian. Any future initial or trail commissions paid to Financial Intermediaries will be paid by CGAM.

Consumer duty

The Consumer Duty regulation is designed to improve the standard of care provided by firms that are involved in the manufacture or supply of products and services to retail clients.

As the Company is not regulated by the FCA, it falls outside of the Consumer Duty regulation. However, CGAM and CGWL are regulated companies and were in scope, respectively as the designated manufacturer and distributor of the Company during the financial year. In its capacity as manufacturer, CGAM has conducted a fair value assessment and a target market assessment. Having reviewed both reports, the Board is satisfied that CGAM and CGWL continued to comply with their obligations throughout the period.

As a consequence of the novation of the administration agreement, CGAM became both the designated manufacturer and distributor of the Company with effect from 1 October 2024.

VCT status

I am pleased to report that the Company continues to perform well against the requirements of the VCT Rules and at the period end, the investment test was 100% (2023: 91.65%) against an 80% requirement when measured using HMRC's methodology. The increase in the investment test percentage reflects progress made in deploying capital into Qualifying Companies and the return of capital to Shareholders through the payment of a 1.50 pence per share special dividend on 26 July 2024 following receipt of proceeds from the sale of Abcam plc and Instem plc. The Company satisfied all other tests relevant to its status as a Venture Capital Trust.

Key information document ("KID")

In accordance with the PRIIPs regulations, the Company's KID is published on the Company's website at www.hargreaveaimvcts.co.uk/ document-library/.

Risk review

The Board has reviewed the risks facing the Company. Further detail can be found in the principal and emerging risks and uncertainties section.

Outlook

Once again, we have endured a difficult start to the financial year, albeit for very different reasons. The Government's unhelpfully stark messaging in the run up to the budget has weighed on economic activity with GDP data and PMI surveys both highlighting a notable softening in UK economy through the late Summer and Autumn. Measures of UK consumer and business confidence both dipped, suggesting that households and companies were becoming increasingly cautious ahead of and subsequent to the Autumn 2024 Budget. However, in large part due to the very significant increase in public spending expected next year, we expect to see economic activity pick up as we head into next year. The Office for Budget Responsibility forecasts GDP to increase from 1.1% in 2024 to 2.0% in 2025.

The FTSE AIM All-Share Index has been noticeably weak post period end with potential changes to Business Property Relief weighing heavily on the index ahead of the Autumn 2024 Budget. In the end, when viewed through the narrow lens that we apply to the VCT, the budget was substantially better than many had feared. That is not to downplay the pain that many households and businesses will feel. However, the changes to National Insurance Contributions ("NICs"), the source of much post-budget commentary, is unlikely to be a major factor in shaping the outcomes for many of our investments with the impact muted by the spread of investments we hold.

We are pleased to report that deal flow has started to improve. Post period end, we have invested £1.8 million across 3 qualifying investments. We are active on a large number of deals across both public and private markets, including a limited number of IPOs. It is too early to say that the tide has turned decisively but we can see clear evidence that green shoots might finally start to emerge.

David Brock
Chair
17 December 2024

The Company and its business model

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985, registered number 05206425.

The Company has been approved as a Venture Capital Trust by HMRC under Section 259 of the Income Taxes Act 2007. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 29 October 2004 and can be found under the TIDM code "HHV". The Company is premium listed.

In common with many other VCTs, the Company revoked its status as an investment company, as defined in Section 266 of the Companies Act 1985, on 23 May 2006 to facilitate the payment of dividends out of capital profits.

The Company's principal activity is to invest in a diversified portfolio of qualifying small UK based companies, primarily trading on AIM, with a view to generating capital returns and income from its portfolio and to make distributions from capital and income to Shareholders whilst maintaining its status as a VCT.

The Company is registered as a small UK AIFM with a Board comprising six non-executive directors, five of whom are independent. CGAM acts as Investment Manager and (from 1 October 2024) Administrator, whilst CGWL acts as Custodian (and, until 30 September 2024, the Administrator) of the Company. JTC (UK) Limited is engaged as the Company Secretary.

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. However, the Board exercises these responsibilities through delegation to the Investment Manager, the Administrator, the Custodian and the Company Secretary as it considers appropriate.

The Directors have managed and continue to manage the Company's affairs in such a manner as to comply with Section 259 of the Income Taxes Act 2007.

Investment objectives, policy and strategy

Investment objectives

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

Investment policy

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed income securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager's criteria and companies listed on the AQSE Growth Market. These small companies have a permanent establishment in the UK and, whilst of high risk, will have the potential for significant capital appreciation.

To maintain its status as a VCT, the Company must have 80 per cent. by value, as measured by the VCT Rules, of all of its investments in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager's view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company.

The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager.

Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the Company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

To the extent that any future changes to the Company's investment policy are considered to be material, Shareholder consent to such changes will be sought. Such consent applies to the formal investment policy described above and not the investment process set out below.

Investment process and strategy

The Investment Manager follows a stock specific investment approach based on fundamental analysis of the investee company.

The Investment Manager's fund management team has significant reach into the market and meets with large numbers of companies each week. These meetings provide insight into investee companies, their end markets, products and services, and competition. Investments are monitored closely and the Investment Manager usually meets or engages with their senior leadership team at least twice each year. Where appropriate, the Company may co-invest alongside other funds managed by the Investment Manager.

The key selection criteria used in deciding which investments to make include, *inter alia*:

- the strength and depth of the management team;
- the business strategy;
- a prudent approach to financial management and forecasting;
- a strong balance sheet;
- profit margins, cash flows and the working capital cycle;
- barriers to entry and the competitive landscape; and
- the balance of risk and reward over the medium and long term.

Qualifying Investments

Investments are made to support the growth and development of a Qualifying Company. The Investment Manager will maintain a diversified portfolio that balances opportunity with risk and liquidity. Qualifying Investments will primarily be made in companies listed on AIM but may also include private companies and companies listed on the AQSE Growth Market. Seed funding is rarely provided and only when the senior leadership team includes proven business leaders known to the Investment Manager.

Working with advisers, the Investment Manager will screen opportunities, often meeting management teams several times prior to investment to gain a detailed understanding of the company. Investments will be sized to reflect the risk and opportunity over the medium and long term. In many cases, the Investment Manager will provide further funding as the need arises and the investment matures. When investing in private companies, the Investment Manager will shape the investment to meet the investee company's needs whilst balancing the potential for capital appreciation with risk management.

Investments will be held for the long term unless there is a material adverse change, evidence of structural weakness, or poor governance and leadership. Partial realisations may be made where necessary to balance the portfolio or, on occasion, to capitalise on significant mispricing within the stock market.

Non-Qualifying Investments

The Investment Manager's VCT team works closely with the Investment Manager's wider fund management team to deliver the investment strategy when making Non-Qualifying Investments, as permitted by the VCT Rules. The Investment Manager will vary the exposure to the available asset classes to reflect its view of the equity markets, balancing the potential for capital appreciation with risk management, liquidity and income.

The Non-Qualifying Investments will typically include a focused portfolio of direct investments in companies listed on the main market of the London Stock Exchange. The portfolio will mix long term structural growth with more tactical investment to exploit short term mispricing within the market. The use of the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Fund enables the Company to maintain its exposure to small UK companies whilst the Investment Manager identifies opportunities to invest the proceeds of fundraisings into Qualifying Companies.

The Investment Manager may use certain exchange traded funds listed on the Main Market of the London Stock Exchange to gain exposure to asset classes not otherwise accessible to the Company.

Environmental, social and governance considerations

Approach

The Company regards the development of a clearly defined and integrated ESG management system as an important pillar for the long-term success of its business, as well as for its investee companies.

The Investment Manager believes that companies with strong governance, durable business models and balanced workforces are more likely to create value over the long term whilst reducing investment risk, benefiting the wider UK economy and society and generating positive Shareholder returns.

ESG in the investment process

Holding meaningful stakes in investee companies provides the Investment Manager with the opportunity and responsibility to positively influence investee company behaviour, both at the point of investment and during the time in which the Company is a shareholder.

Due diligence

The Investment Manager assesses ESG factors across the portfolio. For Qualifying Companies, the Investment Manager will use the information provided to develop, over time, an individualised ESG risk map to identify issues and track behavioural themes. The Investment Manager regularly engages with senior management teams and boards to identify and raise issues of note, provide a forum for positive feedback and promote change where necessary.

Engagement, exclusions and divestment policies

As part of its investment strategy, the Company has adopted policies covering exclusions and divestment to describe behaviours that fall outside of the Company's expectations of investee companies. The Investment Manager has adopted an engagement policy to create a clear framework that defines how it will interact with investee companies.

The Investment Manager

The Investment Manager adheres to its own ESG investment and stewardship policies. These include an ESG Policy, an Engagement Policy, a Conflicts of Interest Policy and a Stewardship Policy that, together with the investment mandate and the Company's ESG approach, inform the Company's approach.

CGAM is a signatory of the United Nations Principles of Responsible Investment and HM Treasury's Women in Finance Charter.

Risk management

The structure of the Company's investment portfolio and its investment strategy has been developed to mitigate risk where possible. Key risk mitigation strategies are as follows:

- The Company has a broad portfolio of investments to reduce stock specific risk;
- Flexible allocations to non-qualifying equities, exchange traded funds listed on the Main Market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Fund allow the Investment Manager to adjust portfolio risk without compromising liquidity;
- Regular meetings with investee companies aid the close monitoring of investments to identify potential risks and allow corrective action where possible; and
- Regular Board meetings and dialogue with the Directors, along with policies to control conflicts of interest and co-investment with the IFSL Marlborough fund mandates support strong governance.

Key performance indicators

The Directors consider the following KPIs to assess whether the Company is achieving its strategic objectives. The Directors believe these measures help Shareholders assess how effectively the Company is applying its investment policy and are satisfied the results give a fair indication of whether the Company is achieving its investment objectives and policy. The KPIs are established industry measures.

Further commentary on the performance of these KPIs has been provided in the Chair's statement and Investment Manager's report.

1 NAV and share price total returns

The Board monitors NAV and share price total return to assess how the Company is meeting its objective of generating capital gains and income from its portfolio and making distributions to Shareholders. The NAV per share decreased from 46.34 pence to 40.55 pence resulting in a loss to ordinary Shareholders of -1.79 pence per share (-3.86%)(1) after adjusting for dividends paid in the year.

The Board considers peer group and benchmark comparative performance. Due to the very low number of AIM VCTs, the Board reviews performance against the generalist VCTs as well as the AIM VCTs to provide a broader peer group for comparison purposes. Performance is also measured against the FTSE AIM All-Share Index Total Return. With 48.3% of the NAV in companies listed on AIM, the Directors consider this to be the most appropriate benchmark. However, HMRC derived investment restrictions and investments in private companies, main market listed companies and bonds mean that the index is not a wholly comparable benchmark for performance.

Rolling Returns to end Sep 2024	**1Y**	**3y**	**5y**	**10y**
NAV total return(1)	-3.86%	-44.02%	-7.08%	8.33%
Share price total return	0.00%	-41.24%	-3.68%	13.18%
NAV total return (dividends reinvested)(2)	-4.21%	-48.03%	-16.53%	-3.23%
Share price total return (dividends reinvested)(2)	-0.18%	-46.69%	-12.94%	2.41%
FTSE AIM All-Share Index Total Return	3.90%	-39.74%	-9.13%	13.40%

Source: CGAM

(1) Reflecting the significant return of capital through regular and special dividends in recent years, which materially exceeds the dividends paid by the FTSE AIM All-Share Index, the Board of the view that it is more accurate to report performance against the benchmark on a (simple) total return basis rather than on a dividends re-invested basis. The Board also notes that approximately 90% of Shareholders do not participate in the Company's DRIS, making the simple total return (without dividends reinvested) more reflective of Shareholder returns as experienced by the vast majority of Shareholders. The definition and illustration of this alternative performance measure can be found in this report.

(2) The NAV total return (dividends reinvested) and share price total return (dividends reinvested) measures have been included to improve comparability with the FTSE AIM All-Share Index Total Return which is also calculated on that basis. The definitions and illustrations of these alternative performance measures can be found in this report.

Reflecting the difficult market conditions that continued to weigh on the NAV through the financial year, and in common with the AIM VCT peer group, the Company reported a modest reduction in the NAV per share. The NAV total return fell behind the benchmark over one and three years; however, it remains ahead of the benchmark over five years but behind the average of the AIM VCT peer group over the same time horizons. The steep falls in valuations of companies listed on AIM, which have heavily impacted the performance of the Company and its AIM VCT peers, have not been mirrored in the Generalist VCT sector, which has reported an average gain of +3.47% over the period under review (source: Morningstar). The divergence of performance across the two peer groups is particularly notable across the three years since the start of the bear market with the AIM VCT sector returning an average loss of -42.9% against the average gain within the Generalist VCT sector of +3.35%. AIM has fallen by -39.7% over the same three-year period. It is difficult to account for the strongly divergent performance although the possible use of preferred investment structures not accessible to investors in public companies may account for some of the difference. The steady sell-off of investments on AIM ahead of the 2024 Autumn Budget will have also been a factor.

Further detailed information on peer group performance is available through Morningstar (https://www.morningstar.co.uk) and the AIC (https://www.theaic.co.uk/aic/find-compare-investment-companies).

2. Share price discount to NAV per share

The Company uses secondary market purchases of its shares to improve the liquidity in its shares and support the discount. The discount to NAV per share is an important influence on a selling Shareholder's eventual return. The Company aims to maintain a discount of approximately 5 per cent. to the last published NAV per share (as measured against the mid-price).

The Company's shares traded at a discount of 3.82%(1) as at 30 September 2024 (2023: 7.21%(1)) when calculated with reference to the 30 September 2024 NAV per share. The one and five year average share price discounts were 5.46%(1) and 5.79(1) respectively.

The Company's shares are priced against the last published NAV per share with the market typically adjusting the price to reflect the NAV after its publication. In line with the Company's valuation policy, the Company aims to publish the quarter end NAV per share within seven business days of the period end to allow time for the Investment Manager and Board to review and agree the valuation of the private companies held within the investment portfolio.

The Company's share price on 30 September 2024 reflected the last published NAV per share prior to the year end, which was released on 1 October 2024. The 30 September 2024 NAV was reported on 10 October 2024, following the review of the valuations of the private companies.

As at 17 December 2024, the discount to NAV was 4.69% of the last published NAV per share.

3. Ongoing charges ratio

The ongoing charges of the Company were 2.43%(1) (2023: 2.24%(1)) of the average net assets of the Company during the financial year to 30 September 2024.

The increase in the OCR is principally driven by the fall in the average net assets across the year that followed the drop in the NAV per share and the payment of special dividends. Other material factors include increases in some of the fixed costs of the Company such as administration, auditor and company secretarial fees, along with the increased investment in the IFSL Marlborough UK Micro-Cap Growth Fund and the IFSL Marlborough Special Situations Funds. The Ongoing Charges methodology divides ongoing expenses by average net assets.

The Company's OCR remains competitive against the wider VCT industry but marginally higher than the other AIM VCTs. This ratio is calculated using the AIC's "Ongoing Charges" methodology and, although based on historical information, it provides Shareholders with an indication of the likely future cost of managing the fund.

Cost control and efficiency continues to be a key focus for the Board. Although the OCR increased within the year, the Board is pleased to report that the Company's expenses incurred within the year were below budget.

4. Dividends per share

The Company's policy is to target a tax free dividend yield equivalent to 5% of the year end NAV per share. The Board remains committed to maintaining a steady flow of dividend distributions to Shareholders.

