MAVEN

# MAVEN INCOME AND GROWTH VCT PLC

Annual Report for the
year ended 28 February 2021

# CORPORATE SUMMARY

### The Company

Maven Income and Growth VCT PLC (the Company) is a public limited company limited by shares. It was incorporated in England and Wales on 12 January 2000 with company registration number 3908220. Its registered office is at Fifth Floor, 1-2 Royal Exchange Buildings, London EC3V 3LF.

The Company is a venture capital trust (VCT) and its shares are listed on the Premium segment of the Official List and traded on the main market of the London Stock Exchange.

### Management

The Company is a small registered, internally managed alternative investment fund under the Alternative Investment Fund Managers Directive (AIFMD).

### Investment Objective

The Company aims to achieve long-term capital appreciation and generate income for Shareholders.

### Continuation Date

The Articles of Association (Articles) require the Directors to put a proposal for the continuation of the Company, in its then form, to Shareholders at the Company's Annual General Meeting to be held in 2026 or, if later, at the AGM following the fifth anniversary of the latest allotment of new shares.

### Share Dealing

Shares in the Company can be purchased and sold in the market through a stockbroker. For qualifying investors buying shares on the open market:

- dividends are free of income tax;
- no capital gains tax is payable on a disposal of shares;
- there is no minimum holding period;
- the value of shares, and income from them, can fall as well as rise;
- tax regulations and rates of tax may be subject to change;
- VCTs tend to be invested in smaller, unlisted companies with a higher risk profile; and
- the market for VCT shares can be illiquid.

The Stockbroker to the Company is Shore Capital Stockbrokers (020 7647 8132).

### Recommendation of Non-mainstream Investment Products

The Company currently conducts its affairs so that the shares issued by it can be recommended by financial advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority (FCA) in relation to non-mainstream investment products, and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions that apply to non-mainstream investment products because they are shares in a VCT and the returns to investors are predominantly based on investments in private companies or publicly quoted securities.

### Unsolicited Offers for Shares (Boiler Room Scams)

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradeable, overpriced, high-risk or even non-existent securities. Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high-pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance.

If you receive such a call, you should exercise caution and, based on advice from the FCA, the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FCA register to confirm if the caller is authorised;
- call back using the details on the FCA register to verify the caller's identity;
- discontinue the call if you are in any doubt about the intentions of the caller, or if calls persist; and
- report any individual or organisation that makes unsolicited calls with an offer to buy or sell shares to the FCA and the City of London Police.

### Useful contact details:

Action Fraud

Telephone: 0300 123 2040

Website: www.actionfraud.police.uk

FCA

Telephone: 0800 111 6768 (freephone)

Website: www.fca.org.uk/scamsmart

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# FINANCIAL HIGHLIGHTS

**As at 28 February 2021**

**Net asset value (NAV)**

£40.54m

**NAV**
per Ordinary Share

44.41p

**NAV total return**[1*]
per Ordinary Share

144.32p

**Proposed final dividend**
per Ordinary Share

1.00p

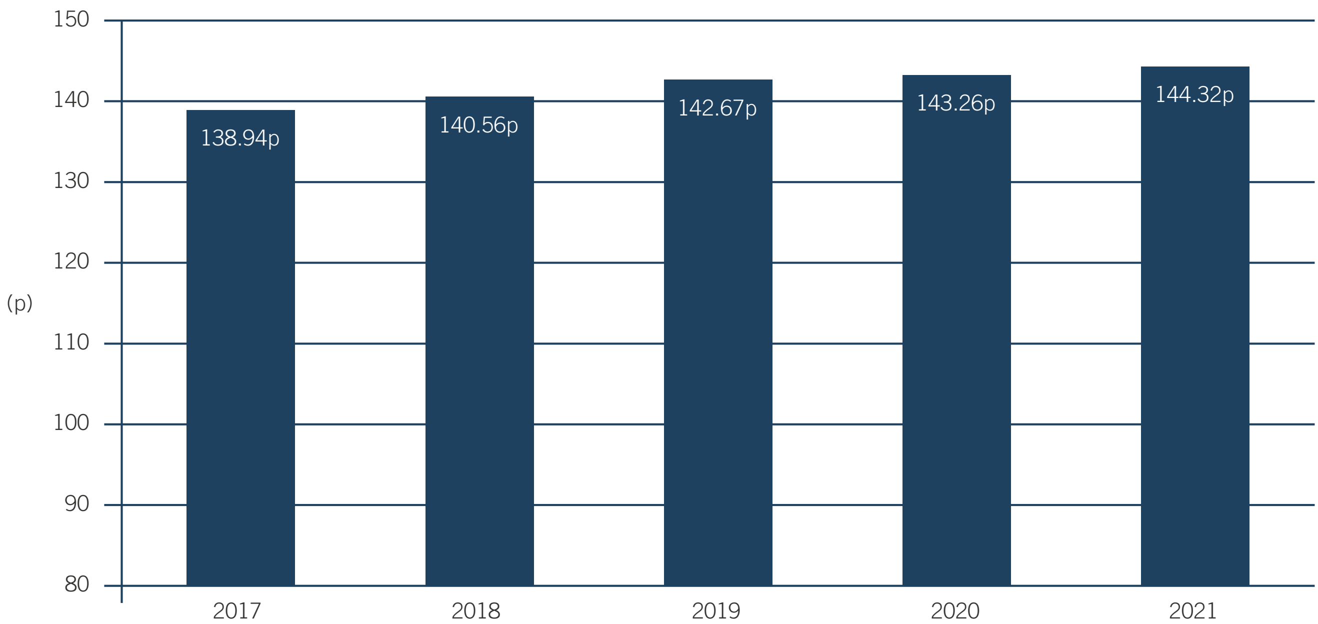
**Dividends paid to date***
per Ordinary Share

99.91p

**Annual yield**[2*]

4.88%

**NAV Total Return Performance**




*The above chart shows the NAV total return per Ordinary Share as at the end of February in each year. Dividends that have been declared but not yet paid are included in the NAV at the balance sheet date. The policy for valuing investments is disclosed in Note 1 to the Financial Statements.*

## Financial History

| | 28 February 2021 | 29 February 2020 | 28 February 2019 |
|---|---|---|---|
| NAV | £40,543,000 | £43,100,000 | £25,250,000 |
| NAV per Ordinary Share | 44.41p | 46.35p | 47.76p |
| Dividends paid or proposed per Ordinary Share for the year | 2.00p | 4.00p | 12.55p |
| Dividends paid per Ordinary Share to date* | 99.91p | 96.91p | 94.91p |
| **NAV total return per Ordinary Share[1]*** | **144.32p** | **143.26p** | **142.67p** |
| Share price[3] | 41.00p | 43.60p | 43.00p |
| Discount to NAV* | 7.68% | 5.93% | 9.97% |
| Annual yield[2]* | 4.88% | 9.17% | 29.19% |
| Ordinary Shares in issue | 91,282,823 | 92,988,133 | 52,863,884 |

[1] *Sum of current NAV per Ordinary Share and dividends paid per Ordinary Share to date (excluding initial tax relief).*
[2] *Based on dividends paid or proposed for the year and the closing mid-market share price at the year end.*
[3] *Closing mid-market share price at the year end (Source: IRESS).*
*Definitions of these Alternative Performance Measures (APMs) can be found in the Glossary on page 94 of this Annual Report. The principal Key Performance Indicators (KPIs) can be found in the Business Report on page 16.

## Dividends

| Year ended 28/29 February | Payment date | Interim/final | Payment (p) | Annual payment (p) |
|---|---|---|---|---|
| **2001 - 2016** | | | 70.70 | |
| **2017** | 25 November 2016 | First interim | 2.40 | |
| | 26 May 2017 | Second interim | 3.60 | 6.00 |
| **2018** | 14 July 2017 | First interim | 2.96 | |
| | 30 November 2017 | Second interim | 2.70 | 5.66 |
| **2019** | 13 April 2018 | First interim | 7.45 | |
| | 22 June 2018 | Second interim | 5.10 | 12.55 |
| **2020** | 22 November 2019 | Interim | 2.00 | |
| | 31 July 2020 | Final | 2.00 | 4.00 |
| **2021** | 20 November 2020 | Interim | 1.00 | |
| **Total dividends paid since inception** | | | **99.91** | |
| **2021** | 16 July 2021 | Proposed final | 1.00 | 2.00 |
| **Total dividends paid or proposed since inception** | | | **100.91** | |

## Summary of Investment Changes

For the year ended 28 February 2021

| | Valuation 29 February 2020 £'000 | % | Net investment/ (disinvestment) £'000 | Appreciation/ (depreciation) £'000 | Valuation 28 February 2021 £'000 | % |
|---|---|---|---|---|---|---|
| **Unlisted investments** | | | | | | |
| Equities | 13,750 | 31.9 | 3,618 | (88) | 17,280 | 42.6 |
| Loan stock | 7,941 | 18.4 | (4) | (104) | 7,833 | 19.3 |
| | **21,691** | **50.3** | **3,614** | **(192)** | **25,113** | **61.9** |
| **AIM/AQSE investments*** | | | | | | |
| Equities | 1,050 | 2.4 | (303) | 1,247 | 1,994 | 4.9 |
| **Listed investments** | | | | | | |
| Investment trusts | 1,431 | 3.3 | - | 184 | 1,615 | 4.0 |
| Unit trusts | 2,010 | 4.7 | (9) | 10 | 2,011 | 5.0 |
| **Total investments** | **26,182** | **60.7** | **3,302** | **1,249** | **30,733** | **75.8** |
| Net current assets | 16,918 | 39.3 | (7,108) | - | 9,810 | 24.2 |
| **Net assets** | **43,100** | **100.0** | **(3,806)** | **1,249** | **40,543** | **100.0** |

**Shares traded on the Alternative Investment Market (AIM) or the Aquis Stock Exchange (AQSE).*

# YOUR BOARD

**The Board of four Directors, all of whom are non-executive and considered by the Board to be independent of the Manager, supervises the management of Maven Income and Growth VCT PLC and looks after the interests of its Shareholders. The Board is responsible for setting and monitoring the Company's strategy, and the biographies set out below indicate the Directors' range of investment, commercial and professional experience. Further details are provided in the Directors' Report and in the Statement of Corporate Governance in this Annual Report.**



**John Pocock**
Chairman and Independent
Non-executive Director

**Relevant experience and other directorships:** John has extensive experience in the information technology and financial sectors and was formerly a director and chief executive of Druid Group plc, a FTSE 250 company that was acquired by Xansa plc in March 2000. He is currently non-executive chairman of Push Technology Limited, as well as a former non-executive director of Electric & General Investment Fund Limited. John is also the founder of Young British Entrepreneur Limited and a director of Synergie Global Limited and Lightsong Media Group Limited.

**Length of service:** He was appointed as a Director on 1 March 2007 and as Chairman on 8 July 2010.

**Last re-elected to the Board:** 22 July 2020

**Committee membership:** Audit, Management Engagement (Chairman), Nomination (Chairman), Remuneration and Risk.

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 77,955 Ordinary Shares

**Alison Fielding**
Independent
Non-executive Director

**Relevant experience and other directorships:** Alison is an experienced entrepreneur and non-executive director, with significant expertise in strategy development and implementation for both large and small organisations. She is currently a non-executive director and chair of the remuneration committee at Zotefoams PLC and Nanoco Group PLC, and non-executive director and chair of the audit committee at Getech Group PLC. Alison is also a non-executive director of Queen Mary Innovation Limited, and serves as a Trustee at the Carnegie Trust for the Universities of Scotland.

**Length of service:** She was appointed as a Director on 1 January 2019.

**Re-elected to the Board:** 22 July 2020

**Committee membership:** Audit, Management Engagement, Nomination, Remuneration (Chairman) and Risk.

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 77,522 Ordinary Shares

**Andrew Harrington**
Independent
Non-executive Director

**Relevant experience and other directorships:** Andrew is co-owner of AHV Associates LLP, which was formed in 2001, and works alongside management teams and shareholders across many sectors to advise on transactions, such as the purchase or sale of companies and capital raising. He was previously founder and chief executive of Nextcall Telecom, a business backed by venture and private investor capital, before which he was managing director at Salomon Brothers, where he advised on investment, initial public offerings, secondary public market offerings and mergers & acquisitions.

**Length of service:** He was appointed as a Director on 1 January 2019.

**Re-elected to the Board:** 22 July 2020

**Committee membership:** Audit, Management Engagement, Nomination, Remuneration and Risk.

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 86,295 Ordinary Shares

**Arthur MacMillan**
Independent
Non-executive Director

**Relevant experience and other directorships:** Arthur is a qualified chartered accountant and, for over ten years to December 2005, was chief executive of Clyde Marine plc. Prior to that, he was a corporate financier with West Merchant Bank and Samuel Montagu & Co Limited in London. He is also an investor in, and an adviser to, a number of smaller businesses.

**Length of service:** He was appointed as a Director on 19 January 2000.

**Last re-elected to the Board:** 22 July 2020

**Committee membership:** Audit (Chairman), Management Engagement, Nomination, Remuneration and Risk (Chairman).

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 117,547 Ordinary Shares

# CHAIRMAN'S STATEMENT

## HIGHLIGHTS

NAV total return at the year end of 144.32p per share (2020: 143.26p)

NAV at the year end of 44.41p per share (2020: 46.35p), after dividend payments totalling 3.00p per share during the year

Final dividend of 1.00p per share proposed

Offer for Subscription fully subscribed raising £20 million

Deployment of £6.91 million during the year, including new investments in 20 private and AIM quoted companies

£3.61 million realised in total from disposals, including three profitable private company exits



**The financial year to 28 February 2021 has been a period of significant challenge and uncertainty dominated by the COVID-19 pandemic. This public health crisis has had a wide-reaching impact across our society, and the Directors' thoughts are with all of those who have been affected.**

**Despite the economic disruption experienced during the year, it is encouraging to report that your Company has continued to make positive progress, with NAV total return increasing to 144.32p per share. This reflects the strength and resilience of the investee portfolio, where most companies successfully adjusted their business models to enable them to continue to operate under the lockdown restrictions. Further progress was made in the construction of the portfolio, with the addition of 20 new private and AIM quoted company holdings, whilst follow-on funding was provided to several existing investee companies where commercial progress merited additional support. During the year, your Company achieved its first material exit from the early stage portfolio with the realisation of Symphonic Software, which generated a total return of 2.92 times cost over a holding period of less than two years. The Directors recognise the importance of tax free distributions to Shareholders and are pleased to propose a final dividend of 1.00p per share.**

Whilst the pandemic has created a challenging operating environment, the Directors are encouraged by the progress that has been achieved in expanding and diversifying the portfolio. This is central to the long term strategic objective of building a broadly based portfolio of early stage companies that are capable of generating sustained growth in Shareholder value. Although the outbreak of COVID-19 caused a temporary change in approach to one focused on value preservation and supporting the requirements of existing portfolio companies, it is pleasing to report that 20 new private and AIM quoted holdings were added to the portfolio during the year. Many of these companies operate in sectors that have defensive characteristics, which have been less impacted by the economic conditions.

Over the past year, the Manager has adhered to all Government and local guidelines and in March 2020, ahead of the first nationwide lockdown, successfully migrated its regional offices and administration hub to a remote working model. Your Company has maintained full operational capability throughout this period, with Maven and all third-party providers continuing to service your Company, either remotely or from a COVID-secure office environment.

Maven was swift to respond to the potential economic impact of COVID-19 and, on 20 March 2020, completed a comprehensive appraisal of the portfolio to identify the likely impact on each investee company. Following this review, the Board approved a small number of specific provisions against those holdings in private companies with exposure to the consumer facing sectors that were most immediately impacted. The AIM quoted and listed holdings were valued at their prevailing market prices. This review resulted in a 6.2% reduction in NAV per share, from 46.35p on 29 February 2020 to 43.49p as at 20 March 2020, which was announced on 26 March 2020. The Directors are pleased to note that there has been a subsequent recovery in NAV per share to 44.41p at the year end, which is stated after the payment of the 2020 final and 2021 interim dividends, totalling 3.00p per share. This improvement demonstrates the strength of the underlying portfolio, which has exposure to a range of defensive sectors such as software, healthcare, data analytics and training, where the impact of the pandemic has been less severe. A number of these companies have continued to generate meaningful growth during the year, which has resulted in uplifts to valuations to reflect the progress achieved. The recovery in NAV was also supported by positive performance from the AIM quoted portfolio, where several holdings, notably those with exposure to the healthcare and life sciences sectors, have experienced share price appreciation following positive trading updates.

Throughout the pandemic, the Directors have maintained close communication with the Manager, receiving regular updates on the performance of investee companies. The Board has been encouraged by the measures taken by investee management teams, with Maven taking an active role and providing assistance on a case-by-case basis. Whilst there are a small number of portfolio companies that are operating behind plan, the majority are trading in line with their revised COVID-19 budgets and, in all cases, cash is being carefully managed. It is also encouraging to report that several private and AIM quoted companies have continued to grow, reflecting the level of innovation and entrepreneurialism across the portfolio. This includes companies that offer a disruptive technology designed to take a product or service online, such as training, restaurant food ordering or prescription dispensing. Several businesses operating in the specialist biotechnology market have made an active contribution towards the urgent need for COVID-19 testing or therapeutics, and those that manufacture devices and products for medical markets have experienced a surge in demand.

Given the economic uncertainty related to the pandemic, the Manager maintained a selective approach to new investment, which resulted in a small number of potential transactions being aborted due to client attrition caused by the pandemic. It is nevertheless encouraging to report that 11 new private companies and nine AIM quoted holdings were added to the portfolio, including several in the healthcare and life sciences sectors, which are likely to remain attractive markets for the foreseeable future. During the year, your Company gained exposure to various new sectors, including cyber security, data analytics and web archiving, which the Manager believes have defensive characteristics and good long term growth prospects. The provision of performance based follow-on funding remains a key component of the investment strategy, as it is generally recognised that many earlier stage companies are likely to require several rounds of capital before they are fully scaled, and shareholder value can be optimised. Full details on portfolio developments, and a summary of the investments completed during the year, can be found in the Investment Manager's Review on pages 21 to 31 of this Annual Report.

The UK formally left the EU on 31 January 2020 and entered an 11 month transition period that ended on 31 December 2020. The EU (Future Relationship) Act, which was agreed with the EU on 24 December 2020, came into effect on 1 January 2021. The potential impact of the UK's withdrawal from the EU has been closely monitored across the portfolio of investee companies and, as at the date of this Annual Report, there is nothing material to report. The majority of investee companies have limited direct exposure to the EU, and those that do have been implementing contingency plans to mitigate any potential impact. Furthermore, it is not anticipated that there will be any changes to the legislation governing VCTs as a result of the UK's departure from the EU.

In June 2020, the partial realisation of the holding in **Global Risk Partners** completed, generating a total return of 2.55 times cost over the life of the investment. In October 2020, there was a further positive development, when your Company successfully exited its holding in **Symphonic Software** through a sale to a US listed trade acquirer. The exit generated a total return of 2.92 times cost in a holding period of just under two years. Whilst the Directors are optimistic that further profitable exits can be achieved from the early stage portfolio, it may take time for these companies to achieve scale and for full value to be optimised. The timing of exits is difficult to predict, and this is particularly relevant for the early stage portfolio. When younger companies gain early traction, they may attract interest from a strategic acquirer, whereas others may need to raise further capital over an extended period in order to develop to their full potential before a formal exit process can be initiated.

## Proposed Final Dividend

As Shareholders will be aware from recent Interim and Annual Reports, decisions on distributions take into consideration the availability of surplus revenue, the realisation of capital gains, the adequacy of distributable reserves and the VCT qualifying level, all of which are kept under close and regular review. The Board and the Manager recognise the importance of tax free distributions to Shareholders and remain committed to paying dividends whenever possible.

The Directors would like to remind Shareholders that, in line with the VCT rules, as a greater proportion of the portfolio is invested in younger companies that may take longer to reach maturity, there may be fluctuations in the quantum and timing of dividend payments. Distributions will be more closely linked to realisation activity and will also reflect the Company's requirement to maintain its VCT qualifying level. Some larger distributions may be required as a consequence of exits, however the Board considers this to be a tax efficient means of returning value to Shareholders, whilst ensuring ongoing compliance with the requirements of the VCT legislation.

In respect of the year ended 28 February 2021, your Board is proposing a final dividend of 1.00p per Ordinary Share to be paid on 16 July 2021 to Shareholders on the register at 18 June 2021. This will bring total distributions for the year to 2.00p per Ordinary Share, representing a yield of 4.88% based on the year end closing mid-market share price of 41.00p. Since the Company's launch, and after receipt of the proposed final dividend, Shareholders will have received 100.91p per share in tax free distributions. It should be noted that the effect of paying dividends is to reduce the NAV of the Company by the total cost of the distribution.

## Dividend Investment Scheme (DIS)

Your Company operates a DIS, through which Shareholders may elect to have their dividend payments utilised to subscribe for new Ordinary Shares issued by the Company under the standing authority requested from Shareholders at AGMs. Due to the volatility in financial markets caused by the initial emergence of the COVID-19 pandemic, the DIS was temporarily suspended on 26 March 2020, before being fully reinstated on 19 October 2020 ahead of the payment of the 2021 interim dividend.

Shareholders who wish to participate in the DIS in respect of future dividends, including the payment of the proposed final dividend to be paid on 16 July 2021, should ensure that a DIS mandate or CREST instruction, as appropriate, is received by the Registrar (Link Group) in advance of 2 July 2021, this being the next dividend election date. The mandate form, terms & conditions and full details of the scheme (including information about tax considerations) are available from the Company's website at: **www.mavencp.com/migvct**. Election to participate in the DIS can also be made through the Registrar's share portal at: **www.signalshares.com**. Shares issued under the DIS should qualify for VCT tax relief applicable for the tax year in which they are allotted, subject to an individual Shareholder's particular circumstances. If a Shareholder is in any doubt about the merits of participating in the DIS, or their own tax status, they should seek advice from a suitably qualified adviser.

## Fund Raising

On 23 October 2020, your Company, together with the board of Maven Income and Growth VCT 5 PLC, launched joint Offers for Subscription of new Ordinary Shares for up to £20 million in aggregate (£10 million for each company), with a combined over-allotment facility of up to £20 million (£10 million for each company). On 24 March 2021, the Directors were pleased to announce that your Company's Offer was fully subscribed, including full utilisation of the over-allotment facility.

The allotment of 28,533,898 new Ordinary Shares in respect of the 2020/21 tax year, was made on 2 March 2021, with a further 14,485,275 new Ordinary Shares allotted on 1 April 2021. The allotment of 2,026,395 Ordinary Shares for the 2021/22 tax year took place on 4 May 2021.

This additional liquidity will enable your Company to continue to expand the portfolio by investing in ambitious, growth focused private and AIM quoted companies that operate across a range of market sectors, and which are capable of generating capital gains. It will also ensure that existing portfolio companies can continue to be supported through follow-on funding where there is an ongoing business case that merits support. Furthermore, the funds raised will allow your Company to maintain its share buy-back policy, whilst also spreading costs over a wider asset base in line with the objective of maintaining a competitive total expense ratio for the benefit of all Shareholders.

## Share Buy-backs

Shareholders will be aware that a primary objective for the Board is to ensure that the Company retains sufficient liquidity for making investments in line with its stated policy, and for the continued payment of dividends. However, the Directors also acknowledge the need to maintain an orderly market in the Company's shares and have, therefore, delegated authority to the Manager to buy back shares in the market for cancellation or to be held in treasury, subject always to such transactions being in the best interests of Shareholders. Despite the market volatility in relation to COVID-19, the Board maintained the view that it was appropriate to continue to operate the buy-back policy as this is an important mechanism for ensuring an orderly market in the Company's shares.

It is intended that, subject to market conditions, available liquidity and the maintenance of the Company's VCT status, Shares will be bought back at prices representing a discount of between 5% and 10% to the prevailing NAV per share.

## Regulatory Developments

During the year, there were no further amendments to the rules governing VCTs. The Chancellor did not issue an Autumn 2020 Budget as the Treasury's focus at the time was on stimulus packages to support the economy through the pandemic. The Spring Budget was delivered on 3 March 2021, with no specific changes proposed to the regulations governing VCTs.

The requirement of the Finance Act 2018, which increased the threshold level of qualifying investments a VCT must hold from 70% to 80%, was comfortably achieved by your Company ahead of 1 March 2020, being the required date of compliance. The qualifying level continues to be closely monitored by the Manager and reviewed by the Board of a regular basis.

Following the outbreak of COVID-19, a number of regulatory changes were implemented to assist companies through the crisis. The Corporate Insolvency and Governance Act 2020 temporarily suspended parts of insolvency law in order to support directors, whose companies continued to trade through the emergency, from the threat of personal liability for wrongful trading and to protect companies from creditor action. This suspension was extended until 30 June 2021. In addition, Company Law and other legislation was amended to provide companies with temporary easements on company filings and the holding of annual general meetings.

On 27 March 2020, the International Private Equity and Venture Capital Valuation (IPEV) Guidelines Board issued Coronavirus Special Valuation Guidance to assist managers applying the IPEV Valuation Guidelines to their portfolios after March 2020. The Guidelines were last updated in 2018 and are the prevailing framework for fair value information in the private equity and venture capital industry. The Directors and the Manager continue to apply the IPEV Guidelines as a central methodology for all private company valuations.

## Environmental, Social and Governance (ESG)

The Board recognises the importance of ESG principles and believes that each portfolio company should behave responsibly towards the environment and society. The Directors are pleased to report that the Manager considers ESG matters as part of the investment appraisal process and ensures that any relevant ESG issues are identified at an early stage. The Manager is currently working to develop a framework that will ensure that ESG issues are carefully managed throughout the period of investment. There is also close engagement with each portfolio company in relation to corporate governance practices, and support provided to the management team to develop or improve policies on the environment, community engagement, HR and employee relations, corporate governance and responsible product marketing.

The Directors are aware of the work that the Manager is undertaking to address the recommendations of the Task Force on Climate-related Financial Disclosures, which seek to address the material financial impacts of the global transition to a lower carbon economy. The Directors are satisfied that the Manager is taking the appropriate steps to address these requirements, and will continue to monitor progress.

## Annual General Meeting (AGM)

The 2021 AGM will be held in the Glasgow office of Maven Capital Partners UK LLP on Wednesday 7 July 2021, commencing at 12.00 noon. The Notice of Annual General Meeting can be found on pages 86 to 91 of this Annual Report.

The Directors are aware that the AGM is a good opportunity for Shareholders to meet the Board and the Manager, but consider the well-being of Shareholders and other AGM attendees to be their priority. In light of the current Government advice against non-essential travel and public gatherings, and uncertainty over the relaxation of restrictions, Shareholders may be unable to attend the AGM in person and should instead vote using the Proxy Form. Proxy Forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of Proxy Forms is 12.00 noon on 5 July 2021. Proxy votes can also be submitted by CREST, or online using the Registrar's Share Portal at **www.signalshares.com**.

