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# MAVEN INCOME AND GROWTH VCT 4 PLC

Annual Report for the  
year ended 31 December 2018

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# CORPORATE SUMMARY

## The Company

Maven Income and Growth VCT 4 PLC (the Company) is a public limited company limited by shares. It was incorporated in Scotland on 26 August 2004 with company registration number SC272568. Its registered office is at Kintyre House, 205 West George Street, Glasgow G2 2LW.

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 2023 or, if later, at the Annual General Meeting 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 Limited (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](http://www.actionfraud.police.uk)

FCA

Telephone: 0800 111 6768 (freephone)

E-mail: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

Website: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



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## Shareholders' Calendar

Annual General Meeting *15 May 2019*

## Dividend Schedule

### Year ended 31 December 2018

#### First interim dividend

Rate	<i>8.90p</i>
XD date	<i>15 March 2018</i>
Record date	<i>16 March 2018</i>
Payment date	<i>13 April 2018</i>

#### Second interim dividend

Rate	<i>4.80p</i>
XD date	<i>24 May 2018</i>
Record date	<i>25 May 2018</i>
Payment date	<i>22 June 2018</i>

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# FINANCIAL HIGHLIGHTS

## Financial History

	31 December 2018	31 December 2017	31 December 2016
Net asset value (NAV)	£54,954,000	£31,874,000	£32,568,000
NAV per Ordinary Share	71.77p	85.97p	99.00p
Dividends paid per Ordinary Share for year	13.70p	12.45p	5.25p
Dividends paid per Ordinary Share to date	73.60p	59.90p	44.40p
<b>NAV total return per Ordinary Share<sup>1*</sup></b>	<b>145.37p</b>	<b>145.87p</b>	<b>143.40p</b>
Share price <sup>2</sup>	65.50p	75.50p	87.00p
Discount to NAV <sup>*</sup>	8.74%	12.18%	12.12%
Annual yield <sup>3*</sup>	20.92%	16.49%	6.03%
Ordinary Shares in issue	76,570,595	37,074,635	32,897,502

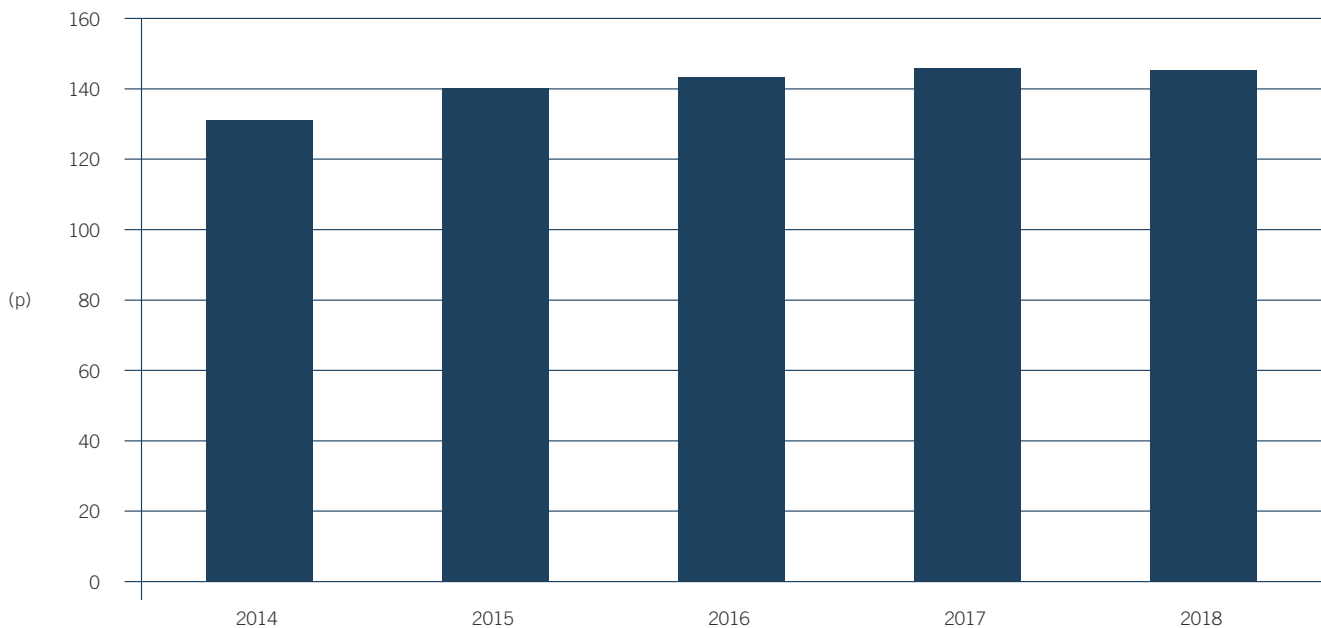
<sup>1</sup>Sum of current NAV per Ordinary Share and dividends paid to date (excluding initial tax relief).

<sup>2</sup>Closing mid-market price (Source: IRESS).

<sup>3</sup>Based on dividends paid for the year and share price at the year end.

\*Definitions of these Alternative Performance Measures (APMs) can be found in the Glossary on page 78. Principal Key Performance Indicators (KPIs) can be found on page 13 of this Annual Report.

## NAV Total Return Performance



The chart above shows the NAV total return per Ordinary Share as at the end of December 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.

## Dividends

Year ended 31 December	Payment date	Interim/final	Rate (p)	Annual rate (p)
2006-2013			31.95	
2014	26 September 2014	Interim	2.10	
	5 June 2015	Final	2.90	5.00
2015	25 September 2015	Interim	2.20	
	6 May 2016	Final	3.05	5.25
2016	30 September 2016	Interim	2.20	
	26 May 2017	Final	3.05	5.25
2017	14 July 2017	First interim	3.36	
	15 September 2017	Second interim	3.70	
	30 November 2017	Third interim	5.39	12.45
2018	13 April 2018	First interim	8.90	
	22 June 2018	Second interim	4.80	13.70
<b>Total dividends paid</b>			<b>73.60</b>	

On 25 March 2013, S Shares were re-designated as Ordinary Shares with 804,028 bonus Ordinary Shares being issued. As a result, previous holders of S Shares held 1.1528 Ordinary Shares for every S Share held on the relevant record date, rounded down to the nearest whole share.

On 30 September 2014, C Ordinary Shares were consolidated into Ordinary Shares. As a result, 3,863,876 C Ordinary Shares were re-designated as 3,077,827 Ordinary Shares, based on a conversion ratio of 0.7968 Ordinary Shares per C Ordinary Share, rounded down to the nearest whole share.

On 15 November 2018, the Company merged with Maven Income and Growth VCT 2 PLC (Maven VCT 2). As a result, previous holders of Maven VCT 2 shares were issued new Ordinary Shares in the Company at a ratio of 0.4851 per Maven VCT 2 ordinary share held, rounded down to the nearest whole share.

## Summary of Investment Changes

For the year ended 31 December 2018

	Valuation 31 December 2017		Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 31 December 2018	
	£'000	%			£'000	%
<b>Unlisted investments</b>						
Equities	7,367	23.1	7,203	1,390	15,960	29.0
Loan stock	10,437	32.7	5,157	(232)	15,362	28.0
	<b>17,804</b>	<b>55.8</b>	<b>12,360</b>	<b>1,158</b>	<b>31,322</b>	<b>57.0</b>
<b>AIM/NEX investments</b>						
Equities	1,086	3.4	128	26	1,240	2.3
<b>Listed investments</b>						
Equities	23	0.1	(26)	3	-	-
Investment trusts	1,168	3.7	287	(105)	1,350	2.5
<b>Total investments</b>	<b>20,081</b>	<b>63.0</b>	<b>12,749</b>	<b>1,082</b>	<b>33,912</b>	<b>61.8</b>
Other net assets	11,793	37.0	9,249	-	21,042	38.2
<b>Net assets</b>	<b>31,874</b>	<b>100.0</b>	<b>21,998</b>	<b>1,082</b>	<b>54,954</b>	<b>100.0</b>

## YOUR BOARD

**The Board of Directors is responsible for setting and monitoring the Company's strategy, supervising the management of Maven Income and Growth VCT 4 PLC and looking after the interests of its Shareholders. The Board consists of five non-executive Directors, the majority of whom are independent of the Manager. The biographies of the Directors set out below indicate their range of investment, commercial and professional experience. Further details are also provided in the Directors' Report and in the Statement of Corporate Governance.**



**Ian Cormack**  
Chairman  
and Independent  
Non-executive Director

**Relevant experience and other directorships:** Ian spent 30 years at Citigroup (formerly Citibank), occupying many senior positions including country head (CCO) for Citicorp in the UK, chairman of Citibank International and co-head of global financial institutions. Following his career at Citigroup, he spent two years at AIG Inc where he was chief executive of insurance, financial services and asset management businesses in Europe. He was previously a director of Phoenix Group Holdings PLC and his current directorships include Hastings Group Holdings PLC, Just PLC, NatWest Holdings PLC, NatWest Bank PLC, Royal Bank of Scotland PLC and Ulster Bank Limited.

**Length of service:** He was appointed as a Director and as Chairman on 1 September 2004.

**Last re-elected to the Board:** 15 May 2018

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 167,815 Ordinary Shares



**Malcolm Graham-Wood**  
Independent  
Non-executive Director

**Relevant experience and other directorships:** Malcolm began his career with Wood Mackenzie in 1979 as a financial analyst and then spent twelve years at James Capel, after which he became head of equities at Williams de Broe. He is a founding partner of HydroCarbon Capital which provides independent advisory services to the oil & gas sector.

**Length of service:** He was appointed as a Director on 1 September 2004.

**Last re-elected to the Board:** 15 May 2018

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 72,931 Ordinary Shares





**Peter Linthwaite**  
Independent  
Non-executive Director

**Relevant experience and other directorships:** Peter was formerly a director of Maven Income and Growth VCT 2 PLC and oversees the portfolio of private equity fund investments of The Royal London Mutual Insurance Society Limited. He has over 25 years of private equity experience and was chief executive of the British Private Equity and Venture Capital Association (BVCA) from 2005 to 2007.

**Length of service:** He was appointed as a Director on 15 November 2018.

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 2,425 Ordinary Shares



**Bill Nixon**  
Non-executive Director

**Relevant experience and other directorships:** Bill is managing partner of Maven Capital Partners UK LLP (Maven) and has over 35 years' experience in banking and private equity. He is a Fellow of the Chartered Institute of Bankers in Scotland and obtained an MBA from Strathclyde University in 1996. In the 1990s, Bill was head of the private equity business at Clydesdale Bank plc, then a subsidiary of National Australia Bank, before joining Aberdeen Asset Management plc (Aberdeen) in 1999. In 2004, he was appointed as principal fund manager to all Aberdeen managed VCTs. In 2009, Bill and his senior colleagues led a management buy-out from Aberdeen to form Maven. He is also a director of Maven Income and Growth VCTs 3 and 6.

**Length of service:** An Alternate Director since 1 November 2005, he was appointed as a Director on 6 August 2008.

**Last re-elected to the Board:** 15 May 2018

**Committee membership:** Nomination and Risk.

**Employment by the Manager:** Since 2009; with Aberdeen 1999-2009.

**Shared directorships with other Directors:** None

**Shareholding in Company:** 445,428 Ordinary Shares



**Steven Scott**  
Independent  
Non-executive Director

**Relevant experience and other directorships:** Steven is a qualified chartered accountant. He worked in the Bank of Scotland Structured Finance Group before becoming a director of Royal Bank Development Capital, the private equity division of The Royal Bank of Scotland plc. In 1999, he founded Penta Capital, an independent UK private equity manager with over £300 million under management that specialises in buy & build investments in the UK.

**Length of service:** He was appointed as a Director on 1 September 2004.

**Last re-elected to the Board:** 15 May 2018

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

**Employment by the Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 202,838 Ordinary Shares

# CHAIRMAN'S STATEMENT

## HIGHLIGHTS FOR THE YEAR

NAV total return at the year end of 145.37p per share (2017: 145.87p)

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NAV at year end of 71.77p per share (2017: 85.97p), after payment of dividends totalling 13.70p per share during the period

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Annual dividend of 13.70p per share (2017: 12.45p)

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Offer for Subscription fully subscribed and raised £20 million

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Merger with Maven Income and Growth VCT 2 PLC completed on 15 November 2018

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Net assets increased to £54.95 million

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Completion of 15 VCT qualifying new and follow-on investments

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**On behalf of your Board, I am pleased to announce the results for the full year to 31 December 2018. The year under review has been a period of strategic growth and development for your Company, including the completion of a £20 million fundraising, which provides further liquidity to allow the Manager to continue to expand the portfolio of investee companies in line with the objective of increasing Shareholder value. On 15 November 2018, following Shareholder approval, your Board was also pleased to announce the completion of the merger with Maven Income and Growth VCT 2 PLC (Maven VCT 2), which provides Shareholders with further scale and a reduction in the total expense ratio.**

**Total dividends declared during the financial year were 13.70p per share, reflecting the build-up of distributable reserves, following a number of profitable exits, and the requirement to maintain ongoing compliance with the VCT regulations. While this enhanced level of distribution is unlikely to be sustained, your Board remains committed to making regular tax-free payments wherever possible, with the potential for further distributions when realisations are achieved.**

This has been an important year in the strategic development of your Company. The success of the Offer for Subscription and the completion of the merger with Maven VCT 2 effected a step change in the size and scale of your Company, positioning it well for future growth whilst also enabling it to realise the economic benefits of an enlarged VCT.