A total of 4.00 pence per share (2023: 5.00 pence) of dividends was paid during the year, comprising a final dividend of 1.50 pence in respect of the previous financial year (2022: 2.00 pence) paid on 15 February 2024, a special dividend of 1.50 pence per share paid on 26 July 2024 and an interim dividend of 1 penny (2023: 1 penny) also paid on 26 July 2024.

A final dividend of 1.25 pence per share will be proposed at the forthcoming AGM. If approved by Shareholders, the payment of the interim, final and special dividends in respect of the financial year to 30 September 2024 would represent a distribution to Shareholders of 9.2% of the 30 September 2024

NAV per share. A special dividend of 1.50 pence per share has been approved by the Board. The distribution will return to Shareholders proceeds from various exits and disposals. The special dividend will be paid together with the final dividend on 14 February 2025.

The below table demonstrates how the Board has been able to consistently pay dividends in line with the 5% target and the Company's dividend policy.

Dividends paid/payable by financial year

Year	Year end NAV pence per share	Dividends	Yield	Additional information
2010/11	61.14	4.00	6.5%	
2011/12	61.35	3.25	5.3%	
2012/13	71.87	3.75	5.2%	
2013/14	80.31	4.25	5.3%	
2014/15	74.64	4.00	5.4%	
2015/16	75.93	4.00	5.3%	
2016/17	80.82	4.00	4.9%	
2017/18	87.59	5.40	6.2%	Including special dividend of 1 penny.
2018/19	70.60	3.75	5.3%	
2019/20	73.66	5.40	7.3%	Including a special dividend of 1.75 pence.
2020/21	100.39	7.40	7.4%	Including a special dividend of 2.50 pence.
2021/22	60.19	3.00	5.0%	
2022/23	46.34	4.50	9.7%	Including a special dividend of 2.00 pence.
2023/24	40.55	3.75	9.2%	Including a special dividend of 1.50 pence and proposed final dividend of 1.25 pence.

5. Compliance with VCT Rules

A VCT must be approved by HMRC at all times and, in order to retain its status, the Company must meet a number of tests as set out by the VCT Rules, a summary of which can be found in this report. Throughout the year ended 30 September 2024 the Company continued to meet these tests.

The investment test increased from 91.65% to 100% in the financial year. The increase in the investment test percentage reflects progress made in deploying capital into Qualifying Companies and the return of capital to Shareholders through the payment of a 1.50 pence per share special dividend on 26 July 2024 following receipt of proceeds from the sale of Abcam plc and Instem plc. The investment test remains comfortably ahead of the 80% threshold that applies to the Company and ahead of the target of 85% as set out in the Company's investment policy.

The Company invested £9.2 million into seven Qualifying Companies, three of which were investments into new Qualifying Companies.

The Board believes that the Company will continue to meet the HMRC defined investment test and other qualifying criteria on an ongoing basis.

For further details please refer to the Investment Manager's report.

Principal and emerging risks and uncertainties

The Directors acknowledge that they are responsible for the effectiveness of the Company's risk management and internal controls and periodically review the principal risks faced by the Company. The Board may fulfil these responsibilities through delegation to CGAM and CGWL as it considers appropriate. The principal risks facing the Company, together with mitigating actions taken by the Board, are set out below:

Risk	Potential consequence	How the Board mitigates risk	Changes during the year
Venture Capital Trust approval risk. The Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 259 of the Income Taxes Act 2007 could result in the disqualification of the Company as a VCT.	Loss of VCT approval could lead to the Company losing its exemption from corporation tax on capital gains, Shareholders losing their tax reliefs and, in certain circumstances, being required to repay the initial tax relief on their investment.	To reduce this risk, the Board has appointed an Investment Manager with significant experience in the management of venture capital trusts. The Investment Manager regularly provides the Board with written and verbal reports. The Board also appointed Philip Hare & Associates LLP to monitor compliance with regulations and provide half-yearly compliance reports to the Board.	No change.
Investment risk. Many of the Company's investments are held in small, high risk companies which are either listed on AIM or privately held.	Investment in poor quality companies could reduce the capital and income return to Shareholders. Investments in small companies are often illiquid and may be difficult to realise.	The Board has appointed the Investment Manager which has significant experience of investing in small companies. The Investment Manager maintains a broad portfolio of investments across a wide range of industries and sectors. Individual Qualifying Investments rarely exceed 5% of net assets. The Investment Manager holds regular company meetings to monitor investments and identify potential risk. The VCT's liquidity is monitored on a regular basis by the Investment Manager and reported to the Board quarterly and as necessary.	No change. The UK economy is forecast to grow by 2.0% in 2025 (source: Office for Budget Responsibility). The Bank of England is expected to continue to reduce interest rates. In both cases, this should improve consumer and business confidence and encourage investment into growth. Offsetting this, the Autumn Budget 2024 introduced a significantly tighter fiscal policy that will increase the cost of employment, limit private sector wage growth, depress profitability and reduce investment by the private sector. Whilst changes to Business Property Relief may make AIM less attractive to investors seeking to

Risk	Potential consequence	How the Board mitigates risk	Changes during the year
			mitigate Inheritance Tax, the Budget and the recent extension of Sunset Clause confirmed the Government's support for two important groups of investors on AIM.
Compliance risk. The Company is required to comply with the FCA UK Listing Rules and the Disclosure Guidance and Transparency Rules, the Companies Act 2006, Accounting Standards, the General Data Protection Regulation and other legislation. The Company is also a small registered UK AIFM and has to comply with the requirements of the AIFM Directive.	Failure to comply with these regulations could result in a delisting of the Company's shares, financial penalties, a qualified audit report and/or loss of Shareholder trust.	Board members have considerable experience of operating at senior levels within quoted businesses. They have access to a range of advisers including solicitors, accountants and other professional bodies and take advice when appropriate. CGWL provides compliance oversight to both the Administrator and the Investment Manager and reports to the Board on a quarterly basis.	No change.
Operational risk and outsourcing. Failure in the Investment Manager, Administrator, Custodian, Company Secretary or other appointed third-party systems and controls or disruption to their respective businesses as a result of operational failure, environmental hazards or cyber security attacks.	Failures could put the assets of the Company at risk or result in reduced or inaccurate information being passed to the Board or Shareholders. Quality standards may be reduced through lack of understanding or loss of control.	The Company has in place a risk matrix and a set of internal policies which are reviewed on a regular basis. It has written agreements in place with its third-party service providers. The Board receives regular reports from the Investment Manager, Administrator and Custodian to provide assurance that they operate appropriate control and oversight systems and have in place training and other defence measures to mitigate the risk of cyber attack. Additionally, the Board receives a control	No change.

Risk	Potential consequence	How the Board mitigates risk	Changes during the year
		report from the Registrars on an annual basis. Where tasks are outsourced to other third parties, reputable firms are used and performance is reviewed periodically by the MSPEC.	
Key personnel risk. A change in the key personnel involved in the management of the portfolio.	Potential impact on investment performance.	The Board discusses key personnel risk and resourcing with the Investment Manager periodically. To mitigate this risk, the VCT team within the Investment Manager has a large team comprising two fund managers, a portfolio manager, an investment analyst and a legal counsel.	No change.
Exogenous risks such as economic, political, geopolitical financial, climate change and health. Economic risks include recession and sharp changes in interest rates. Political risks include a change in government policy causing the VCT scheme to be brought to an end, changes to economic or fiscal policy or the introduction of tariffs or other restrictions that might impact upon a company's operational model, reduce revenues, depress profit margins and increase the cost of capital. Geopolitical risks include the impact of wars or conflicts.	Instability or changes arising from these risks could have an impact on stock markets and the value of the Company's investments so reducing returns to Shareholders. Companies may face restrictions on emissions, water consumption and increased risk of environmental hazards.	Regular dialogue with the Investment Manager provides the Board with assurance that the Investment Manager is following the investment policy agreed by the Board and appraises the Board of the portfolio's current positioning in the light of prevailing market conditions. The Company's investment portfolio is well diversified and the Company has no gearing. The Board regularly reviews investment test forecasts and liquidity analysis, including under stress scenarios, to monitor current and anticipate future performance against HMRC legislation and to ensure the Company has, and will continue to have, access to sufficient liquidity and distributable reserves to	No change. On 3 September 2024, a Treasury Order was laid before Parliament extending the sunset clause until 5 April 2035. The Bank of England has started to reduce interest rates, decreasing the cost of debt for companies and households. Interest rates are expected to fall further during 2025. However, the wars in Ukraine and the Middle East present a range of risks that may have profound economic and social consequences if they impact access to certain commodities or much higher prices. The incoming US administration may adjust US trade policy, including the introduction of new tariffs on countries exporting goods and

Risk	Potential consequence	How the Board mitigates risk	Changes during the year
Climate change presents environmental, geopolitical, regulatory and economic risks. Health risks include the possibility of another pandemic.		maintain compliance with its key policies. The Board keeps abreast of current thinking through contact with industry associations and its advisers. The Investment Manager undertakes a review of ESG factors as part of the investment process. Climate change, or the need to limit its impact, will result in technological innovation as young companies seek to develop solutions and create opportunities for value creation for existing or new Qualifying Companies.	services into the US, impacting revenues and profitability.

Additional risks and further details of the above risks and how they are managed are explained in note 15 of the financial statements. Trends affecting future developments are discussed in the Chair's statement and the Investment Manager's report.

Long-term viability statement

In accordance with provision 36 of the AIC Code, the Directors have carried out a robust assessment of the Company's current position and its emerging and principal risks, further details can be found in the principal and emerging risks and uncertainties section. This assessment has been carried out over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of five years, which was selected because it:

- is consistent with investors' minimum holding period to retain the 30% income tax relief;
- exceeds the time allowed to deploy funds raised under the current offer in accordance with the VCT Rules; and
- is challenging to forecast beyond five years with sufficient accuracy to provide actionable insight.

The Board considers the viability of the Company as part of its continuing programme of monitoring risk. The Company has a detailed risk control framework, documented procedures and forecasting model in place to reduce the likelihood and impact of risk taking that exceeds the levels agreed by the Board. These controls are reviewed by the Board and Investment Manager on a regular basis.

The Board has considered the Company's financial position and its ability to meet its liabilities as they fall due over the next five years. Forecasts and stress tests have been used to support their assessment and the following factors have been considered in relation to the Company's future viability:

- the Company maintains a highly diversified portfolio of Qualifying Investments;
- the Company is well invested against the HMRC investment test (100% at 30 September 2024) and the Board believes the Investment Manager will continue to have access to sufficient numbers of investment opportunities to maintain compliance with the HMRC investment test;
- the Company held £13.6 million in cash at the year end (includes £8.8m held with the Custodian);

- the Company has distributable reserves of £106.6 million at 30 September 2024, equivalent to 29 pence per share;
- the Company has a portfolio of Non-Qualifying Investments, most of which are listed in the FTSE 350 and offer good levels of liquidity should the need arise;
- the financial position of the Company at 30 September 2024 was strong with no debt or gearing;
- the offer for subscription launched on 9 October 2024 has provided further liquidity for deployment in line with the Company's policies and to meet future expenses;
- the OCR of the Company at the year end was 2.43%;
- the Company has procedures and forecast models in place to identify, monitor and control risk, portfolio liquidity and other factors relevant to the Company's status as a VCT; and
- the Investment Manager and the Company's other key service providers have contingency plans in place to manage operational disruptions.

In assessing the Company's future viability, the Board has assumed that investors will wish to continue to have exposure to the Company's activities, that performance will be satisfactory and the Company will continue to have access to sufficient capital.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Other matters

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end NAV per share. The ability to pay dividends is dependent on the Company's available distributable reserves and cash resources, the Companies Act 2006, the UK Listing Rules and the VCT Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

Discount control policy and management of share liquidity

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per share (as measured against the mid-price) by making secondary market purchases of its shares in accordance with parameters set by the Board.

This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, Shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.

Diversity

The Board comprises three male non-executive directors and three female non-executive directors with a diverse range of experience, skills, length of service and backgrounds. The Board will always appoint the best person for the job. However the Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Environmental Social and Governance ("ESG") and Considerations

The Board seeks to maintain high standards of conduct with respect to ESG issues and to conduct the Company's affairs responsibly.

The Company does not have any employees or offices and so the Board does not maintain any specific policies regarding employee, human rights, social and community issues but does expect the Investment Manager to consider them when fulfilling its role. The Company qualifies for an exemption from the Streamlined Energy and Carbon Reporting requirements as a low energy use company with regards to greenhouse gas emissions (producing less than 40,000kWh of energy per year) and, therefore, is not obliged to report emissions from its operations.

The Company, whilst exempt, continues to monitor and develop its approach to the recommendations of the Task Force on Climate related Financial Disclosures.

The management of the Company's investment portfolio has been delegated to its Investment Manager, CGAM. The Company has adopted specific policies on divestment and excluded activities and it expects the Investment Manager to take account of ESG considerations in its investment process for the selection and ongoing monitoring of underlying investments. The Board has also given the Investment Manager discretion to exercise voting rights on resolutions proposed by investee companies. The Investment Manager continues to strengthen its approach to ESG issues. Further detail regarding the Investment Manager's approach to ESG issues can be found in this report.

To minimise the direct impact of its activities, the Company offers electronic communications where acceptable to reduce the volume of paper it uses and uses Carbon Balanced paper manufactured at a FSC accredited mill to print its financial reports. Vegetable based inks are used in the printing process where appropriate.

Prospects

The prospects and future development of the Company are discussed in detail in the outlook section of the Chair's statement.

The Strategic Report is approved, by order of the Board of Directors.

David Brock
Chair
17 December 2024

Summary of VCT regulations

To maintain its status as a VCT, the Company must be approved by HMRC and comply with a number of conditions. A summary of the most important conditions are detailed below:

VCTs' obligations

VCTs must:

- have 80 per cent. (by VCT tax value) of all funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than 3 years after the date on which those shares are issued;
- have at least 70 per cent. by VCT tax value of Qualifying Investments in Eligible Shares which carry no preferential rights (unless permitted under VCT Rules);
- have at least 30 per cent. of all new funds raised by the Company invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares;
- have no more than 15 per cent. by VCT tax value of its investments in a single company (as valued in accordance with the VCT Rules at the date of investment);
- derive most of its income from shares and securities, and, must not retain more than 15 per cent. of its income derived from shares and securities in any accounting period; and

- have their shares listed on the main market of the London Stock Exchange or a European regulated Stock Exchange.

VCTs must not:

- make a Qualifying Investment in any company that:
  - has (as a result of the investment or otherwise) received more than £5 million from State aid investment sources in the 12 months prior to the investment (£10 million for Knowledge Intensive Companies);
  - has (as a result of the investment or otherwise) received more than £12 million from State aid investment sources in its lifetime (or £20 million for Knowledge Intensive Companies);
  - in general has been generating commercial revenues for more than seven years (or ten years for Knowledge Intensive Companies); or
  - will use the investment to fund an acquisition of another company (or its trade and assets).
- make any investment which is not a Qualifying Investment unless permitted by section 274 ITA; and/or
- return capital to Shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs.

Qualifying Investments

A Qualifying Investment consists of new shares or securities issued directly to the VCT by a Qualifying Company that at the point of investment:

- has gross assets not exceeding £15 million prior to investment and £16 million post investment;
- carries out activities which are regarded as a Qualifying Trade;
- is a private company or is listed on AIM or the AQSE Growth Market;
- has a permanent UK establishment;
- is not controlled by another company;
- will deploy the money raised for the purposes of the organic growth and development of a Qualifying Trade within 2 years;
- has fewer than 250 employees (or fewer than 500 employees in the case of certain Knowledge Intensive Companies);
- in general, has not been generating commercial sales for more than seven years (ten years for Knowledge Intensive Companies);
- has not received more than the permitted annual and lifetime limits of risk finance State aid investment; and
- has not been set up for the purpose of accessing tax reliefs or is in substance a financing business.