Shareholders wishing to attend the AGM should notify the Company in advance by email to: **CoSec@mavencp.com** or in writing to: **The Company Secretary, Maven Income and Growth VCT PLC, c/o Maven Capital Partners UK LLP, First Floor, Kintyre House, 205 West George Street, Glasgow G2 2LW**.

## Maven Capital Partners UK LLP (Maven)

On 26 May 2021, Mattioli Woods plc announced that it had entered into a conditional agreement to acquire Maven, subject to satisfactory completion and the approval of Mattioli Woods' shareholders. Post completion, Maven will operate as an independently managed subsidiary of Mattioli Woods, retaining its regional business model, people and brand in entirety. As a result, there will be no direct impact for Maven's VCT clients, investors or investee companies. Mattioli Woods plc is one of the UK's leading providers of wealth management and financial planning services, and offers a highly complementary fit with Maven's existing operations. The key attractions of acquiring Maven include access to its highly skilled and experienced team, which is one of the most active VCT investors in the UK. Maven and Mattioli Woods share a common objective of continuing to expand the enlarged business under PLC ownership. Both businesses are well known to each other and there is strong cultural alignment, and a common focus on providing clients with the best possible service. Further details on Mattioli Woods can be found at: **https://mattioliwoods.com**.

Your Board considers this to be a positive step in the evolution of Maven and has received confirmation that Bill Nixon will remain as its Managing Partner and lead VCT fund manager, and further, there will be no material changes to its staff, operations or access to capital. In terms of the management of the Company, the investment managers and support teams providing company secretarial, accounting and administrative services will all continue to operate as before. Your Board has given its consent to the change in control of Maven, which has also been approved by the FCA. The Board looks forward to continuing its positive relationship with the Maven team in pursuit of the Company's long term investment strategy.

## The Future

Notwithstanding the significant challenges and economic disruption that has been a feature of the reporting period, the Directors are encouraged by the positive progress that has been achieved. Over recent years, the Manager has been carefully expanding and transitioning the portfolio to one focused on early stage, growth companies, which have the potential to generate significant Shareholder value as they scale and mature. Whilst many holdings are still relatively early in their stage of development, the Directors are encouraged by the resilient performance that has been achieved during the year. As the vaccination rollout continues to gather momentum, and with greater clarity on the easing of the remaining restrictions, the Directors are optimistic that there will be a strong economic recovery during the second half of 2021. The proceeds from the Offer for Subscription provide your Company with good levels of liquidity to facilitate a continuation of the current strategy in the year ahead, with the core objective of supporting further portfolio growth and continuing improvements in Shareholder value.

**John Pocock**
**Chairman**

**4 June 2021**

# BUSINESS REPORT

**This Business Report is intended to provide an overview of the strategy and business model of the Company, as well as the key measures used by the Directors in overseeing its management. The Board holds at least one meeting per annum at which strategic matters are discussed. The Company is a venture capital trust and invests in accordance with the investment objective set out below.**

## Investment Objective

Under an investment policy approved by the Directors, the Company aims to achieve long-term capital appreciation and generate income for Shareholders.

## Business Model and Investment Policy

Under an investment policy approved by the Directors, the Company intends to achieve its objective by:

- investing the majority of its funds in a diversified portfolio of shares and securities in smaller, unquoted UK companies and AIM/AQSE quoted companies that meet the criteria for VCT qualifying investments and have strong growth potential;
- investing no more than £1.25 million in any company in one year and no more than 15% of the Company's assets by cost in one business at any time; and
- borrowing up to 15% of net asset value, if required and only on a selective basis, in pursuit of its investment strategy.

The Company had no borrowings as at 28 February 2021 and, as at the date of this Report, the Board has no intention of utilising the borrowing facility.

## Principal and Emerging Risks and Uncertainties

The Board and the Risk Committee have an ongoing process for identifying, evaluating and monitoring the principal and emerging risks and uncertainties facing the Company. The risk register and dashboard form key parts of the Company's risk management framework used to carry out a robust assessment of the risks, including a significant focus on the controls in place to mitigate them. The principal and emerging risks and uncertainties facing the Company are as follows:

***Investment Risk***

The majority of the Company's investments are in small and medium sized unquoted UK companies and AIM/AQSE quoted companies which, by their nature, carry a higher level of risk and lower liquidity relative to investments in large quoted companies. The Board aims to limit the risk attached to the investment portfolio as a whole by ensuring that a robust and structured selection, monitoring and realisation process is applied by the Manager. The Board reviews the investment portfolio with the Manager on a regular basis.

The Company manages and minimises investment risk by:

- diversifying across a large number of companies;
- diversifying across a range of economic sectors;
- actively and closely monitoring the progress of investee companies;
- co-investing with other clients of Maven, other VCT managers and co-investment partners;
- ensuring valuations of underlying investments are made fairly and reasonably (see Notes 1(e), 1(f) and 16 to the Financial Statements for further detail);
- taking steps to ensure that the share price discount is managed appropriately; and
- choosing and appointing an FCA authorised investment manager with the appropriate skills, experience and resources required to achieve the Investment Objective, with ongoing monitoring to ensure the Manager is performing in line with expectations.

***Internal Control Risk***

The Board reviews regularly the system of internal controls, both financial and non-financial, operated by the Company, Maven and other key third party outsourcers such as the Custodian and Registrar. These include controls designed to ensure that the Company's assets are safeguarded, that all records are complete and accurate and that the third parties have adequate controls in place to prevent data protection and cyber security failings.

***VCT Qualifying Status Risk***

The Company operates in a complex regulatory environment and faces a number of related risks, including:

- becoming subject to capital gains tax on the sale of its investments as a result of a breach of Section 274 of the Income Tax Act 2007;
- loss of VCT status and consequent loss of tax reliefs available to Shareholders as a result of a breach of the VCT Regulations;
- loss of VCT status and reputational damage as a result of a serious breach of other regulations such as the FCA Listing Rules and the Companies Act 2006; and
- increased investment restrictions resulting from EU State Aid Rules, incorporated by the Finance (No. 2) Act 2015 and the Finance Act 2018.

The Board works closely with the Manager to ensure compliance with all applicable and upcoming legislation, such that VCT qualifying status is maintained. Further information on the management of this risk is detailed under other headings in this Business Report.

***Legislative and Regulatory Risk***

The Directors strive to maintain a good understanding of the changing regulatory agenda and consider emerging issues so that appropriate changes can be implemented and developed in good time. In order to maintain its approval as a VCT, the Company is required to comply with VCT legislation in the UK as well as the EU State Aid Rules. Changes in either legislation could have an adverse impact on Shareholder investment returns whilst maintaining the Company's VCT status. The Board and the Manager continue to make representations where appropriate, either directly or through relevant industry bodies such as the Association of Investment Companies (AIC), the British Private Equity and Venture Capital Association (BVCA) and the Venture Capital Trust Association (VCTA).

The Company has retained Philip Hare & Associates LLP as VCT adviser and also uses a number of other VCT advisers on a transactional basis.

Breaches of other regulations including, but not limited to, the Companies Act 2006, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules, the General Data Protection Regulation (GDPR), or the Alternative Investment Fund Managers Directive (AIFMD) could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers to the Company could also lead to reputational damage or loss.

The AIFMD, which regulates the management of alternative investment funds, including VCTs, introduced a new authorisation and supervisory regime for all investment companies in the EU. The Company is a small registered and internally managed alternative investment fund under the AIFMD, and its status as such is unchanged as a result of the UK's departure from the EU. The Company is also required to comply with tax legislation under the Foreign Account Tax Compliance Act and the Common Reporting Standard. The Company has appointed Link Group to act on its behalf to report annually to HM Revenue & Customs (HMRC) and to ensure compliance with this legislation.

***Political Risk***

Although the EU (Future Relationship) Act 2020 came into effect on 1 January 2021, the full political, economic and legal consequences of the UK leaving the EU are not yet known. It is possible that investments in the UK may be more difficult to assess for suitability of risk, harder to buy or sell and, therefore, there will be a greater level of subjectivity in their valuations. In the longer term, there is likely to be a period of uncertainty as the UK seeks to negotiate its ongoing relationship with the EU and other global trade partners.

In future, the UK's laws and regulations, including those relating to investment companies and AIFMs may diverge from those of the EU. This may lead to changes in the operation of the Company, the rights of investors, or the territories in which the shares of the Company may be promoted and sold.

The Board reviews the political situation on a regular basis, together with any associated changes to the economic, regulatory and legislative environment, in order to ensure that any risks arising are mitigated as effectively as possible.

***Climate Change and Social Responsibility Risk***

The Board recognises that climate change is an important emerging risk that all companies should take into consideration within their strategic planning. As referred to elsewhere in this Strategic Report and in the Statement of Corporate Governance, the Company has little direct impact on environmental issues. However, the Company has introduced measures to reduce the cost and environmental impact of the production and circulation of Shareholder documentation such as the annual and interim reports. This has resulted in a significant reduction in the number of copies being printed and posted, with only 40% of Shareholders now receiving paper reports.

The Board is also aware that the Manager continues to take into account environmental, social and governance matters when considering investment proposals. VCTs in general are regarded as supporting small and medium sized enterprises, investment in which helps to create local employment across a range of UK geographical regions.

## Other Key Risks

***Governance Risk***

The Directors are aware that an ineffective Board could have a negative impact on the Company and its Shareholders. The Board recognises the importance of effective leadership and board composition, and this is ensured by completing an annual evaluation process, with action being taken if required.

***Management Risk***

The Directors are aware of the risk that investment opportunities could fail to complete, or the management of the VCT could breach the Management and Administration Deed or regulatory parameters, due to lack of knowledge and/or experience of the investment professionals acting on behalf of the Company. To manage this risk, the Board has appointed Maven as investment manager, as it employs skilled professionals with the required VCT knowledge and experience. In addition, the Board takes comfort that the Manager's controls have been updated to ensure compliance with the Senior Managers and Certification Regime (SMCR).

The Directors are also mindful of the impact that the loss of the Manager's key employees could have on both investment opportunities that may be lost or existing investments that may fail. The Board is reassured by the Manager's approach to recruitment, incentivising staff, succession planning and ensuring that adequate notice periods are included in all contracts of employment.

***Financial and Liquidity Risk***

As most of the investments require a mid to long term commitment and are relatively illiquid, the Company retains a portion of the portfolio in cash and listed investment trusts in order to finance any new unlisted investment opportunities. The Company has no direct exposure to currency risk and does not enter into any derivative transactions.

***Economic Risk***

The valuation of investment companies may be affected by underlying economic conditions, such as fluctuating interest rates and the availability of bank finance, which can be impacted during times of geopolitical uncertainty and fluctuating markets. The economic and market environment is kept under constant review and the investment strategy of the Company adapted, so far as is possible, to mitigate emerging risks.

***Credit Risk***

The Company may hold financial instruments and cash deposits and is dependent on counterparties discharging their agreed responsibilities. The Directors consider the creditworthiness of the counterparties to such instruments and seek to ensure that there is no undue concentration of exposure to any one party.

An explanation of certain economic and financial risks and how they are managed is also contained in Note 16 to the Financial Statements.

## Statement of Compliance with Investment Policy

The Company is adhering to its stated investment policy and managing the risks arising from it. This can be seen in various tables and charts throughout this Annual Report, and from information provided in the Chairman's Statement and in the Investment Manager's Review. A review of the Company's business, its position as at 28 February 2021 and its performance during the year then ended is included in the Chairman's Statement, which also includes an overview of its strategy and business model.

The management of the investment portfolio has been delegated to Maven, which also provides company secretarial, administrative and financial management services to the Company. The Board is satisfied with the depth and breadth of the Manager's resources and its network of offices, which supply new deals and enable it to monitor the geographically widespread portfolio of companies effectively.

The Investment Portfolio Summary on pages 38 to 40 of this Annual Report discloses the investments in the portfolio and the degree of co-investment with other clients of the Manager. The tabular analysis of the unlisted and quoted portfolio on pages 19 and 20 shows that the portfolio is diversified across a variety of industry sectors and transaction types. The level of VCT qualifying investment is monitored continually by the Manager and reported to the Risk Committee quarterly, or as otherwise required.

## Key Performance Indicators

During the year, the net return on ordinary activities before taxation was £898,000 (2020: £548,000); gains on investments were £1,249,000 (2020: £579,000); and earnings per share were 0.98p (2020: 0.59p).

The Directors also consider a number of APMs to assess the Company's success in achieving its objective and enable Shareholders and prospective investors to gain an understanding of the Company's business. These APMs are shown in the Financial Highlights on pages 4 and 5.

In addition, the Board considers the following to be KPIs:

- NAV total return;
- annual yield;
- share price discount to NAV;
- investment income; and
- operational expenses.

The NAV total return is considered to be a more appropriate long-term measure of Shareholder value as it includes both the current NAV per share and total dividends paid to date. The annual yield is the total dividends paid per share for the financial year, expressed as a percentage of the share price at the year end. The Directors seek to pay dividends to provide a yield and comply with the VCT rules, taking account of the level of distributable reserves, profitable realisations in each accounting period and the Company's future cash flow projections. The share price discount to NAV is the percentage by which the mid-market price of an investment is lower than its NAV per share.

Definitions of the APMs can be found in the Glossary on page 94. A historical record of these measures is shown in the Financial Highlights on pages 4 and 5 and the change in the profile of the portfolio is reflected in the Summary of Investment Changes on page 6. The Board reviews the Company's investment income and operational expenses on a quarterly basis, as the Directors consider that these are both important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on page 76.

There is no VCT index against which to compare the financial performance of the Company. However, for reporting to the Board and Shareholders, the Manager uses comparisons with the most appropriate index, being the FTSE AIM All-share Index. The Directors also consider non-financial performance measures such as the flow of investment proposals and the Company's ranking within the VCT sector by independent analysts. In addition, the Directors consider economic, regulatory and political trends and features that may impact on the Company's future development and performance.

## Valuation Process

Investments held by the Company in unquoted companies are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments quoted or traded on a recognised stock exchange, including AIM, are valued at their bid prices.

## Share Buy-backs

At the forthcoming AGM, the Board will seek the necessary Shareholder authority to continue to conduct a share buy-back programme under appropriate circumstances.

## The Board's Duty and Stakeholder Engagement

The Directors recognise the importance of an effective Board and its ability to discuss, review and make decisions to promote the long-term success of the Company and protect the interests of its key stakeholders. As required by Provision 5 of the AIC Code (and in line with the UK Code), the Board has discussed the Directors' duty under Section 172 of the Companies Act and how the interests of key stakeholders have been considered in Board discussions and decision making during the year.

This has been summarised in the table below:

| Form of engagement | Influence on Board/Committee decision making |
|---|---|
| **Shareholders**<br>Annual General Meeting – under normal circumstances, Shareholders are encouraged to attend the AGM and are provided with the opportunity to ask questions and engage with the Directors and the Manager. Shareholders are also encouraged to exercise their right to vote on the Resolutions proposed at the AGM. However, please refer to the guidance in the Chairman's Statement on page 12.<br>Shareholder documents – the Company reports formally to Shareholders by publishing Annual and Interim Reports, normally in May and October each year. In the instance of a corporate action taking place, the Board will communicate with Shareholders through the issue of a Circular and, if required, a Prospectus.<br>In addition, significant matters or reporting obligations are disseminated to Shareholders by way of announcements to the London Stock Exchange.<br>The Secretary acts as a key point of contact for the Directors and communications received from Shareholders are circulated to the whole Board. | Dividend declarations – the Board recognises the importance of tax-free dividends to Shareholders and takes this into consideration when making decisions to pay interim and propose final dividends for each year. Further details regarding dividends for the year under review can be found in the Chairman's Statement on pages 10 and 11.<br>Share buy-back policy – the Directors recognise the importance to Shareholders of the Company maintaining an active buy-back programme and considered this when establishing the current policy. Further details can be found in the Chairman's Statement on page 11 and the Directors' Report on page 45.<br>Offer for Subscription – in making a decision to launch any Offer for Subscription, the Directors have to consider that it would be in the interest of Shareholders to continue to expand the portfolio and make further investments across a diverse range of sectors. By growing the Company, costs are spread over a wider asset base to promote a competitive total expense ratio and is in the interests of Shareholders. In addition, the increased liquidity helps support the buy-back policy referred to above. Further details regarding the latest Offer for Subscription can be found in the Chairman's Statement on page 11.<br>Liquidity management – in order to generate income and add value for Shareholders, the Board has an active liquidity management policy, which has the objective of generating income from the cash held prior to investment. Further details regarding the liquidity management policy can be found in the Investment Manager's Report on page 23. |
| **Environment and society**<br>The Directors and the Manager take account of the social environment and ethical factors impacted by the Company and the investments that it makes. | The Directors and the Manager are aware of their duty to act in the interests of the Company and acknowledge that there are risks associated with investment in companies that fail to conduct business in a socially responsible manner. Further details can be found in the Statement of Corporate Governance on page 55. |
| **Portfolio companies**<br>Quarterly Board Meetings – the Manager reports to the Board on the portfolio companies and the Directors challenge the Manager where they feel it is appropriate. The Manager then communicates directly with each portfolio company, normally through the Maven representative who sits on the board of the portfolio company. | The Directors are aware that the exercise of voting rights is key to promoting good corporate governance and, through the Manager, ensures that the portfolio companies are encouraged to adopt best practice in corporate governance. The Board has delegated the responsibility for monitoring the portfolio companies to the Manager and has given it discretion to vote in respect of the Company's holdings in the investment portfolio, in a way that reflects the concerns and key governance matters discussed by the Board. From time to time, the management teams of investee companies give presentations to the Board. The Manager's ESG assessment of investee companies focuses heavily on their impact on their environment, challenging fundamental aspects such as energy and emissions usage, and targets an approach to waste and recycling as well as broader social themes such as the companies' approach to diversity and inclusion in the workplace, and their work with charities.<br>The Board is also mindful that, as the portfolio expands and the proportion of early stage investments increases, follow-on funding will represent an important part of the Company's investment strategy and this forms a key part of the Directors' discussions on valuations, risk management and fundraising. |

| Form of engagement | Influence on Board/Committee decision making |
|---|---|
| **Manager**<br>Quarterly Board Meetings – the Manager attends every Board Meeting and presents a detailed portfolio analysis and reports on key issues such as VCT compliance, investment pipeline and utilisation of any new monies raised. | The Manager is responsible for implementing the investment objective and the strategy agreed by the Board. In making a decision to launch any Offer for Subscription, the Board needs to consider that the Company requires sufficient liquidity in order to continue to expand and broaden the investment portfolio in line with the strategy, including the provision of follow-on funding. |
| **Registrar**<br>Annual review meetings and control reports. | The Directors review the performance of all third party service providers on an annual basis, including ensuring compliance with GDPR. |
| **Custodian**<br>Regular statements and control reports received, with all holdings and balances reconciled. | The Directors review the performance of all third party providers on an annual basis, including oversight of securing the Company's assets. |

## Employee, Environmental and Human Rights Policy

As a VCT, the Company has no direct employee or environmental responsibilities, nor is it responsible directly for the emission of greenhouse gases. The Board's principal responsibility to Shareholders is to ensure that the investment portfolio is managed and invested properly. As the Company has no employees, it has no requirement to report separately on employment matters. The Board comprises one female Director and three male Directors, and delegates responsibility for diversity to the Nomination Committee, as explained in the Statement of Corporate Governance on page 54. The management of the Company's assets is undertaken by the Manager through members of its portfolio management team.

The Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters. Further information may be found in the Statement of Corporate Governance. Additional work is being carried out by the Manager to establish a framework for the effective capture of ESG information, consistently across all investee companies. Maven will be overseeing the collation of this information for the benefit of the Board but will also be supporting individual investee companies to identify their ESG risks and opportunities and, where potential improvements are identified, will work jointly with the business to make positive changes.

In light of the nature of the Company's business, there are no relevant human rights issues and, therefore, the Company does not have a human rights policy.

## Independent Auditor

The Company's Independent Auditor is required to report if there are any material inconsistencies between the content of the Strategic Report and the Financial Statements. The Independent Auditor's Report can be found on pages 62 to 69.

## Future Strategy

The Board and Manager intend to maintain the policies set out above for the year ending 28 February 2022, as it is believed that these are in the best interests of Shareholders.

## Approval

The Business Report, and the Strategic Report as a whole, was approved by the Board of Directors and signed on its behalf by:

**John Pocock**
**Director**
**4 June 2021**

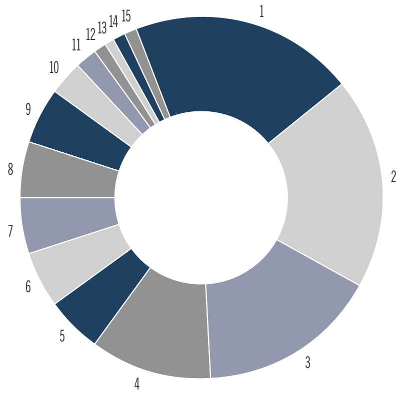
# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO

As at 28 February 2021

| Industry sector | Unlisted valuation £'000 | % | Quoted valuation £'000 | % | Total valuation £'000 | % |
|---|---|---|---|---|---|---|
| Software & computer services[1] | 11,910 | 38.7 | 452 | 1.5 | 12,362 | 40.2 |
| Support services[1] | 3,912 | 12.7 | 142 | 0.4 | 4,054 | 13.1 |
| Investment companies[2] | 269 | 0.9 | 3,626 | 11.8 | 3,895 | 12.7 |
| Electronic & electrical equipment | 2,562 | 8.3 | 83 | 0.3 | 2,645 | 8.6 |
| Energy services | 2,386 | 7.8 | - | - | 2,386 | 7.8 |
| Pharmaceuticals & biotechnology | 624 | 2.0 | 1,092 | 3.6 | 1,716 | 5.6 |
| Health | 1,092 | 3.6 | - | - | 1,092 | 3.6 |
| Telecommunication services | 1,024 | 3.3 | - | - | 1,024 | 3.3 |
| Technology | 676 | 2.2 | - | - | 676 | 2.2 |
| Insurance | 303 | 1.0 | - | - | 303 | 1.0 |
| Specialised manufacturing | 278 | 0.9 | - | - | 278 | 0.9 |
| Chemicals | - | - | 186 | 0.6 | 186 | 0.6 |
| Diversified industrials | 77 | 0.3 | - | - | 77 | 0.3 |
| Engineering & machinery | - | - | 39 | 0.1 | 39 | 0.1 |
| **Total** | **25,113** | **81.7** | **5,620** | **18.3** | **30,733** | **100.0** |

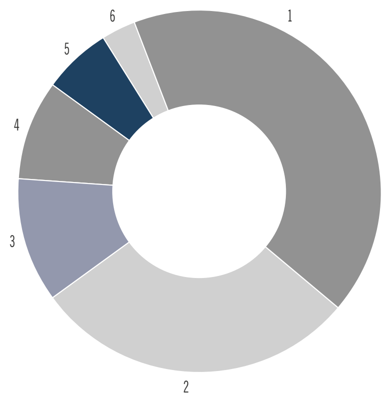
*[1] The charts below show the breakdown by end market.*
*[2] Quoted holdings in investment trusts and unit trusts as part of liquidity management strategy.*

### Breakdown of Software & Computer Services




1. Financial services - 20%
2. Employment services - 19%
3. Marketing - 16%
4. Automotive - 11%
5. Hospitality - 5%
6. Education - 5%
7. Consumer services - 5%
8. Advertising - 5%
9. Communications - 5%
10. Cyber security - 3%
11. Data analytics - 2%
12. E-commerce - 1%
13. Media - 1%
14. Transport - 1%
15. Healthcare - 1%

### Breakdown of Support Services




1. Consumer services - 42%
2. Industrial products and services - 29%
3. Leisure - 11%
4. Education - 9%
5. Marketing - 6%
6. Energy services - 3%

Strategic Report

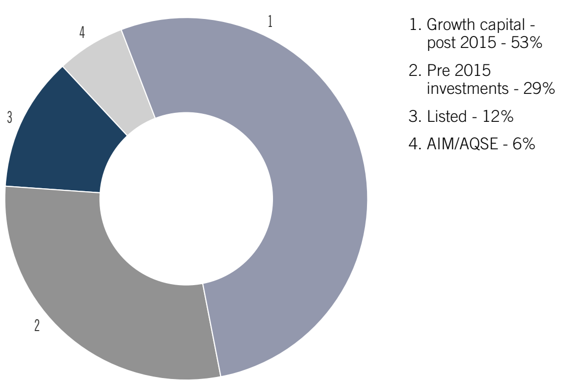
# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO (CONTINUED)

As at 28 February 2021

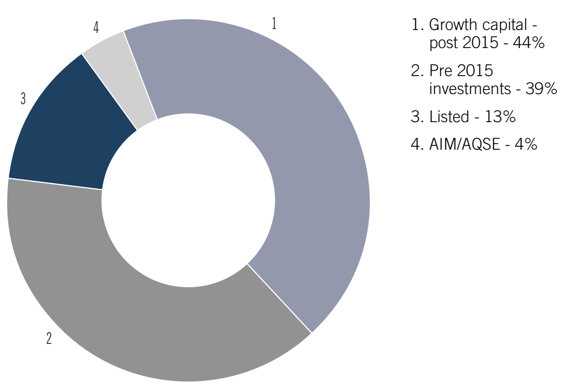
| Transaction type | Number | Valuation £'000 | % |
|---|---|---|---|
| **Unlisted** | | | |
| Growth capital - post 2015[1] | 41 | 16,173 | 52.6 |
| Investments completed pre 2015[2] | 18 | 8,940 | 29.1 |
| **Total unlisted** | **59** | **25,113** | **81.7** |
| **Quoted** | | | |
| Listed[3] | 11 | 3,626 | 11.7 |
| AIM/AQSE | 18 | 1,994 | 6.6 |
| **Total quoted** | **29** | **5,620** | **18.3** |
| **Total unlisted and quoted[4]** | **88** | **30,733** | **100.0** |

[1] *The Finance (No. 2) Act 2015 introduced new qualifying rules governing the types of investments VCTs can make.*
[2] *Includes all investments completed prior to the enactment of the Finance (No. 2) Act 2015.*
[3] *Quoted holdings in investment trusts and unit trusts as part of liquidity management strategy.*
[4] *Excludes cash balances.*

**Valuation by Transaction Type - February 2021**




**Valuation by Transaction Type - February 2020**



# INVESTMENT MANAGER'S REVIEW

## HIGHLIGHTS

20 new private and AIM quoted company holdings added to the portfolio, with a further four unlisted investments completed after the period end

Partial realisation of Global Risk Partners for a total return of 2.55 times cost

Realisation of Lending Works for a total return of 0.92 times cost

Realisation of Symphonic Software for a total return of 2.92 times cost

£1.43 million realised through AIM disposals

**The rapid change in economic conditions resulting from the outbreak of COVID-19 created a complex operating environment for the Manager during the period under review. It is, therefore, encouraging to report that, although the pandemic inevitably had a short term impact on the trading of certain portfolio companies, many of the more defensive holdings have been relatively unaffected, whilst others have continued to grow their revenues. This highlights the benefits of the sectorally diverse portfolio, which has been constructed over recent years and has provided an element of protection against the wider market conditions arising from the pandemic. Notably, the AIM quoted portfolio delivered positive performance during the year, with several holdings, including those with exposure to healthcare and life sciences sectors, recording significant share price appreciation. Whilst retaining a cautious approach to certain markets, the Manager has maintained a good rate of capital deployment, further increasing the number of investments in line with the strategic objective of building a large and diversified portfolio of unlisted and AIM quoted holdings. A key highlight of the financial year was the realisation of Symphonic Software, which was sold to a US trade buyer in October 2020 and achieved a total return of 2.92 times cost over a holding period of less than two years.**

At the outset of the pandemic, and in support of your Company's objectives, the immediate priority was the safety and wellbeing of the Maven team and the protection of Shareholder value. In line with Government and local guidelines, Maven's regional offices migrated to a home working model, with all non-essential travel cancelled and meetings taking place by video conference or telephone. This transition was achieved with continuity of service throughout. Latterly, the Maven offices have re-opened, with social distancing measures and enhanced hygiene protocols in place. Maven will continue to follow Government advice and local guidelines with respect to its day-to-day operations.