The Offer for Subscription, which closed fully subscribed in April 2018, including full utilisation of the over-allotment facility, raised £20 million of new capital. The strategy remains to build a broadly based and diversified portfolio by investing in a wide range of carefully selected VCT qualifying growth companies that offer the prospect of capital gains. The Directors are encouraged by the level of investment achieved during the period, particularly given the requirement to secure Advance Assurance from HM Revenue and Customs (HMRC), for which the new regulations have lengthened the process.

Following the enactment of the Finance Act 2015, which altered the investment parameters for VCT qualifying transactions, Maven has successfully adapted its deal origination strategy and significantly expanded its investment team and nationwide presence, providing access to a wide range of qualifying opportunities. Based on the pipeline of live transactions currently under review, your Board anticipates that the Company can sustain a healthy rate of investment in the new financial year, supplemented by follow-on commitments to support existing portfolio companies that are making identifiable commercial progress. Given the increased liquidity resulting from the Offer for Subscription, it is also possible that your Company may make a number of investments in VCT qualifying AIM quoted companies, where Maven has an established team with good knowledge of that market.



Notwithstanding the political and economic uncertainty that has continued to surround the UK's intended exit from the European Union (EU), it is encouraging to report that most of the investee companies in the portfolio have performed broadly in line with expectations. The continuing positive performance achieved by a number of the more established private companies has enabled the valuations of some of those assets to be increased. The younger and earlier stage investee companies have generally made satisfactory progress, although it may take time for this to translate into meaningful uplifts in valuations. The Board and the Manager will maintain a prudent approach to valuing these assets, holding them at cost, or cost less provision, until there is clear evidence of measurable progress, or a specific event from which a new valuation can be supported. Encouragingly, trading performance across the oil & gas portfolio companies has continued to show a further steady improvement, continuing the trend of the previous year. There are, however, a small number of investments that are operating behind plan or where a market adjustment has influenced performance and, as a result, the valuations of these assets have been reduced. A detailed analysis of portfolio developments can be found in the Investment Manager's Review on pages 16 to 22 of this Annual Report. Details of the principal KPIs can be found in the Business Report on page 13 and a summary of the APMs can be found in the Financial Highlights on page 4.

The Directors were encouraged to note the good level of investment activity that was achieved during the period under review, with the addition of seven new qualifying private company assets to the portfolio, and anticipate a continuation of this trend in the new financial year. Two notable disposals were also completed. In February 2018, the exit was completed from **Endura**, a designer and manufacturer of high performance cycling apparel and accessories, for a total return of 1.6 times cost over the holding period. In October 2018, the holding in **Cursor Controls**, a niche manufacturer of trackballs, track pads and keyboards for industrial applications, was sold at a premium to carrying value, generating a total return of 2.7 times cost over the three-year investment period. The Board is aware that discussions are underway regarding further potential exits from a number of portfolio companies, although there can be no certainty that these will result in concluded sales.

### Dividends and Distributable Reserves

As a result of recent profitable exits and in order to ensure ongoing compliance with the VCT regulations, the Directors considered it appropriate to distribute an enhanced level of interim dividends in the first half of the financial year.

Accordingly, a first interim dividend in respect of the year ended 31 December 2018, of 8.90p per Ordinary Share, was paid on 13 April 2018 to Shareholders on the register at close of business on 16 March 2018. A second interim dividend, of 4.80p per Ordinary Share, was paid on 22 June 2018 to Shareholders on the register at close of business on 25 May 2018. As no final dividend is proposed, total distributions for the year are 13.70p per Ordinary Share, representing a tax-free yield of 20.92% based on a year-end closing mid-market price of 65.50p. Since the Company's launch, and after receipt of the payments noted above, Shareholders will have received 73.60p per share in tax-free dividends. It should be noted that the effect of paying dividends is to reduce the NAV of the Company by the total cost of the distributions.

Decisions on future distributions will take into consideration the availability of surplus revenue, the adequacy of reserves and the VCT qualifying level, all of which are kept under close and regular review by the Board and the Manager. To this end, the Directors are proposing a Special Resolution at the Annual General Meeting (AGM), to seek Shareholders' approval to cancel the share premium account and the capital redemption reserve of the Company, pursuant to the Companies Act 2006 and subject to sanction by the Scottish Court, to create a further pool of distributable reserves that can be used for future dividends or any purpose for which the Company's profits available for distribution may be applied.

As the portfolio continues to evolve, and a greater proportion of holdings are invested in younger and earlier stage companies, there may be more fluctuation in the quantum and timing of dividend payments, which could ultimately become more closely linked to realisation activity. The Board and the Manager will ensure that this is carefully monitored, in line with your Company's investment objective.

### Dividend Investment Scheme (DIS)

Your Company has in place a DIS through which Shareholders may elect to have their dividend payments used to apply for new Ordinary Shares issued by the Company under the standing authority requested from Shareholders at annual general meetings. Shares issued under the DIS should qualify for VCT tax relief applicable for the tax year in which they are allotted, subject to Shareholders' 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 qualified adviser.

Shareholders who wish to participate in respect of any future dividends should ensure that a DIS mandate or CREST instruction as appropriate, is submitted to the Registrar (Link Market Services). The mandate form, terms & conditions and full details of the scheme, including further details on tax considerations, are available from the Company's website at [www.mavencp.com/migvct4](http://www.mavencp.com/migvct4). A DIS election can also be made using the Link Market Services share portal at [www.signalshares.com](http://www.signalshares.com).

### Fund Raising

On 22 September 2017, the Directors of your Company, together with the board of Maven Income and Growth VCT 3 PLC, launched a joint Offer for Subscription for new Ordinary Shares for up to £30 million, in aggregate, with total over-allotment facilities of up to £10 million.

On 24 April 2018, your Board was pleased to announce that its Offer was fully subscribed, having raised £20 million in total, including full utilisation of the over-allotment facility. During the period, the Company issued 16,714,707 new Ordinary Shares for the 2017/2018 tax year, with a further 3,513,830 new Ordinary Shares issued for the 2018/2019 tax year. The programme for investing this capital has commenced and the Directors are encouraged by the positive rate of new investment that has been achieved to date, which is expected to continue in the new financial year.

Further details regarding the new Ordinary Shares issued under the Offer for Subscription can be found in Note 12 to the Financial Statements.

## Merger

On 15 November 2018, following the passing of resolutions at a series of general meetings of both companies, the Directors were pleased to announce the completion of the merger of the Company with Maven VCT 2 through a scheme of reconstruction. On completion, the assets and liabilities of Maven VCT 2 were transferred to your Company in consideration for 19,469,302 new Ordinary Shares in your Company issued to the former shareholders of Maven VCT 2 based on a ratio of 0.4851 new shares for each Maven VCT 2 share held and at a deemed issue price of 70.5621p per new share. Following the merger, the net asset value of your Company increased to £54.95 million and the new shares were admitted to the Official List on 16 November 2018. Maven VCT 2 was placed in members' voluntary liquidation, with the listing of its ordinary shares cancelled on 16 November 2018.

The impact of the merger can be seen in the Financial Statements and related Notes, and is also reflected in the Financial Highlights on pages 4 and 5.

## Share Buy-backs

Shareholders should be aware that the Board's primary objective is for the Company to retain sufficient liquid assets 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 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.

It is intended that, subject to market conditions, available liquidity and the maintenance of the Company's VCT status, shares will normally be bought back at prices representing a discount of up to 15% of the prevailing NAV per share.

## Regulatory Developments

Following the legislative changes introduced by the Finance Act 2015, with further amendments included in the Finance Act 2018, it is reassuring to report that the Finance (No. 3) Act 2019 does not contain any further amendments to the legislation governing VCTs. Your Company is well positioned to accommodate the provisions of the Finance Act 2018, in particular the requirement for a VCT to hold 80% of its investments in qualifying holdings for financial periods ending after 6 April 2019. For your Company, this will be applicable from 31 December 2019 and progress towards this target is being monitored closely.

The General Data Protection Regulation (GDPR) came into force on 25 May 2018, replacing the Data Protection Act 1998. During the year, the Manager worked with the third parties that process Shareholders' personal data to ensure that their rights under the new regulation are respected.

In July 2018, the Financial Reporting Council published an update of the UK Corporate Governance Code (the Code), which focuses on the application and reporting of the updated Principles. The 2018 Code applies to all companies with a Premium Listing and is applicable for all accounting periods beginning on or after 1 January 2019. The Board will consider the implications of the Code and take appropriate action as required.

## Board of Directors

On behalf of the Board, I am pleased to welcome Peter Linthwaite as a Non-executive Director with effect from 15 November 2018. Peter was previously a non-executive director of Maven VCT 2 prior to the merger and has extensive experience of the private equity industry; further details can be found in the Your Board section of this Annual Report on page 7. As required by company law, Peter will stand for election by Shareholders at the AGM on 15 May 2019.

I have been Chairman of your Company since its inception in 2004 and, during this period, your Company has experienced transformational growth, with net assets increasing from £8 million to over £54 million. Following completion of the fundraising and merger, and taking account of my length of service, I consider that it is appropriate to stand down as Chairman and Non-executive Director at the conclusion of the 2019 AGM. It is intended that, subject to his successful election at the 2019 AGM, Peter Linthwaite will succeed me as Chairman. I would like to wish him, and your Company, every success in the future.

## The Future

The period under review has been one of the most active in your Company's history and, given the progress achieved, it is now well positioned to continue to deliver on its core investment strategy. Notwithstanding the ongoing macro-economic uncertainty associated with the UK's intended withdrawal from the EU, the priority for the year ahead will be to maintain a steady rate of investment, in order to expand the portfolio and enable your Company to deliver positive Shareholder returns in the years ahead.

**Ian Cormack**  
Chairman

**5 April 2019**

# 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 Company is a venture capital trust and invests in accordance with the investment objective set out in this Business Report.**

## **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/NEX 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.

## **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Company are as follows:

### ***Investment Risk***

Many of the Company's investments are in small and medium sized unquoted UK companies and AIM/NEX quoted companies which, by their nature, carry a higher level of risk and lower liquidity than investments in large quoted companies. The Board aims to limit the risk attaching 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 and also other VCT managers;
- ensuring valuations of underlying investments are made fairly and reasonably (see Notes to the Financial Statements 1(e) and 1(f) for further details);
- taking steps to ensure that 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.

### **Financial and Liquidity Risk**

As most of the investments require a medium to long-term commitment and are relatively illiquid, the Company retains a portion of the portfolio in cash and listed investments in order to finance any new unquoted and listed investments. The Company has only limited 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. 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.

### **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**

In order to maintain its approval as a VCT, the Company is required to comply with current VCT legislation in the UK as well as the EU State Aid Rules. Changes in the future to 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 BVCA.

The Company has retained Philip Hare & Associates LLP as its principal 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 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.

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 Market Services to act on its behalf to report annually to HMRC and ensure compliance with this legislation.

### **Political Risk**

Following the referendum held on 23 June 2016, the UK voted to leave the EU and negotiations regarding the Withdrawal Agreement are ongoing. The full political, economic and legal consequences of this are not yet known. It is possible that investments in the UK may be more subjective to value, more difficult to assess for suitability of risk, harder to buy or sell, or be subject to greater or more frequent rises and falls in value. 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.

On a regular basis, the Board reviews the political situation, 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.

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 financial position as at 31 December 2018 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 nationwide 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 29 to 31 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 14 and 15 shows that the portfolio is diversified across a variety of industry sectors and deal types. The level of VCT qualifying investments is monitored by the Manager on a daily basis 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 £361,000 (2017: £887,000); gains on investments were £1,082,000 (2017: £984,000) and earnings per share were 0.66p (2017: 2.67p).

The Directors also use a number of APMs in order to assess the Company's success in achieving its objectives as these are considered to be more appropriate long-term measures. These APMs are viewed by the Board as additional key performance indicators that enable Shareholders and prospective investors to gain an understanding of the Company's business, and are as follows:

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

The NAV total return is a measure of Shareholder value that includes the current NAV per share and the sum of dividends paid to date. The annual yield is the total of dividends paid per share for the financial year, expressed as a percentage of the share price at the year-end date. 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 these APMs can be found in the Glossary on page 78. A historical record of some 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 5. The Board reviews the Company's investment income and operational expenses on a quarterly basis, as the Directors consider that both of these elements are important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on page 63.

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 comparison 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 ranking of the VCT sector by independent analysts.

In addition, the Directors will consider economic, regulatory and political trends and factors 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.

### Employee, Environmental and Human Rights Policy

As a VCT, the Company has no direct employee or environmental responsibilities, nor is it responsible 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 management of the portfolio 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. 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 50 to 56.