The Finance Act 2018 introduced a principles-based approach known as the risk to capital condition to establish whether the activities or investments of an investee company can qualify for VCT tax reliefs. This condition has two parts:

- whether the investee company has an objective to grow and develop over the long term; and
- whether there is a significant risk that there could be a loss of capital to the investor of an amount exceeding the net return.

Investment Manager’s report

Introduction

This report covers the 2023/24 financial year, 1 October 2023 to 30 September 2024. The Investment Manager's report contains references to movements in the NAV per share and NAV total return per share. Movements in the NAV per share do not necessarily mirror the earnings per share reported in the accounts and elsewhere, which convey the profit after tax of the Company within the reported period as a function of the weighted average number of shares in issue for the period.

Investment performance measures contained in this report are calculated on a pence per share basis and include realised and unrealised gains and losses.

Investment report

The UK economy bounced back strongly after experiencing a shallow recession in late 2023. For much of the year, the economy has proven to be surprisingly resilient with GDP better than expected, healthy employment markets, strongly positive real wage growth and, as a result, increasing consumer confidence. The more optimistic tone that took hold in the third quarter (of the financial year) was also showing up in measures of UK business confidence and indices that measure economic data points relative to expectations. Unfortunately, more recently these same yardsticks are now signalling that the negative messaging of the new Government is starting to weigh on the economy. It has been an unusual and clumsy start for a government that is keen to promote itself as pro-growth.

If there has been huge uncertainty about the outlook for US interest rates, the same has not been true for UK monetary policy. Interest rates have started to come down broadly as expected with two 25 basis point reductions in August and in November, providing relief to many households and companies. Interest rates are expected to decline further as we head through the next year, potentially down to 4.00% by September 2025.

We have frequently flagged the impact of sustained fund outflows on UK equities, which have remained negative across the year. That having been said, we and other small cap managers saw an improvement in the flow dynamic within UK small companies in the early summer. Unfortunately, the improving picture did not survive the 2024 Autumn Budget with UK equity fund flows turning more deeply negative.

Although bookended by two periods of notably poor performance, for the most part the AIM All-Share Index has been on an improving trend. After a difficult start to the financial year, positive momentum was building as the year progressed, right through to the announcement on 21 May 2024 that the UK would hold a general election. Concerns about potential changes to fiscal policy had an immediate and strongly negative impact on AIM that continued through to year end and beyond. Although the net outcome was a gain of 3.90% in the FTSE AIM All-Share Index for the 12 months to 30 September 2024, the index lagged the FTSE UK Small Cap Index (excluding Investment Trusts) by 18.47% across the year, with most of that (13.07%) underperformance occurring since the 2024 General Election was called.

Performance

In the 12 months to 30 September 2024, the NAV per share decreased from 46.34 pence to 40.55 pence, a NAV total return to investors of -1.79 pence per share after adding back the 4.00 pence of dividends paid in the year, this translates to a loss of -3.86%.

The qualifying investments made a net loss of -2.73 pence per share whilst the non-qualifying investments made a net gain of 1.17 pence per share. The -0.23 pence adjusting balance was the net of running costs and investment income.

The contribution to NAV is split out in further detail below:

Notwithstanding the more negative mood that has set in since the 2024 General Election, corporate news flow steadily improved as the year progressed and the economy recovered from the recession in late 2023. For many retailers and consumer facing companies, the key Christmas trading period and the months that followed were challenging. More broadly speaking, we observed an increasing number of companies reporting trading that was in line with their expectations, with fewer companies reducing their guidance.

The 2024 Autumn Budget cast a long shadow over AIM, undermining performance and introducing idiosyncratic factors that have distorted valuations: the composition of the Shareholder register became an unusually important determinant of share price performance.

Whilst market distortions have, in our opinion, weighed on performance within the year, they have not been a factor in those companies that have made the most significant individual contributions to performance. As is nearly always the case, management execution has been the dominant driver of the outcome for most of the ten companies we highlight below.

Looking forward, we believe that the qualifying portfolio remains well set and attractively priced. We continue to expect investor interest in small UK companies to return, following the lead of those private equity and trade investors that continue to exploit market inefficiencies. There is plenty of opportunity for those able and willing to make a long term investment in UK innovation and growth.

Beeks Group (+177%, +0.83 pence per share) reported excellent FY24 results with strong revenue and EBITDA growth of 27% and an 18% increase in annualised committed monthly recurring revenue to £28m. The company is successfully winning large contracts for its Exchange Cloud and Proximity cloud offering. Beeks Group's multi-year contract with one of the world's largest exchanges received regulatory approval in August 2024 and is expected to launch in FY25 and drive considerable revenue growth. The company has a strong balance sheet with net cash of £6.6m.

Cohort (+93%, +0.60 pence per share) issued several positive trading updates over the year and reported record April FY24 results with revenues increasing 11% to £202.5m and operating profit of £21.1m. Several contract wins, including a £135m 10-year contract from the Ministry of Defence to supply the Royal Navy with its Trainable Decoy Launcher System, contributed to a very strong order intake of £392m over the year (+78% over the prior year). The last-reported order book of £575m provides over 90% cover for April FY25 revenue forecasts as well as visibility out to 2037.

Intercede (+349%, +0.45 pence per share) delivered exceptionally strong results for the year to March 2024 with revenue growth of 65% to £20.0m and profit before tax of £5.6m. This included a record contract with a large US Federal Agency for over $8m, which was treated as an exceptional item. This good operating momentum has continued into the current year and Intercede has announced several more contract wins for its MyID credential management system which underpin the forecasts for FY25. The company has a strong balance sheet with £16.2m net cash.

Shares in Learning Technology Group (+48%, +0.40 pence per share) re-rated over the early part of the year as investor sentiment towards the stock improved. Whilst the company reported that weak end markets were weighing on revenues, a strong margin performance has moderated the impact on profit guidance. Good cash generation, coupled with the sale of Vector VMS, has left the company with a substantially stronger unlevered (net cash) balance sheet. In September 2024, the company announced an approach by private equity firm General Atlantic with a possible cash offer at 100p alongside an option for LTG Shareholders to re-invest a portion of their holding into the private acquisition vehicle.

Skillcast (+137%, +0.31 pence per share) reported strong 2023 results with revenues growing 15% to £11.3m. 2024 interim results showed further progress as revenues grew 24% to £6.4m and the company broke even at the EBITDA level. Annualised recurring revenues have increased by over 50% from £6.8m in December 2022 to £10.3m in June 2024. The balance sheet is strong, with net cash of £8.3m.

Equipmake (-72%, -1.63 pence per share) reported FY24 revenues of £8.1m, 60% growth on the prior year. EBITDA losses were higher and cash lower than forecast due to a revenue miss, cost overruns and working capital movements. The company has invested into a new management team over the year, appointing a more experienced COO, CFO and business development director. Revised guidance reflects the pivot to a higher margin less capital intensive business model that should result in reduced losses in FY25 and bring forward the transition to profit in FY26. Equipmake has established relationships with several high-calibre original equipment manufacturer (OEM) for its components and drivetrain solutions and looks to build on this and announce further partnership deals in due course. The company raised a further £3m in October to support its working capital requirements.

Surface Transforms (-99%, -0.76p pence per share) faced significant production issues over the period as the company sought to scale-up production rates to meet customer demand. As a result, revenues were significantly below target and costs also exceeded plans. In May 2024, the company raised £8.5m of additional funding for working capital and capex in a deeply discounted fundraise that was not VCT qualifying and very dilutive to existing Shareholders. The investment was sold post period end.

Engage XR (-71%, -0.49 pence per share) warned in December 2023 that profits would be below expectations due to project delays. In April 2024, the company reported revenues of €3.7m (-5% year on year), and an EBITDA loss of €-4.0m for the 12 months to December 2023. The balance sheet is strong with net cash of €7.9m following the €10.5m fundraise earlier in 2023. More recently, the company announced its first €1m+ contract with a Middle East based education and training company through its partnership with PWC and appointed an experienced non-executive chair to the board.

Children's products and clothing retailer Kidly (-54%, -0.42 pence per share) experienced a difficult trading environment through Christmas 2023 and early 2024 that was compounded by balance sheet constraints. Although revenue performance was below budget, operational efficiencies resulted in significantly lower losses. Trading improved as the year progressed. Reflecting the need for additional funding, the fair value of the equity was reduced to nil and the value of the debt heavily impaired. Subsequently, Kidly secured new funding as part of a financial restructuring that included a partial conversion of the loan note instrument into new preferred shares. The reduction in risk allowed a partial recovery in the fair value of the convertible loan note instrument.

In a significant announcement, Arecor Therapeutics (-67%, -0.23 pence per share) reported that its ultra-concentrated and ultra-rapid acting insulin candidate AT278 demonstrated superiority to the current best-in-class insulins in a Phase 1 clinical trial for patients with Type 2 diabetes and high BMI. However, supply chain issues in its subsidiary Tetris Pharma negatively impacted revenues and cash flow. Despite a more challenging fundraising environment for life-sciences companies on AIM, the company successfully raised £6.4m to continue its insulin development programmes and provide working capital funding for Tetris Pharma.

Reflecting the very difficult market, there were no funds raised from AIM VCTs by companies undertaking an IPO on AIM in the year under review. Despite this, we invested £9.2m into seven Qualifying Companies including one new investment into a company listed on AIM, one new investment into a company listed on the AQSE APEX market, three follow on investments into existing portfolio companies listed on AIM, one follow on investment into a company listed on the AQSE APEX market and one new investment into a private company. The three new investments included Abingdon Health plc, Oberon Investments Group plc and Qureight Ltd. The follow on investments included Eden Research plc, Equipmake plc, PCI Pal plc and Strip Tinning plc. We reduced our investments in Blackbird plc, Team Internet Group plc and made complete exits from Abcam plc, Instem plc, Osirium plc and Renalytix plc, Smoove plc and Velocys plc. Bidstack Group plc was placed into administration.

Portfolio structure

The VCT is comfortably above the HMRC defined investment test and ended the period at 100% invested as measured by the HMRC investment test. By market value, the weighting to qualifying investments decreased from 58.7% to 56.0% following several disposals of qualifying companies.

The allocation at the year end to non-qualifying equity investments decreased from 10.1% to 8.1%. In line with the investment policy, we made investments in the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund as temporary homes for proceeds from fundraising; the allocations increased from 5.4% to 13.4% and returned +0.57 pence per share in the period.

The non-qualifying direct equity investments, which are mostly held in FTSE 350 companies contributed +0.37 pence per share. Within the period, the largest contributors to non-qualifying gains were Chemring (+32.3%, +0.12 pence per share), Hollywood Bowl (+25.3%, + 0.11 pence per share) and TP ICAP (+38.7%, +0.10 pence per share). The largest non-qualifying losses came from XP Power

(-55.4%, -0.12 pence per share), Energean (-13.5%, -0.04 pence per share) and Bodycote (-7.7%, -0.03 pence per share).

We have maintained a substantial investment in short-dated investment grade corporate bonds. Within the year, we reinvested the proceeds from the redemption of one Marks & Spencer's bond into another Mark & Spencer's bond, acquired a new Unilever bond which was subsequently redeemed just prior to year end and made a small investment into a second Next bond. In the round, the allocation increased from 11.4% to 12.9%. The average yield to maturity at year end was 4.7%. Our cash weighting dropped from 12.7% to 9.3%[(1)].

The Company invests across all available investment sectors, although VCT Rules tends to promote investment into sectors such as technology, healthcare and consumer discretionary. In respect of the Qualifying Investment portfolio, the weightings to these three sectors changed slightly over the year as a consequence of additional investment and share price performance, taking their respective shares to 40.4%, 21.0% and 11.8%. There is also a 13.8% weighting to industrials.

The HMRC investment tests are set out in Chapter 3 of Part 6 Income Tax Act 2007, which should be read in conjunction with this investment manager's report. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation of qualifying investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

Share buy backs & discount control

10,657,350 shares were acquired in the year at an average price of 41.97 pence per share. The share price decreased from 43.00p to 39.00p and traded at a discount of 6.78% following the publication of the 30 September 2024 NAV on 10 October 2024.

Post period end update

The NAV per share has decreased from 40.55 pence to 40.29 pence in the period to 6 December 2024, a decrease of 0.6%.

As at 17 December 2024, the share price of 38.40 pence represented a discount of 4.69% to the last published NAV per share. Economic activity has noticeably slowed since the early summer with the economy growing by a meagre +0.1% in the 3 months to October 2024, having peaked at +0.7% in the 3 months to May 2024. Business and consumer confidence has dipped and corporate newsflow has noticeably softened, although trading continues to vary markedly by sector. However, this period of weaker activity is not expected to last and the economy should pick up momentum as we head through 2025.

Whilst many businesses (and business owners) are understandably frustrated by changes to NICs, Business Property Relief and Business Asset Disposal Relief, households and consumers should at least benefit from lower borrowing costs and, at least within the public sector, substantially positive real wage growth.

For most portfolio companies, the outlook is not significantly altered by the Autumn 2024 Budget. Increases in employment taxes, whilst unhelpful, are not a significant factor within the portfolio and we remain confident that our portfolio companies can continue to build value through good execution. When and how that crystallises remains difficult to forecast in the short-term.

Deal flow has improved noticeably since the Autumn 2024 budget and we are active on a large number of deals. We are also seeing signs of a recovery in the pipeline of companies looking to undertake an IPO.