Shortly after the outbreak of COVID-19 in the UK, Maven initiated a comprehensive review of the portfolio, to ascertain the likely impact on a case-by-case basis. The investment team has been working closely with each management team to assess the impact and help to ensure that each business has been able to continue to trade with costs and cash managed carefully. Maven also provided assistance in helping portfolio companies to access Government support such as the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loans Scheme. Following that initial review, the Board approved a small number of specific provisions against holdings in those private companies that were most affected, particularly those with direct exposure to sectors where lockdown restrictions had an immediate impact on trading ability. A revised NAV was announced to the market on 26 March 2020, reflecting those provisions alongside a revaluation of all AIM quoted and listed holdings based on market prices at that time. The breadth and diversity of the portfolio has proven to be a core strength throughout this period, and it is encouraging to report than there has been a recovery in value since this review was conducted, as reflected in the NAV total return per share reported at the year end.

Whilst the market conditions over the past year have created challenges for some investee companies, most have adapted their business model and proven to be operationally resilient. A large proportion of your portfolio is now invested in earlier stage companies, a number of which have experienced an acceleration in growth, reflecting the rapid and widespread uptake of digital solutions across a range of sectors. This includes increased use of video-calls, online shopping, training or click & collect services. In addition, your Company has exposure to a range of biotech and medtech businesses that have been able to contribute to the global effort to develop COVID-19 tests or therapeutics, as well as helping to provide vital medical equipment and supplies.

During the year, 11 new private company assets were added to the portfolio, predominantly in defensive sectors such as cyber security, web archiving, data analytics and healthcare, where there is limited direct consumer exposure. Where possible, Maven has actively sought to co-invest alongside another VCT house or partner and has structured the investment to be delivered progressively in tranches, subject to achievement of agreed milestones, in order to further mitigate risk. The provision of follow-on funding to support portfolio companies that are making tangible commercial progress remains a key component of the investment strategy, as it is widely acknowledged that many growth companies will require several rounds of funding to help them achieve scale and realise optimum value at exit. In addition, nine new AIM quoted investments were also completed across a range of attractive and emerging sectors, including artificial intelligence, biotech, clean energy, data analytics and medtech. Maven has a dedicated team of London based AIM VCT executives with a deep understanding of that market and who enjoy long-standing relationships with the City broking community. It is anticipated that your Company will continue to make selective new AIM investments, to complement the core private company portfolio holdings. Full details of the new private and AIM quoted portfolio companies can be found on pages 24 to 29 of this Annual Report.

RegTech specialist **Symphonic Software** was sold to a US trade buyer in October 2020, for a total return of 2.92 times cost achieved over a holding period of less than two years, where the acquirer was attracted to Symphonic's unique platform and technology. Since the VCT rule changes in 2015, your Company has been constructing a portfolio of early stage, higher growth assets that are capable of generating a premium multiple of cost at exit. This realisation represents the first material and high value exit from the early stage private company portfolio.

## Portfolio Developments

Integrated drug discovery service provider **BioAscent Discovery** has achieved impressive growth since the Maven VCTs first invested in 2018. Over the past two years, the business has recorded 67% compound annual growth in revenue and was recently named top performing outsourcer for the second year running in the Alantra Pharma Fast 50, which ranks the UK's fastest growing privately owned pharma and related service companies. Since investment, BioAscent has extended its services into complementary chemistry and biology areas, and has been involved in the UK's response to COVID-19, helping to set up a new testing facility in conjunction with the Scottish Government to scale up virus testing. Despite the challenging operating climate, BioAscent expects to record further growth in the year ahead.

Learning and development software provider **Filtered Technologies** has made strong progress since the Maven VCTs first invested in July 2019. Filtered provides skills training to corporate clients through its intelligent learning software solution, and has continued to grow throughout the current year, with annual recurring revenue (ARR) doubling since the initial investment. During 2020, Filtered demonstrated the resilient nature of its business model by harnessing its technology to develop specific products that enable clients to conduct virtual training to replace the usual "in person" conferences. Filtered has a strong client base and a pipeline of interesting opportunities, indicating that further growth in ARR should be achievable in the year ahead.

The first crematorium developed by **Horizon Ceremonies**, in the Clyde Coast & Garnock Valley, continues to trade well, having built a strong local market presence and a growing reputation for offering high quality service and care for families. During 2020, the Horizon business made further strategic progress, including securing planning consent for the construction of new crematoria on two further sites. Construction work has now completed at the location in Cannock, Staffordshire, and the site opened in April 2021. Construction of the third facility, in the suburbs of Glasgow, commenced in August 2020 and is progressing in line with plan. Two further sites are now under option, with planning applications submitted. The medium-term strategic objective remains to build a portfolio of modern, technologically advanced crematoria that meet the best ethical practice and environmental standards, and to sell the business to a trade acquirer when the business plan has been achieved.

**Martel Instruments**, a manufacturer and supplier of custom-built compact printers, portable data loggers and display units to the medical, pharmaceutical and other testing and compliance markets, has continued to enjoy strong trading over the past year, largely related to increased demand for medical devices. Martel's printers are used in clinical environments, where COVID-19 has increased the importance of printing test results quickly. The business has been operating at full capacity throughout the pandemic and has a strong forward order book. It is anticipated that this positive momentum will continue through 2021.

This has been an important year in the evolution of **QikServe**, which has developed a patented customer self-service platform that enables clients in hospitality venues to order and pay, at their table or remotely, without the need for personal contact or handling menus. Your Company first invested in QikServe in December 2016 and, since then, the business has made good progress, including the 2019 acquisition of complementary technology business Preoday, a developer of an order ahead, click & collect, solution, which has enhanced QikServe's product range. The restrictions imposed by the pandemic have accelerated the transition towards digital ordering within the hospitality sector, and QikServe has been well positioned to benefit. During the year, QikServe has added a number of new clients, including Merlin Entertainment, motorway service station operator Moto and TGI Fridays, and has a strong pipeline of opportunities with high profile clients that should help deliver continued growth in the year ahead.

It has been a challenging year for the automotive sector, with lockdown restrictions requiring car showrooms to remain closed and UK new car registrations 29% lower than the previous year. Despite the difficult market conditions, **Rockar**, which has developed a disruptive digital new and used car-buying platform, has continued to make good progress with its online white label solution attracting attention from a number of car manufacturers and national dealership groups, who are keen to develop a digital alternative to replace or complement the traditional showroom model. Rockar is well positioned to continue to grow its presence in this developing market, where it is anticipated that there will be a progressive move towards digitising the retail car sales market in line with the general trend across the retail economy.



In 2016, your Company invested in **The GP Service** (GPS), which provides a secure end-to-end system that allows patients to consult with a doctor online and to have a prescription dispensed by a local pharmacy through an electronic portal. GPS remains at the forefront of this sector, which has seen strong growth during the COVID-19 pandemic, having secured Care Quality Commission accreditation and being currently the only private company authorised to access to patients' NHS records. There are now 1,600 pharmacy partners signed up and the management team continues to progress a number of significant commercial agreements that could be transformational for the business. Notably, GPS was named *The Santander Technology Business of the Year* at the 2020 Growing Business Awards.

Your Company first invested in **WaterBear Education** in February 2018, when Maven backed a management team with over 20 years' experience in the music education sector to set up a specialist private music college offering university accredited Bachelor of Arts and Master of Arts courses for the creative arts, primarily catering for musicians, singers and songwriters. During the year, the business achieved a significant milestone by finalising a commercial relationship with Falmouth University, and student numbers have continued to grow. WaterBear was established to offer a blend of online and onsite tuition and this model has proven to be defensive in the face of the COVID-19 restrictions and the associated market conditions.

Conversely, a small number of portfolio companies have failed to gain the necessary commercial traction. A provision was taken against the holding in **ADC Biotechnology**, which encountered challenges in gaining regulatory approval for its new facility in North Wales. Following a formal process led by a specialist corporate finance adviser, ADC secured investment from a trade investor, which resulted in an exit for your Company in late March 2021. Provisions were also taken against the holdings in **AVID Technology** and **DigitalBridge** which, whilst making commercial progress, have not scaled as quickly as anticipated.

During the year, the AIM portfolio delivered a positive performance. Notably, several investee companies operate in the healthcare sector and have been involved in developing COVID-19 related treatments or therapeutics. Healthcare is likely to remain an attractive investment area for the foreseeable future and will continue to be a key focus of the Maven investment team, both on AIM and in the private company markets. The portfolio contains holdings in several AIM quoted companies that have exposure to this market, such as biopharmaceutical developer **Avacta**, which has reported positive news in relation to the development of its Affirmer-based rapid COVID-19 test for both laboratory and point-of-care settings, and **Destiny Pharma**, which is co-developing a biotherapeutic product to help prevent COVID-19. In May 2020, your Company invested in **Genedrive**, a molecular diagnostics company with a COVID-19 testing capability at an attractive valuation. This investment was realised in full during the reporting period and generated a 60% uplift on the entry cost.

### Liquidity Management

The Board and the Manager continue to operate an active liquidity management policy, with the objective of generating income from cash resources held prior to investment. Whilst the Finance Act 2016 introduced a restriction on holding investments in instruments such as treasury bills or other Government-backed securities for liquidity management purposes, it does permit VCTs to hold certain other listed securities. The Manager has constructed a focused portfolio of listed investment trust and unit trust holdings, and will continue to consider any other permitted liquidity management investment options that have the potential to generate income prior to deployment in VCT qualifying investments.

## New Investments

As noted previously, this has been an active period for new investment, with the addition of eleven new private company holdings to the portfolio. These companies are active in some of the UK's most dynamic market sectors, and in areas that have continued to experience growth despite challenges within the wider economy.

**Adimo** has developed a marketing technology platform for the fast-moving consumer goods (FMCG) sector, which is the world's largest advertising sector by spend. Adimo's solution gives FMCG advertisers a direct sales capability by connecting an advert or promotion to an online grocery basket and allowing a product to be added either for purchase later or to be bought instantly through the *Buy it Now* functionality. The software also provides brands with important data on customers' buying behaviour to help support repeat purchases. Adimo has a strong blue chip client list that includes Coca-Cola, Danone and GSK. The VCT funding is being used grow the revenue base and progress the pipeline of opportunities.

**GEN inCode** has developed a range of patented genetic testing products that provide predictive analysis of a patient's health risk in cardiovascular and related diseases, which collectively are the leading global cause of death and disability. Proprietary algorithms use artificial intelligence (AI), bioinformatics and a globally recognised clinical evidence base to provide actionable insights. With healthcare shifting from a 'one size fits all' approach towards tailored treatments that utilise patients' genetic information, GEN inCode's diagnostic solutions enable medical practitioners to develop targeted treatment and prevention plans, helping to transform the delivery of effective healthcare. The VCT funding is being used to expand the company's presence in Europe and enter the US, which is seen as a key market for future growth.

**Hublsoft** is a data analytics specialist that aims to provide better support for corporate decision makers. Through its software as a service (SaaS) platform, Hublsoft simplifies the analysis of big data using natural language and charts that are simple to interpret and understand. The smart user interface makes big data more accessible for clients who had previously found it too complex to handle or were heavily reliant on third parties to analyse and interpret the results. The VCT funding is being used to support growth in new markets in the UK and Europe.

**Intilery** has developed a digital customer engagement platform that provides a holistic view of a client organisation's marketing activities and uses real time data about customers' behaviour to identify opportunities for enhancing multi-channel marketing campaigns. Personalised interactions and timely reminders are used to improve the levels of engagement, increase loyalty and, ultimately, drive revenue growth. The VCT funding is being used to expand the sales and marketing team as well as further develop the product and associated technology.

**MirrorWeb** has developed a cloud-based social media and website archiving solution for public and private sector clients, which addresses the increasing requirement to preserve online data in order to meet statutory, regulatory or legal obligations. The company provides a reliable, secure solution for preserving legally admissible records in a digital archive, leading to reduced compliance costs and improved efficiency through automation. MirrorWeb has built a strong recurring revenue base and has a client list that includes Aberdeen Standard Investments, the BBC, HM Treasury, Tesco Bank, The National Archives and Zurich Insurance Group. The VCT funding is being used to grow the sales and marketing function, as well as to help build a market presence in the UK and US, particularly within the financial services sector.

**Nano Interactive** is an advertising technology business that specialises in intent targeting to identify relevant individuals to receive advertising based on multiple live intent signals, including their online search activity. Nano's platform allows advertisers and agencies to target users, at the exact point of interest, whilst also prioritising user privacy. The company has a strong client base of blue-chip advertisers, including Microsoft and agency groups such as Omnicom and Publicis. The VCT funding is being used for further product development and to establish a presence in the US.

**Precursive** has developed a B2B SaaS platform that bridges the gap between customer relationship management sales systems and customer success platforms, allowing clients to automate their customer onboarding and workforce capacity management, whilst also improving operational efficiency and reducing client attrition. The company has built a strong market position and has developed high-quality relationships with clients such as DPD, GoCardless, Google and SES, which also provides good levels of forward revenue visibility. The VCT funding is being used to hire additional development staff, to grow outbound and channel sales and to invest in product development.

**Push Technology** is an established technology business that provides solutions to improve the speed, security and efficiency of critical data transfers. Push has built a strong blue-chip customer base across the financial services, e-gaming and internet of things (IOT) sectors, where data transfer is of particularly high importance and value. Push engages with customers through long-term software licenses combined with annual recurring maintenance and support income. The VCT funding is being used to develop the business internationally and to enhance the technology offering.

**Quorum Cyber Security** has developed an innovative platform that offers organisations a level of cyber security that would not be available in-house, including advisory services in crucial areas such as penetration testing, vulnerability management, forensic investigation and regulatory compliance. Quorum's fully managed, cloud native *Security Operations Centre*, protects small and large businesses across a range of sectors, and the business also provides consulting and managed security services to companies across the globe, including the UK, Europe, Australasia and the Middle East. The VCT funding is being used to invest in sales and marketing, as well as to further develop the relationship with Microsoft, which should enable Quorum to target larger customers in the future.

**RevLifter** has developed an AI powered B2B technology solution that helps e-retailers to increase revenue through personalised offers hosted by client brands. The technology platform uses machine learning to analyse and understand multiple signals from customers' onsite behaviour, in order to deliver tailored deals to their preferences, thereby minimising cart abandonment, increasing sales and improving customer loyalty and experience. RevLifter has gained a number of high-profile clients, including AT&T, ASOS and US retailer Sam's Club. The VCT funding is being used to build out the technical development and data science teams, as well as expand the sales, marketing and customer services functions.

**The Algorithm People** (TAP) has developed a SaaS platform for the transport and logistics sectors. The *My Transport Planner* solution enables fleet operators to reduce costs by planning the most efficient route and job schedule for their vehicles (including electric vehicles). Delivery via a web browser reduces the cost and complexity of implementation, or the need for investment in ancillary hardware, which are known barriers to the adoption of route optimisation technology for a large part of the market. TAP's technology also features a pay-as-you-go model (in addition to longer term contract options) to drive uptake by smaller fleet operators. The VCT funding is being used to progress new partnerships and increase market presence.

During the period, nine AIM quoted investments were added to the portfolio.

- **Abingdon Health** is a lateral flow diagnostics company that provides contract service solutions, such as product development, regulatory support, technology transfer and commercial manufacturing, to a global client base in healthcare and other sectors. Abingdon has developed the AbC-19™ Rapid Test, which is an antibody rest for COVID-19 and also produces lateral flow tests covering other applications in areas such as infectious disease, oncology, animal health and environmental testing. Your Company participated in the £22 million fund raising, which completed in December 2020. The investment is being used to scale manufacturing to meet demand for AbC-19™ rapid lateral flow tests and allow Abingdon to establish a global commercial and operational footprint.
- **Crossword Cybersecurity** is focused on the development and commercialisation of cyber security and risk management related software, based on university research, as well as cyber security consulting. The business goal is to build a portfolio of revenue generating cyber security products based on intellectual property. Your Company participated in the £1.6 million fundraising, which completed in February 2021. The investment is being used to increase sales and marketing resource, accelerate product development and to produce additional working capital.
- **Destiny Pharma** is a clinical stage biotechnology company focused on the development and commercialisation of novel medicines to prevent life threatening infections caused by antibiotic-resistant bacteria such as MRSA. Destiny is also co-developing a preventative biotherapeutic product for the prevention of COVID-19. Your Company participated in the £9.5 million fundraising, which completed in November 2020. The investment is being used to fund Phase III clinical trial preparation costs and provide additional working capital.
- **Diurnal** is a speciality pharmaceutical company developing high quality products for the life-long treatment of rare and chronic endocrine conditions, including congenital adrenal hyperplasia and adrenal insufficiency. Your Company participated in the £11.2 million fundraising, which completed in March 2020. The investment is being used to support the development and commercialisation of Diurnal›s established products in the US and the rest of the world, and to progress early-stage pipeline opportunities into clinical trial phases.
- **Eden Research** develops innovative biopesticide products and natural micro-capsulation technologies for the global crop protection, animal health and consumer products industries. Your Company participated in the £10.1 million fundraising, which completed in March 2020. This investment will enable Eden to develop, register and commercialise key new products in categories such as insecticide formulation and seed treatment, as part of the strategic objective of establishing itself as a leader in the sustainable agriculture market.
- **Genedrive** is a molecular diagnostics company that is developing and commercialising a low cost and simple to use platform for the rapid diagnosis of infectious diseases and use in patient stratification pathogen detection and other indications. During the period, Genedrive announced the development of a high throughput SARS-CoV-2 test to detect the COVID-19 virus. Your Company participated in the £7 million placing, which completed in May 2020. The investment is being used to support the introduction of the SARS-CoV-2 test alongside other product innovation.
- **ReNeuron** is a global leader in cell-based therapeutics, where its unique stem cell technologies are used to develop ‘off the shelf’ stem cell treatments, without the need for immunosuppressive drugs. ReNeuron has clinical-stage candidates in development for retinitis pigmentosa, a blindness-causing disease, and for disability as a result of stroke. Your Company participated in the £15 million fundraising, which completed in November 2020. The investment is being used to support the current clinical trials and help deliver proof of concept on pre-clinical stem cell therapies currently in development.
- **RUA Life Sciences** is the developer of patented long term implantable biopolymer devices and components for the vascular and heart valve markets, each of which utilise the bio-compatible polymer Elast-Eon™. Your Company participated in the £6.0 million fundraising, which completed in December 2020. The investment is being used to accelerate the development of the group’s surgical heart valve through to human trial stage, and to progress the development of pipeline valve and graft products.
- **Trackwise Designs** is a leading printed circuit technology provider, manufacturing specialist interconnector products for use across multiple sectors and applications. Your Company participated in the £5.9 million fundraising, which completed in March 2020. The investment provides working capital to support the growth of the business, specifically in the improved harness technology area, which utilises the company’s proprietary technology to manufacture unlimited length, multilayer flexible printed circuits that can be used in aerospace, automotive, satellite and medical markets.

The table below shows the investments that have been completed during the period:

| Investments | Date | Sector | Investment cost £'000 | Website |
|---|---|---|---|---|
| **New unlisted** | | | | |
| GEN inCode Limited | July 2020 | Health | 200 | www.genincode.com |
| Hublsoft Group Limited | June 2020 | Software & computer services (data analytics) | 300 | www.hublsoft.com |
| Intilery.com Limited | April 2020 | Software & computer services (e-commerce) | 75 | www.intilery.com |
| MirrorWeb Limited | September 2020 | Software & computer services (RegTech) | 150 | www.mirrorweb.com |
| Nano Interactive Group Limited | March 2020 | Software & computer services (AdTech) | 625 | www.nanointeractive.com |
| Precursive Limited | March 2020 | Software & computer services (resource management) | 500 | www.precursive.com |
| Push Technology Limited | March 2020 | Software & computer services (data acceleration) | 525 | www.pushtechnology.com |
| Quorum Cyber Security Limited | June 2020 | Software & computer services (cyber security) | 150 | www.quorumcyber.com |
| RevLifter Limited | November 2020 | Software & computer services (e-commerce) | 100 | www.revlifter.com |
| Rico Developments Limited (trading as Adimo) | February 2021 | Software & computer services (MarTech) | 435 | www.adimo.co.uk |
| The Algorithm People Limited | May 2020 | Software & computer services (fleet telematics) | 100 | www.thealgorithmpeople.co.uk |
| **Total new unlisted** | | | **3,160** | |

| Investments | Date | Sector | Investment cost £'000 | Website |
|---|---|---|---|---|
| **Follow-on unlisted** | | | | |
| ADC Biotechnology Limited[1] | March and July 2020 | Pharmaceuticals & biotechnology | 122 | www.adcbio.com |
| AVID Technology Group Limited | March 2020 | Specialist manufacturing | 71 | www.avidtp.com |
| Boiler Plan (UK) Limited | March 2020 | Support services (consumer services) | 200 | www.boilerplanuk.com |
| Bright Network (UK) Limited | March 2020 | Software & computer services (recruitment) | 667 | www.brightnetwork.co.uk |
| Contego Solutions Limited (trading as NorthRow) | July 2020 | Software & computer services (RegTech) | 250 | www.northrow.com |
| Curo Compensation Limited | April 2020 | Software & computer services (employment services) | 82 | www.curocomp.com |
| e.fundamentals (Group) Limited | November 2020 | Software & computer services (data analysis) | 100 | www.efundamentals.com |
| eSafe Global Limited | November 2020 | Software & computer services (education) | 34 | www.esafeglobal.com |
| Horizon Ceremonies Limited | May 2020 | Support services (funeral services) | 100 | www.horizoncremation.co.uk |
| Life's Great Group Limited (trading as Mojo Mortgages)[1] | March and July 2020 | Software & computer services (financial services) | 270 | www.mojomortgages.com |
| Optoscribe Limited | March 2020 | Specialist manufacturing | 88 | www.optoscribe.com |
| QikServe Limited | March 2020 | Software & computer services (hospitality) | 47 | www.qikserve.com |
| Relative Insight Limited | June 2020 | Software & computer services (language analytics) | 100 | www.relativeinsight.com |
| Rockar 2016 Limited (trading as Rockar) | October 2020 | Software & computer services (automotive) | 325 | www.rockar.digital |
| The GP Service (UK) Limited | May 2020 | Health | 163 | www.thegpservice.co.uk |
| **Total follow-on unlisted** | | | **2,619** | |
| | | | | |
| **Total unlisted** | | | **5,779** | |

| Investments | Date | Sector | Investment cost £'000 | Website |
|---|---|---|---|---|
| **New quoted** | | | | |
| Abingdon Health PLC | December 2020 | Pharmaceuticals & biotechnology | 130 | www.abingdonhealth.com |
| Crossword Cybersecurity PLC | February 2021 | Software & computer services (cyber security) | 150 | www.crosswordcybersecurity.com |
| Destiny Pharma PLC | November 2020 | Pharmaceuticals & biotechnology | 150 | www.destinypharma.com |
| Diurnal Group PLC | March 2020 | Pharmaceuticals & biotechnology | 63 | www.diurnal.co.uk |
| Eden Research PLC | March 2020 | Chemicals | 101 | www.edenresearch.com |
| Genedrive PLC | May 2020 | Pharmaceuticals & biotechnology | 25 | www.genedriveplc.com |
| ReNeuron Group PLC | November 2020 | Pharmaceuticals & biotechnology | 283 | www.reneuron.com |
| RUA Life Sciences PLC | December 2020 | Pharmaceuticals & biotechnology | 149 | www.rualifesciences.com |
| Trackwise Designs PLC | March 2020 | Electronics & electrical equipment | 63 | www.trackwise.co.uk |
| **Total new quoted** | | | **1,114** | |
| **Follow-on quoted** | | | | |
| C4X Discovery Holdings PLC | May 2020 | Pharmaceuticals & biotechnology | 14 | www.c4xdiscovery.com |
| **Total follow-on quoted** | | | **14** | |
| | | | | |
| **Total quoted** | | | **1,128** | |
| | | | | |
| **Total investments** | | | **6,907** | |

[1]*Follow-on investment made in two tranches.*

Your Company has co-invested in some or all of the above transactions with the other Maven VCTs. At the period end, the portfolio stood at 88 unlisted and quoted investments, at a total cost of £29.95 million.

## Realisations

In June 2020, the partial sale of the investment in **Global Risk Partners** (GRP) completed. Your Company originally invested in 2013, participating in a syndicate to back a highly experienced management team to pursue a buy & build strategy in the specialty insurance and reinsurance markets. GRP achieved significant scale and, at the point of sale, had completed and successfully integrated 59 acquisitions, with the enlarged business achieving annual gross written premium of almost £800 million. Following a competitive process, an offer was received from a US private equity buyer, with a partial exit completing conditionally in February 2020. The sale concluded in June 2020, following regulatory approval, generating a total return of 2.55 times cost over the life of the investment.

In October 2020, following an unsolicited approach, the holding in RegTech specialist **Symphonic Software** was realised through a trade sale to NYSE listed US technology business Ping Identity, which delivers intelligent identity solutions for corporate clients. Following the investment by the Maven VCTs in March 2019, Symphonic developed a strong partnership with Ping, allowing the company's authorisation software to be paired with Ping's data privacy and consent products. The acquisition is an excellent strategic fit, as it will facilitate greater integration with Ping's broader intelligent identity platform. The exit generated a total return of 2.92 times cost over the holding period.