### Future Strategy

The Board and the Manager intend to maintain the policies set out above for the year ending 31 December 2019, 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:

**Ian Cormack**  
Director

**5 April 2019**



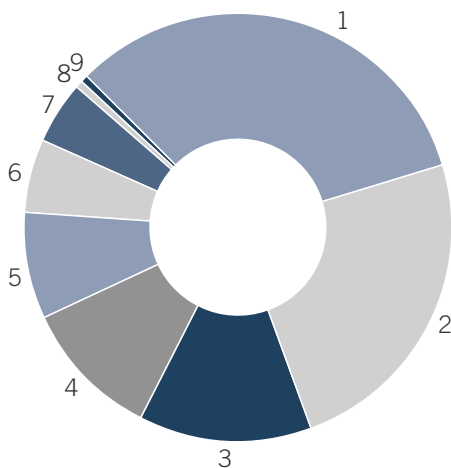
# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO

As at 31 December 2018

Industry sector	Unlisted valuation £'000	%	Quoted valuation £'000	%	Total valuation £'000	%
Software & computer services <sup>1</sup>	6,586	19.4	851	2.5	7,437	21.9
Support services	6,073	17.9	45	0.1	6,118	18.0
Energy services	4,462	13.2	-	-	4,462	13.2
Diversified industrials	2,945	8.7	-	-	2,945	8.7
Telecommunication services	2,692	7.9	-	-	2,692	7.9
Electronic & electrical equipment	2,163	6.4	-	-	2,163	6.4
Investment companies	420	1.2	1,350	4.1	1,770	5.3
Household goods & textiles	1,480	4.4	122	0.3	1,602	4.7
Insurance	1,175	3.5	-	-	1,175	3.5
Health	1,168	3.4	2	-	1,170	3.4
Technology	804	2.4	-	-	804	2.4
Pharmaceuticals & biotechnology	704	2.1	78	0.2	782	2.3
Real estate	650	1.9	-	-	650	1.9
Chemicals & materials	-	-	84	0.2	84	0.2
Media & entertainment	-	-	58	0.2	58	0.2
<b>Total</b>	<b>31,322</b>	<b>92.4</b>	<b>2,590</b>	<b>7.6</b>	<b>33,912</b>	<b>100.0</b>

<sup>1</sup> Includes provision of services to range of end users including business in the automotive, consumer services, education and employment sectors.

## Valuation by Industry Group



1. Industrials
2. Non-financials
3. Energy services
4. Financials
5. Telecommunications
6. Healthcare
7. Consumer goods
8. Basic materials
9. Consumer services



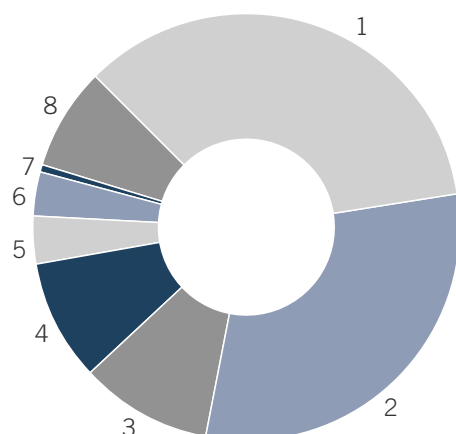
# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO (CONTINUED)

As at 31 December 2018

Deal type	Number	Valuation £'000	%
<b>Unlisted</b>			
Development capital - post 2015 <sup>1</sup>	22	11,940	35.2
Management buy-out	12	10,351	30.5
Buy-in/management buy-out	3	3,418	10.1
Replacement capital	4	3,156	9.3
Management buy-in	1	1,183	3.5
Buy & build	1	1,174	3.5
Development capital - pre 2015 <sup>1</sup>	8	100	0.3
<b>Total unlisted</b>	<b>51</b>	<b>31,322</b>	<b>92.4</b>
<b>Quoted</b>			
Listed	12	1,350	4.0
AIM/NEX	13	1,240	3.6
<b>Total quoted</b>	<b>25</b>	<b>2,590</b>	<b>7.6</b>
<b>Total unlisted and quoted</b>	<b>76</b>	<b>33,912</b>	<b>100.0</b>

<sup>1</sup> The Finance (No. 2) Act 2015 introduced new qualifying rules governing the types of investments VCTs can make.

## Valuation by Deal Type



1. Development capital - post 2015
2. Management buy-out
3. Buy-in/management buy-out
4. Replacement capital
5. Management buy-in
6. Buy & build
7. Development capital - pre 2015
8. Quoted

# INVESTMENT MANAGER'S REVIEW

## HIGHLIGHTS FOR THE YEAR

Seven new VCT qualifying private company holdings added to the portfolio, with a further three completed after the period end.

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Follow-on funding provided to eight portfolio companies

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Large pipeline of VCT qualifying investments

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Realisation of Endura for a total return of 1.6 times cost

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Realisation of Cursor Controls for a total return of 2.7 times cost

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**The period under review has been one of growth for your Company, achieved through a successful £20 million fundraising and the conclusion of a merger, both of which have added further scale and liquidity. These corporate developments leave your Company well placed to continue to grow its portfolio of investments and, against that backdrop, our regional teams have been actively investing during the year, with seven new private company assets added to the portfolio. A number of existing investee companies also received further support, where progress against agreed commercial milestones merited additional investment. Furthermore, two profitable exits were completed, both of which returned proceeds to your Company in excess of carrying value.**

During the reporting period, seven new private company holdings were added to the portfolio. In February 2018, the Maven VCTs provided development capital to **WaterBear Education**, which has established a private music college offering university accredited courses for undergraduate and postgraduate students, followed in April by an investment in FCA registered peer-to-peer lending platform **Lending Works**. Investments were completed in June and July respectively, in drug discovery services provider **BioAscent Discovery** and **Bright Network**, a provider of a media technology platform for the recruitment of high quality graduates and young professionals. In September, development capital was provided to **Optoscribe**, a designer and manufacturer of glass-based 3D integrated circuits. In October, investments were completed in **Boiler Plan**, an FCA registered on-line provider of boilers and associated boiler servicing plans, and **Motokiki**, which has developed the UK's first independent price comparison website for consumer tyre prices and fitting services.

These companies operate across a range of sectors and offer compelling proprietary technology, a disruptive business model or, in some cases, a 'first to market' opportunity that is capable of scalable growth. Maven is keen to support strong and balanced management teams that have a track record of success in a previous business, and regards effective leadership as a critical success factor for young businesses. Maven retains representation on the boards of most private company holdings to assist with strategic planning, operational development and, ultimately, exit planning.

In addition to the new investments, a number of follow-on transactions were completed. The requirement to provide further support to younger and earlier stage companies was anticipated at the time of the original investment and had been reflected in the lower level of investment initially provided, as well as the strategy of co-investing alongside other VCT houses or finance providers. This approach helps to ensure that the portfolio is well spread across a large number of assets, with the option for further funding requirements to be shared with existing co-investment partners or new syndicate members, thereby mitigating the risk of disproportionately large holdings, which could alter the risk profile of your Company. Any requests for further funding are subject to Maven's investment committee process and will only be approved where there is clear evidence that commercial milestones have been achieved or there is a continuing investment case to support.

During the year, two notable exits were completed. In February 2018, the holding in **Endura** was exited for a total return of 1.6 times cost over the life of the investment. In October, the holding in **Cursor Controls** was sold for a total return of 2.7 times cost over a three-year holding period. The Maven investment team works closely with those portfolio companies that are considering entering, or are actively engaged in, an exit process, helping to develop appropriate strategies to maximise value and identify suitable buyers that may be willing to pay a premium or strategic price for the business.

### Portfolio Developments

Despite the continued economic uncertainty surrounding the UK's intended departure from the EU, it is encouraging to report that performance across the investee portfolio has been broadly in line with expectations and, as at the date of this Annual Report, there are no related issues to highlight. The Manager remains in close dialogue with all investee company management teams on the potential impact of withdrawal from the EU and will continue to monitor the situation closely.

Throughout the financial year, the majority of the portfolio companies with exposure to the oil & gas sector experienced an improvement in trading performance and profitability. After nearly four years of downturn, confidence is gradually returning and it is encouraging to note that a number of portfolio assets are benefitting. A key example is **RMEC**, the rental, sale and service company that delivers innovative solutions to the well services subsector. Throughout the year, RMEC has comfortably exceeded its budget and this positive performance has warranted an increase in the valuation to reflect the sustained improvement and encouraging outlook. For others, it will take longer for the full benefits to feed through. **Fathom Systems**, which has exposure to the subsea sector, continues to experience delays in final project sign-off and a provision has, therefore, been taken against the value of the investment. All portfolio oil & gas assets are operating with lean structures and limited or no external debt, following the proactive cost reduction and restructuring measures taken, with the support of Maven executives, at the outset of the downturn.

Elsewhere in the portfolio, the continued positive performance by a number of established private company holdings has resulted in uplifts in their valuations. These companies operate in a diverse range of sectors across the UK, and their ability to continue to deliver growth reflects the quality and resilience of these assets.

Specialist electronics manufacturer **CB Technology** has made considerable progress over the past year, adding a number of notable new clients to the existing strong customer base. The company, which assembles and tests high-end printed circuit boards for use in industrial and semiconductor markets, experienced a marked improvement in activity levels during the full year to 31 March 2018. Headcount has been increased to accommodate the strong order book and the management team is optimistic on the outlook for the current financial year.

Renewable energy services group **GEV**, which specialises in wind turbine blade maintenance, has continued to deliver encouraging growth over the past year. The largest market remains the US, where a number of material opportunities are

progressing. The business is well positioned to capitalise on this growth, having secured contracts with leading providers including MHI Vestas, Eon, Siemens and Invenenergy. Projects are also being pursued in the UK and Europe that should help to secure further growth in the year ahead.

Maven clients invested in **Just Trays**, the UK's leading designer and manufacturer of shower trays and related accessories, in 2014. The business has performed in line with its core objectives of new product development and innovation. Since investment, the company has expanded its customer base, increased the product range and materially scaled production volumes, with the Leeds facility manufacturing over 6,000 shower trays per week for UK and international markets.

**Vodat Communications** supplies data networks, IP telephony, wi-fi solutions and fixed line connectivity to retail customers, with a solid blue chip customer base including Fat Face, Beaverbrooks and Welcome Break. Maven clients supported the management buy-out in 2012 and the business has achieved positive growth through the addition of new customer contracts. In 2017, the company completed the acquisition of Axonex, a provider of specialist IT solutions, services and support specialising in unified communications, data centre, security and network infrastructure. The acquisition, which was funded through cash and bank debt, has created a number of cross-selling opportunities to help deliver further growth for the enlarged group.

During the period under review, follow-on funding was provided to eight portfolio companies, including: **The GP Service**, which provides an innovative on-line interface facilitating access to GP appointments through a live video link; specialist visual asset management business **Whiterock**; and **QikServe**, a developer of patented software applications for the hospitality industry. These investee companies have achieved commercial traction against the business plan set at the time of original investment, and presented robust rationale to support the requirement for further funding. In November 2018, additional funding was provided to **ADC Biotechnology**, which encountered a number of unforeseen costs in the construction of its Good Manufacturing Practice facility in Wales. While the long-term investment case remains unchanged, there will now be a delay in delivering key objectives and this was reflected in the valuation at which the new funds were invested.

The Maven investment team continues to monitor carefully the performance of all new investee companies, taking an active role in their ongoing development and providing additional support where appropriate.

As well as reflecting the good trading performance highlighted above, your Board has also reduced the valuations of a small number of holdings. In addition, your Board fully provided against the value of the holdings in **Lambert Contracts** and **Chic Lifestyle**, both of which have now been placed into administration.

During the year, the Directors and the Manager continued to pursue an active policy with respect to liquidity management and the non-qualifying holdings in investment trusts. In light of the addition capital resource available from the recent fundraising, the Directors will continue to consider a range of other permitted income generating investment options.

## New Investments

During the year, your Company provided development capital to seven new private companies operating across a range of interesting sectors:

- BioAscent Discovery** is a drug discovery services business that was founded by former pharmaceutical executives with over 30 years' experience of delivering clinical drug candidates. The business operates from the former Merck Sharpe and Dohme R&D site in Newhouse, Scotland, which is a state-of-the-art facility, housing client compound libraries. The funding will be used to add complementary chemistry and biology services to the existing compound management service, to create a high-value integrated drug discovery offering.
- Boiler Plan** has developed an innovative on-line platform for the purchase, installation and financing of domestic boilers. The platform supports the entire boiler sales process, handling everything from the initial home survey, choice of appliance, finance payment options, installation by a qualified engineer and an ongoing maintenance and aftercare service. The investment will be used to roll out operations into new UK territories and also to support the marketing programme.
- Bright Network** is a developer and operator of a media technology platform that enables medium and large sized companies to identify, reach and recruit good quality university graduates and young professionals. The platform currently supports a network of over 150,000 high-calibre candidates and has a customer base of over 250 leading employers, including Bloomberg, Marks & Spencer and Vodafone. The Maven VCT investment will support the development of the technology as well as providing funding for business development and marketing activities.
- Lending Works** has developed a peer-to-peer (P2P) platform that matches private and institutional lenders to individual borrowers, and has grown to become the third largest P2P consumer lender in the UK. The company is well regarded by customers and partners as a responsible and ethical market leader, being the first major P2P platform to be fully authorised by the FCA, and the first to be authorised to provide an ISA offering. The investment by the Maven VCTs will enable the company to accelerate its growth.
- Motokiki** has developed the UK's first independent price comparison website for vehicle tyres, providing consumers with market-wide free and impartial information on tyre prices, availability and fitting costs. Motokiki is led by a highly experienced management team, including chief executive and co-founder Debra Williams who previously achieved notable success as managing director of *Confused.com* and chief executive of *Tesco Compare*. The Maven VCT investment will support sales and marketing initiatives intended to raise brand awareness, grow the customer base and develop new strategic partnerships.
- Optoscribe** has developed an integrated platform of glass-based optical and photonic technologies that use high-power lasers to direct-write optical waveguides, which minimise energy dissipation and have applications in a wide range of markets including telecom, datacom and mobile networks. Optoscribe's innovative techniques can form these guides in precise 3D orientations, and thereby simplify manufacturing processes by delivering highly efficient and scalable products. The barriers to entry into this market are significant and, as such, the company's existing intellectual property (which includes patents) and technical know-how gives it a defensible market position. The investment will enable the management team to scale manufacturing capacity and support further business development activity.
- WaterBear Education** has established a private music college specialising in offering undergraduate and postgraduate courses for the creative arts, primarily catering for musicians, singers, songwriters and those wishing to gain a well-rounded music industry education. The business is led by a high calibre management team with extensive experience of both the industry and music education, having previously founded the British and Irish Modern Music Institute, which has grown to become a market leader in its sector. The investment is being used to establish and launch the college, offering Bachelor of Arts and Master of Arts, university accredited courses, which commenced in September 2018, in line with the business plan.