For further information please contact:

1 Net of prepayments and accruals.

Oliver Bedford
Lead Fund Manager
17 December 2024

Investment portfolio summary
As at 30 September 2024

	Net Assets % at 30.09.24	Cost £000	Cumulative movement in value £000	Valuation £000	Change in value for the year £000[1]	Market	COI[2]
Equity Qualifying Investments							
Beeks Financial Cloud Group plc	3.11	1,038	3,569	4,607	2,945	AIM	Yes
Cohort plc	3.04	619	3,884	4,503	2,166	AIM	Yes
Learning Technologies Group plc	2.89	2,238	2,037	4,275	1,388	AIM	No
Eagle Eye Solutions Group plc	2.69	1,642	2,340	3,982	(563)	AIM	Yes
PCI-PAL plc	2.43	2,703	890	3,593	(706)	AIM	Yes
The Property Franchise Group plc	2.31	1,139	2,287	3,426	1,753	AIM	Yes
Infinity Reliance Ltd (My 1st Years)[3]	2.10	2,500	607	3,107	364	Unlisted	Yes
Diaceutics plc	1.82	1,550	1,141	2,691	591	AIM	Yes
Qureight Ltd	1.69	2,500	—	2,500	—	Unlisted	No
Equipmake Holdings plc	1.57	4,162	(1,834)	2,328	(5,803)	AIM	No
Maxcyte Inc	1.47	1,270	905	2,175	300	AIM	Yes
Intercede Group plc	1.40	305	1,767	2,072	1,611	AIM	Yes
Craneware plc	1.29	125	1,786	1,911	470	AIM	Yes
Skillcast Group plc	1.29	1,570	340	1,910	1,104	AIM	No
Aquis Exchange plc	1.21	765	1,024	1,789	—	AIM	Yes
Abingdon Health plc	1.14	1,823	(140)	1,683	(140)	AIM	No
Fadel Partners, Inc	1.13	2,300	(623)	1,677	(623)	AIM	No
Team Internet Group plc	1.05	565	997	1,562	4	AIM	No
XP Factory plc	1.04	4,068	(2,520)	1,548	(581)	AIM	Yes
Itaconix plc	1.04	3,025	(1,483)	1,542	(107)	AIM	No
Zoo Digital Group plc	1.04	2,159	(619)	1,540	(220)	AIM	No
Intelligent Ultrasound Group plc	0.93	1,550	(173)	1,377	(275)	AIM	No
AnimalCare Group plc	0.91	720	630	1,350	332	AIM	Yes
SCA Investments Ltd (Gousto)	0.89	2,484	(1,166)	1,318	(237)	Unlisted	No

	Net Assets % at 30.09.24	Cost £000	Cumulative movement in value £000	Valuation £000	Change in value for the year £000[1]	Market	COI[2]
Oberon Investments Group plc	0.85	1,461	(208)	1,253	(209)	AIM	No
Zappar Ltd	0.81	1,600	(400)	1,200	(229)	Unlisted	No
Tortilla Mexican Grill plc	0.81	1,125	75	1,200	(550)	AIM	Yes
Eden Research plc	0.80	1,855	(674)	1,181	(336)	AIM	No
Equals Group plc	0.77	750	396	1,146	51	AIM	No
C4X Discovery Holdings Ltd	0.75	2,300	(1,193)	1,107	(693)	Unlisted	No
Idox plc	0.73	135	949	1,084	(58)	AIM	Yes
EKF Diagnostics Holdings plc	0.61	565	335	900	96	AIM	No
Ilika plc	0.57	1,636	(785)	851	(259)	AIM	No
Blackbird plc	0.56	594	238	832	(117)	AIM	No
Globaldata plc	0.55	173	635	808	211	AIM	Yes
BiVictriX Therapeutics Ltd	0.58	1,600	(828)	772	(408)	Unlisted	No
Tristel plc	0.51	543	217	760	(93)	AIM	No
Engage XR Holdings plc	0.47	3,453	(2,762)	691	(1,727)	AIM	No
One Media iP Group plc	0.44	1,141	(489)	652	(244)	AIM	Yes
Science in Sport plc	0.39	1,479	(902)	577	289	AIM	Yes
Nexteq plc	0.38	1,209	(649)	560	(170)	AIM	No
Creo Medical Group plc	0.37	2,329	(1,777)	552	(161)	AIM	Yes
Crimson Tide plc	0.35	1,260	(735)	525	(231)	AIM	Yes
Tan Delta Systems plc	0.33	504	(20)	484	19	AIM	No
Verici DX plc	0.31	1,939	(1,476)	463	(71)	AIM	No
Arecor Therapeutics plc	0.27	1,687	(1,290)	397	(819)	AIM	No
Rosslyn Data Technologies plc	0.27	1,345	(951)	394	(322)	AIM	Yes
Faron Pharmaceuticals Oy	0.25	1,133	(763)	370	(125)	AIM	No
Hardide plc	0.23	3,566	(3,218)	348	(290)	AIM	Yes
Everyman Media Group plc	0.16	600	(369)	231	25	AIM	No
K3 Business Technology Group plc	0.14	270	(60)	210	(120)	AIM	Yes
Eneraqua Technologies plc	0.14	1,401	(1,194)	207	(298)	AIM	No
Strip Tinning Holdings plc	0.13	1,054	(866)	188	(154)	AIM	No
Angle plc	0.12	1,158	(974)	184	(149)	AIM	No
Crossword Cybersecurity plc	0.09	2,039	(1,906)	133	(573)	AIM	No

	Net Assets % at 30.09.24	Cost £000	Cumulative movement in value £000	Valuation £000	Change in value for the year £000[1]	Market	COI[2]
Polarean Imaging plc	0.07	2,081	(1,978)	103	(587)	AIM	No
Mycelx Technologies Corporation	0.05	361	(282)	79	(51)	AIM	Yes
Trakm8 Holdings plc	0.03	486	(432)	54	(80)	AIM	No
Surface Transforms plc	0.02	1,744	(1,709)	35	(2,639)	AIM	No
Fusion Antibodies plc	0.02	624	(597)	27	(9)	AIM	No
Gfinity plc	—	2,026	(2,021)	5	(23)	AIM	No
Bidstack Group plc	—	2,733	(2,733)	—	(314)	Unlisted	No
Kidly Ltd[3]	—	2,660	(2,660)	—	(326)	Unlisted	No
Laundrapp Ltd[3]	—	2,450	(2,450)	—	—	Unlisted	No
Airportr Technologies Ltd[3]	—	1,888	(1,888)	—	—	Unlisted	No
Mporium Group plc	—	33	(33)	—	—	Unlisted	No
Flowgroup plc	—	26	(26)	—	—	Unlisted	No
Infoserve Group plc[4]	—	—	—	—	—	Unlisted	No
Total – equity Qualifying Investments	**53.41**	**101,836**	**(22,807)**	**79,029**	**(7,971)**		
Qualifying fixed income investments							
Strip Tinning Holdings plc (convertible loan notes)	1.45	2,000	158	2,158	158	Unlisted	No
Kidly Ltd (convertible loan notes)	0.85	1,400	(138)	1,262	(1,138)	Unlisted	No
Rosslyn Data Technologies plc (convertible loan notes)	0.24	300	58	358	58	Unlisted	No
Total qualifying fixed income investments	**2.54**	**3,700**	**78**	**3,778**	**(922)**		
Total Qualifying Investments	**55.95**	**105,536**	**(22,729)**	**82,807**	**(8,893)**		
Non-qualifying funds							
IFSL Marlborough UK Micro-Cap Growth fund	7.01	9,339	1,044	10,383	1,044	Unlisted	No

	Net Assets % at 30.09.24	Cost £000	Cumulative movement in value £000	Valuation £000	Change in value for the year £000[1]	Market	COI[2]
IFSL Marlborough Special Situations fund	6.34	9,833	(448)	9,385	1,001	Unlisted	No
Vaneck Gold Miners UCITS ETF	0.44	634	22	656	22	Main	No
Total non-qualifying funds	**13.79**	**19,806**	**618**	**20,424**	**2,067**		
Equity non-qualifying investments							
Hollywood Bowl Group plc	1.26	1,566	294	1,860	375	Main	Yes
Bodycote plc	0.91	1,534	(179)	1,355	(114)	Main	No
National Grid plc	0.90	1,229	101	1,330	162	Main	No
TP ICAP Group plc	0.89	1,022	300	1,322	369	Main	Yes
Chemring Group plc	0.84	1,023	217	1,240	405	Main	Yes
WH Smith plc	0.79	1,220	(54)	1,166	91	Main	Yes
Rotork plc	0.63	944	(10)	934	59	Main	No
BAE Systems plc	0.63	593	334	927	246	Main	Yes
Wickes Group plc	0.59	950	(75)	875	167	Main	Yes
Shell plc	0.49	804	(77)	727	(77)	Main	No
Tortilla Mexican Grill plc	0.09	161	(30)	131	(60)	AIM	Yes
Mycelx Technologies Corporation	0.06	298	(206)	92	(60)	AIM	Yes
Genagro Services Ltd	—	—	—	—	2	Unlisted	Yes
Total – equity non-qualifying investments	**8.08**	**11,344**	**615**	**11,959**	**1,565**		
Non-qualifying fixed income – bonds							
British Telecommunications 5.75% SNR BDS 07/12/2028	2.12	3,130	2	3,132	174	Main	No
Marks and Spencer plc 3.75% SNR EMTN 19/05/2026	2.06	3,032	17	3,049	17	Main	No
Natwest Markets plc 6.375% SNR EMTN 08/11/2027	2.05	3,017	18	3,035	140	Main	No
Royal Bank of Canada 5% SNR NTS 24/01/2028	2.05	3,036	(8)	3,028	153	Main	No

	Net Assets % at 30.09.24	Cost £000	Cumulative movement in value £000	Valuation £000	Change in value for the year £000[1]	Market	COI[2]
Next Group plc 4.375% SNR BDS 02/10/2026	2.01	2,987	(12)	2,975	96	Main	No
Barclays plc 3.25% SNR NTS 12/02/2027	1.95	2,912	(25)	2,887	145	Main	No
Next Group plc 3% GTD SNR BDS 26/08/2025	0.66	969	12	981	13	Main	No
Total non-qualifying fixed income – bonds	**12.90**	**19,083**	**4**	**19,087**	**738**		
Total – non-qualifying investments	**34.77**	**50,233**	**1,237**	**51,470**	**4,370**		
Total investments	**90.72**	**155,769**	**(21,492)**	**134,277**	**(4,523)**		
Cash at bank	3.2			4,766			
Funds held with Custodian	6.0			8,846			
Prepayments & accruals	0.08			120			
Net assets	**100.00**			**148,009**			

(1) The change in fair value has been adjusted for additions and disposals in the year and as such does not reconcile to the unrealised total in note 7. The difference is £0.8 million which is the total of 17 full investment disposals in the year.

(2) COI – Co investments with other funds managed by the Investment Manager at 30 September 2024.

(3) Different classes of shares held in unlisted companies within the portfolio have been aggregated.

(4) Impaired fully through the profit and loss account and therefore shows a zero cost.

The investments listed below are either listed, headquartered or registered outside the UK:

	Listed	Headquartered	Registered
Listed Investments:			
Fadel Partners, Inc	UK	USA	USA
Faron Pharmaceuticals Oy	UK/Finland	Finland	Finland
Itaconix plc	UK	USA	UK
Maxcyte Inc	UK/USA	USA	USA
Mycelx Technologies Corporation	UK	USA	USA
Polarean Imaging plc	UK	USA	UK
Unlisted private companies:			
Genagro Ltd[1]	—	UK	Jersey

(1) Companies awaiting liquidation.

Top ten investments

As at 30 September 2024 (by market value)

The top ten investments are shown below. Each investment is valued by reference to the bid price or, in the case of unquoted companies, the IPEV guidelines using one or more valuation techniques according to the nature, facts and circumstances of the investment. Forecasts, where given, are drawn from a combination of broker research and/or Bloomberg consensus forecasts and exclude amortisation, share based payments and exceptional items. Forecasts are in relation to a period end for which the company results are yet to be released. Published accounts are used for private companies or public companies with no published broker forecasts. The net asset figures and net cash values are from published accounts in most cases.

Beeks Financial Cloud Group plc		**Share Price: 244.0p**	
Investment date	November 2017	Forecasts for the year to	June 2025
Equity held	2.84%	Turnover (£'000)	39,600
Av. Purchase Price	55.0p	Profit before tax (£'000)	6,100
Cost (£'000)	1,038	Net cash June 2024 (£'000)	7,100
Valuation (£'000)	4,607	Net assets June 2024 (£'000)	37,495

Company description

Beeks Financial Cloud Group plc is a cloud-based connectivity provider of technology solutions to the financial services sector. The company's Infrastructure-as-a-Service model is optimised for low-latency private cloud compute, connectivity and analytics, providing the flexibility to deploy and connect to exchanges, trading venues and public cloud for a true hybrid cloud experience. The company serves over 1,000 enterprise clients from its global network of data centres.

Cohort plc		**Share Price: 948.0p**	
Investment date	February 2006	Forecasts for the year to	April 2025
Equity held	1.14%	Turnover (£'000)	241,200
Av. Purchase Price	130.2p	Profit before tax (£'000)	25,800
Cost (£'000)	619	Net cash October 2024 (£'000)	37,900
Valuation (£'000)	4,503	Net assets October 2024 (£'000)	111,203

Company description

Cohort provides electronic and surveillance technology solutions. The company offers electronic warfare operational support, secure communication systems and networks, test systems and data management. Cohort serves defence and security, transport, offshore energy and other commercial markets.

Learning Technologies Group plc		**Share Price: 95.0p**	
Investment date	July 2015	Forecasts for the year to	December 2024
Equity held	0.57%	Turnover (£'000)	477,000
Av. Purchase Price	49.7p	Profit before tax (£'000)	77,000
Cost (£'000)	2,238	Net (debt) June 2024 (£'000)	(57,524)
Valuation (£'000)	4,275	Net assets June 2024 (£'000)	443,743

Company description

Learning Technologies Group provides workplace digital learning and talent management software and services to corporate and government clients. The group offers end-to-end learning and talent solutions ranging from strategic consultancy, through a range of content and platform solutions to analytical insights that enable corporate and government clients to meet their performance objectives.

Eagle Eye Solutions Group plc		Share Price: 460.0p	
Investment date	April 2014	Forecast for the year to	June 2025
Equity held	2.92%	Turnover (£'000)	55,500
Av. Purchase Price	189.7p	Profit before tax (£'000)	6,200
Cost (£'000)	1,642	Net cash June 2024 (£'000)	10,404
Valuation (£'000)	3,982	Net assets June 2024 (£'000)	34,056

Company description

Eagle Eye is a SaaS technology company that creates digital connections enabling personalised, real-time marketing solutions for large retailers. Through Eagle Eye AIR, the company's loyalty and promotions omnichannel SaaS platform, companies connect all aspects of the customer journey in real time, unlocking the capability to deliver personalisation, streamline marketing execution and open up new revenue streams through promotions, loyalty apps, subscriptions and gift services.

PCI Pal plc		Share price: 46.80p	
Investment date	January 2018	Forecast for the year to	June 2025
Equity held	10.58%	Turnover (£'000)	22,400
Av. Purchase Price	35.2p	Profit before tax (£'000)	800
Cost (£'000)	2,703	Net (debt) June 2024 (£'000)	4,332
Valuation (£'000)	3,593	Net (liabilities) June 2024 (£'000)	(1,970)

Company description

PCI PAL plc is a provider of SaaS solutions that allows companies to take payments from their customers securely. Its products secure payments and data in any business communications environment including voice, chat, social, email, and contact centre and is integrated to, and resold by, business communications vendors and payment service providers.

The Property Franchise Group plc		Share price: 415.0p	
Investment date	December 2013	Forecast for the year to	December 2024
Equity held	2.56%	Turnover (£'000)	68,700
Av. Purchase Price	138.0p	Profit before tax (£'000)	22,300
Cost (£'000)	1,139	Net (debt) June 2024 (£'000)	(14,302)
Valuation (£'000)	3,426	Net assets June 2024 (£'000)	143,972

Company description

The Property Franchise Group is the UK's largest property franchise business and manages the second largest estate agency network and portfolio of lettings properties in the UK. The group has 1,946 outlets, manages more than 152k tenanted properties and is expected to sell in excess of 28k properties per annum. The group also includes an established financial services business.

Infinity Reliance Ltd (My First Years)		Unquoted	
Investment date	May 2018	Results for the year to	December 2023
Voting rights held	9.66%	Turnover (£'000)	20,973
Av. Purchase Price	4,670.4p	Profit before tax (£'000)	2,885
Cost (£'000)	2,500	Net cash December 2023 (£'000)	6,221
Valuation (£'000)	3,107	Net assets December 2023 (£'000)	9,121
Income recognised in period (£)	—		

Company description

My 1st Years is a European retail platform that focusses on the sale of personalised baby and children's gifts primarily through e-commerce channels. The product range includes bespoke presents for newborn babies to seven year olds, for christenings, birthdays and Christmas.