In December 2020, the sale of peer-to-peer lending platform **Lending Works** completed. Your Company first invested in Lending Works in April 2018, at a time when the peer-to-peer market was experiencing significant growth and the company was positioned to become a credible challenger in this disruptive market. The outbreak of COVID-19, however, had a detrimental impact on consumer appetite for lending, and the Manager made the decision to exit from the investment. Following a formal sales process, an offer for the business was accepted from private asset manager Intriva Capital, with the sale completing in December 2020. The exit generated a total return of 0.92 times cost over the life of the investment.

During the period, a total of £1.43 million was realised through AIM disposals, where the Manager was able to take advantage of share price appreciation and favourable market conditions to actively trade out of a number of holdings, either partially or completely, in order to lock in profits. Following an offer from a US private equity firm, the holding in **Cello Health** was realised in full at a significant premium to the entry price.

The table below gives details of all the realisations completed during the reporting period:

| Sales | Year first invested | Complete/ partial exit | Cost of shares disposed of £'000 | Value at 29 February 2020 £'000 | Sales proceeds £'000 | Realised gain/(loss) £'000 | Gain/(loss) over 29 February 2020 value £'000 |
|---|---|---|---|---|---|---|---|
| **Unlisted** | | | | | | | |
| ELE Advanced Technologies Limited[1] | 2000 | Complete | - | - | 21 | 21 | - |
| Lambert Contracts Holdings Limited[2] | 2013 | Complete | - | - | 20 | 20 | - |
| Lending Works Limited | 2018 | Complete | 407 | 407 | 373 | (34) | (34) |
| Martel Instruments Holdings Limited[3] | 2007 | Partial | 285 | 285 | 285 | - | - |
| Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners)[4] | 2013 | Partial | 434 | 1,084 | 906 | 472 | (178) |
| Space Student Living Limited[2] | 2011 | Complete | - | 51 | 37 | 37 | (14) |
| Symphonic Software Limited | 2019 | Complete | 185 | 185 | 520 | 335 | 335 |
| Other unlisted investments | | | - | - | 3 | 3 | - |
| **Total unlisted** | | | **1,311** | **2,012** | **2,165** | **854** | **109** |
| **Quoted** | | | | | | | |
| Abingdon Health PLC | 2020 | Partial | 45 | - | 60 | 15 | - |
| Avacta Group PLC | 2019 | Partial | 95 | 142 | 398 | 303 | 256 |
| C4X Discovery Holdings PLC | 2019 | Partial | 7 | 5 | 10 | 3 | 5 |
| Cello Health PLC | 2004 | Complete | 310 | 387 | 499 | 189 | 112 |
| Eden Research PLC | 2020 | Partial | 43 | - | 81 | 38 | - |
| Genedrive PLC | 2020 | Complete | 25 | - | 40 | 15 | - |
| Intelligent Ultrasound Group PLC | 2019 | Partial | 32 | 31 | 52 | 20 | 21 |
| ReNeuron Group PLC | 2020 | Partial | 147 | - | 208 | 61 | - |
| Trackwise Designs PLC | 2020 | Partial | 37 | - | 82 | 45 | - |
| Other quoted investments | | | 1 | 1 | 1 | - | - |
| **Total quoted** | | | **742** | **566** | **1,431** | **689** | **394** |
| **Unit trusts** | | | | | | | |
| Royal London Short Duration Credit Fund (class M income) | 2019 | Partial | - | - | 9 | 9 | - |
| **Total unit trusts** | | | - | - | **9** | **9** | **-** |
| | | | | | | | |
| **Total sales** | | | **2,053** | **2,578** | **3,605** | **1,552** | **503** |

[1] *Deferred consideration.*
[2] *Final recovery proceeds.*
[3] *Loan note repayment.*
[4] *Loss over 29 February 2020 value equates to the residual holding retained in the business and is reflected in the current NAV.*

During the year, four private companies were struck off the Register of Companies, resulting in an aggregate realised loss of £2.09 million (total cost £2.09 million). This had no effect on the NAV of the Company as a full provision had been made against the value of each holding in previous periods.

## Material Developments Since the Period End

Since 28 February 2021, four new private company holdings have been added to the portfolio.

- **Atterley** is the provider of a fashion marketplace, which connects consumers with independent fashion retailers and brands. The platform offers customers an extensive selection of premium, emerging and undiscovered labels curated by some of the most high profile fashion buyers. The VCT funding is being used to expand the market presence in the US, fund specific recruitment and further develop the technology platform;
- **Cardinality** is the developer of a data ingestion and analytics platform, which enables customers to manage and derive value from very large data sets. The business is focused on the telecoms sector and its clients include Vodafone, Telefonica and Zain. The VCT funding is being used to expand into new target markets, with an initial focus on the financial services sector;
- **eSalesHub** is the developer of an artificial intelligence enabled sales analytics platform, which provides clients with real-time insight into the sources of all inbound customer phone calls, allowing clients to optimise their media spend and strategy. ESalesHub is a Google Premier Partner and has over 200 clients including Barchester, Connells Estate Agents, Dyno (a division of British Gas), and Europcar. The VCT funding is being used to continue to support growth, develop a SaaS model for larger clients and also provide working capital; and
- **Horizon Technologies** is a specialist manufacturer and supplier of airborne satellite phones for intelligence, surveillance and reconnaissance (ISR) applications. The core hardware solution FlyFish is currently in operation on numerous platforms worldwide, including daily search and rescue missions via NATO and FRONTEX in the Mediterranean Sea, alongside counter piracy operations off the coast of East Africa. The VCT funding is being used to support the market launch of AMBER, which has been developed in conjunction with the UK Government. The technology builds on FlyFish's capabilities and will be added to commercial satellites to detect geolocation and classify maritime radars to help detect illegal maritime activity such as piracy, smuggling, illegal fishing and terrorism.

## Outlook

Despite the wider macro-economic conditions, this has been a year of good progress during which your Company has continued to deliver on its core investment objective. The investee portfolio has seen significant expansion, with the addition of a wide range of new holdings across various industry sectors, many of which offer defensive qualities and continuing growth potential. The Manager believes that the optimum model for a fully diversified VCT is the construction of a large and balanced portfolio with exposure to both private and AIM quoted companies, in tandem with an active liquidity management policy. Your Company is aligned with this approach and, consequently, remains well positioned to achieve further growth in Shareholder value in the years ahead.

**Maven Capital Partners UK LLP**
**Manager**

**4 June 2021**

# LARGEST INVESTMENTS BY VALUATION

As at 28 February 2021

**Martel Instruments Holdings Limited** Durham

| | | |
|---|---|---|
| Cost (£'000) | 949 | |
| Valuation (£'000) | 1,679 | |
| Basis of valuation | Earnings | |
| Equity held | 14.9% | |
| Income received to date (£'000) | 1,002 | |
| First invested | January 2007 | |
| Year end | 31 December | |
| | 2019 (£'000) | 2018 (£'000) |
| Sales | 3,435 | 3,663 |
| EBITDA[1] | 781 | 868 |
| Net liabilities | (3,452) | (3,313) |

Martel is one of the leading UK manufacturers of custom-built compact printer and display units, offering in-house software and tooling design expertise, as well as injection moulding and surface mount capabilities. Its global customer base includes companies in the automotive, medical, transport and retail sectors. The business differentiates itself from other printer suppliers by offering a complete design and build service for low volume/high customisation printer solutions. Martel has traded exceptionally well during the year, having secured a number of significant orders for printers for the medical market.

www.martelinstruments.com

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC

**Horizon Ceremonies Limited** Kent

| | | |
|---|---|---|
| Cost (£'000) | 788 | |
| Valuation (£'000) | 1,184 | |
| Basis of valuation | Discounted cash flow | |
| Equity held | 4.2% | |
| Income received to date (£'000) | 104 | |
| First invested | May 2017 | |
| Year end | 31 December | |
| | 2019 (£'000) | 2018 (£'000) |
| Net assets/ (liabilities) | (584) | 259 |

*This company produces abbreviated accounts as permitted under the Companies Act 2006 relating to small companies.*

Horizon Ceremonies is building and operating a portfolio of environmentally and technologically advanced crematoria across the UK that will offer enhanced levels of care for families. Many UK areas have a shortage of modern local facilities, with the market experiencing increased demand for better quality service and forecast to see significant long-term growth, reflecting demographic changes and changing public attitudes to cremation. Horizon's first facility, Clyde Coast and Garnock Valley in North Ayrshire, has been trading since June 2018, whilst the site in Cannock, Staffordshire, opened in April 2021. Construction is well underway at a third site in the suburbs of Glasgow, and there are a further two sites at various stages in the planning and consents process.

www.horizoncremation.co.uk

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC
Maven Investor Partners

## CatTech International Limited

Scunthorpe

| | | |
|---|---|---|
| Cost (£'000) | 627 | |
| Valuation (£'000) | 1,169 | |
| Basis of valuation | Earnings | |
| Equity held | 6.0% | |
| Income received to date (£'000) | 541 | |
| First invested | March 2012 | |
| Year end | 31 December | |
| | 2019 (£'000) | 2018 (£'000) |
| Sales | 13,827 | 9,510 |
| EBITDA[1] | 1,968 | 895 |
| Net assets | 640 | 97 |

CatTech provides niche industrial services to oil refineries and petrochemical plants across the major international markets, with offices in the UK, US, China, Singapore and Thailand. The business has developed a range of proprietary products for servicing essential equipment and improving catalyst handling, in sectors where health & safety and the ability to maintain operational efficiency are critical. There are only a limited number of specialists worldwide that have the skilled personnel and equipment to undertake catalyst handling projects.

www.cat-tech.com

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC
Maven Investor Partners

## Vodat Communications Group Limited

Stockport

| | | |
|---|---|---|
| Cost (£'000) | 567 | |
| Valuation (£'000) | 1,024 | |
| Basis of valuation | Earnings | |
| Equity held | 4.2% | |
| Income received to date (£'000) | 419 | |
| First invested | March 2012 | |
| Year end | 31 March | |
| | 2020 (£'000) | 2019 (£'000) |
| Sales | 28,576 | 24,053 |
| EBITDA[1] | 1,880 | 1,802 |
| Net assets | 2,183 | 2,723 |

Vodat provides managed network and communications solutions to business customers, with a particular focus on the UK retail sector, and offers a range of products and services including secure real-time data networks, telephone/VOIP services, card payment solutions, mobile marketing campaigns and disaster recovery. The business provides services to over 7,000 retail sites and its products enable retailers to reduce costs, boost store productivity and increase sales. Its established customer base includes Beaverbrooks, Fat Face, Joules and Welcome Break. In 2017, the company completed the acquisition of Axonex, a complementary specialist IT solutions provider. The acquisition has increased headline turnover and created a number of cross-selling opportunities.

www.vodat-int.com

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC
Maven Investor Partners

**Rockar 2016 Limited** Hull
(trading as Rockar)

| | | |
|---|---|---|
| Cost (£'000) | 905 | |
| Valuation (£'000) | 997 | |
| Basis of valuation | Earnings | |
| Equity held | 4.6% | |
| Income received to date (£'000) | 38 | |
| First invested | July 2016 | |
| Year end | 31 December | |
| | 2019 (£'000) | 2018 (£'000) |
| Sales | 51,754 | 47,855 |
| EBITDA[1] | 340 | 553 |
| Net assets | 728 | 830 |

Rockar has developed a disruptive digital car-buying proposition that aims to revolutionise the retail market by giving customers access to all of the services of a traditional dealership online. The white label solution helps car manufacturers digitalise their traditional route to market and enables consumers to complete their purchase online, including options for part-exchange and finance.

www.rockar.digital

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC

**Bright Network (UK) Limited** London

| | | |
|---|---|---|
| Cost (£'000) | 940 | |
| Valuation (£'000) | 971 | |
| Basis of valuation | Revenue | |
| Equity held | 8.4% | |
| Income received to date (£'000)[2] | Nil | |
| First invested | July 2018 | |
| Year end | 31 March | |
| | 2020 (£'000) | 2019 (£'000) |
| Sales | 3,128 | 2,172 |
| EBITDA[1] | (657) | (824) |
| Net assets | 4,863 | 2,103 |

Bright Network has built a media technology platform designed to enable blue-chip employers to identify, recruit and maintain contact with high quality graduates and young professionals. Using data analytics and machine learning to pre-screen candidates, Bright Network's database collates and analyses the diverse graduate talent pool, allowing employers to screen and match candidates to graduate vacancies. The quality of the database delivers significant cost efficiencies and improved outcomes for employers in the recruitment process.

www.brightnetwork.co.uk

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC

**The GP Service (UK) Limited** London

| | | |
|---|---|---|
| Cost (£'000) | | 860 |
| Valuation (£'000) | | 892 |
| Basis of valuation | | Revenue |
| Equity held | | 10.3% |
| Income received to date (£'000) | | 54 |
| First invested | | April 2016 |
| Year end | | 31 January |
| | 2020 (£'000) | 2019 (£'000) |
| Net liabilities | (1,894) | (597) |

*This company produces abbreviated accounts as permitted under the Companies Act 2006 relating to small companies.*

The GP Service (GPS) provides innovative services for general medical consultations and prescriptions, and is expanding into new geographical locations, whilst also enhancing its range of services. The online pharmacy and prescription market is a growth sector, driven by widespread increases in average GP waiting times and inflexible surgery opening times. The GPS platform enables customers to tailor healthcare needs around work and family commitments by facilitating live GP consultations by video link, with prescriptions issued to a local pharmacy.

www.thegpservice.co.uk

**Other Maven clients invested:**

Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC

**HCS Control Systems Group Limited** Glenrothes

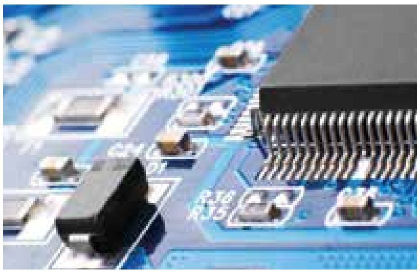
| | | |
|---|---|---|
| Cost (£'000) | | 846 |
| Valuation (£'000) | | 846 |
| Basis of valuation | | Earnings |
| Equity held | | 6.9% |
| Income received to date (£'000) | | 146 |
| First invested | | December 2012 |
| Year end | | 31 December |
| | 2019 (£'000) | 2018 (£'000) |
| Sales | 15,597 | 10,711 |
| EBITDA[1] | 939 | 556 |
| Net liabilities | (9,926) | (9,706) |

HCS is a specialist manufacturer of engineered mechanical, hydraulic and electrical systems to service companies, as well as umbilical and project businesses, in the subsea oil & gas sector. HCS undertakes the majority of work in house from a high-tech manufacturing facility. The company has built a strong working relationship with its clients, based on the ability to deliver fast track design, manufacture and testing of high quality topside and subsea control systems to a global blue-chip customer base that includes Oceaneering, OneSubsea and TechnipFMC.

www.hcs-control-systems.com

**Other Maven clients invested:**

Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC
Maven Investor Partners



### CB Technology Group Limited

Livingston

| | |
|---|---|
| Cost (£'000) | 579 |
| Valuation (£'000) | 843 |
| Basis of valuation | Earnings |
| Equity held | 11.8% |
| Income received to date (£'000) | 283 |
| First invested | December 2014 |
| Year end | 31 March |

| | 2020 (£'000) | 2019 (£'000) |
|---|---|---|
| Sales | 10,646 | 8,162 |
| EBITDA[1] | 1,392 | 832 |
| Net assets/ (liabilities) | 98 | (334) |

CB Technology is an established contract electronics manufacturer with a focus on complex manufacturing and testing for deployment in harsh environments. CB predominately assembles and tests high-end printed circuit boards for use in the industrial and semiconductor sectors, supplying a range of blue-chip customers with complex electronics that must function reliably under extremes of temperature, pressure and vibration.

www.cbtechnology.co.uk

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC
Maven Investor Partners

### Life's Great Group Limited

(trading as Mojo Mortgages)

Macclesfield

| | |
|---|---|
| Cost (£'000) | 820 |
| Valuation (£'000) | 825 |
| Basis of valuation | Revenue |
| Equity held | 10.0% |
| Income received to date (£'000)[2] | Nil |
| First invested | February 2019 |
| Year end | 30 April |

| | 2020 (£'000) | 2019 (£'000) |
|---|---|---|
| Sales | 1,525 | 847 |
| EBITDA[1] | (3,621) | (4,074) |
| Net liabilities | (2,045) | (499) |

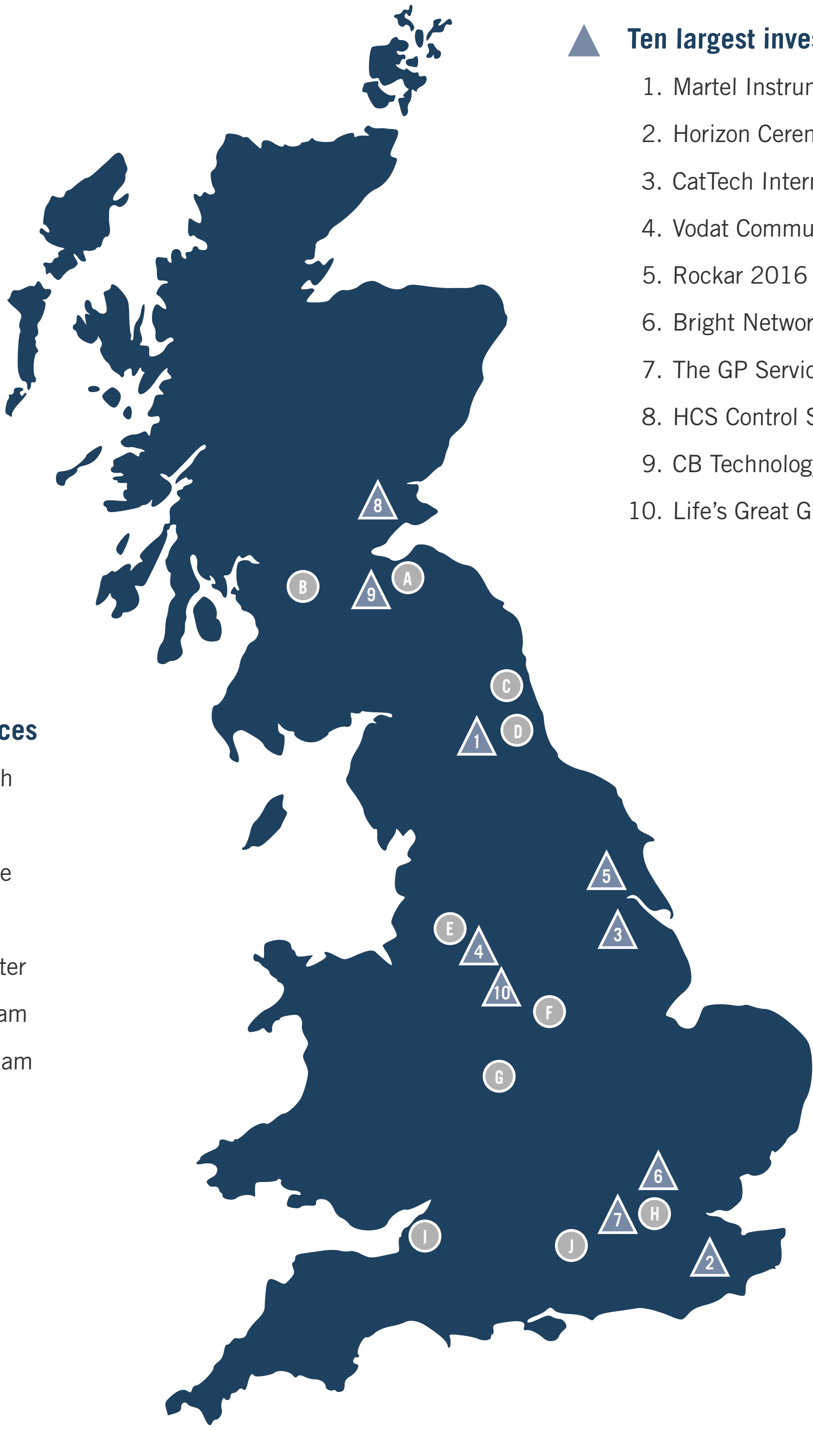
Mojo is an online mortgage broker focused on disrupting the UK mortgage market by revolutionising both advice and access to mortgage deals through digitalisation, automation, design and data. It is forcing market change and creating a far better experience for UK consumers. Mojo has over 172,000 customers signed-up to its services to date with over 5,000 mortgages sold at a total value of over £1 billion, and has access to over 92 lenders across the UK.

www.mojomortgages.com

**Other Maven clients invested:**
Maven Income and Growth VCT 3 PLC
Maven Income and Growth VCT 4 PLC
Maven Income and Growth VCT 5 PLC

[1] *Earnings before interest, tax, depreciation and amortisation.*
[2] *No interest is payable as investment has been structured as wholly in equity.*

# NATIONAL PRESENCE | REGIONAL FOCUS




**Ten largest investments**

1. Martel Instruments Holdings Limited
2. Horizon Ceremonies Limited
3. CatTech International Limited
4. Vodat Communications Group Limited
5. Rockar 2016 Limited
6. Bright Network (UK) Limited
7. The GP Service (UK) Limited
8. HCS Control Systems Group Limited
9. CB Technology Group Limited
10. Life's Great Group Limited

**Maven offices**

A. Edinburgh
B. Glasgow
C. Newcastle
D. Durham
E. Manchester
F. Nottingham
G. Birmingham
H. London
I. Bristol
J. Reading

# INVESTMENT PORTFOLIO SUMMARY

As at 28 February 2021

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients[1] |
|---|---|---|---|---|---|
| **Unlisted** | | | | | |
| Martel Instruments Holdings Limited | 1,679 | 949 | 4.1 | 14.9 | 29.3 |
| Horizon Ceremonies Limited (formerly Horizon Cremation Limited) | 1,184 | 788 | 2.9 | 4.2 | 48.5 |
| CatTech International Limited | 1,169 | 627 | 2.9 | 6.0 | 24.0 |
| Vodat Communications Group Limited | 1,024 | 567 | 2.5 | 4.2 | 22.6 |
| Rockar 2016 Limited (trading as Rockar) | 997 | 905 | 2.5 | 4.6 | 17.0 |
| Bright Network (UK) Limited | 971 | 940 | 2.4 | 8.4 | 29.5 |
| The GP Service (UK) Limited | 892 | 860 | 2.2 | 10.3 | 41.0 |
| HCS Control Systems Group Limited | 846 | 846 | 2.1 | 6.9 | 29.6 |
| CB Technology Group Limited | 843 | 579 | 2.1 | 11.8 | 67.2 |
| Life's Great Group Limited (trading as Mojo Mortgages) | 825 | 820 | 2.0 | 10.0 | 35.6 |
| Contego Solutions Limited (trading as NorthRow) | 798 | 798 | 2.0 | 6.5 | 25.7 |
| Relative Insight Limited | 700 | 700 | 1.7 | 3.7 | 25.6 |
| Glacier Energy Services Holdings Limited | 688 | 688 | 1.7 | 2.7 | 25.0 |
| Whiterock Group Limited | 676 | 321 | 1.7 | 5.2 | 24.8 |
| QikServe Limited | 659 | 659 | 1.6 | 3.0 | 12.3 |
| RMEC Group Limited | 659 | 463 | 1.6 | 2.9 | 47.2 |
| Nano Interactive Group Limited | 625 | 625 | 1.5 | 3.7 | 11.2 |
| Flow UK Holdings Limited | 598 | 598 | 1.5 | 7.3 | 27.7 |
| Delio Limited | 533 | 533 | 1.3 | 3.6 | 9.9 |
| Push Technology Limited[2] | 525 | 525 | 1.3 | 2.8 | 8.5 |
| Precursive Limited | 500 | 500 | 1.2 | 4.3 | 17.3 |
| CODILINK UK Limited (trading as Coniq) | 450 | 450 | 1.1 | 1.3 | 3.6 |
| Ensco 969 Limited (trading as DPP) | 443 | 733 | 1.1 | 4.9 | 29.6 |
| Filtered Technologies Limited | 435 | 400 | 1.1 | 4.3 | 22.3 |
| Rico Developments Limited (trading as Adimo) | 435 | 435 | 1.1 | 3.3 | 6.4 |
| e.fundamentals (Group) Limited | 400 | 300 | 1.0 | 1.6 | 9.2 |
| Boiler Plan (UK) Limited | 400 | 400 | 1.0 | 8.2 | 48.3 |
| BioAscent Discovery Limited | 392 | 174 | 1.0 | 4.4 | 35.6 |
| WaterBear Education Limited | 348 | 245 | 0.9 | 5.1 | 34.1 |
| ebb3 Limited | 340 | 252 | 0.8 | 6.0 | 52.6 |
| GradTouch Limited | 300 | 400 | 0.7 | 5.8 | 29.7 |
| HiveHR Limited | 300 | 300 | 0.7 | 5.2 | 33.7 |
| Hublsoft Group Limited | 300 | 300 | 0.7 | 4.7 | 26.5 |
| Growth Capital Ventures Limited | 269 | 257 | 0.7 | 5.3 | 37.8 |
| TC Communications Holdings Limited | 241 | 413 | 0.6 | 3.5 | 26.5 |
| ADC Biotechnology Limited | 232 | 775 | 0.6 | 1.9 | 7.4 |
| Curo Compensation Limited | 228 | 298 | 0.6 | 2.4 | 16.6 |
| eSafe Global Limited | 221 | 283 | 0.5 | 8.3 | 43.2 |