The following investments have been completed during the period:

	Date	Sector	Investment cost £'000	Website
<b>New unlisted</b>				
BioAscent Discovery Limited	June 2018	Pharmaceuticals & biotechnology	199	www.bioascent.com
Boiler Plan (UK) Limited	October 2018	Software & computer services (consumer services)	250	www.boilerplanuk.com
Bright Network (UK) Limited	July 2018	Software & computer services (employment)	348	www.brightnetwork.co.uk
Lending Works Limited	April 2018	Software & computer services (financial services)	299	www.lendingworks.co.uk
Lydia Limited (trading as Motokiki)	October 2018	Software & computer services (automotive)	150	www.motokiki.com
Optoscribe Limited	September 2018	Diversified industrials	100	www.optoscribe.com
WaterBear Education Limited	February 2018	Support services	120	www.waterbear.org.uk
<b>Total new unlisted</b>			<b>1,466</b>	
<b>Follow-on unlisted</b>				
ADC Biotechnology Limited	November 2018	Pharmaceuticals & biotechnology	48	www.adcbio.com
Curo Compensation Limited	December 2018	Software & computer services (employment)	124	www.curocomp.com
ebb3 Limited	September 2018	Software & computer services (energy services/automotive/construction)	56	www.ebb3.com
Growth Capital Ventures Limited	June 2018	Investment companies	91	www.growthcapitalventures.co.uk
ITS Technology Group Limited	June 2018	Telecommunication services	221	www.itstechnologygroup.com
QikServe Limited	March 2018	Software & computer services (hospitality)	104	www.qikserve.com
The GP Service (UK) Limited	June 2018	Health	160	www.thegpservice.co.uk
Whiterock Group Limited	July 2018	Technology	97	www.whiterockgroup.net
<b>Total follow-on unlisted</b>			<b>901</b>	
<b>Total unlisted</b>			<b>2,367</b>	

	Date	Sector	Investment cost £'000	Website
<b>Private equity investment trusts<sup>1</sup></b>				
Apax Global Alpha Limited	June 2018	Investment companies	103	www.apaxglobalalpha.com
BMO Private Equity Trust PLC (formerly F&C Private Equity Trust PLC)	June 2018	Investment companies	123	www.bmoprivateequitytrust.com
Harbourvest Global Private Equity Limited	December 2018	Investment companies	136	www.hvpe.com
HgCapital Trust PLC	July 2018	Investment companies	134	www.hgcapitaltrust.com
ICG Enterprise Trust PLC	November 2018	Investment companies	83	www.icg-enterprise.co.uk
Pantheon International PLC	November 2018	Investment companies	87	www.piplc.com
Princess Private Equity Holding Limited	June 2018	Investment companies	120	www.princess-privateequity.net
<b>Total private equity investment trusts</b>			<b>786</b>	
<b>Real estate investment trusts<sup>1</sup></b>				
Custodian REIT PLC	May 2018	Investment companies	71	www.custodianreit.com
Regional REIT Limited	June 2018	Investment companies	89	www.regionalreit.com
Schroder REIT Limited	May 2018	Investment companies	212	www.srei.co.uk
Target Healthcare REIT Limited	May 2018	Investment companies	96	www.targethealthcarereit.co.uk
<b>Total real estate investment trusts</b>			<b>468</b>	
<b>Total</b>			<b>3,621</b>	

<sup>1</sup> Part of liquidity management strategy.

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 76 unlisted and quoted investments, at a total cost of £35.10 million.

## Realisations

In February 2018, the holding in **Endura** was exited for a total return of 1.6 times cost over the holding period. Maven clients first invested in Endura, a leading designer and manufacturer of high performance cycling apparel and accessories, in 2014. The company focuses on the mid to premium end of the market and sells its products in over thirty countries worldwide, with the support of a number of world class sponsors. The sale to UK-based Pentland Group, which has a stable of global sports, outdoor and fashion brands including Berghaus, Canterbury, Speedo and Ellesse, represents an excellent strategic fit for Endura, enabling it to continue to expand its global brand and market presence.

In October 2018, the holding in **Cursor Controls** was sold for a total return multiple of 2.7 times cost over the three-year investment period. Cursor is a global leader in the design and manufacture of trackballs, trackpads and keyboards for use in specialist industrial applications. The company has consistently delivered positive results since investment and the sale to discoverIE Group plc, a UK listed international designer, manufacturer and supplier of innovative components for electronic applications, is a good strategic fit for the acquirer.

As at the date of this Annual Report, the Manager is in dialogue with several investee companies and prospective acquirers at various stages of an exit process. However, there can be no certainty that these discussions will result in profitable realisations.



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

	Year first invested	Complete/partial exit	Cost of shares disposed of £'000	Value at 31 December 2017 £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) over 31 December 2017 value £'000
<b>Unlisted</b>							
Castlegate 737 Limited (trading as Cursor Controls) <sup>1</sup>	2015	Complete	300	493	629	329	136
Endura Limited	2014	Complete	228	344	354	126	10
Lawrence Recycling & Waste Management Limited	2009	Partial	31	31	31	-	-
SPS (EU) Holdings Limited <sup>2</sup>	2014	Complete	-	-	18	18	18
Torridon (Gibraltar) Limited <sup>1</sup>	2010	Partial	682	811	512	(170)	(299)
Other unlisted investments			2	-	24	22	24
<b>Total unlisted</b>			<b>1,243</b>	<b>1,679</b>	<b>1,568</b>	<b>325</b>	<b>(111)</b>
<b>Quoted</b>							
esure Group PLC	2010	Complete	14	23	39	25	16
<b>Total quoted</b>			<b>14</b>	<b>23</b>	<b>39</b>	<b>25</b>	<b>16</b>
<b>Private equity investment trusts<sup>3</sup></b>							
Apax Global Alpha Limited	2016	Partial	99	113	103	4	(10)
BMO Private Equity Trust PLC (formerly F&C Private Equity Trust PLC)	2016	Partial	102	119	122	20	3
HgCapital Trust PLC	2016	Partial	100	125	133	33	8
Princess Private Equity Holding Limited	2016	Partial	98	129	119	21	(10)
<b>Total private equity investment trusts</b>			<b>399</b>	<b>486</b>	<b>477</b>	<b>78</b>	<b>(9)</b>
<b>Real estate investment trusts<sup>3</sup></b>							
British Land Company PLC	2016	Complete	100	114	107	7	(7)
Custodian REIT PLC	2016	Partial	99	109	109	10	-
Regional REIT Limited	2016	Partial	99	94	89	(10)	(5)
Schroder REIT Limited	2016	Partial	204	207	212	8	5
Standard Life IPIT Limited	2016	Complete	99	105	101	2	(4)
Target Healthcare REIT Limited	2016	Partial	98	98	96	(2)	(2)
<b>Total real estate investment trusts</b>			<b>699</b>	<b>727</b>	<b>714</b>	<b>15</b>	<b>(13)</b>
<b>Total</b>			<b>2,355</b>	<b>2,915</b>	<b>2,798</b>	<b>443</b>	<b>(117)</b>

<sup>1</sup> Proceeds exclude yield and redemption premiums received, which are disclosed as revenue for financial reporting purposes.

<sup>2</sup> Deferred sale proceeds.

<sup>3</sup> Part of liquidity management strategy.

### Material Developments Since the Period End

Since 31 December 2018, three new private company assets have been added to the portfolio.

- **Avid Technology Group** is a leader in the design, manufacture and assembly of powertrain components and propulsion systems for the electrification of commercial, industrial and high performance vehicles, with specific expertise in electric pumps, electric fans, power electronics, battery systems and traction motors. The company has an impressive client list including Caterpillar and Jaguar Land Rover, and the funding will be used to increase headcount, invest in facilities and support the scaling up of the manufacturing capabilities.
- **Mojo Mortgages** is an FCA authorised mortgage broker that has developed an integrated platform that enables customers to complete their mortgage search and full application process on-line. The company is focused on improving customers' experience and, in particular, significantly reducing the length of time a mortgage application takes to complete. The funding will be used to support marketing activities to help raise the company's profile and to recruit additional staff to further develop the technology platform.
- **Symphonic Software** is a developer and provider of context-aware authorisation software that controls whether user access to data should be permitted or denied. The company aims to change the way organisations govern the sharing of information, allowing those that operate in regulated environments to securely share critical, time-dependent and sensitive information. The system also provides centralised visibility and control over the policies that apply to an enterprise's entire data landscape within one easy-to-use interface, whilst maintaining compliance with internal policies and external regulations. The funding will be invested in sales and marketing resource and also to help the team to provide 24/7 support to clients.

Furthermore, follow-on funding was provided to **NorthRow** to help fund the continued growth of the business. In addition, two investments in AIM quoted companies were completed. Your Company participated in the Initial Public Offering of **Diacuetics**, a data analytics and implementation business servicing the global pharmaceutical industry; and the market placing of **MaxCyte**, a global cell-based medicines and life sciences company with a patented cell engineering technology platform.

### Outlook

The strategy for the year ahead will focus on continuing to expand the portfolio by adding a number of carefully selected private company and AIM quoted assets that are capable of contributing to long-term growth in Shareholder value. The proceeds from the Offer for Subscription provide meaningful liquidity to underpin this strategy and our nationwide presence allows our regional teams to access some of the best VCT qualifying transactions available across the UK. This continued expansion of the portfolio, by size and sector, will also further diversify the concentration of risk and help to drive positive Shareholder returns in the years ahead.

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

**5 April 2019**

# LARGEST INVESTMENTS BY VALUATION

As at 31 December 2018

<b>GEV Holdings Limited</b>		Hull
Cost (£'000)		1,165
Valuation (£'000)		2,063
Basis of valuation		Earnings
Equity held		6.4%
Income received (£'000)		76
First invested		October 2015
Year end		31 December
	2017 (£'000)	2016 <sup>1</sup> (£'000)
Sales	8,665	8,189
EBITDA <sup>2</sup>	205	(2,108)
Net liabilities	(1,703)	(1,558)

GEV comprises three main divisions that operate across multiple markets and global locations. GEV Wind Power has established key relationships with wind farm owners and leading wind turbine manufacturers worldwide. Subsea Masters is a skilled engineering provider to the deep water drilling industry and is based in the strategic location of Las Palmas, Gran Canaria. GEV Offshore provides a wide range of services, including project teams for construction, maintenance and asset integrity to the energy services sector.



[www.gevwindpower.com](http://www.gevwindpower.com)  
[www.subseamasters.com](http://www.subseamasters.com)  
[www.gevoffshore.com](http://www.gevoffshore.com)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
 Maven Income and Growth VCT 3  
 Maven Income and Growth VCT 5  
 Maven Income and Growth VCT 6  
 Maven Investor Partners

<b>Ensco 969 Limited (trading as DPP)</b>		Southampton
Cost (£'000)		1,720
Valuation (£'000)		1,862
Basis of valuation		Earnings
Equity held		7.0%
Income received (£'000)		400
First invested		March 2013
Year end		31 October
	2017 (£'000)	2016 (£'000)
Sales	10,402	9,289
EBITDA <sup>2</sup>	1,310	796
Net assets	2,355	2,090

DPP provides planned and reactive maintenance to the leisure, hospitality and retail sectors in the south of England and Wales. The business has grown from being a heating contractor into a service provider across the mechanical, electrical, HVAC and ventilation sectors, providing maintenance services under medium-term contracts alongside project work for minor and major refurbishment programmes.



[www.dpp.ltd.uk](http://www.dpp.ltd.uk)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
 Maven Income and Growth VCT 3  
 Maven Income and Growth VCT 5  
 Maven Income and Growth VCT 6  
 Maven Investor Partners



[www.vodat-int.com](http://www.vodat-int.com)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>Vodat Communications Group Limited</b>		Stockport
Cost (£'000)		1,131
Valuation (£'000)		1,608
Basis of valuation		Earnings
Equity held		6.6%
Income received (£'000)		312
First invested		March 2012
Year end		31 March
	2018 (£'000)	2017 (£'000)
Sales	13,269	8,850
EBITDA <sup>2</sup>	1,600	956
Net assets	3,246	666

Vodat provides managed network and communications solutions to business customers, with a particular focus on the UK retail sector. The business offers a range of products and services, including secure real-time data networks, telephone and VOIP services, card payment solutions, mobile marketing campaigns, wi-fi and disaster recovery. Vodat's products enable retailers to reduce costs, boost store productivity and increase sales. The business provides services to over 7,000 retail sites and achieves a high level of customer retention. The established customer base includes Fat Face, Beaverbrooks, Oasis and Welcome Break.