Diaceutics plc		**Share price: 132.0p**	
Investment date	July 2019	Forecast for the year to	December 2024
Equity held	2.41%	Turnover (£'000)	30,100
Av. Purchase Price	76.0p	(Loss) before tax (£'000)	(2,800)
Cost (£'000)	1,550	Net cash June 2024 (£'000)	16,749
Valuation (£'000)	2,691	Net assets June 2024 (£'000)	38,740

Company description

The Diaceutics proprietary diagnostic commercialisation platform ("DXRX") integrates real-world diagnostic testing data from a global network of laboratories to enable the supply of precision medicine therapeutics to patients. The company provides its solutions to leading pharmaceutical and biotech companies in Europe and the USA.

Qureight Ltd		**Unquoted**	
Investment date	March 2024	Results for the year to	December 2023
Voting rights held	15.10%	Turnover (£'000)(1)	—
Av. Purchase Price	7,394.0p	Profit/(loss) before tax (£'000)(1)	—
Cost (£'000)	2,500	Net cash December 2023 (£'000)	380
Valuation (£'000)	2,500	Net assets December 2023 (£'000)	846
Income recognised in period (£)	—		

(1) Company has total exemption from full accounts.

Company description

Qureight's proprietary technology uses artificial intelligence to analyse medical images of the respiratory system through its innovative approach to clinical data curation and artificial intelligence-powered digital biomarkers. This approach enables researchers and scientists to analyse disease progression and drug responses in patients across a range of complex conditions.

Strip Tinning Holdings plc(1)		**Share price: 33.0p**	
Investment date	February 2022	Forecast for the year to	December 2024
Equity held	3.13%	Turnover (£'000)	9,000
Av. Purchase Price	118.8p	(Loss) before tax (£'000)	(3,700)
Cost (£'000)	3,054	Net (debt) June 2024 (£'000)	(2,247)
Valuation (£'000)	2,346	Net assets June 2024 (£'000)	4,240

(1) Holding inclusive of equity and convertible loan note investments.

Company description

Strip Tinning manufactures specialist flexible electrical connectors related primarily to heating and antennae systems embedded within automotive glazing and to the connection of the cells within electric vehicle battery packs, increasingly using flexible and lightweight printed circuit technology.

For further information please contact:

Oliver Bedford
Lead Fund Manager
17 December 2024

Canaccord Genuity Asset Management Limited
88 Wood Street
London
EC2V 7QR
0207 523 4837
aimvct@canaccord.com

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the UK Listing Rules of the Financial Conduct Authority.

The Companies Act 2006 (and related legislation) requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the company financial statements in accordance with UK GAAP and the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK GAAP, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the financial position 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.

The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. The Company's website address is https://www.hargreaveaimvcts.co.uk. Financial statements are published on the Company'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 Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibility statement pursuant to DTR4

Each of the Directors, David Brock (Chair), Oliver Bedford, Angela Henderson, Justin Ward, Megan McCracken and Busola Sodeinde, confirms to the best of their knowledge that:

- the financial statements have been prepared in accordance with UK GAAP and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to the Auditor

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 Auditor is aware of that information.

For and on behalf of the Board.

David Brock
Chair

17 December 2024

Income statement

		Year to 30 September 2024			Year to 30 September 2023		
	Note	**Revenue £000**	**Capital £000**	**Total £000**	**Revenue £000**	**Capital £000**	**Total £000**
Net loss on investments held at fair value through profit or loss	7	—	**(5,341)**	**(5,341)**	—	(28,455)	(28,455)
Income	2	**2,849**	—	**2,849**	2,616	—	2,616
		2,849	**(5,341)**	**(2,492)**	2,616	(28,455)	(25,839)
Management fee	3	**(641)**	**(1,924)**	**(2,565)**	(699)	(2,098)	(2,797)
Other expenses	4	**(1,485)**	**(43)**	**(1,528)**	(1,052)	(39)	(1,091)
		(2,126)	**(1,967)**	**(4,093)**	(1,751)	(2,137)	(3,888)
Profit/(loss) on ordinary activities before taxation		**723**	**(7,308)**	**(6,585)**	865	(30,592)	(29,727)
Taxation	5	—	—	—	—	—	—
Profit/(loss) after taxation		**723**	**(7,308)**	**(6,585)**	865	(30,592)	(29,727)
Basic and diluted earnings/(loss) per share	6	**0.20p**	**(2.06)p**	**(1.86)p**	0.27p	(9.59)p	(9.32)p

The total column of these statements is the income statement of the Company. All revenue and capital items in the above statements derive from continuing operations. There was no other comprehensive income other than the loss for the year.

The accompanying notes are an integral part of these financial statements.

Balance sheet
As at 30 September 2024

Company Registration Number 5206425 (In England and Wales)

	Note	2024 £000	2023 £000
Fixed assets			
Investments at fair value through profit or loss	7	**134,277**	132,120
Current assets			
Debtors	9	**1,047**	1,475
Funds held with Custodian[(1)]	15	**8,846**	8,119
Cash at bank and in hand[(1)]		**4,766**	11,112
		14,659	20,706
Creditors: amounts falling due within one year	10	**(927)**	(906)
Net current assets		**13,732**	19,800
Total assets less current liabilities		**148,009**	151,920
Capital and Reserves			
Called up share capital	11	**3,649**	3,278
Share premium		**21,222**	286
Capital redemption reserve		**379**	272
Capital reserve – unrealised		**16,046**	13,640
Special reserve		**159,022**	177,762
Capital reserve – realised		**(50,785)**	(41,071)
Revenue reserve		**(1,524)**	(2,247)
Total Shareholders' funds		**148,009**	151,920
Net asset value per share (basic and diluted)	**12**	**40.55p**	46.34p

(1) Cash at bank and in hand in the Balance Sheet has been restated to show separately Funds held with Custodian for the year ended 30 September 2023, to conform with the requirements of the Companies Act 2006 – Statutory format of the Balance Sheet. There is no impact on other line items in the Balance Sheet nor the total net current assets.

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 17 December 2024 and signed on its behalf by

David Brock
Chair

17 December 2024

Statement of changes in equity
For the year ending 30 September 2024

		Non-distributable reserves				Distributable reserves [1]			
	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	Total £000
At 1 October 2023		**3,278**	**286**	**272**	**13,640**	**177,762**	**(41,071)**	**(2,247)**	**151,920**
Profit and total comprehensive income for the year									
Realised (losses) on investments	7	—	—	—	—	—	(3,570)	—	(3,570)
Unrealised (losses) on investments	7	—	—	—	(1,771)	—	—	—	(1,771)
Management fee charged to capital	3	—	—	—	—	—	(1,924)	—	(1,924)
Transaction costs charged to capital		—	—	—	—	—	(33)	—	(33)
Income allocated to capital	2	—	—	—	—	—	—	—	—
Due diligence investments costs	4	—	—	—	—	—	(10)	—	(10)
Revenue profit after taxation for the year		—	—	—	—	—	—	723	723
Total (loss) after taxation for the year		—	—	—	**(1,771)**	—	**(5,537)**	**723**	**(6,585)**
Contributions by and distributions to owners									
Subscription share issues	11	445	19,876	—	—	—	—	—	20,321
Issue costs	11	—	(347)	—	—	—	—	—	(347)
Share buybacks	11	(107)	—	107	—	(4,472)	—	—	(4,472)

		Non-distributable reserves				Distributable reserves [1]			
	Note	**Share Capital £000**	**Share Premium £000**	**Capital Redemption Reserve £000**	**Capital Reserve Unrealised £000**	**Special Reserve £000**	**Capital Reserve Realised £000**	**Revenue Reserve £000**	**Total £000**
At 1 October 2023		**3,278**	**286**	**272**	**13,640**	**177,762**	**(41,071)**	**(2,247)**	**151,920**
DRIS share issues	11	33	1,407	—	—	—	—	—	1,440
Equity dividends paid	16	—	—	—	—	(14,268)	—	—	(14,268)
Total contributions by and distributions to owners		**371**	**20,936**	**107**	**—**	**(18,740)**	**—**	**—**	**2,674**
Other movements									
Capital reduction	11	—	—	—	—	—	—	—	—
Diminution in value		—	—	—	4,177	—	(4,177)	—	—
Total other movements									
At 30 September 2024		**3,649**	**21,222**	**379**	**16,046**	**159,022**	**(50,785)**	**(1,524)**	**148,009**

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2024 were £106.6 million, adjusted to remove £0.1 million accumulation income included in the revenue reserve but not distributable (2023: £134.4million). The accompanying notes are an integral part of these financial statements.

(1) The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 30 September 2024, £108.9 million of the special reserve is subject to this restriction.

Statement of changes in equity
For the year ending 30 September 2023

		Non-distributable reserves				Distributable reserves [1]			
	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	Total £000
At 1 October 2022		**2,666**	**93,660**	**201**	**23,935**	**63,931**	**(20,774)**	**(3,112)**	**160,507**
Profit and total comprehensive income for the year									
Realised (losses) on investments	7	—	—	—	—	—	(8,245)	—	(8,245)
Unrealised (losses) on investments	7	—	—	—	(20,210)	—	—	—	(20,210)
Management fee charged to capital	3	—	—	—	—	—	(2,098)	—	(2,098)
Income allocated to capital	2	—	—	—	—	—	—	—	—
Due diligence investments costs	4	—	—	—	—	—	(39)	—	(39)
Revenue profit after taxation for the year		—	—	—	—	—	—	865	865
Total (loss) after taxation for the year		—	—	—	**(20,210)**	—	**(10,382)**	**865**	**(29,727)**
Contributions by and distributions to owners									
Subscription share issues	11	659	39,277	—	—	—	—	—	39,936
Issue costs	11	—	(742)	—	—	—	—	—	(742)
Share buybacks	11	(71)	—	71	—	(3,637)	—	—	(3,637)

	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Capital Reserve Unrealised £000	Special Reserve £000	Capital Reserve Realised £000	Revenue Reserve £000	Total £000
		Non-distributable reserves				**Distributable reserves (1)**			
At 1 October 2022		**2,666**	**93,660**	**201**	**23,935**	**63,931**	**(20,774)**	**(3,112)**	**160,507**
DRIS share issues	11	24	1,276	—	—	—	—	—	1,300
Equity dividends paid	16	—	—	—	—	(15,717)	—	—	(15,717)
Total contributions by and distributions to owners		**612**	**39,811**	**71**	—	**(19,354)**	—	—	**21,140**
Other movements									
Capital reduction	11	—	(133,185)	—	—	133,185	—	—	—
Diminution in value		—	—	—	9,915	—	(9,915)	—	—
Total other movements									
At 30 September 2023		**3,278**	**286**	**272**	**13,640**	**177,762**	**(41,071)**	**(2,247)**	**151,920**

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 30 September 2023 were £134.4 million following the capital reduction of £133.2m (2022: £40 million). The accompanying notes are an integral part of these financial statements.

(1) The Income Taxes Act 2007 restricts distribution of capital from reserves created by the conversion of the share premium account into a special (distributable) reserve until the third anniversary of the share allotment that led to the creation of that part of the share premium account. As at 30 September 2023, £108.9 million of the special reserve is subject to this restriction.

Statement of cash flows

	Note	2024 £000	2023 £000
Total loss on ordinary activities before taxation		**(6,585)**	(29,727)
Realised losses on investments	7	**3,570**	8,245
Unrealised losses on investments	7	**1,771**	20,210
Decrease/(increase) in debtors		**428**	(1,067)
Increase/(decrease) in creditors		**21**	(94)
Amortisation for discount/premium on bonds		**(129)**	(24)
Unclaimed dividend forfeiture		**4**	—

	Note	2024 £000	2023 £000
Non-cash distributions	2	**(143)**	—
Net cash (outflow) from operating activities[(1)]		**(1,063)**	(2,457)
Purchase of investments	7	**(27,582)**	(57,699)
Sale of investments	7	**20,356**	16,336
Net cash (used in) investing activities		**(7,226)**	(41,363)
Share buybacks	11	**(4,472)**	(3,637)
Issue of share capital	11	**20,321**	39,936
Issue costs	11	**(347)**	(742)
Dividends paid	16	**(12,832)**	(14,417)
Net cash provided by financing activities		**2,670**	21,140
Net (decrease) in cash and cash equivalents		**(5,619)**	(22,680)
Opening cash and cash equivalents[(2)]		**19,231**	41,911
Closing cash and cash equivalents[(3)]		**13,612**	19,231

(1) The Company received cash dividends of £977,491 (2023: £1,178,059) and interest of £1,711,217 (2023: £599,735).

(2) The opening cash and cash equivalents includes £8,119,302 (2023: £16,786,442) of funds held with Custodian.

(3) The closing cash and cash equivalents includes £8,845,455 (2023: £8,119,302) of funds held with Custodian.

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

Hargreave Hale AIM VCT plc is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the company information in the report and the nature and principal business activities are set out in the Strategic Report.

Basis of preparation

The financial statements have been prepared in accordance with UK GAAP, including FRS 102 and with the Companies Act 2006 and the SORP.

Going Concern

The financial statements have been prepared on a going concern basis and on the basis that the company maintains its VCT status.

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of 12 months from the date these financial statements were approved.

The Company has sufficient cash at bank, funds held with Custodian (£4.8 million and £8.8 million respectively at 30 September 2024) and liquid assets held across a diversified portfolio of investments in listed companies to meet obligations as they fall due. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions. The major driver of cash outflows (dividends, buybacks and investments) are managed in accordance with the Company's key policies at the discretion of the Board or, in the case of the Company's investments, the Investment Manager.

The Board has reviewed forecasts and stress tests to assist them with their going concern assessment. These tests have included the modelling of a 15% reduction in NAV, whilst also considering ongoing compliance with the VCT investment test. It was concluded that in a plausible downside scenario the Company would continue to meet its liabilities.

The Directors have carefully considered the principal risk factors facing the Company, as described in this report and their potential impact on income into the portfolio and the NAV. The Directors are of the opinion that the Company has sufficient cash and other liquid assets to continue to operate as a going concern, including under a stress scenario.

The Investment Manager has a team of four dedicated fund managers and analysts with multi-year experience working for the VCT and one dedicated legal counsel. The Investment Manager and the Company's other key service providers have contingency plans in place to manage operational disruptions. The Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. Therefore, they are satisfied that the Company should continue to operate as a going concern and report its financial statements on that basis.

Key judgements and estimates

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The most critical judgements and estimates mainly relate to the determination of the fair valuation of unquoted investments. The policies for these are set out in the notes to the financial statements. The IPEV Guidelines describe a range of valuation techniques, as described in the "financial instruments" section.

The nature of estimation means that the actual outcomes could differ from those estimates. Estimates and underlying assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Key judgements when determining the fair value of unquoted investments include:

- selecting risk factors to include in the valuation model;
- peer group selection; and
- loan note conversion scenarios.

Key estimates involved in determining the fair value of unquoted investments include:

- forecast compliance within the appropriate financial metric;
- future working capital requirements;
- liquidity risk;
- determining the appropriate discount to apply to peer group selection; and
- the probabilities applied to the loan note conversion scenarios.

Further areas requiring judgement are the allocation of income and expenses, recognition and classification of unusual or special dividends as either capital or revenue in nature, the permanent impairment of investments and categorisation of public companies between level 1 and level 2 of the fair value hierarchy.

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

Financial instruments

All investments are classified as fair value through profit or loss. Investments are measured initially and subsequently at fair value which is deemed to be market bid prices for listed investments and investments traded on AIM. Unquoted investments are valued using the most appropriate methodology recommended by the IPEV Guidelines published in December 2022. Investments deemed to be associates due to the shareholding and level of influence exerted over the portfolio company are measured at fair value using a consistent methodology to the rest of the trust's portfolio as permitted by FRS 102 and Para. 32 of the SORP.