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 28 February 2021



| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients[1] |
|---|---|---|---|---|---|
| **Unlisted** | | | | | |
| Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners) | 203 | 2 | 0.5 | 8.4 | 91.6 |
| GEN inCode UK Limited | 200 | 200 | 0.5 | 2.2 | 14.4 |
| Optoscribe Limited | 187 | 187 | 0.5 | 1.5 | 8.1 |
| R&M Engineering Group Limited | 172 | 762 | 0.4 | 8.6 | 62.0 |
| MirrorWeb Limited | 150 | 150 | 0.4 | 2.1 | 34.8 |
| Quorum Cyber Security Limited | 150 | 150 | 0.4 | 2.6 | 18.4 |
| Shortbite Limited (trading as DigitalBridge) | 129 | 257 | 0.3 | 1.1 | 30.5 |
| ISN Solutions Group Limited | 127 | 323 | 0.3 | 4.6 | 50.4 |
| The Algorithm People Limited | 100 | 100 | 0.2 | 3.3 | 22.7 |
| RevLifter Limited | 100 | 100 | 0.2 | 1.2 | 16.7 |
| Altra Consultants Limited | 100 | 100 | 0.2 | 1.7 | 58.3 |
| AVID Technology Group Limited | 91 | 364 | 0.2 | 1.5 | 8.4 |
| Fathom Systems Group Limited | 77 | 711 | 0.2 | 8.0 | 52.0 |
| Intilery.com Limited | 75 | 75 | 0.2 | 0.8 | 43.2 |
| Honcho Markets Limited | 65 | 64 | 0.2 | 1.2 | 23.5 |
| LightwaveRF PLC[3] | 40 | 74 | 0.1 | 0.9 | 0.9 |
| FLXG Scotland Limited (formerly Flexlife Group Limited) | 22 | 277 | 0.1 | 1.8 | 12.5 |
| Other unlisted investments | - | 368 | - | | |
| **Total unlisted** | **25,113** | **24,970** | **61.9** | | |
| **Quoted** | | | | | |
| Destiny Pharma PLC | 261 | 150 | 0.6 | 0.4 | 1.4 |
| ReNeuron Group PLC | 208 | 136 | 0.5 | 0.3 | 1.8 |
| Eden Research PLC | 186 | 58 | 0.5 | 0.3 | 1.1 |
| RUA Life Sciences PLC | 180 | 149 | 0.4 | 0.6 | 1.1 |
| Crossword Cybersecurity PLC | 171 | 150 | 0.4 | 1.0 | 1.0 |
| Avacta Group PLC | 168 | 13 | 0.4 | - | 0.1 |
| Angle PLC | 142 | 114 | 0.4 | 0.1 | 0.1 |
| Seeen PLC (formerly Entertainment AI PLC) | 130 | 150 | 0.3 | 0.7 | 0.8 |
| Diurnal Group PLC | 106 | 63 | 0.2 | 0.2 | 0.6 |
| C4X Discovery Holdings PLC | 94 | 40 | 0.2 | 0.1 | 0.9 |
| Trackwise Designs PLC | 83 | 26 | 0.2 | 0.1 | 0.5 |
| Abingdon Health PLC | 75 | 85 | 0.2 | 0.1 | 0.1 |
| Intelligent Ultrasound Group PLC | 66 | 51 | 0.2 | 0.2 | 1.9 |
| Osirium Technologies PLC | 63 | 100 | 0.2 | 1.5 | 4.4 |
| Hardide PLC | 39 | 80 | 0.1 | 0.2 | 0.4 |
| Vianet Group PLC (formerly Brulines Group PLC) | 22 | 37 | 0.1 | 0.1 | 1.4 |
| Other quoted investments | - | 216 | | | |
| **Total quoted** | **1,994** | **1,618** | **4.9** | | |

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 28 February 2021

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients[1] |
|---|---|---|---|---|---|
| **Private equity investment trusts** | | | | | |
| HarbourVest Global Private Equity Limited | 343 | 250 | 0.9 | - | 0.1 |
| Standard Life Private Equity Trust PLC | 306 | 251 | 0.8 | 0.1 | 0.1 |
| Pantheon International PLC | 198 | 176 | 0.5 | - | 0.1 |
| Princess Private Equity Holding Limited | 182 | 158 | 0.4 | - | 0.2 |
| ICG Enterprise Trust PLC | 178 | 153 | 0.4 | - | 0.1 |
| BMO Private Equity Trust PLC (formerly F&C Private Equity Trust PLC) | 140 | 155 | 0.3 | 0.1 | 0.4 |
| Apax Global Alpha Limited | 106 | 71 | 0.3 | - | 0.1 |
| HgCapital Trust PLC | 100 | 63 | 0.2 | - | 0.1 |
| **Total private equity investment trusts** | **1,553** | **1,277** | **3.8** | | |
| **Real estate investment trust** | | | | | |
| Regional REIT Limited | 62 | 87 | 0.2 | - | 0.1 |
| **Total real estate investment trust** | **62** | **87** | **0.2** | | |
| **Unit trusts** | | | | | |
| Royal London Cash Plus Fund (class Y accumulation) | 1,012 | 1,000 | 2.5 | - | - |
| Royal London Short Duration Credit Fund (class M income) | 999 | 1,000 | 2.5 | - | - |
| **Total unit trusts** | **2,011** | **2,000** | **5.0** | | |
| **Total investments** | **30,733** | **29,952** | **75.8** | | |

*[1] Other clients of Maven Capital Partners UK LLP.*
*[2] John Pocock is non-executive chairman of this company.*
*[3] This company delisted from AIM during a previous period.*

# DIRECTORS' REPORT

**The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 28 February 2021. A summary of the financial results for the year can be found in the Financial Highlights on pages 4 to 6. The investment objective, business model and investment policy are set out in the Business Report on page 13 and the Board's dividend strategy is summarised in the Chairman's Statement on pages 10 and 11.**

## Principal Activity and Status

The Company's affairs have been conducted, and will continue to be conducted, in a manner to satisfy the conditions to enable it to continue to obtain approval as a VCT under Section 274 of the Income Tax Act 2007. During the year, the Company maintained its membership of the AIC, and its Ordinary Shares are listed in the Premium segment of the Official List and traded on the main market of the London Stock Exchange. Further details are provided in the Corporate Summary.

## Regulatory Status

The Company is a small registered, internally managed alternative investment fund under the AIFMD. As a VCT, pursuant to Section 274 of the Income Tax Act 2007, the rules of the FCA in relation to non-mainstream investment products do not apply to the Company.

## Going Concern

The Company's business activities, together with the factors likely to affect its future development and performance, are set out in this Directors' Report and within the Strategic Report. The financial position of the Company is described in the Chairman's Statement. In addition, Note 16 to the Financial Statements includes: the Company's objectives, policies and processes for managing its financial risks; details of its financial instruments; and its exposures to market price risk, interest rate risk, liquidity risk, credit risk and price risk sensitivity. The Directors believe that the Company is well placed to manage its business risks.

Following a detailed review, and taking into account the impact of the COVID-19 pandemic referred to in the Chairman's Statement on pages 9 to 12 and in the Investment Manager's Review on pages 21 to 31, the Directors have a reasonable expectation that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis when preparing the Annual Report and Financial Statements.

## Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code, published in July 2018, and Principle 36 of the AIC Code of Governance, published in February 2019 (the Codes), the Board has assessed the Company's prospects for the five-year period to 28 February 2026. This period has been considered appropriate for a VCT of its size when considering the principal risks facing the Company and the legislative environment within which it has to operate.

In making this statement the Board carried out a robust assessment of the principal business risks facing the Company as set out in the Business Report, including those that might threaten its business model, future performance, solvency, or degree of liquidity within the portfolio. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment, including the COVID-19 pandemic, the UK's decision to leave the EU and the potential impact on EU State Aid Rules.

The Board also considered the quality of the current portfolio, the Company's ability to raise new funds and the Manager's ability to source and secure new investment opportunities. As highlighted in the Chairman's Statement on page 12, the Board considers the Company's future to be positive.

The Directors have also assessed the Company's cash flow projections and underlying assumptions for the five years to 28 February 2026 and considered them to be realistic and fair. Therefore, after careful consideration of the Company's current position and future prospects, taking into account the Board's attitude to risk and its ongoing review of the investment objective and policy, 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 five years ending 28 February 2026.

## Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, debtors and creditors that arise directly from its operations, including accrued income and purchases and sales awaiting settlement. The main risks that the Company faces arising from its financial instruments are disclosed in Note 16 to the Financial Statements.

## Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## Corporate Governance

The Statement of Corporate Governance, which supports this Directors' Report, is shown on pages 51 to 55.

## Directors

Biographies of the Directors who held office at the year end, and as at the date of signing of this Annual Report, are shown in the Your Board section of this Annual Report along with their interests in the shares of the Company, which are also shown below. No Director has a service contract with the Company and no contract or arrangement significant to the Company's business and in which any of the Directors is interested has subsisted during the year.

In accordance with the Company's Articles, Directors must offer themselves for re-election at least once every three years. However, in accordance with the Codes, the Board has decided that all Directors will stand for re-election on an annual basis. Therefore, John Pocock, Alison Fielding, Andrew Harrington and Arthur MacMillan will all retire at the 2021 AGM and, being eligible, offer themselves for re-election.

The Board confirms that, following a formal process of evaluation, the performance of each of the Directors continues to be effective and demonstrates commitment to the role.

John Pocock has extensive experience in the information technology and financial sectors, and was formerly a director and chief executive of a FTSE 250 company. His leadership skills, entrepreneurial experience and senior executive positions held on other boards provide him with the ability required to encourage discussion and ensure that clear decisions are reached.

Alison Fielding is an experienced entrepreneur, senior executive and non-executive director. Her track record demonstrates her ability to develop strategy within both large and small organisations to set direction, evaluate options, implement plans and drive performance.

Andrew Harrington has experience in working alongside management teams and shareholders across many sectors. He has advised on transactions, such as the purchase or sale of companies and capital raising, as well as on investment, initial public offerings, secondary public market offerings and mergers & acquisitions.

Arthur MacMillan is a qualified chartered accountant and was previously a corporate financier. This demonstrates that he brings recent and relevant financial experience to the Board and is able to chair the Audit and Risk Committee effectively, as well as engaging with the Company's Auditor to ensure that the annual audit process is conducted to a satisfactory level of detail.

The Board believes that, for the above reasons, the contribution of each Director continues to be important to the continued long-term success of the Company, as the combined skills and experience ensure a balanced Board of Directors with a wealth of knowledge and understanding in key areas relevant to the Company. Therefore, it is believed that it is in the best interests of Shareholders that each of the Directors should remain in office and Resolutions to this effect will be proposed at the 2021 AGM.

## Directors' Interests

The Directors who held office during the year, and their interests in the share capital of the Company, are as follows:

| | **28 February 2021 Ordinary Shares of 10p each** | **29 February 2020 Ordinary Shares of 10p each** |
|---|---:|---:|
| John Pocock | 77,955 | 77,955 |
| Alison Fielding | 54,597 | 54,597 |
| Andrew Harrington | 29,555 | 29,555 |
| Arthur MacMillan | 117,547 | 117,547 |

There is no requirement for the Directors to hold shares in the Company. Subsequent to the year end, Alison Fielding and Andrew Harrington acquired a further 22,925 and 56,740 shares respectively under the Offer for Subscription. All of the interests shown above are beneficial and as at 2 June 2021, being the latest practicable date prior to the publication of this Annual Report, there have been no changes to the above share interests since the end of the Company's financial year.

### Directors' and Officers' Liability Insurance

The Company purchases and maintains liability insurance for the Directors and Officers of the Company.

### Conflicts of Interest

Each Director has a statutory duty to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Articles and this includes any co-investment made by the Directors in entities in which the Company also has an interest.

The Board has approved a protocol for identifying and dealing with conflicts and has resolved to conduct a regular review of actual or possible conflicts. The Company is invested in Push Technology Limited, of which John Pocock is non-executive chairman. The Board has agreed that this does not represent a material conflict. No new material conflicts or potential conflicts were identified during the year.

### Substantial Interests

As at 28 February 2021, the only Shareholder known to be directly or indirectly interested in 3.0% or more of the Company's issued Ordinary Share Capital was:

| | Number of Ordinary Shares held | % of issued share capital |
|---|---:|---:|
| Hargreaves Lansdown (Nominees) Limited (HLNOM account) | 4,806,096 | 5.27 |

As at 2 June 2021, being the latest practicable date prior to the publication of this Annual Report, the only Shareholders known to be directly or indirectly interested in 3.0% or more of the Company's issued Ordinary Share capital were:

| | Number of Ordinary Shares held | % of issued share capital |
|---|---:|---:|
| UBS Private Banking Nominees Limited | 5,970,140 | 4.39 |
| Hargreaves Lansdown (Nominees) Limited (HLNOM account) | 4,978,470 | 3.66 |

## Manager and Company Secretary

Maven Capital Partners UK LLP (Maven) acted as Manager and Secretary to the Company during the year ended 28 February 2021 and details of the investment management and secretarial fees are disclosed in Notes 3 and 4 to the Financial Statements respectively.

The principal terms of the Management and Administration Agreement with Maven are as follows:

***Termination provisions***

The Agreement is terminable, by either party, on the expiry of twelve months' notice. In the event that the Company terminates the Manager's appointment, the Manager is entitled to an amount equivalent to twelve months' fees. Furthermore, the Company may terminate the agreement without compensation due if:

- a receiver, liquidator or administrator of the Manager is appointed;
- the Manager commits any material breach of the provisions of the agreement; or
- the Manager ceases to be authorised to carry out investment business.

***Management and Administration Fees***

For the year ending 28 February 2022, investment management, performance and secretarial fees payable to Maven will be calculated and charged on the following basis:

- the Company will pay to the Manager a performance related management fee calculated as 20% (2021: 20%) of the increase in the net asset value of the Company, over the six-month periods to the end of August and February in each year, before taking into account the effects of distributions and purchases of the Company's own shares effected during that period. The fee is subject to a minimum of 1.9% (2021: 1.9%) per annum of the net asset value of the Company, with there being no maximum limit on the amount payable. The net asset value from which the fee is measured is rebased to the higher level whenever a fee above the minimum amount becomes payable; and
- a fixed secretarial fee of £100,000 per annum (2021: £100,000).

Independent from the above arrangements, Maven may also receive, from investee companies, fees in relation to arranging transactions, the monitoring of business progress and for providing non-executive directors for their boards.

In the period to 11 October 2018, to ensure that the Manager's staff were appropriately incentivised in relation to the management of the portfolio, a co-investment scheme allowed individuals to participate in investment in portfolio companies alongside the Company. On 11 October 2018, the co-investment scheme was suspended temporarily, pending a review by the Manager. That review has now been completed and it was agreed to re-introduce the co-investment scheme with effect from 5 March 2021, with the terms of participation unchanged from those in place previously. Under the terms and conditions of the co-investment scheme, all investments will be made through a nominee and under terms agreed by the Board. The terms of the scheme ensure that all investments will be made on identical terms to those of the Company and that no selection of investments by participants will be allowed. Total investment by participants in the co-investment scheme is set at 5% of the aggregate amount of equity subscribed for by the Company and the co-investing executives, except where the only securities to be acquired by the Company are those quoted on AIM, in which case the co-investment percentage is 1.5%. Given the relatively low equity participation in each private company investment, any dilution of the Company's interests is, therefore, minimal and the Directors believe that the scheme provides a useful incentive that closely aligns the interests of key individuals within the Manager's staff with those of the Company's Shareholders.

In light of investment performance achieved by the Manager, together with the standard of company secretarial and administrative services provided, the Board considers that the continued appointment of the Manager and Secretary on the stated terms is in the best interests of the Company and its Shareholders. It should be noted that, as at 2 June 2021, Maven Capital Partners and certain executives held, in aggregate, 2,957,966 of the Company's Ordinary Shares, representing 2.18% of the issued share capital as at that date.

## Independent Auditor

The Company's independent Auditor, Deloitte LLP, is willing to continue in office and Resolution 8 to approve its re-appointment will be proposed at the 2021 AGM, along with Resolution 9 to authorise the Directors to fix its remuneration. No non-audit fees were paid to Deloitte LLP during the year under review (2020: £5,000 for tax services, including VAT). The Directors have received confirmation from the Auditor that it remains independent and objective, and the Board remains satisfied that objectivity and independence is being safeguarded by Deloitte LLP.

## Directors' Disclosure of Information to the Auditor

So far as the Directors who held office at the date of approval of this Annual Report are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 Company's Auditor is aware of that information.

## Purchase of Ordinary Shares

During the year ended 28 February 2021, the Company bought back a total of 1,866,681 (2020: 1,395,000) of its own Ordinary Shares for cancellation, representing 2.03% of the issued share capital as at 27 May 2020, being the last practicable date prior to the publication of the previous Annual Report.

A Special Resolution, numbered 12 in the Notice of Annual General Meeting, will be put to Shareholders at the 2021 AGM for their approval to renew the Company's authority to purchase in the market a maximum of 20,375,665 Ordinary Shares (14.99% of the shares in issue at 2 June 2021). This authority shall expire either on the date of the AGM in 2022 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

The Board intends to use this authority to continue its share buy-back policy. Purchases of shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its Shareholders when taken as a whole. Purchases will be made in the market at prices below the prevailing NAV per share. Under the Listing Rules of the FCA, the maximum price that may be paid on the exercise of this authority must not exceed 105% of the average of the mid-market quotations for the shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per share. In making purchases, the Company will deal only with member firms of the London Stock Exchange. Any shares which are purchased will be cancelled.

Purchases of shares by the Company will be made from distributable reserves and will normally be paid out of cash balances held by the Company from time to time. As any purchases will be made at a discount to NAV at the time of purchase, the NAV of the remaining Ordinary Shares in issue should increase as a result of any such purchase. Shares will not be purchased by the Company in the period from the end of the Company's relevant financial period up to and including the earlier of an announcement of all price sensitive information in respect of the relevant period or the release of full results.

## Issue of New Ordinary Shares

During the year under review, 161,371 new Ordinary Shares were allotted under the DIS (2020: 41,519,249; of which 41,161,201 were issued under the Offer for Subscription and 358,048 were issued under the DIS). An Ordinary Resolution, numbered 10 in the Notice of Annual General Meeting, will be put to Shareholders at the 2021 AGM for their approval for the Company to issue up to an aggregate nominal amount of £1,359,283 (equivalent to 13,592,830 Ordinary Shares or 10% of the total issued share capital at 2 June 2021).

Issues of new Ordinary Shares may only be made at, or at a premium to, NAV per share, thus ensuring that existing investors will not be disadvantaged by such issues. The proceeds of any issue may be used to purchase the Company's shares in the market or to fund further investments in accordance with the Company's investment policy. This authority shall expire either on the date of the AGM in 2022 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

When shares are to be allotted for cash, Section 561(1) of the Companies Act 2006 provides that existing Shareholders have pre-emption rights and that the new shares are offered first to such Shareholders in proportion to their existing shareholdings. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing Shareholders. A Special Resolution, numbered 11 in the Notice of Annual General Meeting, will, if passed, give the Directors power to allot for cash, Ordinary Shares up to an aggregate nominal amount of £1,359,283 (equivalent to 13,592,830 Ordinary Shares or 10% of the total issued share capital at 2 June 2021) as if Section 561(1) does not apply. This is the same amount of share capital that the Directors are seeking the authority to allot pursuant to Resolution 10. The authority will also expire either on the date of the AGM in 2022 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

## Share Capital and Voting Rights

As at 28 February 2021 the Company's share capital amounted to 91,282,823 Ordinary Shares of 10p each. Further details are included in Note 12 to the Financial Statements and, with 45,045,568 new Ordinary Shares having been issued under the Offer for Subscription and 400,000 Ordinary Shares bought back for cancellation subsequent to the year end, the Company's share capital represented 135,928,391 Ordinary Shares as at 2 June 2021, with each share carrying one voting right.

There are no restrictions on the transfer of Ordinary Shares issued by the Company other than certain restrictions that may from time to time be imposed by law (for example, the Market Abuse Regulation). The Company is not aware of any agreement between Shareholders that may result in a transfer of securities and/or voting rights.

## Significant Agreements and Related Party Transactions

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the Management and Administration Deed, further details of which are set out on page 44, the Company is not aware of any contractual or other agreements that are essential to its business and which could reasonably be expected to be declared in the Directors' Report.

Other than those set out in this Directors' Report, there are no further related party transactions that require to be disclosed.

## Post Balance Sheet Events

Other than those referred to above and elsewhere in the Strategic Report, there have been no events since 28 February 2021 that require disclosure.

## Future Developments

An indication of the Company's expected future developments can be found in the Chairman's Statement on page 12 and in the Investment Manager's Review on page 31, which highlight the commitment of the Board and the Manager to providing returns to Shareholders and delivering the Company's investment strategy.

## AGM and Directors' Recommendation

The AGM will be held on 7 July 2021, and the Notice of Annual General Meeting is on pages 86 to 91 of this Annual Report. The Notice of Annual General Meeting also contains a Resolution that seeks authority for the Directors to convene a general meeting, other than an annual general meeting, on not less than fourteen days' clear notice, although it is anticipated that such authority would only be exercised under exceptional circumstances.

As highlighted in the Chairman's Statement, in light of the current Government advice on non-essential travel and maintaining social distancing, Shareholders may be unable to attend the AGM in person. Therefore, the Board encourages Shareholders to vote at the AGM using a hard copy proxy form, via CREST, or electronically using the Registrar's share portal service at **www.signalshares.com**. Please refer to the notes to the Notice of Annual General Meeting on pages 88 to 91 of this Annual Report.

The Directors consider that all of the Resolutions to be put to the AGM are in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that Shareholders do so as well.

**Authorised for issue by the Board**
**Maven Capital Partners UK LLP**
**Secretary**

**4 June 2021**

# DIRECTORS' REMUNERATION REPORT

**This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this Report, which includes a section on the Company's policy for the remuneration of its Directors, will be put to the members of the Company at the forthcoming AGM. The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report on pages 62 to 69 of this Annual Report.**

## Statement by the Chairman of the Remuneration Committee

The Directors have established a Remuneration Committee comprising the full Board, with Alison Fielding as its Chairman. As all of the Directors are non-executive, the Principles of the UK Corporate Governance Code in respect of directors' remuneration do not apply.

At 28 February 2021, and as at the date of this Annual Report, the Company had four non-executive Directors and their biographies are shown in the Your Board section of this Annual Report. The names of the Directors who served during the year, together with the fees paid during that period, are shown in the table on page 49.

The dates of appointment of the Directors in office as at 28 February 2021 and the dates on which they will next be proposed for re-election are as follows:

| | Date of original appointment | Date of previous re-election | Due date for re-election |
|---|---|---|---|
| John Pocock (Chairman) | 1 March 2007 | 22 July 2020 | 7 July 2021 |
| Alison Fielding | 1 January 2019 | 22 July 2020 | 7 July 2021 |
| Andrew Harrington | 1 January 2019 | 22 July 2020 | 7 July 2021 |
| Arthur MacMillan | 19 January 2000 | 22 July 2020 | 7 July 2021 |

During the year ended 28 February 2021, the Board was not provided with advice or services in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, as defined below, the Committee expects, from time to time, to review the fees paid to the directors of other venture capital trusts for comparative purposes.

The previous change to the level of Directors' remuneration was made during the year ended 28 February 2019, when the Committee carried out a review of the remuneration policy and of the level of Directors' fees and concluded that, with effect from 1 March 2019, the amounts payable per annum should increase to £22,500 (previously £21,000) for the Chairman; £21,500 (previously £19,000) for the Chairman of the Audit and Risk Committees; and £19,000 (previously £17,000) for each other Director. It was also agreed that the policy would be to continue to review these rates from time to time and, at a Meeting held during the year ended 28 February 2021, the Remuneration Committee carried out a review and it was recommended that, as the total amount payable was reasonable when compared with other similar VCTs, the individual rates of remuneration should be maintained at their current levels.

## Remuneration Policy

The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other VCTs with similar capital structures and investment objectives. Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles, which limit the aggregate of the fees payable to the Directors to £100,000 per annum and the approval of Shareholders in a general meeting would be required to change this limit.

It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

The remuneration policy and the level of fees payable is reviewed annually by the Remuneration Committee and it is intended that the current policy will continue for the year ending 28 February 2022. A copy of this remuneration policy may be inspected by members of the Company at its registered office.

It is the Board's intention that the remuneration policy will be put to a Shareholders' vote at least once every three years and, as a Resolution was approved at the AGM held in 2020, an Ordinary Resolution for its approval will next be proposed at the AGM to be held in 2023.

At the AGM held on 22 July 2020, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Policy for the three years to 28 February 2023 was as follows:

| | Percentage of votes cast for | Percentage of votes cast against | Number of votes withheld |
|---|---|---|---|
| Remuneration Policy (2020 AGM) | 92.10 | 7.90 | 150,723 |

### Directors' and Officers' Liability Insurance

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

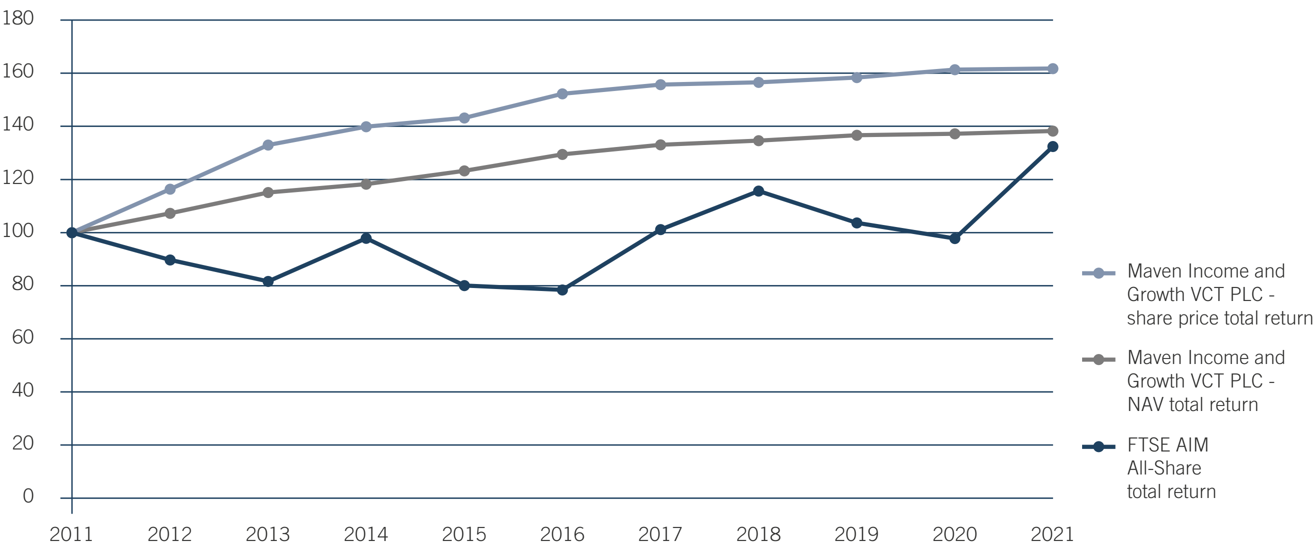
### Directors' Interests (audited)

The Directors' interests in the share capital of the Company are shown in the Directors' Report on page 42. There is no requirement for Directors to hold shares in the Company.

### Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Manager through the Management and Administration Deed, as referred to in the Directors' Report.

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 28 February 2021, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE AIM All-share index is calculated. This index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio.