**Rockar.**

[www.rockar.com](http://www.rockar.com)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6

<b>Rockar 2016 Limited (trading as Rockar)</b>		Hull
Cost (£'000)		955
Valuation (£'000)		1,501
Basis of valuation		Earnings
Equity held		5.2%
Income received (£'000)		6
First invested		July 2016
Year end		31 December
	2017 (£'000)	2016 (£'000)
Sales	46,631	15,936
EBITDA <sup>2</sup>	(1,304)	(1,397)
Net assets	1,510	1,855

Rockar aims to revolutionise the retail car buying market through its on-line solution. The business model is a disruptive proposition, which gives customers access to all the services of a traditional dealership on-line. The solution helps car manufacturers digitalise their traditional route to market and enables consumers to complete their purchase on-line, including options for part-exchange and finance.

<b>JT Holdings (UK) Limited</b> (trading as Just Trays)		Leeds
Cost (£'000)		977
Valuation (£'000)		1,481
Basis of valuation		Earnings
Equity held		9.0%
Income received (£'000)		96
First invested		June 2014
Year end		31 October
	2017 (£'000)	2016 (£'000)
Sales	13,550	12,919
EBITDA <sup>2</sup>	944	1,334
Net assets	3,754	3,523

Just Trays is the UK's leading manufacturer of shower trays and related accessories, with product design, development and production undertaken at its main facility in Leeds. The business sells its range of products direct to trade partners in the construction and housing market and has a market reputation for the quality of its products, innovative design and customer service, with high levels of customer loyalty for the JT brand.



[www.just-trays.com](http://www.just-trays.com)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6

<b>Glacier Energy Services Holdings Limited</b>		Aberdeen
Cost (£'000)		1,391
Valuation (£'000)		1,391
Basis of valuation		Earnings
Equity held		5.4%
Income received (£'000)		192
First invested		March 2011
Year end		31 March
	2018 (£'000)	2017 (£'000)
Sales	24,970	20,198
EBITDA <sup>2</sup>	1,900	1,202
Net liabilities	(10,180)	(7,535)

Glacier provides specialist services for energy infrastructure including on-site machining; weld overlay for pressure control equipment; non-destructive testing; and heat transfer equipment repair and refurbishment. Glacier has a strong international presence in key energy markets, including the North Sea, the Middle East and West Africa, and focuses on developing products in the areas of production and processing equipment, intervention and pipeline components.



[www.glacier.co.uk](http://www.glacier.co.uk)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners



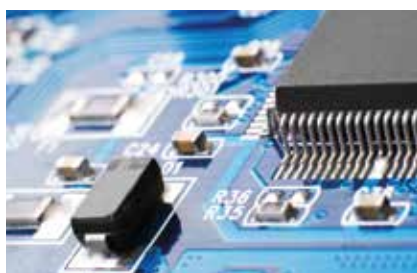
www.cat-tech.com

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>CatTech International Limited</b>		Scunthorpe
Cost (£'000)		1,004
Valuation (£'000)		1,286
Basis of valuation		Earnings
Equity held		7.8%
Income received (£'000)		312
First invested		March 2012
Year end		31 December
	2017 (£'000)	2016 (£'000)
Sales	8,259	9,489
EBITDA <sup>2</sup>	1,258	1,363
Net assets/(liabilities)	47	(133)

CatTech provides niche industrial services to oil refineries and petrochemical plants across the major international markets, with offices in the UK, China, Singapore and Thailand. The business has developed a range of proprietary products for servicing essential equipment and improving catalyst handling. CatTech operates in a sector where the ability to maintain operational efficiency is critical, with an increasing focus on health and safety, and only a limited number of specialists world-wide have the skilled personnel and equipment to undertake catalyst handling projects.



www.cbtechnology.co.uk

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

<b>CB Technology Group Limited</b>		Livingston
Cost (£'000)		1,013
Valuation (£'000)		1,184
Basis of valuation		Earnings
Equity held		18.5%
Income received (£'000)		184
First invested		December 2014
Year end		31 March
	2018 (£'000)	2017 (£'000)
Sales	5,260	3,049
EBITDA <sup>2</sup>	409	77
Net liabilities	(320)	(50)

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



<b>Maven Co-invest Endeavour Limited Partnership</b>		London	
(invested in Global Risk Partners)			
Cost (£'000)			814
Valuation (£'000)			1,174
Basis of valuation			Earnings
Equity held			11.4%
Income received (£'000)			25
First invested			November 2013
Year end			31 March
		2018 (£'000)	2017 (£'000)
Sales	75,931		41,191
EBITDA <sup>2</sup>	(3,430)		894
Net assets	210,187		93,210

Global Risk Partners (GRP) is a buy-and-build acquisition vehicle targeting the global specialty insurance and reinsurance markets. The business has been set up by a highly experienced management team, including Chairman Peter Cullum, the founder of insurance broker Towergate, which became the UK's largest independently owned insurance broker with a turnover of £400 million. GRP is focused on the Lloyd's market, with the aim of acquiring a broad mix of accredited brokers and managing general agents in order to offer an unrivalled concentration of specialist underwriting expertise and knowledge, as well as developing a network of commercial insurance brokers located across the UK.

<b>The GP Service (UK) Limited</b>		London	
Cost (£'000)			1,142
Valuation (£'000)			1,168
Basis of valuation			Revenue
Equity held			15.5%
Income received (£'000)			24
First invested			April 2016
Year end			31 January
		2018 <sup>4</sup> (£'000)	2017 <sup>5</sup> (£'000)
Sales	44		12
EBITDA <sup>2</sup>	(123)		(929)
Net (liabilities)/assets	(242)		665

The GP Service provides on-line services for general medical consultations and prescriptions in a rapidly emerging sector in the UK, driven by an increase in average waiting times for GP appointments, as well as surgery opening times being unsuitable for busy lifestyles. The web-based platform is fully operational, with GP consultations being delivered via live video link, and prescriptions issued directly to a pharmacy of the patient's choice.

<sup>1</sup> For the period from 1 December 2015 to 31 December 2016.

<sup>2</sup> Earnings before interest, tax, depreciation and amortisation.

<sup>3</sup> Maven Income and Growth VCT 2 PLC merged with Maven Income and Growth VCT 4 PLC on 15 November 2018.

<sup>4</sup> For the period from 1 May 2017 to 31 January 2018.

<sup>5</sup> For the twelve-month period to 30 April 2017.



[www.grpgroup.co.uk](http://www.grpgroup.co.uk)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6  
Maven Investor Partners

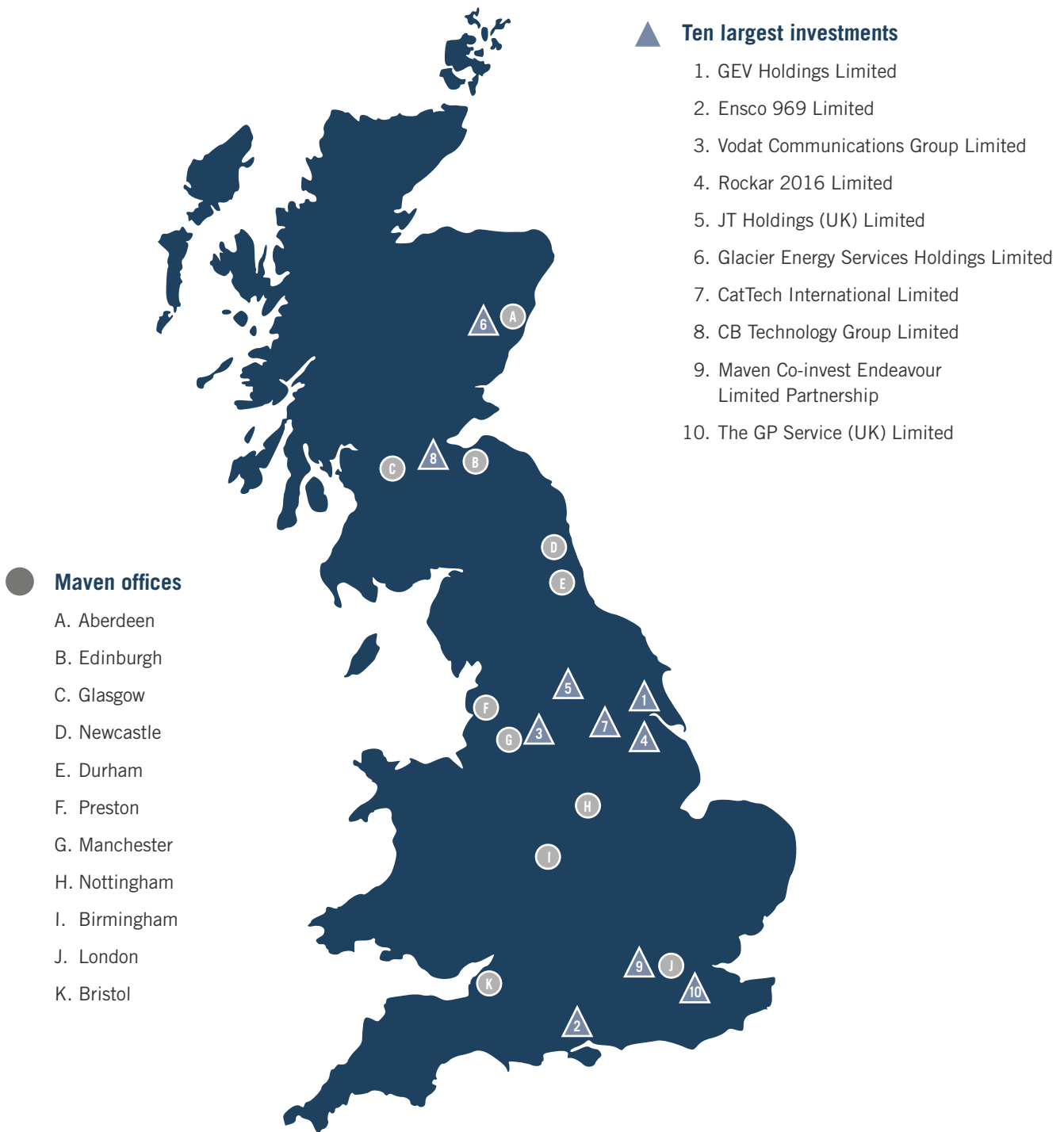


[www.thegpservice.co.uk](http://www.thegpservice.co.uk)

#### Other Maven clients invested<sup>3</sup>:

Maven Income and Growth VCT  
Maven Income and Growth VCT 3  
Maven Income and Growth VCT 5  
Maven Income and Growth VCT 6

# NATIONAL PRESENCE | REGIONAL FOCUS



# INVESTMENT PORTFOLIO SUMMARY

As at 31 December 2018

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted</b>					
GEV Holdings Limited	2,063	1,165	3.9	6.4	29.6
Ensco 969 Limited (trading as DPP)	1,862	1,720	3.5	7.0	27.5
Vodat Communications Group Limited	1,608	1,131	2.9	6.6	20.2
Rockar 2016 Limited (trading as Rockar)	1,501	955	2.7	5.2	10.4
JT Holdings (UK) Limited (trading as Just Trays)	1,481	977	2.7	9.0	21.0
Glacier Energy Services Holdings Limited	1,391	1,391	2.5	5.4	22.2
CatTech International Limited	1,286	1,004	2.3	7.8	22.2
CB Technology Group Limited	1,184	1,013	2.2	18.5	60.5
Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners) <sup>2</sup>	1,174	814	2.1	11.4	88.6
The GP Service (UK) Limited	1,168	1,142	2.1	15.5	34.1
HCS Control Systems Group Limited	1,141	1,141	2.1	10.2	26.3
ITS Technology Group Limited	1,083	1,083	2.0	8.6	27.1
Horizon Cremation Limited	1,063	1,063	1.9	5.8	16.4
Martel Instruments Holdings Limited	980	1,016	1.8	13.3	31.0
Flow UK Holdings Limited	972	972	1.8	11.8	23.2
RMEC Group Limited	886	711	1.6	4.5	45.6
R&M Engineering Group Limited	849	1,042	1.5	12.7	57.8
QikServe Limited	841	841	1.5	6.5	14.7
Whiterock Group Limited	804	604	1.5	9.3	20.7
Fathom Systems Group Limited	783	1,037	1.4	11.7	48.3
TC Communications Holdings Limited	734	958	1.3	10.7	19.3
Maven Capital (Marlow) Limited	650	650	1.2	-	100.0
Bright Network (UK) Limited	547	547	1.0	7.6	22.4
Contego Solutions Limited (trading as NorthRow)	522	522	0.9	4.5	11.1
Lending Works Limited	498	498	0.9	4.7	14.9
Attraction World Holdings Limited	489	319	0.9	9.6	28.8
Growth Capital Ventures Limited	420	409	0.8	9.6	28.9
Boiler Plan (UK) Limited	400	400	0.7	11.6	36.1
Curo Compensation Limited	391	397	0.7	4.4	14.6
ebb3 Limited	389	389	0.7	11.4	37.7
eSafe Global Limited	373	373	0.7	7.1	24.9
ADC Biotechnology Limited	356	553	0.6	4.4	12.6
BioAscent Discovery Limited	348	348	0.6	8.7	31.3