Where no active market exists for the particular asset, the Company holds the investment at fair value as determined by the Investment Manager and approved by the Board. Valuations of unquoted investments are reviewed on a quarterly basis and more frequently if events occur that could have a material impact on the investment.

In estimating fair value for an unquoted investment, the Investment Manager will apply one or more valuation techniques according to the nature, facts and circumstances of the investment. The Investment Manager will use reasonable current market data and inputs combined with market participant assumptions. The assessment of fair value will reflect the market conditions at the measurement date irrespective of which valuation technique is used. The IPEV Guidelines describe a range of valuation techniques, including but not limited to relevant observable market multiples, independent arms-length transactions, income, discounted cash flows and net assets. The fair value of convertible loan notes is estimated by aggregating the Net Present Value of the bond component and the derivative value of the option to convert into equity. The derivative value of the option to convert a particular loan note is the probable weighted average of the present value of each conversion scenario described in the loan note instrument as calculated using the Black Scholes option pricing model.

Investments are recognised and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. Until 30 September 2023, transaction costs were included in the initial cost or deducted from the disposals proceeds of investments. However, from 1 October 2023 transaction costs in relation to the purchase or sale of investments have been recognised as a capital expense.

These investments will be managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them is provided internally on that basis to the Board.

Gains and losses arising from changes in fair value (realised and unrealised) are included in the net profit or loss for the period as a capital item in the income statement and are taken to the unrealised capital reserve or realised capital reserve as appropriate.

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a diminution in value and transferred to the capital reserve realised. The Company conducts impairments reviews on a quarterly basis. In the case of equity investments, impairment reviews are triggered when unrealised losses exceed 50% of book cost, or if the loss when realised would lead to a material reduction in the Company's distributable reserves. Fixed income investments are reviewed for impairment if the issuing company's ability to repay is uncertain unless there are reasonable grounds to believe that the loan could be recovered through the sale of the company or its trading assets.

Other financial assets and liabilities comprise receivables, payables and cash and cash equivalents which are measured at amortised cost. There are no financial liabilities other than payables.

Cash at bank and in hand

For the purposes of the Balance Sheet, cash at bank and in hand is cash held in bank accounts subject to immediate access.

Funds held with Custodian

For the purposes of the Balance Sheet, funds held with Custodian is cash held at CGWL (see note 15). Cash held with CGWL is to meet short term liquidity requirements and is available on demand with no restrictions or penalties.

For the purposes of the Statement of Cash Flows, cash comprises cash at bank and in hand and funds held with Custodian as defined above.

Income

Equity dividends are analysed to consider if they are revenue or capital in nature on a case-by-case basis and are taken into account on the ex-dividend date, net of any associated tax credit. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course. All other income is recognised on an accruals basis. Other income is treated as a repayment of capital or revenue depending on the facts of each particular case.

Expenditure

All expenditure is accounted for on an accruals basis.

Where a clear connection with the maintenance or enhancement of value of the investments can be demonstrated, expenses are allocated to capital. Accordingly, of investment management fees, 75% are allocated to the capital reserve realised and 25% to the revenue account in line with the Board's expected long-term split of investment returns in the form of capital gains to the capital column of the income statement. Due diligence costs incurred for prospective private company purchases and transaction costs in relation to the purchase and sale of investments are charged to capital. Prior to 1 October 2023, transaction costs were included within the cost and/or deducted from disposal proceeds of investment.

All other expenditure is charged to the revenue account.

Capital reserves

Realised profits and losses on the disposal of investments, due diligence costs, income that is capital in nature, losses realised on investments considered to be diminished in value and 75% of investment management fees are accounted for in the capital reserve realised.

Increases and decreases in the valuation of investments held at the year end are accounted for in the capital reserve unrealised.

Operating segments

There is considered to be one operating segment being investment in equity and debt securities.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not yet reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current tax is expected tax payable on the taxable profit for the period using the current tax rate and laws that have been enacted or substantially enacted at the reporting date. The tax effect of different items of income and expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates.

Approved VCTs are exempt from tax on capital gains from the sale of fixed asset investments. The Directors intend that the Company will continue to conduct its affairs to maintain its VCT status, no deferred tax has been provided in respect of any capital gains or losses arising from the revaluation or disposal of investments.

Dividends

Only dividends recognised during the year are deducted from revenue, capital or special reserves. Equity dividends are recognised in the accounts when they become legally payable.

Interim dividends are approved by the Board of Directors and may be varied or rescinded at any time before payment, therefore the liability is only established when the dividend is actually paid. Final dividends are subject to approval at the AGM. Where a dividend is stated to be payable on a future date, the liability is established on that date.

Functional currency

The Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board has determined that sterling is the Company's functional currency. Sterling is also the currency in which these accounts are presented.

Capital structure

Share Capital

Ordinary shares are classed as equity. The ordinary shares in issue have a nominal value of one penny and carry one vote each. Substantial holdings in the Company are disclosed in the Directors' Report.

Share Premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

Capital Redemption Reserve

This reserve is used for the cancellation of shares bought back under the buyback facility.

Special Reserve

Distributable reserve used to pay dividends and re-purchase shares under the buyback facility.

Capital Reserve Realised

Gains/losses on disposal of investments, due diligence and transaction costs, income that is capital in nature, diminishment of financial assets and 75% of the investment management fee are accounted for in the capital reserve realised.

Capital Reserve Unrealised

Unrealised gains and losses on investments held at the year end arising from movements in fair value are taken to the capital reserve unrealised.

Revenue Reserve

Net revenue profits and losses of the Company.

2. Income

	2024 £000	2023 £000
Income from investments:		
Revenue:		
Dividend income	973	1,247
Interest from bonds	1,031	579
Interest from loan notes	171(1)	288
Bank interest	531	502
Accumulation fund income	143(2)	—
Total revenue income	2,849	2,616

(1) The amount of loan stock interest recognised in the period is lower than prior year, largely because of the Kidly loan interest being fully impaired in the period.

(2) Accumulation income from the IFSL Marlborough Special Situations and Marlborough UK Micro-Cap Growth funds (2023: nil).

No capital income was recognised in the year (2023: nil).

3. Management fees

	2024 Revenue £000	2024 Capital £000	2024 Total £000	2023 Revenue £000	2023 Capital £000	2023 Total £000
Management fees	641	1,924	2,565	699	2,098	2,797

The IMA terminates on 12 months' notice, subject to earlier termination in certain circumstances. In the event of termination by the Company on less than the agreed notice period, compensation may be payable to the Investment Manager in lieu of the unexpired notice period. No notice had been given by the Investment Manager or by the Board to terminate the agreement as at the date of approval of these accounts.

The Investment Manager receives an investment management fee of 1.7% per annum of the NAV of the Company, calculated and payable quarterly in arrears. At 30 September 2024, £615,231 (2023: £645,397) was owed in respect of management fees. The Company receives a reduction to the annual management fee for investments in other funds managed by the Investment Manager, being any investment in the IFSL Marlborough Special Situations Fund and/or the IFSL Marlborough UK Micro-Cap Growth Fund so the Company is not charged twice for these services. This amounted to £75,184 for the year to 30 September 2024 (2023: £49,931). The Investment Manager has agreed to indemnify the Company against annual running costs exceeding 3.5% of its net assets. No fees were waived between 1 October 2023 and 30 September 2024 and no fees were waived between 1 October 2022 and 30 September 2023 under the indemnity.

4. Other expenses

	2024 £000	2023 £000
Other revenue expenses:		
Administration fee	250	195
Directors' fees	216	205
Legal & professional	27	39
London Stock Exchange fees	83	84
Registrar's fee	46	47
Website and marketing	36	60
Printing, postage and stationary	42	40
Auditors' remuneration – for audit services	63	55
VCT monitoring fees	14	15
Company secretarial fees	73	57
Custody fee	30	30
Directors' and officers' liability insurance	27	36
Broker's fee	5	5
VAT	128	115
Other expenses(1)	76	104
Provision against income receivable	368(2)	(35)
Total other revenue expenses	1,485	1,052
Other capital expenses:		
Due diligence costs	9	32
VAT on due diligence costs	1	7
Transaction costs on investment transactions charged to capital(3)	33	—
Total other capital expenses	43	39
Total other expenses	1,528	1,091

(1) Other expenses include FCA fees, AIC membership fees, VCT Association fees, recruitment costs, professional subscriptions, license costs, Shareholder event costs and other nominal expenses.

(2) Kidly loan stock interest impairment of £362,795 and XP Power plc cancelled dividend of £5,700.

(3) During the year the Company incurred transaction costs of £23,907 (2023: £97,493) and £9,439 (2023: £15,710) on purchases and sales respectively. These amounts are included in capital expenses; (2023: included in the losses on investments as disclosed in the income statement.

The Directors' remuneration above includes national insurance contributions. Directors' remuneration excluding employer's national insurance contributions is detailed in the directors' remuneration report.

The maximum aggregate directors' emoluments authorised by the Articles are detailed in the Directors' Remuneration Report.

5. Tax on ordinary activities

The tax charge for the year is based on the standard rate of UK Corporation Tax of 25% (2023: 22%[1]).

	2024 Total £000	2023 Total £000
Loss on ordinary activities before taxation	(6,585)	(29,727)
UK Corporation Tax: 25% (2023: 22%)	(1,646)	(6,540)
Effect of non taxable losses on investments	1,335	6,260
Effect of non taxable UK dividend income	(242)	(274)
Effect of disallowed costs	8	—
Deferred tax not recognised	545	554
Current tax charge	—	—

(1) Average rate of corporation tax applicable for the period.

At the 30 September 2024 the Company had tax losses carried forward of £26,556,949 (2023: £24,379,001). It is unlikely that the Company will generate enough taxable income in the future to use these expenses to reduce future tax charges and therefore no deferred tax asset has been recognised.

There is no taxation charge in relation to capital gains or losses. No asset or liability has been recognised in relation to capital gains or losses on revaluing investments. The Company is exempt from such tax as a result of its intention to maintain its status as a Venture Capital Trust.

6. Basic and diluted earnings/(loss) per share

	2024 Revenue £000	2024 Capital £000	2024 Total £000	2023 Revenue £000	2023 Capital £000	2023 Total £000
Return (£)	723	(7,308)	(6,585)	865	(30,592)	(29,727)
Earnings/(loss) per ordinary share	0.20p	(2.06)p	(1.86)p	0.27p	(9.59)p	(9.32)p

The earnings per share is based on 353,964,930 ordinary shares (2023: 318,946,009), being the weighted average number of shares in issue during the year.

7. Investments

	Quoted investments[1] 2024 £000	Unquoted investments 2024 £000	Total investments 2024 £000	Quoted investments[1] 2023 £00	Unquoted investments 2023 £000	Total investments 2023 £000
Opening Valuation	122,567	9,553	132,120	108,630	10,558	119,188
Purchases at cost	23,082	4,500	27,582	56,199	1,500	57,699
Non-cash distribution	143	—	143	—	—	—
Sale proceeds	(19,554)	(802)	(20,356)	(16,336)	—	(16,336)

	Quoted investments[1] 2024 £000	Unquoted investments 2024 £000	Total investments 2024 £000	Quoted investments[1] 2023 £00	Unquoted investments 2023 £000	Total investments 2023 £000
Realised gains/(losses)	(471)	(3,099)	(3,570)[2]	(8,245)	—	(8,245)
Unrealised losses	(2,106)	335	(1,771)[2]	(17,705)	(2,505)	(20,210)
Amortisation for discount/premium on bonds	129	—	129	24	—	24
Re-Classification Adjustment	(3,294)	3,294	—	—	—	—
Closing valuation	120,496	13,781	134,277	122,567	9,553	132,120
Cost at 30 September	129,295	26,474	155,769	132,600	19,241	151,841
Unrealised gains/(losses)	16,845	(799)	16,046	14,981	(1,341)	13,640
Diminution in value [3]	(25,644)	(11,894)	(37,538)	(25,014)	(8,347)	(33,361)
Closing valuation	120,496	13,781	134,277	122,567	9,553	132,120

(1) Includes the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Fund with valuations of £9.4m (2023: £8.3m) and £10.4m (2023: nil) respectively as at 30 September 2024. Whilst unlisted, the two investments are UCITS funds with daily dealing and daily published pricing.

(2) The net loss on investments held at fair value through profit or loss in the income statement of £5,341k (2023: loss £28,455k) is the sum of the realised and unrealised losses for the year as detailed in the table above.

(3) Diminishments of £11,899,074 (2023: £14,762,893) were made in the year. Once adjusted for disposals/dissolutions (£7,373,105) (2023: £4,617,026) and diminishment reversals (£349,248) (2023: £230,000) the net movement for the year is £4,176,721 (2023: £9,915,867). Diminishments carried forward are £37,538,163 (2023: £33,361,442).

Transaction Costs

During the year the Company incurred transaction costs of £23,907 (2023: £97,493) and £9,439 (2023: £15,710) on purchases and sales respectively. These amounts are included in capital expenses; (2023: included in the losses on investments as disclosed in the income statement).

Fair Value Measurement Hierarchy

The table below sets out fair value measurements using FRS 102 (appendix to section 2 fair value measurement) fair value hierarchy. The Company has one class of assets, being at fair value through profit or loss.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

	2024 Level 1 £'000	2024 Level 2 £'000	2024 Level 3 £'000	2024 Total £'000	2023 Level 1 £'000	2023 Level 2 £'000	2023 Level 3 £'000	2023 Total £'000
Investments	91,496	29,000	13,781	134,277	82,565	40,002	9,553	132,120

Transfers between level 3 and level 1 occur when a previously unquoted investment undertakes an initial public offering, resulting in its equity becoming quoted on an active market. There have been no instances in the current period (2023: none). Transfers between level 1 and/or 2 and 3 would occur when a quoted investment's market becomes inactive, or the portfolio company elects to delist. There has been one transfer from level 1 to level 3 in the current year for £1.1m in relation to C4X Discovery Holdings Ltd (2023: none) and one transfer from level 2 to level 3 for £0.8m in relation to BiVictriX Therapeutics Ltd (2023: none). Transfer values at 30 September 2024.

There were transfers of £53.6k between level 1 and level 2 in the current period where the investments market is not sufficiently active (2023: £20.2m). There were transfers between level 2 and level 1 of £3.8m (2023: none). Transfer values at 30 September 2024.

Level 3 financial assets

	2024 Equity shares £'000	2024 Preference shares £'000(1)	2024 Loan notes £'000	2024 Total £'000	2023 Equity shares £'000	2023 Preference shares £'000(1)	2023 Loan notes £'000	2023 Total £'000
Opening balance	2,984	3,069	3,500	9,553	4,740	3,861	1,957	10,558
Transfer from Level1 and 2	3,294(2)	—	—	3,294	—	—	—	—
Purchases at cost	—	2,500	2,000	4,500	—	—	1,500	1,500
Sale proceeds	(2)	—	(800)	(802)	—	—	—	—
Realised (losses)(3)	(2,199)	(600)	(300)	(3,099)	—	—	—	—
Unrealised (losses)/gains	319	638	(622)	335	(1,756)	(792)	43	(2,505)
Closing valuation	4,396	5,607	3,778	13,781	2,984	3,069	3,500	9,553

(1) The preference shares held are in the nature of equity.

(2) BiVictriX Therapeutics Ltd and C4X Discovery Holdings Ltd delisted on 11 September 2024 and 26 April 2024 respectively. Bidstack Group plc was placed into administration and delisted on 23 April 2024. The transfer value of the delisted investments included in the table is the brought forward value as at 30 September 2023.