*Source: Maven/London Stock Exchange/IRESS.*
*Please note that past performance is not necessarily a guide to future performance.*

## Directors' Remuneration (audited)

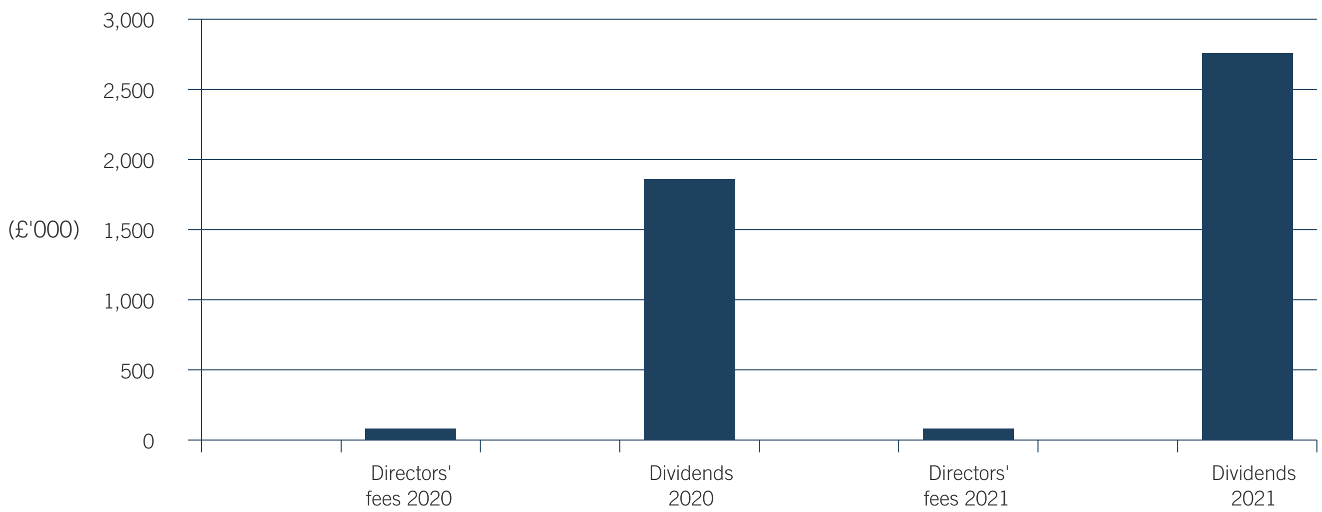
The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The Directors' fees for the years ended 28 February 2021 and 29 February 2020, and projected fees for the year ending 28 February 2022, respectively are as follows:

| | Year ending 28 February 2022 £ | Year ended 28 February 2021 £ | Year ended 29 February 2020 £ |
|---|---|---|---|
| John Pocock (Chairman) | 22,500 | 22,500 | 22,500 |
| Alison Fielding | 19,000 | 19,000 | 19,000 |
| Andrew Harrington | 19,000 | 19,000 | 19,000 |
| Arthur MacMillan (Chairman – Audit and Risk Committees) | 21,500 | 21,500 | 21,500 |
| **Total** | **82,000** | **82,000** | **82,000** |

The above amounts exclude any employers' national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and no Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 28 February 2021 (2020: £nil).

## Relative Cost of Directors' Remuneration

The chart below shows, for the years ended 29 February 2020 and 28 February 2021, the cost of Directors' fees compared with the level of dividend distribution.




As noted in the Strategic Report, all of the Directors are non-executive and, therefore, the Company does not have a chief executive officer, nor does it have any employees. In the absence of a chief executive officer or employees, there is no related information to disclose.

Directors do not have service contracts, but new Directors are provided with a letter of appointment. Copies of the Directors' letters of appointment will be available for inspection at the AGM. The terms of appointment provide that Directors should retire and be subject to re-election at the first AGM after their appointment. Thereafter, all Directors will be subject to annual re-election in line with the new requirements under the Codes. There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.

During the year ended 28 February 2021, no communication was received from Shareholders regarding Directors' remuneration.

## Approval

An Ordinary Resolution to approve this Directors' Remuneration Report will be put to Shareholders at the 2021 AGM.
At the AGM held on 22 July 2020, the results in respect of an Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 29 February 2020 were as follows:

| | Percentage of votes cast for | Percentage of votes cast against | Number of votes withheld |
|---|---|---|---|
| Remuneration Report (2020 AGM) | 93.59 | 6.41 | 156,091 |

This Directors' Remuneration Report, for the year ended 28 February 2021, was approved by the Board of Directors and signed on its behalf by:

**Alison Fielding**
**Director**

**4 June 2021**

# STATEMENT OF CORPORATE GOVERNANCE

**The Company is committed to, and is accountable to the Company's Shareholders for, a high standard of corporate governance. The Board has put in place a framework for corporate governance that it believes is appropriate for a venture capital trust and enables it to comply with the UK Code of Corporate Governance (the UK Code), which is available from the website of the FRC at www.frc.org.uk.**

During the year under review, the Company was a member of the AIC, which published a revised version of its own Code of Corporate Governance (the AIC Code) in February 2019. The Board has adopted the principles of the AIC Code and reports on compliance with these below. The AIC Code provides a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts or venture capital trusts suggest alternative approaches to those set out in the UK Code.

The key requirements of AIC Code include:

- the annual re-election of all directors to all investment companies;
- that a board should understand the views of its company's key stakeholders and describe in the annual report how their interests and the matters set out in Section 172 of the Companies Act 2006 (the duty to promote the success of the company) have been considered in board discussions and decision making; and
- that the chairman of an investment company may now remain in post beyond nine years from the date of first appointment by the board. Notwithstanding this more flexible approach, the Board is required to determine and disclose a policy on the tenure of the Chairman.

The AIC Code is available from the AIC website at **www.theaic.co.uk**. This Statement of Corporate Governance supports the Directors' Report.

### Application of the Main Principles of the AIC Code

This statement describes how the main principles identified in the AIC Code have been applied by the Company throughout the year, as is required by the Listing Rules of the FCA. The Board has considered the Principles and Provisions of the AIC Code, which address the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to Shareholders. The endorsement by the FRC means that by reporting against the AIC Code, the Company is meeting its obligations under the UK Code and the associated disclosure requirements of the Listing Rules, and as such does not need to report further on issues contained in the UK Code that are irrelevant to it. These include:

- Provision 9 (dual role of chairman and chief executive);
- Provision 19 (tenure of the chair);
- Provision 25 (internal audit function); and
- Provision 33 (executive remuneration).

The Board is of the opinion that the Company has complied fully with the main principles identified in the AIC Code, except as set out below:

- Provision 14 (senior independent director).

A senior independent non-executive Director has not been appointed, as the Board considers that each Director has different qualities and areas of expertise on which they may lead.

## The Board

As at the date of this Annual Report, the Board consists of four non-executive Directors, one of whom is female and all of whom are considered to be independent of the investment manager (Maven Capital Partners UK LLP, Maven, or the Manager) and free of any relationship which could materially interfere with the exercise of their independent judgement.

The biographies of the Directors appear in the Your Board section of this Annual Report and indicate their high level and range of investment, commercial and professional experience.

The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters that are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

- the appointment and removal of the Manager and the terms and conditions of any management and administration agreements;
- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company;
- Companies Act requirements such as the approval of interim and annual financial statements and the approval and recommendation of interim and final dividends;
- major changes relating to the Company's structure, including share buy-backs and share issues;
- Board appointments and related matters;
- terms of reference and membership of Board Committees; and
- London Stock Exchange and FCA matters, such as approval of all circulars, listing particulars and releases concerning matters decided by the Board.

As required by the Companies Act 2006 and permitted by the Articles, Directors notify the Company of any situation that might give rise to the potential for a conflict of interest, so that the Board may consider and, if appropriate, approve such situations. A register of the potential conflicts of interest for Directors is reviewed regularly by the Board and the Directors notify the Company whenever there is a change in the nature of a registered conflict, or whenever a new conflict situation arises.

Following implementation of the Bribery Act 2010, the Board adopted appropriate procedures.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

The Directors have access to the advice and services of the Secretary through its appointed representatives, who are responsible to the Board for:

- ensuring that Board procedures are complied with;
- under the direction of the Chairman, ensuring good information flows within the Board and its Committees; and
- advising on corporate governance matters.

An induction meeting will be arranged by the Manager on the appointment of any new Director, covering details about the Company, the Manager, legal responsibilities and VCT matters. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

John Pocock is Chairman of the Company and was independent of the Manager at the time of his appointment as a Director, and as Chairman, and continues to be so by virtue of his lack of connection with the Manager and of any cross-directorships with his fellow Directors. As highlighted in the Directors' Report, John is non-executive chairman of Push Technology Limited, in which the Company has an investment. However, the Board has agreed that this does not represent a material conflict of interest.

John Pocock is also Chairman of the Management Engagement and Nomination Committees, as the other Directors consider that he has the skills and experience relevant to these roles. Arthur MacMillan is Chairman of the Audit and Risk Committees and Alison Fielding is Chairman of the Remuneration Committee.

The Board meets at least four times each year and, between Meetings, maintains regular contact with the Manager. The primary focus of quarterly Board Meetings is a review of investment performance and related matters, including asset allocation, peer group information and industry issues. During the year ended 28 February 2021, the Board held four full quarterly Board Meetings; one Committee Meeting in relation to issuing shares under the DIS; and two Committee Meetings to approve the release of financial results. In addition, there were four meetings of the Risk Committee; two meetings of the Audit Committee, and one meeting each of the Management Engagement, Nomination and Remuneration Committees.

Directors have attended Board and Committee Meetings during the year ended 28 February 2021[1] as follows:

| | Board | Board Committee | Audit Committee | Management Engagement Committee | Nomination Committee | Remuneration Committee | Risk Committee |
|---|---|---|---|---|---|---|---|
| John Pocock | 4 (4) | 3 (3) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| Alison Fielding | 4 (4) | 3 (3) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| Andrew Harrington | 4 (4) | 3 (3) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| Arthur MacMillan | 4 (4) | 3 (3) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |

*[1] The number of meetings which the Directors were eligible to attend is in brackets.*

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board Meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. The Directors make further enquiries when necessary.

The Board and its Committees have undertaken a process for their annual performance evaluation, using questionnaires and discussion, to ensure that Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The Chairman is subject to evaluation by his fellow Directors. In addition, the Board also uses the process to assess and monitor its culture and behaviour, to ensure it is aligned with the Company's purpose, values and strategy.

## Directors' Terms of Appointment

All non-executive Directors are appointed for an initial period of three years, subject to re-election and Companies Act provisions and, in accordance with the Articles, stand for election at the first AGM following their appointment. The Company's Articles also require all Directors to retire by rotation at least every three years. However, in accordance with the AIC Code, the Board has decided that all Directors should stand for re-election on an annual basis.

## Policy on Tenure

The Board subscribes to the view that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces their ability to act independently and, following formal performance evaluations, believes that each Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. The policy on tenure and the independence of each Director is reviewed on an annual basis, before the re-election of any Director is recommended, and the Board considers the need for regular refreshment of the Directors prior to doing so. The Company has no executive Directors or employees.

## Committees

Each Committee has been established with written terms of reference and comprises the full Board. The terms of reference of each of the Committees, which are available on request from the Registered Office of the Company, are reviewed and re-assessed for their adequacy at each Meeting.

### *Audit Committee*

The Audit Committee is chaired by Arthur MacMillan and the role and responsibilities of the Committee are detailed in a joint report by the Audit and Risk Committees on pages 57 to 61.

***Management Engagement Committee***

The Management Engagement Committee, which is chaired by John Pocock, is responsible for the annual review of the management contract with the Manager, details of which are shown in the Directors' Report. One meeting was held during the year ended 28 February 2021, at which the Committee recommended the continued appointment of Maven Capital Partners UK LLP as Manager and Secretary of the Company.

***Nomination Committee***

The Nomination Committee, which is chaired by John Pocock, held one meeting during the year ended 28 February 2021. The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board (including its Chairman) and its Committees, and supports the Chairman of the Board in acting on the results of the evaluation process;
- the review of the composition, skills, knowledge, experience and diversity of the Board;
- succession planning;
- the identification and nomination of candidates to fill Board vacancies, as and when they arise, for the approval of the Board;
- considering candidates from a wide range of backgrounds in order to promote diversity of gender, social and ethnic background, cognitive and personal strengths;
- the tenure and re-appointment of any non-executive Director on an annual basis;
- proposals for the re-election by Shareholders of any Director on an annual basis, having due regard to the provisions of the AIC Code, the Director's performance and ability to contribute to the Board and long-term success of the Company;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman of the Company.

At its meeting in January 2021, the Committee reviewed the knowledge, experience and skills of all Directors. The Committee noted that each of the Directors were valued and that they were deemed to enhance the skills and knowledge base of the Board, enabling it to carry out its functions more effectively and each Director contributing to the long-term success of the Company. The Committee recommended to the Board that all Directors should be nominated for re-election and, accordingly, Resolutions 4 to 7 will be put to the 2021 AGM.

Although the Company does not have a formal policy on diversity, Board diversity forms part of the responsibilities of the Committee. No external search consultancy was used by the Company during the year ended 28 February 2021.

***Remuneration Committee***

Where a venture capital trust has only non-executive directors, the UK Code principles relating to directors' remuneration do not apply. However, the Company does have a Remuneration Committee, which is chaired by Alison Fielding. The Committee held one meeting during the year ended 28 February 2021 to review the policy for, and the level of, Directors' Remuneration.

The level of remuneration of the Directors has been set in order to attract and retain individuals of a calibre appropriate to the future development of the Company. Details of the remuneration of each Director and of the Company's policy on Directors' remuneration are provided in the Directors' Remuneration Report on pages 47 to 50.

***Risk Committee***

The Risk Committee is chaired by Arthur MacMillan and the role and responsibilities of the Committee are detailed in a joint Report by the Audit and Risk Committees on pages 57 to 61.

## External Agencies

The Board has contractually delegated to external agencies, including the Manager, certain services: the management of the investment portfolio, the custodial services (which include the safeguarding of assets), the registration services and the day-to-day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers reports from the Manager, and other external agencies, on a regular basis. In addition, ad hoc reports and information are provided to the Board as requested.

## Corporate Governance, Stewardship and Proxy Voting

The FRC published the UK Stewardship Code 2020 in October 2019 and it took effect for reporting periods beginning on or after 1 January 2020. The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors in the efficient exercise of their governance responsibilities. The Board has considered the implications of the revised code and will report against it in future Annual Reports.

The Board is aware of its duty to act in the interests of the Company and the Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of good corporate governance. The Directors, through the Manager, would wish to encourage companies in which investments are made to adhere to best practice in the area of corporate governance. The Manager believes that, where practicable, this can best be achieved by entering into a dialogue with investee company management teams to encourage them, where necessary, to improve their governance policies.

Therefore, the Board has delegated responsibility for monitoring the activities of portfolio companies to the Manager and has given it discretionary powers to vote in respect of the holdings in the Company's investment portfolio.

## Socially Responsible Investment Policy

The Directors and the Manager are aware of their duty to act in the interests of the Company and acknowledge that there are risks associated with investment in companies that fail to conduct business in a socially responsible manner.

Therefore, the Directors and the Manager take account of the social environment and ethical factors that may affect the performance or value of the Company's investments. Maven and the Directors believe that a company run in the long-term interests of its shareholders should manage its relationships with its employees, suppliers and customers and behave responsibly towards the environment and society as a whole.

## Communication with Shareholders

The Company places a great deal of importance on communication with its Shareholders, all of whom are normally welcome to attend and participate in the AGM. However, in respect of the 2021 AGM, Shareholders should note the guidance provided in the Chairman's Statement on page 12. The Notice of Annual General Meeting sets out the business of the AGM and the Resolutions are explained more fully in the Explanatory Notes to the Notice of Annual General Meeting as well as the Directors' Report and the Directors' Remuneration Report. Separate Resolutions are proposed for each substantive issue and Shareholders have the opportunity to put questions to the Board and the Manager. The results of proxy voting are relayed to Shareholders after the Resolutions have been voted on by a show of hands. Nominated persons, often the beneficial owners of shares held for them by nominee companies, may attend Shareholder meetings and are invited to contact the registered Shareholder, normally a nominee company, in the first instance in order to be nominated to attend the Meeting and to vote in respect of the shares held for them. It is in the nature of a venture capital trust that it generally has few major shareholders.

The Annual Report is normally published at least twenty business days before the AGM. Annual and Interim Reports and Financial Statements are distributed to Shareholders and other parties who have an interest in the Company's performance.

Shareholders and potential investors may obtain up-to-date information on the Company through the Manager and the Secretary, and the Company responds to letters from Shareholders on a wide range of issues. In order to ensure that the Directors develop an understanding of the views of Shareholders, correspondence between Shareholders and the Manager or the Chairman is copied to the Board. See Contact Information for details on how to contact the Manager or Company Secretary.

The Company's web pages are hosted on the Manager's website at: **www.mavencp.com/migvct**, from where Annual and Interim Reports, London Stock Exchange Announcements and other information can be viewed, printed or downloaded. Further information about the Manager can be obtained from: **www.mavencp.com**.

## Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 56 and the Statement of Going Concern is included in the Directors' Report on page 41. The Viability Statement is included in the Directors' Report on page 41 and the Independent Auditor's Report is on pages 62 to 69.

**Authorised for issue by the Board**
**Maven Capital Partners UK LLP**
**Secretary**

**4 June 2021**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

**The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.**

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the net return of 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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. 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 also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report (including a report on remuneration policy) and Corporate Governance Statement that comply with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's web pages, which are hosted on the Manager's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are also responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

## Responsibility Statement of the Directors in respect of the Annual Report and Financial Statements

The Directors believe that, to the best of their knowledge:

- the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 28 February 2021 and for the year to that date;
- the Directors' Report includes a fair review of the development and performance of the Company, together with a description of the principal and emerging risks and uncertainties that it faces; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

**John Pocock**
**Director**

**4 June 2021**

# REPORT OF THE AUDIT AND RISK COMMITTEES

**The Audit and Risk Committees are chaired by Arthur MacMillan and comprise all independent Directors.**

## Audit Committee

The Board is satisfied that at least one member of the Committee has recent and relevant financial experience, and that the Committee as a whole has competence relevant to the sector in which the Company operates.

The principal responsibilities of the Committee include:

- the integrity of the Interim and Annual Reports and Financial Statements and the review of any significant financial reporting judgements contained therein, including the valuation of investments and the recognition of income;
- the review of the terms of appointment of the Auditor, together with its remuneration;
- the review of the scope and results of the audit and the independence and objectivity of the Auditor;
- the review of the Auditor's Board Report and any required response;
- meetings with representatives of the Manager;
- providing advice on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance business model and strategy; and
- making appropriate recommendations to the Board.

## Activities of the Audit Committee

The Committee met twice during the year under review. In April and October 2020, the Committee noted that the Risk Committee had considered the key risks detailed below and the corresponding internal control and risk reports provided by the Manager, which included the Company's risk management framework. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the Auditor and that the Auditor had not identified any significant issues in its audit report. In addition, there had been no interaction with the FRC, through their Corporate Reporting Review or Audit Quality Review teams during the period. The Committee, therefore, concluded that there were no significant issues that required to be reported to the Board.

At its meeting in April 2020, the Committee reviewed, for recommendation to the Board, the Audit Report from the Auditor and the draft Annual Report and Financial Statements for the year ended 29 February 2020.

At its meeting in October 2020, the Committee reviewed and approved the Half Yearly Report and Financial Statements for the six months ended 31 August 2020. The Committee also considered the performance, tenure and independence of Deloitte LLP (Deloitte) as Auditor and concluded that it was satisfied with the performance of Deloitte and recommended its continued appointment.

Subsequent to 28 February 2021, the Committee reviewed the draft Annual Report and Financial Statements for the year then ended, along with the report from the independent Auditor thereon. It recommended to the Board that it considered that the 2021 Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provided the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

It is recognised that the portfolio forms a significant element of the Company's assets and that there are different risks associated with listed and unlisted investments. The primary risk that requires the particular attention of the Committee is that unlisted investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 74 and 75. In accordance with that policy, unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors.

Investments listed on a recognised stock exchange are valued at their bid market price.

The Committee has considered the assumptions and judgements in relation to the valuation of each quoted and unquoted investment and is satisfied that they are appropriate.

The basis of valuation across the portfolio as at 28 February 2021 was as follows:

| Investment | % of net assets by value | Valuation basis |
|---|---|---|
| AIM/AQSE quoted | 4.9 | Bid price[1] |
| Listed | 9.0 | Bid price[1] |
| Unlisted | 61.9 | Directors' valuation |
| **Total investment** | **75.8** | |

[1] *London Stock Exchange closing market price.*

The Committee recommended the investment valuations, representing 75.8% of net assets as at 28 February 2021, to the Board for approval. In addition, the revenue generated from dividend income and loan stock interest has been considered by the Board on a quarterly basis and the Directors are satisfied that the levels of income recognised are in line with revenue estimates.

The Audit Committee's performance evaluation is carried out by the Directors as part of the Board evaluation review.

## Review of Effectiveness of Independent Auditor

As part of its annual review of audit services, the Committee considers the performance, cost effectiveness and general relationship with the Auditor. In addition, the Committee reviews the independence and objectivity of the Auditor. Key elements of these reviews include: discussions with the Manager regarding the audit service provided; separate meetings with the Auditor; consideration of the completeness and accuracy of the Deloitte reporting and a review of the relationship the independent Auditor has with the Manager.

The Company first appointed Deloitte as Auditor for the year ended 29 February 2008 and, following a formal tender process, they were subsequently re-appointed in respect of the year ended 28 February 2017. It should be noted that Deloitte rotates the Senior Statutory Auditor responsible for the audit every five years and Chris Hunter was appointed as the Senior Statutory Auditor during the year ended 28 February 2018.

The Auditor's Report is on pages 62 to 69. Details of the amounts paid to the Auditor during the year for audit services are set out in Note 4 to the Financial Statements. The Company has a policy in place for governing and controlling the provision of non-audit services by the external Auditor, so as to safeguard their independence and objectivity.

Shareholders are asked to approve the re-appointment, and the Directors' authority to fix the remuneration, of the Auditor at each AGM. Any non-audit work, other than interim reviews, requires the specific approval of the Audit Committee in each case. Non-audit work, where independence may be compromised or conflicts arise, is prohibited. There are no contractual obligations that restrict the Committee's choice of Auditor. The Committee has concluded that Deloitte is independent of the Company and recommended that a Resolution for the re-appointment of Deloitte as Auditor should be put to the 2021 AGM.

## Risk Committee

Under the recommendation of the AIFMD, the Company established a Risk Committee. The responsibilities of the Committee are:

- to keep under review the adequacy and effectiveness of the Manager's internal financial controls and internal control and risk management systems and procedures in the context of the Company's overall risk management system;
- to identify, measure, manage and monitor the risks to the Company as recommended by the AIFMD including, but not limited to, investment portfolio, credit, counterparty, liquidity, market and operational risks;
- to monitor and review all reports on the Company from the Manager's internal control function to ensure ongoing compliance with the VCT regulations;
- to review the arrangements for, and effectiveness of, the monitoring of risk parameters;
- to ensure appropriate, documented and regularly updated due diligence processes are implemented when appointing and reviewing service providers, including reviewing the main contracts entered into by the Company for such services;
- to ensure that the risk profile of the Company corresponds to the size, portfolio structure and investment strategies and objectives of the Company; and
- to report to the Board on its conclusions and to make recommendations in respect of any matters within its remit, including proposals for improvement in, or changes to, the systems, processes and procedures that are in place.

The Committee will review these Terms of Reference at least four times each year.

## Activities of the Risk Committee

The Committee met four times during the year under review. In addition to the Committee's ordinary activities in that period, the Committee carried out a full and comprehensive review of the Company's Risk Register. This included a reassessment of the principal and emerging risks facing the Company, the impact of the failure to prevent an identified risk occurring together with a review of the control measures used to address the identified risks. The Committee also took the opportunity to ensure that the Risk Register adequately addressed new legislative and regulatory changes.

## Internal Control and Risk Management

The Board of Directors has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. However, as the Directors have delegated the investment management, company secretarial and administrative functions of the Company to Maven, the Board considers that it is appropriate for the Company's internal controls to be monitored by the Manager, rather than by the Company itself.

The principal responsibilities of the Committee include the ongoing review of the effectiveness of the internal control environment of the Company and the review of the Company's risk management systems that allow the Company to identify, measure, manage and monitor all risks on a continuous basis. The Committee keeps the effectiveness of the Company's internal control and risk management systems and procedures under review. The Directors have confirmed that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place up to the date of approval of this Annual Report. This process is reviewed regularly by the Board and accords with internal control guidance issued by the FRC.

Through the Risk Committee, the Board reviews the effectiveness of the system of internal control at least bi-annually, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed. The Directors have delegated the management of the Company's assets to the Manager and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the compliance function of the Manager, which undertakes periodic examination of business processes, including compliance with the terms of the Management and Administration Agreement, and ensures that any recommendations to improve controls are implemented.

Risks are identified through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the guidance issued by the FRC and includes financial, regulatory, market, operational and reputational risk. This helps the Manager's risk model identify those functions most appropriate for review. Any errors or weaknesses identified are reported to the Company and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review and up to the date of this report are:

- the Manager prepares forecasts and management accounts, which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted regularly to the Board;
- the Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- the compliance function of Maven reviews the Manager's operations on an ongoing basis;
- written agreements are in place that specifically define the roles and responsibilities of the Manager and other third-party service providers;
- clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations;
- the Committee carries out a bi-annual assessment of internal controls by considering reports from the Manager, including oversight of Maven's whistleblowing policy, its internal control and compliance functions, and taking account of events since the relevant period end; and
- the compliance function of the Manager reports bi-annually to the Risk Committee and has direct access to the Directors at any time.

The internal control systems are intended to meet the Company's particular needs and the risks to which it is exposed. Accordingly, these systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement or loss.

In addition, as the Company has contractually delegated specific services to external parties, another key risk relates to the performance of those service providers.

## Assessment of Risks

In terms of the assessment of the key risks facing the Company, it is recognised that the investment portfolio forms a significant element of its assets. The recognition, ownership and valuation of the investment portfolio is, therefore, an area of particular attention for the Committee. Specifically, the risk is that investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 74 and 75. As revenue generated from dividend income and loan stock, another risk relates is that the Company does not recognise income in line with its stated policy on revenue recognition. The maintenance of VCT status is another risk that the Company has to consider and the approach to address each of these key risks is set out below.

***Valuation, Existence and Ownership of the Investment Portfolio***

The Company uses the services of an independent Custodian (JPMorgan Chase Bank) to hold the quoted investment assets of the Company. An annual internal control report is received from the Custodian that provides details of the Custodian's control environment. The investment portfolio is reconciled regularly by the Manager and the reconciliation is also reviewed by the Auditor. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are considered at the quarterly meetings of the Board. The portfolio is also audited annually by the Auditor.

The valuation of investments is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(e) to the Financial Statements on pages 74 and 75. Unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors. Investments listed on a recognised stock exchange are valued at their bid market price.

The Committee considered and challenged the assumptions and significant judgements in relation to the valuation of each quoted and unquoted investment and was satisfied that they were appropriate. The Committee was also satisfied that there were no issues associated with the existence and ownership of the investments that required to be addressed.

***Revenue Recognition***

The recognition of dividend income and loan stock interest is undertaken in accordance with the accounting policy set out in Note 1(b) to the Financial Statements on page 74.