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 31 December 2018

Investment (continued)	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted (continued)</b>					
ISN Solutions Group Limited	322	442	0.6	7.2	47.8
WaterBear Education Limited	239	239	0.4	9.1	34.6
Lydia Limited (trading as Motokiki)	150	150	0.3	6.0	34.0
Optoscribe Limited	100	100	0.2	1.0	9.0
FLXG Scotland Limited (formerly Flexlife Group Limited)	99	332	0.2	2.9	11.4
Cognitive Geology Limited	97	289	0.2	3.6	8.9
Space Student Living Limited	78	44	0.1	17.7	62.4
Other unlisted investments <sup>3</sup>	-	3,696	-		
<b>Total unlisted</b>	<b>31,322</b>	<b>32,477</b>	<b>57.0</b>		
<b>Quoted</b>					
Ideagen PLC	660	184	1.3	0.3	1.2
Oxford Metrics PLC (formerly OMG PLC)	166	80	0.4	0.2	-
Synnovia PLC (formerly Plastics Capital PLC)	122	112	0.2	0.3	1.1
Byotrol PLC	84	197	0.2	1.2	2.3
Vectura Group PLC	78	100	0.1	-	-
Cello Health PLC	58	55	0.1	0.1	0.4
Gordon Dadds Group PLC (formerly Work Group PLC)	27	168	-	0.1	-
Vianet Group PLC (formerly Brulines Group PLC)	25	28	-	0.1	1.4
Angle PLC	18	27	-	-	0.2
Other quoted investments <sup>3</sup>	2	255	-		
<b>Total quoted</b>	<b>1,240</b>	<b>1,206</b>	<b>2.3</b>		

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 31 December 2018

Investment (continued)	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Private equity investment trusts</b>					
BMO Private Equity Trust PLC (formerly F&C Private Equity Investment Trust PLC)	188	204	0.3	0.1	0.3
Harbourvest Global Private Equity Limited	133	136	0.3	-	0.0
HgCapital Trust PLC	127	134	0.2	-	0.1
Apax Global Alpha Limited	118	117	0.2	-	0.1
Standard Life Private Equity Trust PLC	106	98	0.2	-	-
Princess Private Equity Holding Limited	104	120	0.2	-	0.1
Pantheon International PLC	84	87	0.2	-	-
ICG Enterprise Trust PLC	78	83	0.1	-	-
<b>Total private equity investment trusts</b>	<b>938</b>	<b>979</b>	<b>1.7</b>		
<b>Real estate investment trusts</b>					
Regional REIT Limited	153	162	0.3	-	0.2
Schroder REIT Limited	97	107	0.2	-	0.2
Target Healthcare REIT Limited	93	96	0.2	-	0.2
Custodian REIT PLC	69	71	0.1	-	0.2
<b>Total real estate investment trusts</b>	<b>412</b>	<b>436</b>	<b>0.8</b>		
<b>Total investments</b>	<b>33,912</b>	<b>35,098</b>	<b>61.8</b>		

<sup>1</sup> Other clients of Maven Capital Partners UK LLP.

<sup>2</sup> Managed by Penta Capital LLP of which Steven Scott, a Director of the Company, is a partner.

<sup>3</sup> Comprises a number of investments in liquidation, awaiting strike-off from the Register of Companies.

The table above includes assets transferred from Maven VCT 2 following completion of the merger on 15 November 2018.

# DIRECTORS' REPORT

**The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 31 December 2018. A summary of the financial results for the year can be found in the Financial Highlights on pages 4 and 5. The investment objective, business model and investment policy are set out in the Business Report on page 11 and the Board's dividend strategy is summarised in the Chairman's Statement on pages 8 to 10.**

## 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 venture capital trust under Section 274 of the Income Tax Act 2007.

The Company's Ordinary Shares are listed on 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, 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 and, accordingly, they have continued to adopt the going concern basis when preparing the Annual Report and Financial Statements.

## Viability Statement

In accordance with Provision C.2.2 of the UK Corporate Governance Code, published in April 2016, the Board has assessed the Company's prospects for the five-year period to 31 December 2023. This five-year period has been considered appropriate for a VCT business 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 also considered the Company's ability to raise new funds and invest those proceeds. This assessment also took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Manager adapting its investment process to take account of the more restrictive VCT rules. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment, including the UK's decision to leave the EU and the potential impact on EU State Aid Rules. The Directors have also considered the Company's cash flow projections and underlying assumptions for the five years to December 2023, and considered them to be realistic and fair.



Based on the Company's processes for monitoring income and expenses, share price discount, and its ongoing review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is 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 31 December 2023.

### Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and 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 41 to 44.

### Directors

Biographies of the Directors who held office during the year and up to 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.

Bill Nixon is managing partner of Maven Capital Partners UK LLP, which is entitled to receive investment management and secretarial fees, as disclosed in Notes 3 and 4 to the Financial

Statements respectively. No other contract or arrangement significant to the Company's business, and in which any of the Directors is interested, has subsisted during the year.

As highlighted in the Chairman's Statement on page 10, following the completion of the fundraising and merger, and taking account of his length of service, Ian Cormack considers it is appropriate to stand down as a Non-executive Director of the Company. Therefore, he will retire at the conclusion of the 2019 AGM and will not seek re-election.

Peter Linthwaite was appointed as a Director on 15 November 2018, following the conclusion of the merger of the Company with Maven VCT 2. As required under the Articles, Peter will retire and seek election by Shareholders at the 2019 AGM, being the first annual general meeting following his appointment.

As at the date of the forthcoming AGM, Malcolm Graham-Wood and Steven Scott will have served as Directors for more than nine years from the date of their first election and, as such, will retire at the AGM in accordance with best practice corporate governance. As a result, being eligible, they offer themselves for annual re-election. Also in accordance with corporate governance best practice, as a non-independent Director, Bill Nixon retires at the AGM and, being eligible, offers himself for annual re-election.

The Board confirms that, following a formal process of evaluation, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role. The Board, therefore, believes that it is in the best interests of Shareholders that Malcolm Graham-Wood, Steven Scott and Bill Nixon be re-elected and Resolutions to this effect will be proposed at the AGM.

There is no requirement for the Directors to hold shares in the Company. The Directors' interests in the share capital of the Company are as follows:

	<b>31 December 2018</b> <b>Ordinary Shares of 10p each</b>	<b>31 December 2017</b> <b>Ordinary Shares of 10p each</b>
Ian Cormack	167,815	167,815
Malcolm Graham-Wood	72,931	47,241
Peter Linthwaite <sup>1</sup>	2,425	N/A
Bill Nixon	445,428	309,023
Steven Scott	202,838	149,061

<sup>1</sup> Appointed on 15 November 2018.

All of the interests shown above are beneficial and as at 3 April 2019, being the latest practicable date prior to the publication of this Annual Report, there have been no further changes to them since the end of the Company's financial year.

### Conflicts of Interest

Each Director has a statutory duty to avoid a situation where he has, 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 Company's Articles and this includes any co-investment made by the Directors in entities in which the Company also has an interest.

The Board has an approved protocol for identifying and dealing with conflicts and has resolved to conduct a regular review of actual or possible conflicts. As previously reported, the Company is invested in Maven Co-invest Endeavour Limited Partnership, which is an investment managed by Penta Capital LLP of which Steven Scott, a Director of the Company, is a partner. The Board has continued to agree that no conflicts exists in respect of this investment and that no other new, or potential, conflicts of interest were identified during the year.

## Substantial Interests

At 31 December 2018, the only Shareholders known to the Company to be directly or indirectly interested in 3% or more of its issued Ordinary Share capital were as follows:

	Number of Ordinary Shares held	% of issued share capital
Hargreaves Lansdown (Nominees) Limited – HLNOM Account	5,095,805	6.66

At 3 April 2019, being the last practicable date prior to the publication of this Annual Report, the only Shareholders known to the Company to be directly or indirectly interested in 3% or more of its issued Ordinary Share capital were as follows:

	Number of Ordinary Shares held	% of issued share capital
Hargreaves Lansdown (Nominees) Limited – HLNOM Account	5,227,535	6.85

## Manager and Secretary

Maven Capital Partners UK LLP (Maven) acted as Manager and Secretary to the Company during the year ended 31 December 2018 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 Deed agreed with Maven are as follows:

### Termination provisions

The agreement is capable of termination by the giving of 24 months' written notice by either the Company or the Manager. Should the Company terminate the Management and Administration Deed on shorter notice before that date, the Manager would be entitled to receive fees which would otherwise have been due up until the date of the end of the contractual notice period. 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 ended 31 December 2018, and unchanged for the year ending 31 December 2019, the investment management and secretarial fees payable to Maven were calculated and charged on the following basis:

- an investment management fee of 2.5% (2017: 2.5%) per annum of the gross assets of the Company at the previous quarter end, which is chargeable 20% to revenue and 80% against realised capital reserves; and
- a secretarial fee of £100,000 (2017: £79,000) per annum, which was increased to this level on completion of the merger with Maven VCT 2 on 15 November 2018, is charged 100% to revenue and is subject to an annual adjustment to reflect movement in the UK Consumer Prices Index.

Subject to certain criteria being met, Maven is entitled to a performance incentive fee, in respect of each six month period ended 30 June and 31 December, of an amount equal to 20% (2017: 20%) of any increase in the total return (before applying any performance incentive fee) as at the end of the relevant six month period to the total return (after accruing for the performance incentive fee payable for that period) as at the end of the last six month period on which a performance incentive fee was paid. Total return for these purposes means net asset value, adjusted for dividends, share buy-backs and share issues since the period in respect of which the last performance incentive fee was paid.

By agreement with the Manager, the total management and administrative expenses of the Company, inclusive of irrecoverable VAT but exclusive of transaction costs and expenses relating to the acquisition and disposal of investments, are capped at 3.5% of the net asset value at the end of the relevant financial period, calculated before deduction of management and administrative expenses or any exceptional items such as merger or performance incentive fees in respect of that financial year.

Independent from the above arrangements, during the year ended 31 December 2018, the sum of £17,000 (2017: £15,000) plus VAT was paid to the Manager in respect of Bill Nixon's role as a Director of the Company. Maven may also receive from investee companies, fees in relation to arranging transactions, monitoring of business progress and for providing non-executive directors for their boards.

In addition, in the period to 11 October 2018 and in order to ensure that the Manager's executives were appropriately incentivised in relation to the management of the portfolio, a co-investment scheme allowed individuals to participate in new investments alongside the Company. All such investments were made through a nominee and under terms agreed by the Board.

The terms of the scheme ensured that all investments in voting ordinary shares were made on identical terms to those of the Company and that no selection of investments was allowed. Total investment by participants in the co-investment scheme was set at 5% of the aggregate amount of ordinary shares subscribed for, except where the only securities to be acquired by the Company were ordinary shares or were securities quoted on AIM or NEX, in which case the co-investment percentage was 1.5%. Any dilution of the Company's interests was, therefore, minimal and the Directors believed that the scheme provided a useful incentive that closely aligned the interests of key individuals within the Manager's staff with those of the Shareholders. The co-investment scheme was suspended with effect from 11 October 2018, pending a review by the Manager.

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 3 April 2019, Maven Capital Partners UK LLP, Bill Nixon and certain of its other executives held, in aggregate, 1,358,044 of the Company's Ordinary Shares, representing 1.78% of the issued Ordinary Share capital as at that date.

### Independent Auditor

It is recommended that the Company's Independent Auditor, Deloitte LLP, should continue in office and Resolution 7 to propose its re-appointment will be proposed at the 2019 AGM, along with Resolution 8, to authorise the Directors to fix its remuneration. Non-audit fees for tax services amounting to £5,000 (including VAT) were paid to Deloitte LLP during the year under review (2017: £5,000). The Directors have received confirmation from the Auditor that it remains independent and objective. The Directors have also reviewed the Auditor's procedures in connection with the provision of non-audit services and remain satisfied that objectivity and independence are 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 each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself 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 31 December 2018, the Company bought back a total of 875,000 (2017: 303,000) of its own Ordinary Shares, being 1.63% of the Ordinary Shares in issue as at 5 April 2018, being the last practicable date prior to publication of the previous Annual Report.

A Special Resolution, numbered 11 in the Notice of Annual General Meeting, will be put to Shareholders at the 2019 AGM for their approval to renew the Company's authority to purchase in the market a maximum of 11,440,457 Ordinary Shares (14.99% of the shares in issue at 3 April 2019). Such authority will expire on the date of the annual general meeting in 2020, or after a period of 15 months from the date of the passing of the Resolution, whichever is the earlier.

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 FCA Listing Rules 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 and not available for reissue, or held in treasury. Once held in treasury, such shares may be cancelled or sold for cash.

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 the full results.

### Issue of New Ordinary Shares

During the year under review, 40,370,960 new Ordinary Shares were issued and allotted (2017: 4,480,133 Ordinary Shares). Of this amount, 20,228,537 new Ordinary Shares were issued under the Offer for Subscription; 673,121 under the DIS; and 19,469,302 in relation to the merger of the Company with Maven VCT 2. An Ordinary Resolution, numbered 9 in the Notice of Annual General Meeting, will be put to Shareholders at the 2019 AGM for their approval for the Company to issue up to an aggregate nominal amount of £763,205 in respect of the Ordinary Shares (equivalent to 7,632,050 Ordinary Shares or 10% of the total issued share capital at 3 April 2019).