(3) Honest Brew Limited was dissolved on 19 September 2024.

The following table sets out the basis of valuation for the material Level 3 investments and those where the value has materially changed during the year, held within the portfolio at 30 September 2024.

In assessing fair value, the Investment Manager considered a range of valuation methodologies including EV/Sales, and EV/EBITDA multiples for the current and next financial year. Where appropriate, the Investment Manager also assessed value using discounted cash flow analysis. Where observable market multiples were available, these were used as part of peer group analysis. Market based multiples were taken as reference points with discounts applied (where appropriate) to reflect liquidity and forecast risk.

The manager also undertook sensitivity analysis to consider the impact of a 30% movement in the peer group multiples, both higher and lower. The use of alternative investment structures such as convertible loan stock by the Company or other investors can lead to asymmetric movements in value in response to different upside and downside scenarios. For further information on sensitivities, please see note 15.

Level 3 Unquoted Investments

Infinity Reliance Ltd (My 1st Years)	Trading continues to be positive with the company reporting revenue growth despite the weaker consumer environment. EBITDA growth in 2024 will be limited by investments designed to increase the addressable market in the medium term. The fair value of the investment increased as the valuation rolled forward into the financial year ending December 2024. The valuation was reviewed against EV/Sales multiples across a peer group of listed companies which was broadly static.
BiVictriX Therapeutics Ltd	On 12 August 2024, BiVictriX announced the proposed cancellation of admission of its ordinary shares to trading on AIM and re-registration as a private limited company after the directors concluded that the company's market capitalisation did not fully reflect the positive achievements nor the underlying prospects of the business and was a potential barrier to future growth and funding, as well as potential partnership and licensing opportunities. The directors believe that, as a private company, BiVictriX would be able to access a greater pool of investors who are more likely to support clinical development. The company has engaged a US healthcare investment bank with significant experience in the antibody drug-conjugate ("ADC") space to assist the company in securing additional capital. The cancellation took effect from 11 September 2024. Given the short period since the delisting the investment is held at the closing bid price on the last day of trading on AIM.
Bidstack Group plc	Following a protracted period of underperformance, failed fundraising efforts, and a strategic review which also failed to solicit a buyer for the company's assets, Bidstack entered administration on 22 March 2024. Following this, shares in the company were cancelled from trading on AIM on 23 April 2024.
C4X Discovery Holdings Ltd	On 27 March 2024, C4X Discovery announced the proposed cancellation of admission of its ordinary shares to trading on AIM and re-registration as a private limited company. Having reviewed the company's opportunities for value creation and optimal capital structure, the directors determined that, as a private company, C4X would have access to a larger quantum of funding than has historically been available through its AIM listing and that would allow it to pursue a greater number of opportunities to key value inflexion points. The cancellation took effect from 26 April 2024. The valuation of the investment is taken from the closing bid price on the last day of trading on AIM; however it was also tested against a composite valuation that included the closing bid price prior to delisting and a risked net present value analysis of the company's balance sheet cash and partnered drug development assets.
Kidly Ltd	A difficult trading environment through Christmas 2023 and early 2024 was compounded by balance sheet constraints. Although revenue performance was below budget, operational efficiencies resulted in significantly lower losses. Trading has improved as the year progressed. Reflecting the need for additional funding, the fair value of the equity was reduced to nil and the value of the debt heavily impaired. Subsequently, Kidly secured new funding as part of a financial restructuring that included a partial conversion of the loan note instrument into new preferred shares. The reduction in risk allowed a partial recovery in the fair value of the convertible loan note instrument. The value of the conversion options and equity remain nil. The outstanding principal of the convertible loan note instrument is valued according to an assessment of recovery. There is no value attributed to the conversion option, which is valued using the Black Scholes option pricing model.

Level 3 Unquoted Investments

Qureight Ltd	The investment into Qureight Ltd completed on 19 March 2024. The valuation was set with reference to FY25 EV/Sales multiples and assessed against listed peers.
SCA Investments Ltd (Gousto)	The company closed 2023 strongly with EBITDA ahead of budget. EBITDA and cash flow generation improved significantly over the course of the year. Margin growth is expected to support further increases in EBITDA and cash flow in 2024. The fair value of the investment was reduced slightly within the period we moved away from EV/Sales to EV/EBITDA as the primary valuation metric and several members of the peer group reported difficult trading, leading to a reduction in peer group multiples.
Zappar Ltd	Trading conditions remained challenging over the period as the arrival of new headset technologies sparked increased interest in immersive experiences at the expense of augmented reality. Weakness in the US digital marketing sector provided an additional headwind and revenues and profits were below budget. The valuation of the investment was reviewed against listed peers using EV/Sales multiple, and was reduced to reflect the weaker outlook. The investment was valued on a composite basis that took into account both the assessment of value on an ongoing basis as an independent company (based upon peer group EV/Sales multiples) and the potential sale of the company to Infinite Reality. Despite the potential acquisition of the company the fair value assessment was reduced slightly to reflect the more difficult trading environment.
Rosslyn Data Technologies plc – convertible loan note	Rosslyn Data Technologies experienced challenging trading conditions in FY24 predominantly due to extended sales cycles for sizable new clients. However, on 21 August 2024 the company announced a material contract win with a leading global technology company. Post period end, Rosslyn Data Technologies secured additional equity and convertible loan note funding. As part of this fundraise, the Company committed to converting the current 2023 convertible loan note into equity and investing into a new 2024 convertible loan note. There was a non-material change to the fair value of the convertible loan notes with the value of the conversion option calculated using the Black-Scholes option pricing model.
Strip Tinning plc – convertible loan note	On 17 January 2024, Strip Tinning completed a £5.1m fundraising through the issue of new shares and convertible loan notes to fund its EV growth strategy. As part of the funding round, the Company invested £2.0m through the new convertible loan notes. Whilst there have been short-term trading challenges in the automotive sector, the company has announced two record contract wins to supply Smart Glass Connectors for new EV platforms and a £43m strategic nomination for the supply of a cell contacting system for the battery pack of an autonomous vehicle being developed by one of the world’s largest corporations, based in the USA. The fair value of the convertible loan notes have increased modestly since the investment with the value of the conversion option calculated using the Black-Scholes option pricing model.

8. Significant interests

At the year end the Company held 3% or more of the issued share capital of the following investments:

Investment	**Holding %**	**Investment**	**Holding %**
Rosslyn Data Technologies plc	20.27%	Tortilla Mexican Grill plc	6.47%

	Holding %	Investment	Holding %
Engage XR Holdings plc	16.45%	Crimson Tide plc	6.39%
Abingdon Health plc	14.76%	Oberon Investments plc	6.08%
PCI-PAL plc	10.58%	Eden Research plc	5.44%
Equipmake Holdings plc	9.13%	Skillcast Group plc	4.74%
Itaconix plc	8.80%	Intelligent Ultrasound Group plc	4.21%
Fadel Partners Inc	7.89%	Zoo Digital Group plc	3.37%
XP Factory plc	7.39%	Strip Tinning Holdings plc	3.13%
One Media iP Group plc	7.33%	Blackbird plc	3.07%

9. Debtors

	2024 £000	2023 £000
Prepayments	29	40
Accrued income	949	1,430
Other debtors	69	5
	1,047	1,475

10. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade Creditors	12	21
Accruals	915	885
	927	906

11. Called up share capital

	2024 £000	2023 £000
Allotted, called-up and fully paid: 364,977,848 (2023: 327,813,939) ordinary shares of 1p each.	3,650	3,278

During the year 10,657,350 (2023: 7,183,338) ordinary shares were purchased through the buyback facility at a cost of £4,472,418 (2023: £3,636,841). The repurchased shares represent 3.25% (2023: 2.7%) of ordinary shares in issue on 1 October 2023. The acquired shares have been cancelled.

During the year, the Company issued 44,485,284 ordinary shares of 1 penny (nominal value £444,853) in an offer for subscription, representing 13.57% of the opening share capital at prices ranging from 44.80p to 47.10p per share. Gross funds of £20,321,529 were received. The 3.5% premium of £711,254 payable to CGWL under the terms of the offer was reduced by £264,162, being the discount awarded to investors in the form of additional shares. A further reduction of £470 introductory commission was made resulting in fees payable to CGWL of £446,622 which were used to pay other costs associated with the prospectus and marketing. In accordance with the offer agreement, the Company was entitled to a rebate of £100,000 from CGWL reducing the net fees payable to CGWL to £346,622.

On 15 February 2024, 1,100,783 ordinary shares were allotted at a price of 44.58 pence per share, which was calculated in accordance with the terms and conditions of the DRIS, on the basis of the last reported

NAV per share as at 26 January 2024, to Shareholders who elected to receive shares under the DRIS as an alternative to the final dividend for the year ended 30 September 2023.

On 26 July 2024, 2,235,192 ordinary shares were allotted at a price of 42.49 pence per share, which was calculated in accordance with the terms and conditions of the DRIS, on the basis of the last reported NAV per share as at 5 July 2024, to Shareholders who elected to receive shares under the DRIS as an alternative to the interim dividend for the year ended 30 September 2024.

Further details of the Company's capital structure can be seen in note 1.

Income entitlement

The revenue earnings of the Company are available for distribution to holders of ordinary shares by way of interim, final and special dividends (if any) as may from time to time be declared by the Directors.

Capital entitlement

The capital reserve realised and special reserve of the Company are available for distribution to holders of ordinary shares by way of interim, final and special dividends (if any) as may from time to time be declared by the Directors.

Voting entitlement

Each ordinary Shareholder is entitled to one vote on a show of hands and on a poll to one vote for each ordinary share held. Notices of meetings and proxy forms set out the deadlines for valid exercise of voting rights and other than with regard to Directors not being permitted to vote on matters upon which they have an interest, there are no restrictions on the voting rights of ordinary Shareholders.

Transfers

There are no restrictions on transfers except dealings by Directors, persons discharging managerial responsibilities and their persons closely associated which may constitute insider dealing or is prohibited by the rules of the FCA.

The Company is not aware of any agreements with or between Shareholders which restrict the transfer of ordinary shares, or which would take effect or alter or terminate in the event of a change of control of the Company.

12. Net asset value per ordinary share

	30 September 2024	**30 September 2023**
Net assets (£'000)	148,009	151,920
Shares in issue	364,977,848	327,813,939
NAV per share (p)	40.55	46.34

There are no potentially dilutive capital instruments in issue and as such, the basic and diluted NAV per share are identical.

13. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at the year end (2023: nil).

14. Related party transactions and conflicts of interest

The remuneration of the Directors, who are key management personnel of the Company, is disclosed in the Directors' Remuneration Report and in note 4.

Transactions with the Investment Manager

As the Company's Investment Manager, CGAM is a related party to the Company for the purposes of the UK Listing Rules. As CGAM and CGWL are part of the same CGWL group, CGWL also falls into the definition of related party.

Oliver Bedford, a non-executive director of the Company is also an employee of the Investment Manager which received fees of £29,500 for the year ended 30 September 2024 in respect of his position on the Board (2023: £28,000). Of these fees £7,375 was still owed at the year end. Oliver Bedford's non-executive directorship fees will increase to £30,500 per annum, with effect from 1 October 2024.

CGWL acted as Administrator and Custodian for the year ended 30 September 2024. On 7 September 2023, the Company entered into an amended administration agreement with CGWL. Under the terms of the agreement the fees to be paid to CGWL were increased to £250,000 per annum (previously £195,000) with effect from 1 October 2023.

With effect from 1 October 2024, the administration agreement between the Company and CGWL was novated to CGAM. Under the terms of the novation agreement, the administration fees paid by the Company were unchanged at £250,000 (plus VAT). Notwithstanding the novation, CGWL will continue to receive a fee of £30,000 per annum in relation to its appointment as the Custodian. Any future initial or trail commissions paid to Financial Intermediaries will be paid by CGAM.

For the year ended 30 September 2024, CGWL received fees for the support functions as follows:

	30 September 2024	30 September 2023
Custody	30,000	30,000
Administration	250,000	195,000
Total	280,000	225,000
Still owed at the year end	69,585	55,765

Under an offer agreement dated 7 September 2023, CGWL was appointed by the Company to administer an offer for subscription in the 2023/24 tax year and acted as receiving agent in relation to the offer. Under the terms of the agreement CGWL received a fee of 3.5 per cent. of the gross proceeds of the offer for providing these services. The Administrator agreed to discharge commissions payable to financial advisers in respect of accepted applications for offer shares submitted by them, including any trail commission.

The Administrator also agreed to discharge and/or reimburse all costs and expenses of and incidental to the offer and the preparation of the prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the prospectus, sponsor and legal fees, expenses of the Company and CGWL, the Company's tax adviser's fees and expenses, registrar's fees, costs of printing, postage, advertising, publishing and circulating the prospectus and marketing the offer, including any introductory commission and discounts to potential investors. However, the Administrator was not responsible for the payment of listing fees associated with the admission of the ordinary shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange.

During the year, the Company issued 44,485,284 ordinary shares of 1 penny (nominal value £444,853) in an offer for subscription, representing 13.57% of the opening share capital at prices ranging from 44.80p to 47.10p per share. Gross funds of £20,321,529 were received. The 3.5% premium of £711,254 payable to CGWL under the terms of the offer was reduced by £264,162, being the discount awarded to investors in the form of additional shares. A further reduction of £470 introductory commission was made resulting in fees payable to CGWL of £446,622 which were then used to pay other costs associated with the prospectus and marketing. In accordance with the offer agreement, the Company was entitled to a rebate of £100,000 from CGWL reducing the net fees payable to CGWL to £346,622.

CGAM is appointed as Investment Manager to the Company and receives an investment management fee of 1.7% per annum.

Investment management fees for the year are £2,565,844 (2023: £2,797,377) as detailed in note 3. Of these fees £615,231 (2023: £645,397) were still owed at the year end. As the Investment Manager to the Company and the investment adviser to the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Fund (in which the Company may and does invest), the Investment Manager makes an adjustment as necessary to its investment management fee to ensure the Company is not charged twice for their services.

Upon completion of an investment, the Investment Manager is permitted under the IMA to charge private investee companies a fee equal to 1.5 per cent. of the investment amount. This fee is subject to a cap of £40,000 per investment and is payable directly from the investee company to the Investment Manager. The Investment Manager may also recover external due diligence and transaction services costs directly from private investee companies. Fees of £37,502 (2023: nil) were charged to investee companies in the year under this agreement.

Total commission of £31,925 was paid to CGWL in the year for broker services (2023: £63,318).

The Investment Manager has agreed to indemnify the Company and keep indemnified the Company in respect of the amount by which the annual running costs of the Company exceed 3.5 per cent. of the net assets of the Company, such costs shall exclude any VAT payable thereon and any payments to financial intermediaries, the payment of which is the responsibility of the Company. No fees were waived by the Investment Manager in the financial year under the indemnity.

The Company also held £8,845,455 in the client account held at CGWL at 30 September 2024 (2023: £8,119,302).

15. Financial instruments

Risk management policies and procedures

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

At least 80% of the Company's funds have been invested in qualifying holdings during the year under the HMRC investment test definition. The balance of the Company's funds were invested in liquid assets (such as non-qualifying equities, fixed income securities and bank deposits). The Company is managed as a VCT in order that Shareholders may benefit from the tax relief available.

This strategy exposes the Company to certain risks, which are summarised below.

The structure in place to manage these risks is set out in the Corporate Governance Report.

A detailed review of the investment portfolio is contained in the Chair's Statement and Investment Manager's Report.