Management accounts are reviewed by the Board on a quarterly basis and discussion takes place with the Manager at the quarterly Board Meetings regarding the revenue generated from dividend income and loan stock. The Committee is satisfied that the levels of income recognised are in line with revenue estimates and that there were no issues associated with revenue recognition which required to be addressed.

***Maintenance of VCT Status***

Compliance with the VCT regulations is monitored continually by the Manager and is reviewed by the Committee on a quarterly basis. The Committee concluded that there were no issues associated with the maintenance of VCT status that required to be addressed.

The principal and emerging risks and uncertainties faced by the Company, and the Board's strategy for managing these, are also covered in the Business Report on pages 13 to 15.

**Arthur MacMillan**
**Director**

**4 June 2021**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAVEN INCOME AND GROWTH VCT PLC

## Report on the audit of the Financial Statements

### 1. Opinion

***In our opinion the Financial Statements of Maven Income and Growth VCT PLC (the Company):***

- **give a true and fair view of the state of the Company's affairs as at 28 February 2021 and of its return for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the Financial Statements which comprise:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related Notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 3. Summary of our audit approach

| | |
|---|---|
| **Key audit matters** | The key audit matter that we identified in the current year was the valuation of early stage unlisted investments.<br>Within this report, key audit matters are identified as follows:<br>Newly identified<br>Increased level of risk<br>Similar level of risk<br>Decreased level of risk |
| **Materiality** | The materiality that we used in the current year was £810,000 (2020: £862,000), which was determined on the basis of 2% of the net asset value of the Company at year end. |
| **Scoping** | Audit work to respond to the risks of material misstatement was performed directly by the engagement team. |
| **Significant changes in our approach** | There have been no significant changes to our audit approach in the current year. |

## 4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- considering as part of our risk assessment the nature of the Company, its business model and related risks, including where relevant the impact of the COVID-19 pandemic and the UK's departure from the EU, the requirements of the applicable financial reporting framework and the system of internal control;
- evaluating the Directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment through review of forecasted cash flows and the impact of external market forces, and evaluating the Directors' plans for future actions in relation to their going concern assessment; and
- assessing the relevant disclosures about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements.

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

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1. Valuation of early-stage unlisted investments

| | |
|---|---|
| **Key audit matter description** | Refer to Note 1(e) (Accounting Policies) on pages 74 and 75, Note 8 on page 79 and the Assessment of Risks section of the Report of the Audit and Risk Committees on pages 60 and 61.<br><br>The Company holds unlisted investments that are valued in accordance with the revised International Private Equity and Venture Capital Valuation (IPEVCV) Guidelines. These unlisted investments represent £25.1 million or 61.9% (2020: £21.7 million or 50.3%) of the Company's net assets.<br><br>Under the VCT regulations, investments are more likely to be in earlier stage unlisted companies, which lack financial performance history. The valuation of these early-stage unlisted companies are, therefore, exposed to a greater deal of judgement, further heightened by the COVID-19 pandemic and Brexit.<br><br>In particular, where a follow-on investment has been made in an early-stage unlisted company, there is a risk that the price of the recent investment may not be reflective of an independent market value due to the existing relationship between the investee company and the Company. Furthermore, where the early-stage unlisted company has not been revalued in the current year, there is a risk that indicators of a change in fair value, such as investee company performance being ahead or behind milestones, have not been adequately factored in the re-measurement.<br><br>This risk has been identified as a potential fraud risk, as incorrect valuations could result in a material misstatement of the net asset value of the Company. |
| **How the scope of our audit responded to the key audit matter** | Our testing included:<br>• review of Board minutes for evidence that all investee company valuations are challenged and approved by the Directors;<br>• review of valuation committee minutes for evidence that company valuations are reviewed by the Manager's valuation committee;<br>• review of the initial or revised investment planning documents related to the investee companies and identification of the key milestones that underpin the companies' anticipated growth and development;<br>• enquiring with the individual investment managers to understand current performance of the investee company against milestones, its challenges and opportunities;<br>• assessing the appropriateness of the selected valuation methodology;<br>• scrutiny of management accounts, with a particular emphasis on current cash position and cash flow forecasts for the next 12 months and assessing whether any additional funding is anticipated; and<br>• assessment of the assumptions used in the performance of the investee company against management accounts and other available market data, including the potential impact of the UK's departure from the EU and COVID-19. If this performance was not reflected in the valuation of the investee company, this was challenged with the relevant investment manager and relevant external supporting documentation obtained. |
| **Key observations** | Based on our testing, we concluded that the valuation of the early stage unlisted investments is reasonable. |

## 6. Our application of materiality

### 6.1. Materiality

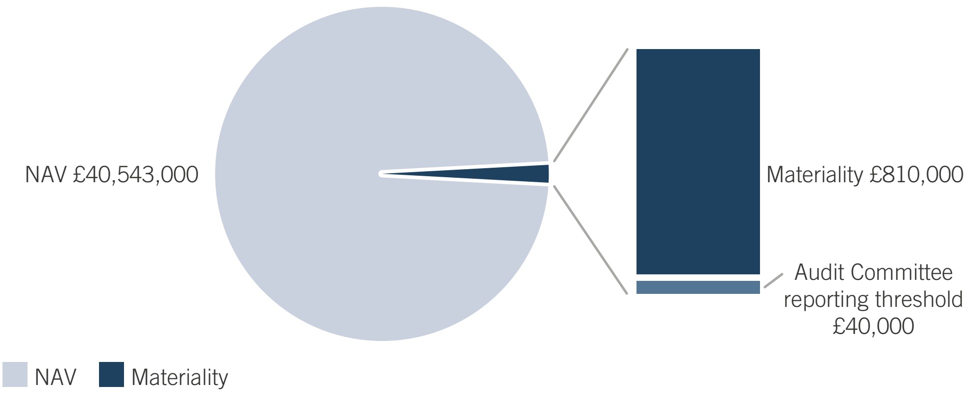
We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

| | |
|---|---|
| **Materiality** | £810,000 (2020: £862,000) |
| **Basis for determining materiality** | 2% of net asset value (2020: 2%). |
| **Rationale for the benchmark applied** | NAV is a primary measure used by the Shareholders in assessing the performance of the Company as an investment entity. |

### 6.2. Materiality applied to particular classes of transactions, account balances or disclosures

For our testing of the unlisted investments held by the Company, we used a lower level of materiality based on 2% of the unlisted investment balance, which results in a lower-level materiality of £502,000. This is because the NAV of the VCT is significantly inflated due to the cash levels that are held that have not yet been deployed from previous capital raises, meaning a significant amount of cash is held as of the year-end date. However, the cash balance will carry a different risk profile to that of unlisted investments and, therefore, these investments should be tested at a lower materiality level.




### 6.3. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 70%). In determining performance materiality, we considered the quality of the control environment and management's willingness to correct identified errors in previous audits.

### 6.4. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £40,000 (2020: £43,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

## 7. An overview of the scope of our audit

### 7.1. Scoping and our consideration of the control environment

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement.

The investment management and accounting and reporting operations were undertaken by the Manager, whilst the safeguarding of assets resides with the Manager and the Custodian. We have obtained an understanding of the Manager's systems of internal control and reviewed the Custodian's controls report. We have, however, not relied on the controls at either the Manager or Custodian.

## 8. Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**We have nothing to report in this regard.**

## 9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

## 10. Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our Auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance, including the design of the Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and valuations regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of early stage unlisted investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act and Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's compliance with VCT regulations.

### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of early stage unlisted investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

### 13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 41;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 41;
- the Directors' statement on fair, balanced and understandable set out on page 56;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 13 to 15;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 59 and 60; and
- the section describing the work of the Audit Committee set out on pages 57 and 58.

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns.

**We have nothing to report in respect of these matters.**

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report, if in our opinion, certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

**We have nothing to report in respect of these matters.**

## 15. Other matters which we are required to address

### 15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were re-appointed by the Board of Directors in April 2017 to audit the Financial Statements for the year ended 28 February 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 14 years, covering the years ended 29 February 2008 to 28 February 2021.

### 15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

## 16. Use of our report

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

**Chris Hunter CA (Senior statutory auditor)**
**For and on behalf of Deloitte LLP**
**Statutory Auditor**
**Edinburgh, United Kingdom**

**4 June 2021**

# INCOME STATEMENT

For the year ended 28 February 2021

| | Notes | Year ended 28 February 2021 Revenue £'000 | Capital £'000 | Total £'000 | Year ended 29 February 2020 Revenue £'000 | Capital £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| Gains on investments | 8 | - | 1,249 | 1,249 | - | 579 | 579 |
| Income from investments | 2 | 804 | - | 804 | 966 | - | 966 |
| Other income | 2 | 18 | - | 18 | 115 | - | 115 |
| Investment management fees | 3 | (157) | (627) | (784) | (150) | (601) | (751) |
| Other expenses | 4 | (389) | - | (389) | (361) | - | (361) |
| **Net return on ordinary activities before taxation** | | **276** | **622** | **898** | **570** | **(22)** | **548** |
| Tax on ordinary activities | 5 | (55) | 55 | - | (106) | 106 | - |
| **Return attributable to Equity Shareholders** | 7 | **221** | **677** | **898** | **464** | **84** | **548** |
| **Earnings per share (pence)** | | **0.24** | **0.74** | **0.98** | **0.50** | **0.09** | **0.59** |

All gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet. The Company derives its income from investments made in shares, securities and bank deposits.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

The accompanying Notes are an integral part of the Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2021

| Year ended 28 February 2021 | Notes | Share capital £'000 | Non-distributable reserves<br>Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve unrealised £'000 | Distributable reserves<br>Capital reserve realised £'000 | Special distributable reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|---|
| **At 29 February 2020** | | **9,299** | **101** | **25** | **(902)** | **-** | **33,467** | **1,110** | **43,100** |
| Net return | | - | - | - | 1,783 | (534) | (572) | 221 | 898 |
| Dividends paid | 6 | - | - | - | - | - | (2,298) | (460) | (2,758) |
| Repurchase and cancellation of shares | 12 | (187) | - | 187 | - | - | (762) | - | (762) |
| Net proceeds of DIS issue | | 16 | 49 | - | - | - | - | - | 65 |
| **At 28 February 2021** | | **9,128** | **150** | **212** | **881** | **(534)** | **29,835** | **871** | **40,543** |

| Year ended 29 February 2020* | Notes | Share capital £'000 | Non-distributable reserves<br>Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve unrealised £'000 | Distributable reserves<br>Capital reserve realised £'000 | Special distributable reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|---|
| **At 28 February 2019** | | **5,286** | **10,253** | **361** | **(135)** | **(16,907)** | **25,746** | **646** | **25,250** |
| Net return | | - | - | - | (192) | 771 | (495) | 464 | 548 |
| Cancellation of share premium account | | - | (25,787) | - | - | - | 25,787 | - | - |
| Cancellation of capital redemption reserve | | - | - | (475) | - | - | 475 | - | - |
| Share premium cancellation costs | | - | (12) | - | - | - | - | - | (12) |
| Dividends paid | 6 | - | - | - | - | - | (1,858) | - | (1,858) |
| Repurchase and cancellation of shares | 12 | (139) | - | 139 | - | - | (627) | - | (627) |
| Net proceeds of share issue | | 4,116 | 15,536 | - | - | - | - | - | 19,652 |
| Net proceeds of DIS issue | | 36 | 111 | - | - | - | - | - | 147 |
| Transfer between distributable reserves* | | - | - | - | (575) | 16,136 | (15,561) | - | - |
| **At 29 February 2020** | | **9,299** | **101** | **25** | **(902)** | **-** | **33,467** | **1,110** | **43,100** |

The capital reserve unrealised in generally non-distributable, other than the part of the reserve relating to gains / (losses) attributable to readily realisable quoted investments that are distributable.

*Refer to Note 1 to the Financial Statements on page 74.

The accompanying Notes are an integral part of the Financial Statements.

# BALANCE SHEET

As at 28 February 2021

| | Notes | 28 February 2021 £'000 | 29 February 2020* £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments at fair value through profit or loss | 8 | 30,733 | 26,182 |
| **Current assets** | | | |
| Debtors | 10 | 342 | 416 |
| Cash | 16 | 9,537 | 16,540 |
| | | **9,879** | **16,956** |
| **Creditors** | | | |
| Amounts falling due within one year | 11 | (69) | (38) |
| **Net current assets** | | **9,810** | **16,918** |
| **Net assets** | | **40,543** | **43,100** |
| **Capital and reserves** | | | |
| Called up share capital | 12 | 9,128 | 9,299 |
| Share premium account | 13 | 150 | 101 |
| Capital redemption reserve | 13 | 212 | 25 |
| Capital reserve - unrealised | 13 | 881 | (902) |
| Capital reserve - realised | 13 | (534) | - |
| Special distributable reserve | 13 | 29,835 | 33,467 |
| Revenue reserve | 13 | 871 | 1,110 |
| **Net assets attributable to Ordinary Shareholders** | | **40,543** | **43,100** |
| | | | |
| **Net asset value per Ordinary Share (pence)** | 14 | **44.41** | **46.35** |

*Refer to Note 1 to the Financial Statements on page 74.

The Financial Statements of Maven Income and Growth VCT PLC, registered number 03908220, were approved and authorised for issue by the Board of Directors on its behalf by:

**John Pocock**
**Director**

**4 June 2021**

The accompanying Notes are an integral part of the Financial Statements.

# CASH FLOW STATEMENT

For the year ended 28 February 2021

| | Notes | Year ended 28 February 2021 £'000 | Year ended 29 February 2020 £'000 |
|---|---|---|---|
| **Net cash flows from operating activities** | 15 | **(307)** | **39** |
| **Cash flows from investing activities** | | | |
| Purchase of investments | | (6,907) | (8,450) |
| Sale of investments | | 3,666 | 5,300 |
| **Net cash flows from investing activities** | | **(3,241)** | **(3,150)** |
| **Cash flows from financing activities** | | | |
| Equity dividends paid | 6 | (2,758) | (1,858) |
| Issue of Ordinary Shares | | - | 19,799 |
| Share premium cancellation costs | | - | (12) |
| Net proceeds of DIS issue | | 65 | - |
| Repurchase of Ordinary Shares | | (762) | (627) |
| **Net cash flows from financing activities** | | **(3,455)** | **17,302** |
| **Net (decrease)/increase in cash** | | **(7,003)** | **14,191** |
| **Cash at beginning of year** | | **16,540** | **2,349** |
| **Cash at end of year** | | **9,537** | **16,540** |

The accompanying Notes are an integral part of the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2021

**1 Accounting policies**

The Company is a public limited company, incorporated in England and Wales and its registered office is shown in the Corporate Summary.

**(a) Basis of preparation**

The Financial Statements have been prepared on a going concern basis, including an assessment of the impact of COVID-19 on the finances of the Company, as covered in the Directors' Report on page 41. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, and in accordance with the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (the SORP) issued by the AIC in October 2019.

Change in presentation of 2019 Statement of Changes in Equity and Balance Sheet - in previous years, capital expenses and dividends were recorded through the capital reserve realised. The nature of this treatment created a large deficit position that continued to build. In order to improve the transparency of distributable reserves, capital expenses and dividends are now recorded through the special distributable reserve. A one-off prior year reclassification has been reflected in the statement of changes in equity to clear the originating deficit position. This disclosure change has no impact on the profit and loss account or NAV.

**(b) Income**

Dividends receivable on equity shares and unit trusts are treated as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the period. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate on the debt securities and shares. Provision is made for any income not expected to be received. Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year.

**(c) Expenses**

All expenses are accounted for on an accruals basis and charged to the Income Statement. Expenses are charged through the revenue account except as follows:

- expenses that are incidental to the acquisition and disposal of an investment are charged to capital; and
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 20% to revenue and 80% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

**(d) Taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements that are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital reserves and revenue account on the same basis as the particular item to which it relates using the Company's effective rate of tax for the period.

UK corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

**(e) Investments**

In valuing unlisted investments the Directors follow the criteria set out below. These procedures comply with the revised International Private Equity and Venture Capital Valuation Guidelines (IPEVCV) for the valuation of private equity and venture capital investments. Investments are recognised at their trade date and are designated by the Directors as fair value through profit and loss. At subsequent reporting dates, investments are valued at fair value, which represents the Directors' view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1. For early stage investments completed in the reporting period, fair value is determined using the price of recent investment, calibrating for any material change in the trading circumstances of the investee company. Other early stage investments are valued using a milestone approach, in particular where it is considered there are no deemed current or short-term future maintainable earnings or positive cashflows.
2. Whenever practical, recent investments will be valued by reference to a material arm's length transaction or a quoted price.
3. Mature companies are valued by applying a multiple to their maintainable earnings to determine the enterprise value of the company.

   To obtain a valuation of the total ordinary share capital held by management and the institutional investors, the value of third party debt, institutional loan stock, debentures and preference share capital is deducted from the enterprise value. The effect of any performance related mechanisms is taken into account when determining the value of the ordinary share capital.
4. In the absence of evidence of a deterioration, or strong defensible evidence of an increase in value, the fair value is determined to be that reported at the previous balance sheet date.
5. All unlisted investments are valued individually by Maven's portfolio management team. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.
6. In accordance with normal market practice, investments listed on AIM or a recognised stock exchange are valued at their bid market price.

**(f) Fair value measurement**

Fair value is defined as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or the most advantageous market of the investment. A three-tier hierarchy has been established to maximise the use of observable market data and minimise the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on best information available in the circumstances.

The three-tier hierarchy of inputs is summarised in the three broad levels listed below:

- Level 1 - the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

**(g) Gains and losses on investments**

When the Company sells or revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement.

**(h) Critical accounting judgements and key sources of estimation uncertainty**

Disclosure is required of judgements and estimates made by the Board and the Manager in applying the accounting policies that have a significant effect on the Financial Statements. The area involving the highest degree of judgement and estimates is the valuation of early stage unlisted investments recognised in Note 8 and explained in Note 1(e) above.

In the opinion of the Board and the Manager, there are no critical accounting judgements.

| 2. Income | Year ended 28 February 2021 £'000 | Year ended 29 February 2020 £'000 |
|---|---|---|
| **Income from investments:** | | |
| UK franked investment income | 47 | 44 |
| UK unfranked investment income | 757 | 922 |
| | **804** | **966** |
| **Other income:** | | |
| Deposit interest | 18 | 115 |
| **Total income** | **822** | **1,081** |

| 3. Investment management fees | Year ended 28 February 2021 | | | Year ended 29 February 2020 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Minimum investment management fees | 157 | 627 | 784 | 150 | 601 | 751 |
| | **157** | **627** | **784** | **150** | **601** | **751** |

Details of the fee basis are contained in the Directors' Report on page 44.

| 4. Other expenses | Year ended 28 February 2021 | | | Year ended 29 February 2020 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Secretarial fees | 100 | - | 100 | 100 | - | 100 |
| Directors' remuneration | 82 | - | 82 | 82 | - | 82 |
| Fees to Auditor - audit of financial statements | 27 | - | 27 | 24 | - | 24 |
| Fees to Auditor - tax compliance services | - | - | - | 5 | - | 5 |
| Miscellaneous expenses | 180 | - | 180 | 150 | - | 150 |
| | **389** | **-** | **389** | **361** | **-** | **361** |

| **5. Tax on ordinary activities** | **Year ended 28 February 2021** | | | **Year ended 29 February 2020** | | |
|---|---|---|---|---|---|---|
| | **Revenue £'000** | **Capital £'000** | **Total £'000** | **Revenue £'000** | **Capital £'000** | **Total £'000** |
| Corporation tax | **(55)** | **55** | **-** | **(106)** | **106** | **-** |

The tax assessed for the period is at the rate of 19% (2019: 19%).

| | **Year ended 28 February 2021** | | | **Year ended 29 February 2020** | | |
|---|---|---|---|---|---|---|
| | **Revenue £'000** | **Capital £'000** | **Total £'000** | **Revenue £'000** | **Capital £'000** | **Total £'000** |
| Net return on ordinary activities before taxation | 276 | 622 | 898 | 570 | (22) | 548 |
| Net return on ordinary activities before taxation multiplied by standard rate of corporation tax | 52 | 118 | 170 | 108 | (4) | 104 |
| Non-taxable UK dividend income | (9) | - | (9) | (8) | - | (8) |
| Gains on investments | - | (237) | (237) | - | (110) | (110) |
| Increase in excess management expenses | - | 64 | 64 | - | 8 | 8 |
| Non-taxable expenses | 12 | - | 12 | 6 | - | 6 |
| | **55** | **(55)** | **-** | **106** | **(106)** | **-** |

Losses with a tax value of £114,254 (2020: £50,543) are available to carry forward against future trading profits. These have not been recognised as a deferred tax asset as recoverability is not sufficiently certain.

| 6. Dividends | Year ended 28 February 2021 £'000 | Year ended 29 February 2020 £'000 |
|---|---|---|
| *Amounts recognised as distributions to Equity Shareholders in the year:* | | |
| **Revenue dividends** | | |
| Final revenue dividend for the year ended 29 February 2020 of 0.50p paid on 17 July 2020 (2020: nil) | 460 | - |
| | **460** | **-** |
| **Capital dividends** | | |
| Final capital dividend for the year ended 29 February 2020 of 1.50p paid on 17 July 2020 (2020: nil) | 1,380 | - |
| Interim capital dividend for the year ended 28 February 2021 of 1.00p (2020: 2.00p) paid on 13 November 2020 | 918 | 1,858 |
| | **2,298** | **1,858** |
| | | |
| **Total dividends** | **2,758** | **1,858** |
| We set out below the final dividends proposed in respect of the financial year, which reflect the requirements of Section 274 of the Income Tax Act 2007. | | |
| Revenue available for distribution by way of dividends for the year | **221** | **464** |
| **Revenue dividends** | | |
| Final revenue dividend for the year ended 28 February 2021 of 0.15p (2020: 0.50p) | 137 | 465 |
| | **137** | **465** |
| **Capital dividends** | | |
| Final capital dividend for the year ended 28 February 2021 of 0.85p (2020: 1.50p) | 776 | 1,395 |
| | **776** | **1,395** |

| 7. Earnings per share | Year ended 28 February 2021 | Year ended 29 February 2020 |
|---|---|---|
| The returns per share have been based on the following figures: | | |
| Weighted average number of Ordinary Shares | 92,027,117 | 92,232,124 |
| Revenue return | £221,000 | £464,000 |
| Capital return | £677,000 | £84,000 |
| **Total return** | **£898,000** | **£548,000** |

| 8. Investments | Listed (quoted prices) £'000 | AIM/AQSE (quoted prices) £'000 | Unlisted (unobservable inputs) £'000 | Total £'000 |
|---|---|---|---|---|
| **Valuation at 29 February 2020** | **3,441** | **1,050** | **21,691** | **26,182** |
| Unrealised (gain)/loss | (77) | 182 | 897 | 1,002 |
| **Cost at 29 February 2020** | **3,364** | **1,232** | **22,588** | **27,184** |
| **Movements during the year:** | | | | |
| Purchases | - | 1,128 | 5,779 | 6,907 |
| Sales proceeds | (9) | (1,431) | (2,165) | (3,605) |
| Realised (loss)/gain | 9 | 689 | (1,232) | (534) |
| **Cost at 28 February 2021** | **3,364** | **1,618** | **24,970** | **29,952** |
| Unrealised gain/(loss) | 262 | 376 | 143 | 781 |
| **Valuation at 28 February 2021** | **3,626** | **1,994** | **25,113** | **30,733** |

Note 1(f) defines the three-tier hierarchy of investments, and the significance of the information used to determine their fair value that is required by Financial Reporting Standard 102 Section 11 "Basic Financial Instruments". Listed and AIM/AQSE quoted securities are categorised as Level 1 and unlisted investments as Level 3.

FRS 102 requires disclosure, by class of financial instrument, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement (see Note 16 for sensitivity analysis). The information used in determination of the fair value of Level 3 to the specific underlying investments is chosen with reference to the circumstances and position of each investee company.

| | 28 February 2021 £'000 | 29 February 2020 £'000 |
|---|---|---|
| Investment and unit trusts | 3,626 | 3,441 |
| AIM/AQSE quoted equities | 1,994 | 1,050 |
| | **5,620** | **4,491** |
| **Unlisted at Directors' valuation:** | | |
| Unquoted unobservable equities | 17,280 | 13,750 |
| Unquoted unobservable fixed income | 7,833 | 7,941 |
| | **25,113** | **21,691** |
| **Total** | **30,733** | **26,182** |
| Realised (losses)/gains on historical basis | (534) | 771 |
| Net increase/(decrease) in value of investments | 1,783 | (192) |
| **Gains on investments** | **1,249** | **579** |

**9. Participating interests**

The principal activity of the Company is to select and hold a portfolio of investments in unlisted securities. Although the Company will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in the management. The size and structure of the companies with unlisted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement.

At 28 February 2021, the Company held shares amounting to 20% or more of the equity capital of the following undertakings:

| Investment | % of class held | % of equity held | Total cost £'000 | Carrying value £'000 | Latest accounts period end | Aggregate capital & reserves £'000 | Profit/ (loss) after tax for year £'000 |
|---|---|---|---|---|---|---|---|
| **Bright Network (UK) Limited** | | | | | | | |
| 26,026 B ordinary shares | 19.9 | 8.4 | 940 | 971 | 31/3/20 | 4,863 | (533) |
| **CatTech International Limited** | | | | | | | |
| 1,053,361 B ordinary shares | 20.0 | 6.0 | 11 | 337 | 31/12/19 | 640 | 663 |
| 17,531,640 C ordinary shares | 20.7 | | 175 | 281 | | | |
| **Delio Limited** | | | | | | | |
| 627 A ordinary shares | 26.7 | 3.6 | 533 | 533 | 31/3/20 | 3,130 | (771) |
| **Flow UK Holdings Limited** | | | | | | | |
| 3,627,272 B ordinary shares | 20.7 | 7.3 | 36 | 36 | 31/12/19 | (892) | - |
| 14,181,819 C ordinary shares | 21.8 | | 142 | 142 | | | |
| **GradTouch Limited** | | | | | | | |
| 177,778 D ordinary shares | 28.6 | 5.8 | 400 | 300 | 31/12/19 | 871 | - |
| **Martel Instruments Holdings Limited** | | | | | | | |
| 65,021 B ordinary shares | 33.8 | 14.9 | 83 | - | 31/12/19 | (4,219) | - |
| **Precursive Limited** | | | | | | | |
| 176,984 D ordinary shares | 20.0 | 4.3 | 500 | 500 | 31/1/20 | (218) | (235) |
| **The GP Service (UK) Limited** | | | | | | | |
| 393,792 C ordinary shares | 20.0 | 10.3 | 394 | 394 | 31/1/20 | (1,894) | - |

| 10. Debtors | Year ended 28 February 2021 £'000 | Year ended 29 February 2020 £'000 |
|---|---|---|
| Current taxation | 2 | 1 |
| Prepayments and accrued income | 276 | 290 |
| Other debtors | 64 | 125 |
| | **342** | **416** |

| 11. Creditors | Year ended 28 February 2021 £'000 | Year ended 29 February 2020 £'000 |
|---|---|---|
| Accruals | 69 | 38 |
| | **69** | **38** |

| 12. Share capital | Year ended 28 February 2021 Number | £'000 | Year ended 29 February 2020 Number | £'000 |
|---|---|---|---|---|
| ***At 28/29 February the authorised share capital comprised:*** | | | | |
| ***allotted, issued and fully paid:*** | | | | |
| Ordinary Shares of 10p each | | | | |
| Balance brought forward | 92,988,133 | 9,299 | 52,863,884 | 5,286 |
| Repurchased and cancelled in year | (1,866,681) | (187) | (1,395,000) | (139) |
| Ordinary Shares issued during the year | 161,371 | 16 | 41,519,249 | 4,152 |
| **Balance carried forward** | **91,282,823** | **9,128** | **92,988,133** | **9,299** |

During the year, 1,866,681 Ordinary Shares (2020: 1,395,000) were repurchased by the Company at a total cost of £762,509 (2020: £627,625) and cancelled.