Issues of new Ordinary Shares may only be made at, or at a premium to, NAV per share, thus ensuring 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 at the conclusion of the annual general meeting in 2020 or on the expiry 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 holdings. 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 10 in the Notice of Annual General Meeting, will, if passed, give the Directors power to allot for cash, up to an aggregate nominal amount not exceeding £763,205 in respect of the Ordinary Shares (equivalent to 7,632,050 Ordinary Shares or 10% of the total issued share capital at 3 April 2019) 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 9. The authority will also expire either at the conclusion of the annual general meeting of the Company in 2020 or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

### **Cancellation of Share Premium Account and Capital Redemption Reserve**

The share premium account and the capital redemption reserve form part of the Company's capital and, except with the approval of Shareholders and sanction of the Scottish Court, use of these reserves is restricted. Cancelling the share premium account and the capital redemption reserve allows the Company to create a further pool of distributable reserves that can be used to fund distributions, assist in writing off losses, finance repurchases of the Company's shares, or for certain other corporate purposes. A Special Resolution, numbered 13 in the Notice of Annual General Meeting, relating to the cancellation of the share premium account and the capital redemption reserve, will be put to Shareholders at the 2019 AGM.

### **Share Capital and Voting Rights**

As at 31 December 2018 the Company's share capital amounted to 76,570,595 Ordinary Shares of 10p each. Subsequent to the year end, the Company bought back 250,000 Ordinary Shares for cancellation and, as a result, there were 76,320,595 Ordinary Shares in issue as at 3 April 2019. Further details are included in Note 12 to the Financial Statements.

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 34, 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 in the Strategic Report, there have been no events since 31 December 2018 that require disclosure.

### **Future Developments**

An indication of the Company's future developments can be found in the Chairman's Statement on page 10 and in the Investment Manager's Review on page 22, which highlight the commitment of the Board and the Manager to providing returns to Shareholders and delivering the Company's investment strategy.

### **Annual General Meeting (AGM) and Directors' Recommendation**

The AGM will be held on 15 May 2019, and the Notice of Annual General Meeting is on pages 72 to 76 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.

The Board encourages Shareholders to vote at the AGM and votes can be submitted by hard copy proxy form, via CREST, or electronically using the Registrar's share portal service at [www.signalshares.com](http://www.signalshares.com). Please refer to the notes to the Notice of Annual General Meeting on pages 74 to 76 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.

**By order of the Board**  
**Maven Capital Partners UK LLP**  
**Secretary**

**5 April 2019**

# DIRECTORS' REMUNERATION REPORT

## Statement by the Board

The report has been prepared in accordance with the requirements of the Companies Act 2006. An Ordinary Resolution for the approval of this report, which includes a section on the policy for the remuneration of Directors, will be put to the members of the Company at the forthcoming AGM. The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report on pages 50 to 56 of this Annual Report.

The full Board, with Ian Cormack as its Chairman, carries out the functions of a remuneration committee. As all of the Directors are non-executive, the principles of the UK Corporate Governance Code in respect of executive directors' remuneration do not apply.

At 31 December 2018, and as at the date of this Annual Report, the Company had five non-executive Directors and their biographies are shown in the Your Board section of the Strategic Report. The names of the Directors who served during the year together with the fees paid during the year are shown in the table on page 39.

The dates of appointment of the Directors in office as at 31 December 2018 and the dates on which they will next be proposed for re-election are as follows:

	<b>Date of original appointment</b>	<b>Date of previous re-election</b>	<b>Due date for election/re-election</b>
Ian Cormack	1 September 2004	15 May 2018	N/A
Malcolm Graham-Wood	1 September 2004	15 May 2018	15 May 2019
Peter Linthwaite <sup>1</sup>	15 November 2018	N/A	15 May 2019
Bill Nixon	6 August 2008	15 May 2018	15 May 2019
Steven Scott	1 September 2004	15 May 2018	15 May 2019

<sup>1</sup> Appointed on 15 November 2018.

During the year ended 31 December 2018, 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 Board expects, from time to time, to review the fees paid to the directors of other venture capital trust companies for comparative purposes.

The Board met once during the year ended 31 December 2018 to review the policy for, and the level of, Directors' remuneration. At that meeting, it was resolved that the rates of Directors' remuneration should be increased by £1,000 per annum for each Director with effect from 1 July 2019 and it was agreed that the Board should continue to review the policy for the remuneration of Directors on a regular basis.

The Board considers that the revised total Directors' remuneration is reasonable when compared with other similar VCTs.

## Remuneration Policy

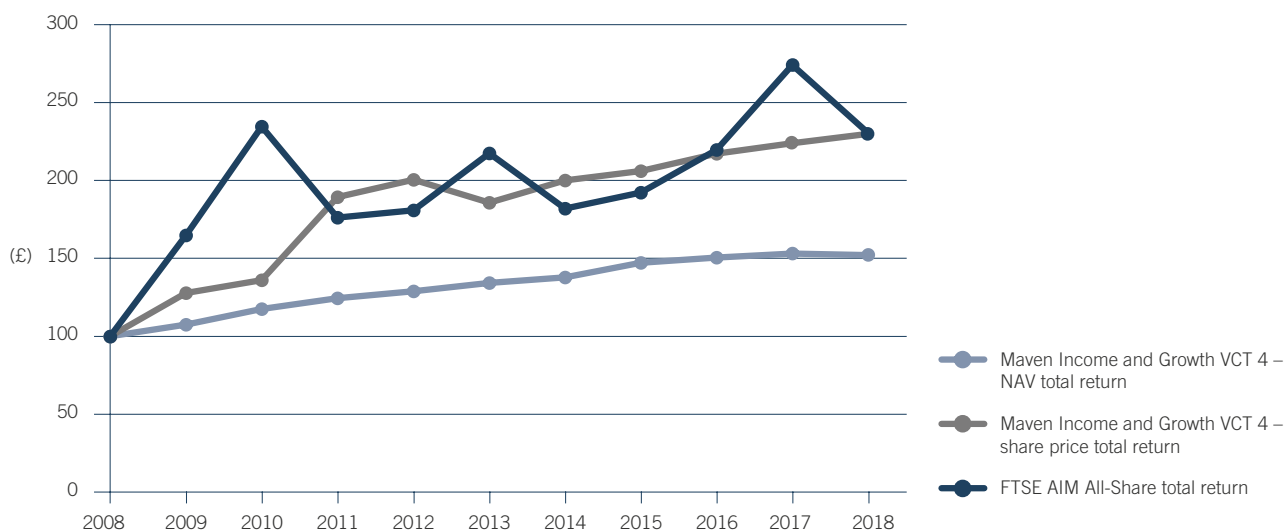
The Company's Policy is that the remuneration of the Directors should reflect the experience of the Board as a whole and be fair and comparable to that of other VCTs with a similar capital structure and similar investment objectives. Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him. 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 £150,000 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.

## 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 (excluding tax relief) on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 31 December 2018, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kind 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/Proquote.

Please note that past performance is not a guide to future performance.

A copy of this Remuneration Policy may be inspected by the members of the Company at its registered office.

It is the Board's intention that the above remuneration policy will be put to a Shareholder's vote at least once every three years and, as a Resolution was last approved at the AGM held in 2017, an Ordinary Resolution for its approval will be proposed at the annual general meeting to be held in 2020. Therefore, it is intended that the current policy will continue for the year ending 31 December 2019.

## 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.

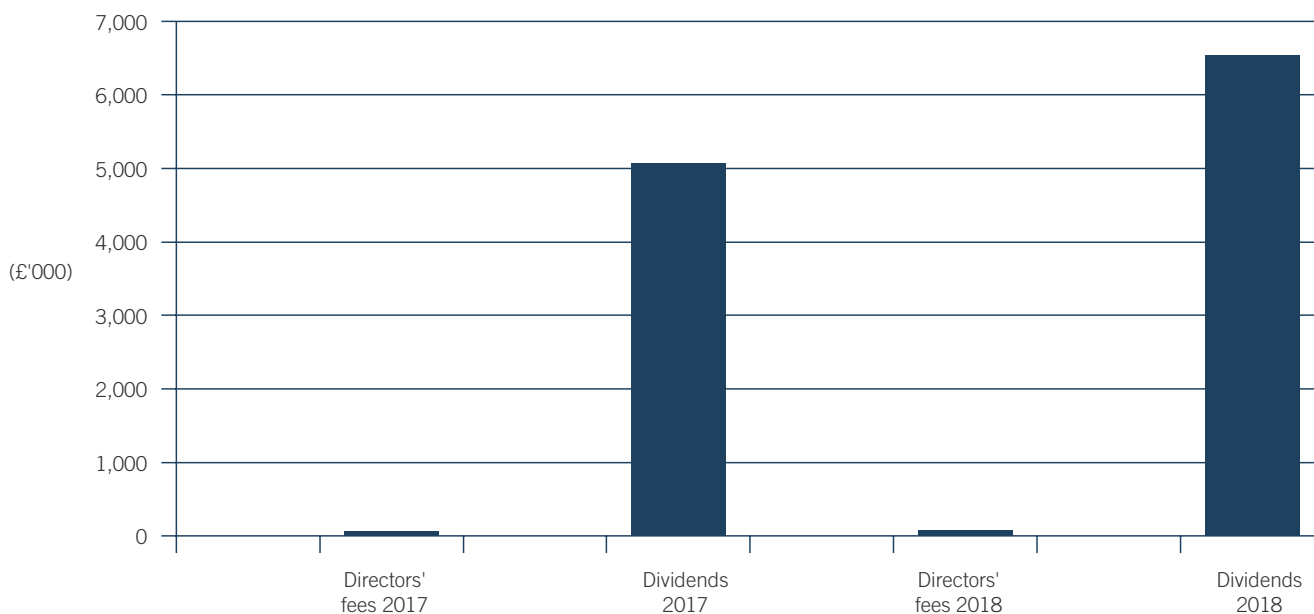
## Directors' Interests (audited)

The Directors' interests in the share capital of the Company are shown in the Directors' Report on page 33. There is no requirement for Directors to hold shares in the Company.



### Relative Cost of Directors' Remuneration

The chart below shows, for the years ended 31 December 2017 and 31 December 2018; 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' Remuneration (audited)

The Directors who served during the year received the following emoluments in the form of fees:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Ian Cormack	20,000	18,000
Malcolm Graham-Wood	17,000	15,000
Peter Linthwaite <sup>1</sup>	2,189	N/A
Bill Nixon <sup>2</sup>	17,000	15,000
Steven Scott	17,000	15,000
<b>Total</b>	<b>73,189</b>	<b>63,000</b>

<sup>1</sup> Appointed 15 November 2018.

<sup>2</sup> Remuneration is paid to Maven Capital Partners UK LLP and is subject to VAT.

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 benefits for the year ended 31 December 2018 (2017: £nil).

The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The current and projected Director's fees for the year ended 31 December 2018 and the year ending 31 December 2019 are shown below:

	Year ending 31 December 2019 £	Year ended 31 December 2018 £
Ian Cormack <sup>1</sup>	7,397	20,000
Malcolm Graham-Wood	17,500	17,000
Peter Linthwaite <sup>2</sup>	19,058	2,189
Bill Nixon <sup>3</sup>	17,500	17,000
Steven Scott	17,500	17,000
<b>Total</b>	<b>78,955</b>	<b>73,189</b>

<sup>1</sup> Retiring with effect from 15 May 2019.

<sup>2</sup> Appointed 15 November 2018.

<sup>3</sup> Remuneration is paid to Maven Capital Partners UK LLP and is subject to VAT.

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 annual general meeting following their appointment. Thereafter, the Company's Articles require all Directors to retire by rotation at least every three years. 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 31 December 2018, no communication was received from Shareholders regarding Directors' remuneration. At the AGM held on 15 May 2018, the results in respect of the Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 31 December 2017 were as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Report (2017)	96.67	3.33	73,767

An Ordinary Resolution to approve this Directors' Remuneration Report for the year ended 31 December 2018 will be put to Shareholders at the 2019 AGM.

### Approval

The Directors' Remuneration Report for the year ended 31 December 2018 was approved by the Board of Directors and signed on its behalf by:

**Ian Cormack**  
Director

**5 April 2019**

# 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 which enables it to comply with the UK Corporate Governance Code (the Code), published in April 2016. The Code is available from the website of the Financial Reporting Council at [www.frc.org.uk](http://www.frc.org.uk).**

In July 2018, the FRC issued a revised version of the Code, which will take effect in respect of financial years commencing on or after 1 January 2019, and the Board is considering the future implications for the Company and its Directors.

This Statement of Corporate Governance supports the Directors' Report.

## Application of the Main Principles of the Code

This statement describes how the main principles identified in the Code have been applied by the Company throughout the year, as is required by the Listing Rules of the FCA.

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

- provision A2.1 (dual role of the chairman and chief executive);
- provision A4.1 (senior independent director);
- provision B1.1 (tenure of directors); and
- provisions D2.1, D2.2, and D2.4 (remuneration committee).

Other than set out below, the Board considers that these provisions are not relevant to the Company and, therefore, has not reported further in respect of them.

## The Board

As at the date of this Annual Report, the Board consists of five Directors, all of whom are non-executive and the majority of whom are considered to be independent of the investment manager (Maven Capital Partners UK LLP, Maven, or the Manager). Bill Nixon is not considered to be independent because of his position as managing partner of Maven. The independent non-executive Directors are 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, industrial, 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 Financial Conduct Authority 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.

Ian Cormack was independent of the Manager at the time of his appointment as a Director and Chairman in September 2004 and continues to be so by virtue of his lack of connection with the Manager and the absence of cross-directorships with his fellow Directors.