Classification of financial instruments

The investments at year end comprise two types of financial instruments. The basis of valuation is set out below:

- Equities – fair value through the profit and loss account.
- Fixed income securities – fair value through the profit and loss account

Other financial assets comprise cash at bank and in hand of £4,766,381 (2023: £11,111,865), funds held with Custodian of £8,845,455 (2023: £8,119,302), accrued income and debtors of £1,017,944 (2023: £1,434,688), which is classified as 'loans and receivables measured at amortised cost'. Financial liabilities consist of trade creditors and accruals of £926,784 (2023: £905,897) which are classified as 'financial liabilities measured at amortised cost'.

Market risk

Market price risk arises from any fluctuations in the value of investments held by the Company. Adherence to investment policies mitigates the risk of excessive exposure to any particular type of security or issuer. In particular, other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment. However, many of the investments are in small companies traded on the AIM market which by virtue of their size carry more risk than investments in larger companies listed on the main market of the London Stock Exchange.

Market risk is monitored by the Board on a quarterly basis and on an ongoing basis, through the Investment Manager.

The following table summarises exposure to price risk by asset class at year end date:

	Change in Fair Value of Investments			
Asset class	**30% market increase 2024 £'000**	**30% market decrease 2024 £'000**	**Aggregate value 2024 £'000**	**Aggregate value 2023 £'000**
AIM Qualifying Investments(1)	13,234	-12,993	71,541	80,673
Unquoted Qualifying Investments(2)	1,450	-2,389	11,265	8,453
Quoted Non-Qualifying Investments	3,613	-3,613	11,959	17,366
Authorised unit trusts	2,125	-2,125	19,768	8,268
Quoted Non-Qualifying fixed income securities	338	-338	19,087	17,360
Vaneck Gold Miners UCITS ETF	229	-229	656	—
	20,989	-21,687	134,277	132,120

(1) Includes variances in the value of CLN issued by Rosslyn Data Technologies plc and Strip Tinning plc.

(2) Including variances in the value of CLNs issued by Kidly Ltd.

If market prices had been 30% higher or lower while all other variables remained unchanged the return attributable to ordinary Shareholders for the year ended 30 September 2024 would have increased by £20,988,954 (2023: £22,164,436) or decreased by £21,686,392 (2023: £22,671,676) respectively.

The assessment of market risk is based on the Company's equity and fixed income portfolio including private company investments, as held at the year end. The assessment uses the AIM All-Share Index and the FTSE 250 Index as proxies for the AIM Qualifying Investments and quoted Non-Qualifying Investments and illustrates, based on historical price movements and their relationship to movements in the FTSE 100 index, their potential change in value in relation to change in value of the reference index.

The review has also examined the potential impact of a 30% move in the market on the convertible loan note investments held by the Company, whose values will vary according to the price of the underlying security into which the loan note instrument has the option to convert.

Currency risk

The Company is not directly exposed to currency risk and does not invest in currencies other than sterling. There are indirect exposures through movements in the foreign exchange market as a consequence of investments held in companies who report in foreign currencies, the impact of such exposure would be insignificant.

Interest rate risk

The Company is fully funded through equity and has no debt; therefore, interest rate risk is not considered a material risk.

The Company's financial assets and liabilities are denominated in sterling as follows:

	30 September 2024			
	Fixed Rate £000	**Variable Rate £000**	**Non-Interest Bearing £000**	**Total £000**
Investments	22,866	—	111,411	134,277
Cash at bank and in hand	—	4,766	—	4,766
Funds held with Custodian	—	8,846	—	8,846
Other current assets (net)	823	—	224[(1)]	1,047
Other current liabilities (net)	—	—	(927)	(927)
Net assets	23,689	13,612	110,708	148,009

	30 September 2023			
	Fixed Rate £000	**Variable Rate £000**	**Non-Interest Bearing £000**	**Total £000**
Investments	20,860	—	111,260	132,120
Cash at bank and in hand	—	11,112	—	11,112
Funds held with Custodian	—	8,119	—	8,119
Other current assets (net)	1,293	—	182[(2)]	1,475
Other current liabilities (net)	—	—	(906)	(906)
Net assets	22,153	19,231	110,536	151,920

(1) Includes prepayments of £29k which is not considered a financial asset.

(2) Includes prepayments of £40k which is not considered a financial asset.

Interest rate risk exposure relates to cash and cash equivalents (bank deposits) where interest income is primarily linked to bank base rates. Interest rate risk exposure on debt instruments is reflected in the market risk and since these securities are valued at fair value, no additional disclosure is made in this respect. Movements in interest rates on cash and cash equivalents are not considered a material risk.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet obligations as they fall due. The Company has no debt and maintains sufficient investments in cash or cash equivalents, or readily realisable securities to pay trade creditors and accrued expenses (£926,784 as at 30 September 2024). Liquidity risk is not considered material. As at 30 September 2024 the Company held £13,611,835 in cash or cash equivalents.

Credit risk

Credit risk relates to the risk of default by a counterparty. The Company may have credit risk through investments made in unsecured loan stock issued by Qualifying Companies or through Non-Qualifying Investments in fixed income securities and exchange traded funds. No assets are past the due date for payment.

An investment will be impaired if the investee company is loss making and does not have sufficient funds available to transition into profit and in the opinion of the Investment Manager may fail to secure sufficient equity or debt funding to transition into profit, or if the borrower defaults or is expected to default on payment of accrued interest or repayment of the principal sum.

The maximum credit risk exposure equates to the carrying value of assets at the balance sheet date:

	2024 £000	**2023 £000**
Fixed income securities;		
—Qualifying Investments (convertible loan notes)	3,778	3,500

	2024 £000	2023 £000
—Non-qualifying investments (investment grade corporate bonds)	19,088	17,361
—Non-qualifying investments (UK gilt exchange traded fund)	—	1,978
Total fixed income securities	22,866	22,839(1)
Cash at bank and in hand	4,766	11,112
Funds held at Custodian	8,846	8,119
Other assets	1,047	1,475
	37,525	43,545

(1) Includes UK gilt exchange traded fund as underlying investments are fixed income securities.

Cash held with Custodian comprises bank deposits held through CGWL (trading as CGWM) of £8.8 million (2023: £8.1 million). Funds are held with banks that are authorised and regulated to carry on banking or deposit-taking business. All these meet the requirements of the UK's FCA CASS rules. Through its treasury function, CGWM uses a tiered level approach to counterparty selection to reflect different maturities of cash held on deposit.

Funds held on deposit through CGWL, are pooled with cash deposits from other clients of CGWL and diversified across a specified panel of banks. CGWM's treasury function reviews panel members ahead of selection and prioritises the safety of client assets with the panel selection process placing an emphasis on quality and security. Participating banks must be rated as investment grade by at least two international credit rating agencies. CGWM will also consider the expertise and market reputation of the bank; review a bank's financial statements and consider its capital and deposit base; consider the geographical location of the parent; monitor a bank's credit default swaps; and ask the bank to complete a due diligence questionnaire. The CGWM treasury function maintains regular contact with panel banks, typically meeting them every 6 months or so. There are no withdrawal restrictions on the Company's cash held with CGWL.

Fair value of financial assets and financial liabilities

Equity investments are held at fair value. No investments are held for trading purposes only.

Capital management policies and procedures

The current policy is to fund investments through equity. No future change to this policy is envisaged. As a public limited company, the Company is required to hold a minimum £50,000 share capital.

The Company's capital is summarised in notes 1 and 11 to these accounts. The Company has no debt and is fully funded by equity.

16. Dividends

	2024 Ord £000	2023 Ord £000
Paid per share:		
Special capital dividend of 2.00 pence for the year ended 30 September 2023	–	6,216
Paid per share:		
Final capital dividend of 2.00 pence for year ended 30 September 2022	–	6,216
Paid per share:		
Interim capital dividend of 1.00 penny for year ended 30 September 2023	–	3,298
Paid per share:		
Final capital dividend of 1.50 pence for the year ended 30 September 2023	5,149	–
Paid per share:		
Interim capital dividend of 1 penny for year ended 30 September 2024	3,649	–
Paid per share:		
Special capital dividend of 1.50 pence for year ended 30 September 2024	5,474	–

	2024 Ord £000	2023 Ord £000
Dividends unclaimed	(4)[(2)]	(13)[(2)]
	14,268[(1)]	15,717[(3)]
Proposed per share: Final capital dividend of 1.25 pence for the year ended 30 September 2024	4,591	–
Proposed per share: Special capital dividend of 1.50 pence for the year ended 30 September 2025	5,510	–
Paid per share: Final capital dividend of 1.50 pence for the year ended 30 September 2023	–	5,151

(1) The difference between total dividends paid for the period ending 30 September 2024 and the cash flow statement is £1,436,000 which reflects the amount of dividends reinvested under the DRIS of £1,440,000 less the £4,000 due to the Company for unclaimed dividends for a period over 12 years.

(2) Unclaimed dividends for a period of 12 years due/reverted to the Company.

(3) The difference between total dividends paid for the period ending 30 September 2023 and the cash flow statement is £1,300,000 which reflects the amount of dividends reinvested under the DRIS.

17. Post balance sheet events

Share buybacks

As at 17 December 2024, 3,559,262 ordinary shares have been purchased at an average price of 38.24 pence per share and a total cost of £1,361,156.

Offer for subscription and shares issued

Under an offer agreement dated 9 October 2024, CGAM was appointed by the Company to administer a new offer for subscription for the 2024/25 tax year and act as receiving agent in relation to the offer. Under the terms of the agreement CGAM will receive a fee of 3.5 per cent. of the gross proceeds of the offer for providing these services. The Administrator has agreed to discharge commissions payable to financial advisers in respect of accepted applications for Offer Shares submitted by them, including any trail commission.

The Administrator has also agreed to discharge and/or reimburse all costs and expenses of and incidental to the offer and the preparation of the prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the prospectus, sponsor and legal fees, expenses of the Company and CGAM, the Company's tax adviser's fees and expenses, registrar's fees, costs of printing, postage, advertising, publishing and circulating the prospectus and marketing the offer, including any introductory commission and discounts to potential investors. However, the Administrator will not be responsible for the payment of listing fees associated with the admission of the Offer Shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange.

If following the final admission under the offer, the aggregate fee that has been paid to CGAM exceeds the costs and expenses referred to above by more than £25,000, then CGAM will rebate any surplus to the Company subject to a maximum rebate of £100,000.

As at 17 December 2024, 5,907,854 Offer Shares have been issued through the offer for subscription raising gross proceeds of £2,394,990.

New investments

The Company has made the following investments since the period end:

	Amount invested £000	Investment into existing company
Qualifying Investments		
Feedback plc	750	No
Ixico plc	710	No
Rosslyn Data Technologies plc 10% unsecured loan notes 2029	400	Yes
Non-Qualifying Investments		

Disposals

The Company has made the following full disposals since the period end:

	Proceeds £000
Qualifying Investments	
Gfinity plc	5
Surface Transforms plc	24
Non-Qualifying Investments	
Bodycote plc	1,248

Corporate Actions

On 25 October 2024, the Company invested a further £400,000 into a new 2029 convertible loan note instrument whilst also converting £300,000 (plus accrued interest) of the 2028 convertible loan note instrument into new ordinary shares in Rosslyn Data Technologies plc.

On 11 November 2024, Aquis Exchange plc announced a recommended cash offer by SIX Exchange Group AG for 727 pence per share in cash. The acquisition remains subject to approval by a majority of shareholders.

On 4 December 2024, Learning Technologies Group plc announced a recommended cash offer by General Atlantic (through Leopard UK Bidco Ltd) for 100 pence per share in cash. The acquisition remains subject to approval by a majority of shareholders.

On 3 December 2024, Zappar Ltd announced that its acquisition by Infinite Reality had not completed.

Alternative performance measures

Alternative performance measures

An APM is a financial measure of the Company's historic or future financial performance, financial position or cash flows which is not defined or specified in the applicable financial reporting framework.

The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for a VCT.

The definition of each APM is in the glossary of terms. Where the calculation of the APM is not detailed within the financial statements, an explanation of the methodology employed is below:

NAV total return

		30 September 2024	30 September 2023
Opening NAV per share	A	46.34p	60.19p
Special dividend paid	B	1.50p	2.00p
Final dividend paid	C	1.50p	2.00p
Interim dividend paid	D	1.00p	1.00p
Closing NAV per share	E	40.55p	46.34p
NAV total return	((B+C+D+E-A)/A)*100	-3.86%	-14.70%

NAV total return (dividends reinvested)

			30 September 2024	% Return
Opening NAV per share (30 September 2023)		A	46.34p	
Closing NAV per share (30 September 2024)		40.55p		
	Final dividend for year paid February 2024	1.50p		
	Interim dividend July 2024	1.00p		
	Special dividend July 2024	1.50p		
Total dividend payments		4.00p		
Closing NAV per share plus dividends paid		44.55p	-3.86% (-14.70% 30 September 2023)	
In year performance of reinvested dividends		-0.16p		
NAV total return (dividends reinvested)	((B-A)/A)*100	B	44.39p	-4.21% (-15.93% 30 September 2023)

Share price total return

		30 September 2024	30 September 2023
Opening share price	A	43.00p	62.75p
Special dividend paid	B	1.50p	2.00p
Final dividend paid	C	1.50p	2.00p
Interim dividend paid	D	1.00p	1.00p
Closing share price	E	39.00p	43.00p
Share price total returns	((B+C+D+E-A)/A)*100	0.00%	-23.51%

Share price total return (dividends reinvested)

			30 September 2024	% Return
Opening share price (30 September 2023)		A	43.00p	
Closing share price (30 September 2024)		39.00p		
	Final dividend for year paid February 2024	1.50p		
	Interim dividend July 2024	1.00p		

			30 September 2024	% Return
	Special dividend July 2024	1.50p		
Total dividend payments		4.00p		
Closing share price plus dividends paid		43.00p	0.00% (-23.51% 30 September 2023)	
In year performance of reinvested dividends		-0.08p		
Share price total return (dividends reinvested)	((B-A)/A)*100	B	42.92p	-0.18% (-24.80% 30 September 2023)

Ongoing charges ratio

The OCR has been calculated using the AIC's "Ongoing Charges" methodology.

		30 September 2024 £000	30 September 2023 £000
Investment management fee		2,565	2,797
Other expenses		1078[1]	1,035
VCT proportion of IFSL Marlborough funds expenses		153	65
Ongoing charges	A	3,796	3,897
Average net assets	B	156,509	174,334
Ongoing charges ratio	(A/B)*100	2.43%	2.24%

(1) Other expenses exclude London Stock Exchange fees of £49,110 for admission of shares under the offer for subscription and prior year recognised loan stock interest and dividends not receivable of £368,495 expensed through the income statement as the Board do not consider these costs to be ongoing costs to the fund. As per the AIC's "Ongoing Charges" methodology, transaction costs are also excluded.

Share price discount

		30 September 2024	30 September 2023
Share price	A	39.00p	43.00p
Net asset value per share	B	40.55p	46.34p
Discount	((A/B)-1)*100	-3.82%	-7.21%

The 1-year average discount of -5.46% is calculated by taking the average of the share price discount at each month end between 1 October 2023 and 30 September 2024.

The 5-year average discount of -5.79% is calculated by taking the average of the share price discount at each month end between 1 October 2019 and 30 September 2024.

END

For further information, please contact:

JTC (UK) Limited HHV.CoSec@jtcgroup.com
Uloma Adighibe +44 203 832 3877
Alexandria Tivey +44 203 832 3891

LEI: 213800LRYA19A69SIT31