During the year no shares were issued by the Company under an Offer for Subscription (2020: 41,161,201 at prices ranging from 47.76p to 49.04p per share).

Also during the year, the Company issued 161,371 shares under the DIS at a price of 44.35p per share (2020: 358,048 at 46.48p).

Subsequent to the year end, 45,045,568 new Ordinary Shares were issued under an Offer for Subscription and 400,000 Ordinary Shares were bought back for cancellation.

## 13. Reserves

**Share premium account**
The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs. This reserve is non-distributable.

**Capital redemption reserve**
The nominal value of shares repurchased and cancelled is represented in the capital redemption reserve. This reserve is non-distributable.

**Capital reserve - unrealised**
Increases and decreases in the fair value of investments are recognised in the Income Statement and are then transferred to the capital reserve unrealised account. This reserve is non-distributable.

**Capital reserve - realised**
Gains or losses on investments realised in the year that have been recognised in the Income Statement are transferred to the capital reserve realised account on disposal. Furthermore, any prior unrealised gains or losses on such investments are transferred from the capital reserve unrealised account to the capital reserve realised account on disposal. This reserve is distributable.

**Special distributable reserve**
The total cost to the Company of the repurchase and cancellation of shares is represented in the special distributable reserve account. The special distributable reserve also represents capital dividends, capital investment management fees and the tax effect of capital items. This reserve is distributable.

**Capital redemption reserve**
The nominal value of shares repurchased and cancelled is represented in the capital redemption reserve. This reserve is non-distributable.

**Revenue reserve**
The revenue reserve represents accumulated profits retained by the Company that have not been distributed to Shareholders as a dividend. This reserve is distributable.

## 14. Net asset value per Ordinary Share

The net asset value per Ordinary Share and the net asset value attributable to the Ordinary Shares at the year end, calculated in accordance with the Articles, were as follows:

| | 28 February 2021 | | 29 February 2020 | |
|---|---|---|---|---|
| | Net asset value per share p | Net asset value attributable £'000 | Net asset value per share p | Net asset value attributable £'000 |
| **Ordinary Shares** | **44.41** | **40,543** | **46.35** | **43,100** |

The number of Ordinary Shares used in this calculation is set out in Note 12.

| **15. Reconciliation of net return to cash generated/(utilised) by operations** | **Year ended 28 February 2021 £'000** | **Year ended 29 February 2020 £'000** |
|---|---|---|
| Net return | 898 | 548 |
| Adjustment for: | | |
| gains on investments | (1,249) | (579) |
| **Operating cash flow before movement in working capital** | **(351)** | **(31)** |
| Increase in prepayments | - | (9) |
| Increase in accruals | 31 | 4 |
| Decrease in debtors | 13 | 75 |
| **Cash (utilised)/generated by operations** | **(307)** | **39** |

## 16. Financial instruments

The Company's financial instruments comprise equity and fixed interest investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted and AIM quoted securities. The Company may not enter into derivative transactions in the form of forward foreign currency contracts, futures and options without the written permission of the Directors. No derivative transactions were entered into during the period.

The main risks the Company faces from its financial instruments are: (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rates; (ii) interest rate risk; (iii) liquidity risk; (iv) credit risk and (v) price risk sensitivity. In line with the Company's investment objective, the portfolio comprises mainly sterling currency securities and, therefore, foreign currency risk is minimal.

The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures below exclude short-term debtors and creditors which are included in the Balance Sheet at fair value.

**(i) Market price risk**
The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 13. Adherence to investment guidelines and to investment and borrowing powers set out in the Management and Administration Deed mitigates the risk of excessive exposure to any particular type of security or issuer. These powers and guidelines include the requirement to invest in a number of companies across a range of industrial and service sectors at varying stages of development, to closely monitor the progress of the investee companies and to appoint a non-executive director to the board of each company. Further information on the investment portfolio (including sector analysis, concentration and deal type analysis) is set out in the Analysis of Unlisted and Quoted Portfolio, the Investment Manager's Review, the Summary of Investment Changes, the Investment Portfolio Summary and the Largest Investments by Valuation.

**(ii) Interest rate risk**
The interest rate risk profile of financial assets at the balance sheet date was as follows:

| At 28 February 2021 | Fixed interest £'000 | Floating rate £'000 | Non-interest bearing £'000 |
|---|---|---|---|
| **Sterling** | | | |
| Unlisted and AIM/AQSE | 7,833 | - | 19,274 |
| Investment trusts | - | - | 1,615 |
| Unit trusts | - | - | 2,011 |
| Cash | - | 5,581 | 3,956 |
| | **7,833** | **5,581** | **26,856** |

| At 29 February 2020 | Fixed interest £'000 | Floating rate £'000 | Non-interest bearing £'000 |
|---|---|---|---|
| **Sterling** | | | |
| Unlisted and AIM/AQSE | 7,941 | - | 14,800 |
| Investment trusts | - | - | 1,431 |
| Unit trusts | - | - | 2,010 |
| Cash | - | 14,271 | 2,269 |
| | **7,941** | **14,271** | **20,510** |

The unlisted fixed interest assets have a weighted average life of 0.33 years (2020: 1.21 years) and a weighted average interest rate of 10.97% (2020: 10.39%). These assets are earning interest at prevailing money market rates. The non-interest bearing assets represent the equity portfolio and non interest bearing deposit accounts. All assets and liabilities of the Company are included in the Balance Sheet at fair value.

The floating rate investments only comprise cash held on interest bearing deposit accounts. The benchmark rate which determines the rate of interest receivable on cash is the bank base rate, which was 0.10% at 28 February 2021 (2020: 0.75%). A 0.25% increase or decrease in the base rate would mean an increase or decrease of interest received in the year of £13,952 (2020: £35,677). The impact of a change of 0.25% has been selected as this is considered reasonable given the current level of the Bank of England base rates and market expectations for future movement.

## 16. Financial instruments (continued)

**Maturity profile**

The maturity profile of the Company's financial assets at the balance sheet date was as follows:

| At 28 February 2021 | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Unlisted | 6,456 | 905 | 73 | 30 | 369 | 7,833 |
| | **6,456** | **905** | **73** | **30** | **369** | **7,833** |

| At 29 February 2020 | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Unlisted | 6,715 | 1,011 | 73 | 30 | 112 | 7,941 |
| | **6,715** | **1,011** | **73** | **30** | **112** | **7,941** |

**(iii) Liquidity risk**

Due to their nature, unlisted investments may not be readily realisable and therefore a portfolio of listed assets and cash is held to offset this liquidity risk. Note 8 details the three-tier hierarchy of inputs used as at 28 February 2021 in valuing the Company's investments carried at fair value.

The Company, generally, does not hold significant cash balances and any cash held is with reputable banks with high quality external credit ratings.

**(iv) Credit risk**

This is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's financial assets exposed to credit risk amounted to the following:

| | 28 February 2021 £'000 | 29 February 2020 £'000 |
|---|---|---|
| Investments in unlisted debt securities | 7,833 | 7,941 |
| Investment trusts | 1,615 | 1,431 |
| Unit trusts | 2,011 | 2,010 |
| Cash | 9,537 | 16,540 |
| | **20,996** | **27,922** |

**16. Financial instruments (continued)**

All assets which are traded on a recognised exchange are held by JPMorgan Chase (JPM), the Company's custodian. Cash balances are held by Barclays, Clydesdale, JPM and RBSI. Should the credit quality or the financial position of any of these institutions deteriorate significantly the Manager will move these assets to another provider.

The Manager evaluates credit risk on unlisted debt securities and financial commitments and guarantees prior to investment, and as part of the ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically, unlisted debt securities have a fixed charge over the assets of the investee company in order to mitigate the gross credit risk. The Manager receives management accounts from investee companies, and members of the investment management team sit on the boards of investee companies; this enables the close identification, monitoring and management of investment specific credit risk.

There were no significant concentrations of credit risk to counterparties at 28 February 2021 or 29 February 2020.

**(v) Price risk sensitivity**

The following details the Company's sensitivity to a 10% increase or decrease in the market prices of AIM/AQSE quoted securities, with 10% being the Manager's assessment of a reasonable possible change in market prices.

At 28 February 2021, if market prices of listed or AIM/AQSE quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £199,400 (2020: £105,000) due to the change in valuation of financial assets at fair value through profit or loss.

At 28 February 2021, if prices of unlisted securities had been 10% higher or lower with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £2,511,300 (2020: £2,169,100) due to the change on valuation of financial assets at fair value through profit or loss.

At 28 February 2021, 61.9% (2020: 50.3%) comprised investments in unlisted securities held at fair value. The valuation of unlisted securities reflects a number of factors, including the performance of the investee company itself and the wider market and any uncertainty surrounding the implications of the UK's departure from the EU and uncertainties associated with COVID-19.

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting (the Meeting) of Maven Income and Growth VCT PLC (the Company; Registered in England and Wales with registered number 3908220) will be held at 12.00 noon on Wednesday 7 July 2021 at Kintyre House, 205 West George Street, Glasgow G2 2LW, for the purposes of considering and, if thought fit, passing the following Resolutions:**

## Ordinary Resolutions

1. To receive the Directors' Report and audited Financial Statements for the year ended 28 February 2021.
2. To receive the Directors' Remuneration Report for the year ended 28 February 2021.
3. To approve a final dividend of 1.00p per Ordinary Share in respect of the year ended 28 February 2021.
4. To re-elect John Pocock as a Director.
5. To re-elect Alison Fielding as a Director.
6. To re-elect Andrew Harrington as a Director.
7. To re-elect Arthur MacMillan as a Director.
8. To re-appoint Deloitte LLP as Auditor.
9. To authorise the Directors to fix the remuneration of the Auditor.
10. That the Directors be and are hereby generally and unconditionally authorised under Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot Ordinary Shares, or grant rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal amount of £1,359,283 provided that this authority shall expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, and so that the Company may before such expiry, make an offer or agreement that would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreements as if the authority conferred had not expired.

## Special Resolutions

11. That, subject to the passing of Resolution 10, the Directors be and hereby are empowered, under Section 571 of the Act, to allot equity securities (as defined in Section 560 of the Act) under the authority conferred by Resolution 10 for cash as if Section 561(1) of the Act did not apply to the allotment, provided that this power shall be limited to the allotment:

    a) of equity securities in connection with an offer of such securities by way of a rights issue only to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such Ordinary Shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

    b) (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £1,359,283 (equivalent to 13,592,830 Ordinary Shares); and

    c) shall expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, save that the Company may, before such expiry, make an offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

12. That the Company be and hereby is generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided always that:

    a) the maximum number of Ordinary Shares hereby authorised to be purchased is 20,375,665;

    b) the minimum price, exclusive of expenses, that may be paid for an Ordinary Share shall be 10p per share;

    c) the maximum price, exclusive of expenses, that may be paid for an Ordinary Share shall be not more than an amount equal to the higher of:

        (i) 105% of the average of the closing middle market price for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and

        (ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No. 273/2003 (the Buy-back and Stabilisation Regulation); and

    d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or, if earlier, on the expiry of 15 months from the passing of this Resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry.

13. That a general meeting, other than an annual general meeting, may be called on not less than 14 days' clear notice.

**By order of the Board**
**Maven Capital Partners UK LLP**
**Secretary**
**Fifth Floor**
**1-2 Royal Exchange Buildings London**
**EC3V 3LF**

**4 June 2021**

# NOTES:

***Entitlement to attend and vote***

1) To be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those members registered in the Company's register of members at close of business on 5 July 2021 (or, if the Meeting is adjourned, close of business on the date which is two business days before the adjourned Meeting) shall be entitled to attend and vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

***Website giving information regarding the Meeting***

2) Information regarding the Meeting, including the information required by Section 311A of the Act, is available from **www.mavencp.com/migvct**.

***Attending in person***

3) It would be normal practice for those wishing to attend the Meeting in person to bring some form of identification. However, as referred to in the Chairman's Statement on page 12, in light of current Government advice on non-essential travel and maintaining social distancing, Shareholders may be unable to attend the 2021 AGM in person.

***Appointment of proxies***

4) If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Proxy Form with this Notice of Annual General Meeting. You can appoint a proxy only using the procedures set out in these notes and the notes to the Proxy Form.

5) If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

6) A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

7) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please copy the Proxy Form, indicate on each form how many shares it relates to, and submit them together.

8) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter that is put before the Meeting.

***Appointment of proxy using hard copy Proxy Form***

9) A Proxy Form is enclosed with this document. The notes to the Proxy Form explain how to direct your proxy to vote or withhold their vote on each Resolution. To appoint a proxy using the Proxy Form, the form must be completed, signed and sent or delivered to the Company's Registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL so as to be received by Link Group no later than 12.00 noon on 5 July 2021 or by close of business on a date two business days prior to that appointed for any adjourned Meeting or, in the case of a poll taken subsequent to the date of the Meeting or adjourned Meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

***Appointment of a proxy online***

10) You may submit your proxy electronically using the Share Portal service at **www.signalshares.com**. Shareholders can use this service to vote or appoint a proxy on-line. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Proxy Form to vote or appoint a proxy by post to vote for you. You will need to use the unique personal identification Investor Code printed on your share certificate. You should not show this information to anyone unless they wish to give proxy instructions on their behalf.

***Appointment of proxies through CREST***

11) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from **https://www.euroclear.com/site/ public/EUI)**. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 12.00 noon on 5 July 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

    CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

    In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

***Appointment of proxy by joint members***

12) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

***Changing proxy instructions***

13) To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard copy Proxy Form and would like to change the instructions using another hard copy Proxy Form, please contact Link Group at the address shown in note 9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

***Termination of proxy appointments***

14) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group, at the address shown in note 9. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed, or a duly certified copy of such power or authority, must be included with the revocation notice. The revocation notice must be received by Link Group no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will be terminated automatically.

***Corporate representatives***

15) A corporation that is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

***Issued shares and total voting rights***

16) As at 2 June 2021, the Company's issued share capital comprised 135,928,391 Ordinary Shares of 10p each. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company on 2 June 2021 was 135,928,391. The website referred to in note 2 will include information on the number of shares and voting rights.

***Questions at the Meeting***

17) Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:

- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

***Website publication of audit concerns***

18) Pursuant to Chapter 5 of Part 16 of the Act (Sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 19 below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to the audit of the Company's accounts (including the Independent Auditor's Report and the conduct of the audit) that are to be laid before the Meeting. The request:

- may be in hard copy form or in electronic form (see note 20 below);
- must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it (see note 20 below); and
- must be received by the Company at least one week before the Meeting.

Where the Company is required to publish such a statement on its website:

- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's Auditor no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the Meeting.

***Members' qualification criteria***

19) In order to be able to exercise the members' rights under note 18, the relevant request must be made by a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total number of voting rights, see note 16 above and the website referred to in note 2.

***Submission of hard copy and electronic requests and authentication requirements***

20) Where a member or members wishes to request the Company to publish audit concerns (see note 18) such request be must be made in accordance with one of the following ways:

- a hard copy request which is signed by you, states your full name and address and is sent to **The Secretary, Maven Income and Growth VCT PLC, Kintyre House, 205 West George Street, Glasgow G2 2LW**; or a request that states your full name, address, and investor code, and is sent to **enquiries@mavencp.com** stating "AGM" in the subject field.

***Nominated persons***

21) If you are a person who has been nominated under Section 146 of the Act to enjoy information rights (Nominated Person):

- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting;
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
- your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

***Documents on display***

22) Copies of the letters of appointment of the Directors of the Company and a copy of the Articles of the Company will be available for inspection at the registered office of the Company and at Kintyre House, 205 West George Street, Glasgow G2 2LW from the date of this notice until the end of the Meeting.

***Communication***

23) Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

- calling Maven Capital Partners UK LLP (the Secretary) on 0141 306 7400; or
- e-mailing **enquiries@mavencp.com** and stating “AGM” in the subject field.

***Members’ rights to require circulation of Resolution to be proposed at the Meeting***

24) Under Section 338 of the Act, a member or members meeting the qualification criteria set out at note 19, may, subject to conditions, require the Company to give to members notice of a Resolution that may properly be moved and is intended to be moved at the Meeting. The conditions are that:

- the Resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise);
- the Resolution must not be defamatory of any person, frivolous or vexatious;
- the request may be in hard copy form or in electronic form (see note 20) and must identify the Resolution of which notice is to be given by either setting out the Resolution in full or, if supporting a Resolution sent by another member, clearly identifying the Resolution which is being supported;
- the request must be authenticated by the person or persons making it (see note 20);
- the request must be received by the Company not later than six weeks before the Meeting to which the request relates;
- in the case of a request made in hard copy form, such request must be authenticated by providing your full name, address and investor code and sent to the Secretary at the address stated in note 20; and
- in the case of a request made in electronic form, such request must be authenticated as set out above and sent to **enquiries@mavencp.com**, stating “AGM” in the subject field.

***Members’ right to have a matter of business dealt with at the Meeting***

25) Under Section 338A of the Act, a member or members meeting the qualification criteria set out at note 19, may, subject to conditions, require the Company to include in the business to be dealt with at the Meeting a matter (other than a proposed Resolution) that may properly be included in the business (a matter of business). The conditions are that:

- the matter of business must not be defamatory of any person, frivolous or vexatious;
- the request may be in hard copy form or in electronic form (see note 20);
- the request must identify the matter of business by either setting it out in full or, if supporting the statement sent by another member, clearly identify the matter of business which is being supported;
- the request must be accompanied by a statement setting out the grounds for the request;
- the request must be authenticated by the person or persons making it (see note 20); and
- the request must be received by the Company not later than six weeks before the Meeting to which the request relates.

**Registered in England and Wales: Company Number 3908220**

# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

An explanation of the Resolutions to be proposed at the AGM is set out below. Resolutions 1 to 10 will be proposed as Ordinary Resolutions requiring the approval of more than 50% of the votes cast and Resolutions 11 to 13 will be proposed as Special Resolutions requiring the approval of 75% or more of the votes cast.

***Resolution 1 – Directors' Report and Financial Statements***

The Directors seek approval to receive the Directors' Report and audited Financial Statements for the year ended 28 February 2021, which are included within the Annual Report.

***Resolution 2 – Directors' Remuneration Report***

The Board seeks the approval to receive the Directors' Remuneration Report for the year ended 28 February 2021, which is also included within the Annual Report.

***Resolution 3 – Final Dividend***

The Company's Shareholders will be asked to approve the payment of a final dividend of 1.00p per Ordinary Share in respect of the year ended 28 February 2021, to be paid on 16 July 2021 to Shareholders on the register at the close of business on 18 June 2021.

***Resolution 4 – Re-election of a Director***

As the Board has resolved that each Director should stand for re-election on an annual basis, John Pocock will retire at the AGM and, being eligible, is offering himself for re-election.

***Resolution 5 – Re-election of a Director***

As the Board has resolved that each Director should stand for re-election on an annual basis, Alison Fielding will retire at the AGM and, being eligible, is offering herself for re-election.

***Resolution 6 – Re-election of a Director***

As the Board has resolved that each Director should stand for re-election on an annual basis, Andrew Harrington will retire at the AGM and, being eligible, is offering himself for re-election.

***Resolution 7 – Re-election of a Director***

As the Board has resolved that each Director should stand for re-election on an annual basis, Arthur MacMillan will retire at the AGM and, being eligible, is offering himself for re-election.

***Resolution 8 – Re-appointment of Auditor***

The Company must appoint an auditor at each general meeting at which accounts are presented to Shareholders, to hold office until the conclusion of the next such meeting. Resolution 8 seeks Shareholder approval to re-appoint Deloitte LLP as the Company's Auditor.

***Resolution 9 – Remuneration of Auditor***

In accordance with normal practice, Resolution 9 seeks authority for the Directors to determine the Auditor's remuneration.

***Resolution 10 – Authority to Allot Shares***

The Directors are seeking authority pursuant to Section 551 of the Act for the Company to allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £1,359,283. This amounts to 13,592,830 Ordinary Shares representing approximately 10% of the issued share capital as at 2 June 2021 (this being the latest practicable date prior to the publication of this Annual Report).

This authority will be used for the purposes set out in Resolution 10. The authority conferred by Resolution 10 will expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

***Resolution 11 – Waiver of Statutory Pre-emption Rights***

Resolution 11, if passed, would allow the Board to allot new Shares, up to 10% of the current share capital, without implementing pre-emption rights. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, on the expiry of 15 months from the passing of the Resolution.

The Board may use the authorities conferred under Resolutions 10 and 11 to allot further Ordinary Shares or rights to subscribe for them.

***Resolution 12 – Purchase of Own Shares***

Shareholders will be asked to authorise the Company to make market purchases of up to 20,375,665 Ordinary Shares (representing approximately 14.99% of the issued share capital as at 2 June 2021, this being the latest practicable date prior to the publication of this Annual Report). The Resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses, and Ordinary Shares bought back may be cancelled or held in treasury as may be determined by the Board. Once held in treasury, such Ordinary Shares may be sold for cash or cancelled. The Board may use this authority to allow the Company to continue to operate its share buy-back policy. The authority conferred by Resolution 12 will expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

***Resolution 13 – Notice of General Meetings***

The Directors propose to preserve the Company's ability to call general meetings (other than annual general meetings) on 14 clear days' notice, as approved by Shareholders at the previous AGM. Resolution 13 seeks such approval and would be effective until the Company's next AGM, when it would be intended that a similar Resolution be proposed. It is anticipated that, if approved, such authority will only be used in exceptional circumstances. The Company will also need to meet the requirements for electronic voting before it can call a general meeting on 14 days' notice.

# GLOSSARY

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| **Alternative Performance Measures (APMs)** | Measures of performance that are in addition to the earnings reported in the Financial Statements. The APMs used by the Company are marked * in this Glossary. The table in the Financial Highlights section on page 5 shows the movement in net asset value and NAV total return per Ordinary Share over the past three financial years and shows the dividends declared in respect of each of the past three financial years and on a cumulative basis since inception. |
| **Annual yield*** | The total dividends paid for the financial year expressed as a percentage of the share price at the year end date. |
| **Cumulative dividends paid*** | The total amount of both capital and income distributions paid since the launch of the Company. |
| **Discount/premium to NAV*** | A discount is the percentage by which the mid-market price of an Ordinary Share is lower than the net asset value per Ordinary Share. A premium is the percentage by which the mid-market price exceeds the net asset value per Ordinary Share. |
| **Distributable reserves** | Comprises capital reserve (realised), revenue reserve and special distributable reserve. |
| **Dividend per Ordinary Share** | The total of all dividends per Ordinary Share paid by the Company in respect of the year. |
| **Earnings per Ordinary Share (EPS)** | The net income after tax of the Company divided by the weighted average number of shares in issue during the year. In a venture capital trust this comprises revenue EPS and capital EPS. |
| **Ex-dividend date (XD date)** | The date set by the London Stock Exchange, normally being the date preceding the record date. |
| **Index or indices** | A market index calculates the average performance of its constituents, normally on a weighted basis. It provides a means of assessing the overall state of the economy and provides a comparison against which the performance of individual investments can be assessed. |
| **Investment income** | Income from investments as reported in the Income Statement. |
| **NAV per Ordinary Share** | Net assets divided by the number of Ordinary Shares in issue. |
| **NAV total return per Ordinary Share*** | Net assets divided by the number of Ordinary Shares in issue, plus cumulative dividends paid per Ordinary Share to date. |
| **Net assets attributable to Ordinary Shareholders or Shareholders' funds (NAV)** | Total assets less current and long-term liabilities. |
| **Operational expenses** | The total of investment management fees and other expenses as reported in the Income Statement. |
| **Realised gains/losses** | The profit/loss on the sale of investments during the year. |
| **Record date** | The date on which an investor needs to be holding a share in order to qualify for a forthcoming dividend. |
| **Revenue reserves** | The total of undistributed revenue earnings from prior years. This is available for distribution to Shareholders by way of dividend payments. |
| **Total return** | The theoretical return including reinvesting each dividend in additional shares in the Company at the closing mid-market price on the day that the shares go ex-dividend. The NAV total return involves investing the same net dividend at the NAV of the Company on the ex-dividend date. |
| **Unrealised gains/losses** | The profit/loss on the revaluation of the investment portfolio at the end of the year. |

# CONTACT INFORMATION

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| **Directors** | John Pocock (Chairman)<br>Alison Fielding<br>Andrew Harrington<br>Arthur MacMillan |
| **Manager and Secretary and Principal Place of Business** | Maven Capital Partners UK LLP<br>Kintyre House<br>205 West George Street<br>Glasgow G2 2LW<br>Telephone: 0141 306 7400<br>E-mail: enquiries@mavencp.com |
| **Registered Office** | Fifth Floor<br>1-2 Royal Exchange Buildings<br>London EC3V 3LF |
| **Registered in England and Wales** | Company Registration Number: 3908220<br>Legal Entity Identifier: 213800VL4S7K6A2YTX94<br>TIDM: MIG1<br>ISIN: GB0004122858 |
| **Website** | www.mavencp.com/migvct |
| **Registrars** | Link Group<br>10th Floor<br>Central Square<br>29 Wellington Street<br>Leeds LS1 4DL<br><br>Website: www.linkgroup.eu<br><br>Shareholder Portal: www.signalshares.com<br><br>Shareholder Helpline: 0333 300 1566<br><br>(Lines are open 9.00 am until 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls are charged at the standard geographic rates and will vary by provider. Calls from outside the United Kingdom should be made to +44 371 664 0300 and will be charged at the applicable international rate.) |
| **Auditor** | Deloitte LLP |
| **Bankers** | JPMorgan Chase Bank |
| **Stockbrokers** | Shore Capital Stockbrokers Limited<br>Telephone: 020 7647 8132 |
| **VCT Adviser** | Philip Hare & Associates LLP |

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Kintyre House
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Authorised and Regulated by The Financial Conduct Authority