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

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 31 December 2018, the Board held four full quarterly Board Meetings; another full Board Meeting in relation to the merger with Maven VCT 2; five Committee Meetings to approve the issue of shares under the Offer for Subscription or the DIS; two Committee Meetings in relation to the merger; 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 and Nomination Committees.

Directors have attended Board and Committee Meetings during the year ended 31 December 2018<sup>1</sup> as follows:

Director	Board	Board Committee	Audit Committee	Management Engagement Committee	Nomination Committee	Risk Committee
Ian Cormack	5 (5)	8 (9)	2 (2)	1 (1)	1 (1)	4 (4)
Malcolm Graham-Wood	4 (5)	8 (9)	2 (2)	1 (1)	1 (1)	4 (4)
Peter Linthwaite <sup>2</sup>	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Bill Nixon <sup>3</sup>	5 (5)	9 (9)	n/a	n/a	1 (1)	4 (4)
Steven Scott	4 (5)	8 (9)	1 (2)	- (1)	1 (1)	3 (4)

<sup>1</sup> The number of meetings which the Directors were eligible to attend is in brackets.

<sup>2</sup> Appointed on 15 November 2018.

<sup>3</sup> Not a member of the Audit Committee or the Management Engagement Committee.

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.

## 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 annual general meeting following their appointment. Therefore, Peter Linthwaite stands for election by Shareholders at the 2019 annual general meeting. The Articles also state that Directors must offer themselves for re-election at least once every three years. However, in accordance with corporate governance best practice and as they have both served as Directors for more than nine years, Malcolm Graham-Wood and Steven Scott offer themselves for annual re-election. In addition, Bill Nixon is subject to annual re-election in view of his position as managing partner of Maven.

## 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 his 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 Company has no executive Directors or employees.

## Committees

Each of the Committees has been established with written terms of reference, which are available on request from the registered office of the Company and are reviewed and re-assessed for their adequacy at each Meeting.

### **Audit Committee**

The Audit Committee is chaired by Steven Scott and comprises all of the independent Directors. The role and responsibilities of the Committee are detailed in a joint Report of the Audit and Risk Committees.

### **Management Engagement Committee**

The Management Engagement Committee, which comprises all of the independent Directors and is chaired by Ian Cormack, is responsible for the annual review of the contract with the Manager, details of which are shown in the Directors' Report. One meeting was held during the year ended 31 December 2018, 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 comprises all of the Directors and is chaired by Ian Cormack, met once during the year ended 31 December 2018. The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- reviewing the composition, skills, knowledge, experience and diversity (including gender 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;
- the re-appointment of any non-executive Director at the conclusion of their specified term of office;
- proposals for the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of any Committee, other than to the position of Chairman of the Company.

The Committee regularly reviews the composition, experience and commitment of the Directors, particularly in relation to succession planning and recommendations for individual re-election at each annual general meeting.

At a meeting held in November 2018, the Committee recommended the election of Peter Linthwaite as a Director at the 2019 AGM, being the first following his appointment. Accordingly, Resolution 3 will be put to the 2019 AGM. In addition, the Committee also recommended the re-election of Malcolm Graham-Wood, Bill Nixon and Steven Scott. Subsequently, at the Board Meeting held in February 2019 and in accordance with best practice, it was agreed that all independent Directors who had served for more than nine years should continue to offer themselves for annual re-election alongside any representative of the Manager serving on the Board. As a result Malcolm Graham-Wood, Bill Nixon and Steven Scott will offer themselves for re-election and, accordingly, Resolutions 4 to 6 will be put to the 2019 AGM.

The performance of the Board, Committees and individual Directors was evaluated through an assessment process, led by the Chairman and the performance of the Chairman was evaluated by the other Directors. While the Company does not have a formal policy on diversity, Board diversity forms part of the responsibilities of the Committee.

### **Remuneration Committee**

Where a venture capital trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. As noted on page 37, the full Board, chaired by Ian Cormack, carries out the functions of a remuneration committee. The Board met once during the year ended 31 December 2018 to review the policy for, and the level of, Directors' Remuneration.

The level of remuneration for 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 37 to 40.

### **Risk Committee**

The Risk Committee is chaired by Malcolm Graham-Wood and comprises all of the Directors. The role and responsibilities of the Committee are detailed in a joint Report of the Audit and Risk Committees on pages 46 to 49.

### External Agencies

The Board has contracted 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 supplied to the Board as requested.

### Corporate Governance, Stewardship and Proxy Voting

The Financial Reporting Council (FRC) first published the UK Stewardship Code (the Stewardship Code) for institutional shareholders on 2 July 2010 and this was revised in September 2012. It is expected that the next revision of the Stewardship Code will be published in the summer of 2019. 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 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, 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 which fail to conduct business in a socially responsible manner. Therefore, the Directors and 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 welcome to attend and participate in the AGM. 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 in 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. In general, a venture capital trust has few major shareholders.

As recommended under the Code, the Annual Report is normally posted to Shareholders 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. The Company's web pages are hosted on the Manager's website, and can be visited at [www.mavencp.com/migvct4](http://www.mavencp.com/migvct4) from where Annual and Interim Reports, London Stock Exchange Announcements and other information can be viewed, printed or downloaded. Access to further information about the Manager can be gained from [www.mavencp.com](http://www.mavencp.com).

### Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 45, the Statement of Going Concern is included in the Directors' Report on page 32, and the Viability Statement can also be found in the Directors' Report on pages 32 and 33. The Independent Auditor's Report is on pages 50 to 56.

**By order of the Board**  
**Maven Capital Partners UK LLP**  
**Secretary**

**5 April 2019**



# 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 the 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 Statement of Corporate Governance 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 confirm 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 31 December 2018 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 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.

**By order of the Board**  
**Ian Cormack**  
**Director**

**5 April 2019**

# REPORT OF THE AUDIT AND RISK COMMITTEES

**The Audit and Risk Committees are chaired by Steven Scott and Malcolm Graham-Wood respectively.**

## Audit Committee

The Audit Committee comprises all independent Directors and the Board is satisfied that at least one member of the Committee has recent and relevant financial experience, and that the Audit 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, including any non-audit services provided by the Auditor;
- 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;
- the review of the custody arrangements in place to confirm ownership of investments;
- 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 February and August 2018. At each meeting the Committee considered the key risks detailed below and in the Business Report, 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 February 2018, the Committee reviewed, for recommendation to the Board, the Audit Report from the Independent Auditor and the draft Annual Report and Financial Statements for the year ended 31 December 2017.

At its meeting in August 2018, the Committee reviewed the Half Yearly Report and Financial Statements for the six months ended 30 June 2018. 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 the year end, the Committee considered the draft Annual Report and Financial Statements for the year ended 31 December 2018 and provided advice to the Board that it considered the 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 investment 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 61 and 62. 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 31 December 2018 was as follows:

Investment	% of net assets by value	Valuation basis
AIM/NEX quoted	2.3	Bid price <sup>1</sup>
Listed investment trusts	2.5	Bid price <sup>1</sup>
Unlisted	57.0	Directors' valuation <sup>2</sup>
<b>Total investment</b>	<b>61.8</b>	

<sup>1</sup> London Stock Exchange closing market quote.

<sup>2</sup> Directors' valuation represents an independent third party valuation or either of: (i) an earnings multiple basis; (ii) cost; or (iii) a provision against cost where there may be a diminution in value due to a company's underperformance. Where an earnings multiple or cost less impairment is not appropriate, or other overriding factors apply, a discounted cash flow or net asset value basis may be applied.

The Committee recommended the investment valuations, representing 61.8% of net assets as at 31 December 2018, to the main Board for approval. In addition, the revenue generated from dividend income and loan stock interest has been considered by the Committee on a quarterly basis and the Directors are satisfied that the levels of income recognised are in line with revenue estimates.

### 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 Independent 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 Auditor has with the Manager.

The Independent Auditor's Report is on pages 50 to 56. The Company first appointed Deloitte as Auditor in 2007 and they were subsequently re-appointed during the year ended 31 December 2016, following a formal tender process. It should be noted that Deloitte rotates the Senior Statutory Auditor responsible for the audit every five years. The Senior Statutory Auditor was last rotated in 2017.

Details of the amounts paid to the Auditor during the year for audit and other services are set out in Note 4 to the Financial Statements. The Directors concur with the Auditor's confirmation to the Committee that the amounts paid to the Auditor in respect of non-audit services were inconsequential to the Financial Statements and did not impact on their independence. 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 its independence and objectivity.

Shareholders are asked to approve the re-appointment, and the Directors' authority to fix the remuneration, of the Auditor at each annual general meeting. 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 which 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 Independent Auditor should be put to the 2019 AGM.

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

### Risk Committee

Under the recommendations of the AIFMD, the Company established a Risk Committee, which comprises all of the Directors. The responsibilities of the Committee are:

- to keep under review the adequacy and effectiveness of the Manager's internal financial controls and its internal control and risk management systems and procedures in the context of the Company's overall risk management system;
- to consider and approve the remit of the Manager's internal controls function and be satisfied that it has adequate resources and appropriate access to information to enable it to perform its role effectively and in accordance with the relevant professional standards;
- to identify, measure, manage and monitor the risks to the Company as recommended by the AIFMD, including but not limited to the investment portfolio, credit, counterparty, liquidity, market and operational risk;
- to review bi-annual reports from the Manager's internal control function (or if the circumstances require it on an ad hoc basis);
- 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, investment strategies and objectives of the Company;
- 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;
- to review and approve the statements to be included in the Annual Report concerning risk management;
- to review and monitor the Manager's responsiveness to the findings and recommendations of its internal control function;
- to meet with representatives of the Manager's internal control function, at least twice each year, to discuss any issues arising; and
- to allow direct access to representatives of the Manager's internal control function.

The Committee will review the 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 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, and has considered the requirement for an internal audit function as recommended by Code provision 3.6. However, as the Directors have delegated the investment management, company secretarial and administrative functions of the Company to the Manager, 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 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. The 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 four times each year and, 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 Deed, and ensures that recommendations to improve controls are implemented.

Risks are identified through the 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 to 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 that 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 director of the Manager continually reviews the Manager's operations;
- written agreements are in place which 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 quarterly assessment of internal controls by considering reports from the Manager including 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.

## 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 by 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 61 and 62. As revenue generated from dividend income and loan stock interest is the major source of revenue and a significant item in the Income Statement, another key risk relates to the recognition of investment revenue. Specifically, the risk is that the Company does not recognise income in line with its stated policy on revenue recognition. The maintenance of VCT status is another key risk that the Company has to address and the approach to address each of these 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, which 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 Independent 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 Independent 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 61 and 62. 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 accounting policy set out in Note 1(b) to the Financial Statements on page 61. 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's satisfied that the levels of income recognised are in line with revenue estimates and that there were no issues associated with revenue recognition that 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.

In addition, as the Company has contractually delegated specific services to external parties, another key risk relates to the performance of those service providers. The principal risks and uncertainties faced by the Company and the Board's strategy for managing these risks are covered in the Business Report on pages 11 and 12.

**Steven Scott**  
**Director**  
**5 April 2019**

**Malcolm Graham-Wood**  
**Director**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAVEN INCOME AND GROWTH VCT 4 PLC

## Report on the audit of the Financial Statements

### Opinion

In our opinion the Financial Statements of Maven Income and Growth VCT 4 PLC (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 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).

### 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 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.

### Summary of our audit approach

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> <li>• valuation of early stage unlisted investments;</li> <li>• existence of listed and unlisted investments; and</li> <li>• compliance with VCT regulations.</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was £1.09 million which was determined on the basis of 2% of the net asset value of the Company at year end.
<b>Scoping</b>	All audit work for this Company was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	We have identified the significant change in your business and environment in the current year, in the form of the merger with Maven Income and Growth VCT 2 PLC. This has not resulted in any changes to our audit approach.



## Conclusions relating to going concern, principal risks and viability statement




<p><b>Going concern</b></p> <p>We have reviewed the Directors' statement in the Directors' Report about whether they considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements.</p> <p>We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.</p> <p><b>Principal risks and viability statement</b></p> <p>Based solely on reading the Directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the Directors' assessment of the Company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:</p> <ul style="list-style-type: none"> <li>the disclosures on pages 11 and 12 that describe the principal risks and explain how they are being managed or mitigated;</li> <li>the Directors' confirmation on page 32 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; or</li> <li>the Directors' explanation on pages 32 and 33 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.</li> </ul> <p>We are also required to report whether the Directors' statement relating to the prospects of the Company required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.</p>	<p><b>We confirm that we have nothing material to report, add or draw attention to in respect of these matters.</b></p> <p><b>We confirm that we have nothing material to report, add or draw attention to in respect of these matters.</b></p>
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## 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.




## Valuation of early stage unlisted investments

<p><b>Key audit matter description</b></p> 	<p>Refer to Note 1(e) of Accounting Policies on pages 61 and 62, Note 8 of the Notes to the Financial Statements on page 66 and the Assessment of Risks section of the Report of the Audit and Risk Committees on pages 48 and 49.</p> <p>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 £31.3 million or 57.0% (2017: £17.8 million or 55.8%) of the entity's total net assets.</p> <p>The valuation of the unlisted investments held by the Company is considered a key audit matter as judgement is required in order to determine the fair value – for example, judgement is required to ascertain whether a business at the early stages of its development and not yet generating significant revenues will remain a sustainable business. This is key to determining whether the investment's value will be recovered. Valuations of oil and gas sector companies are no longer considered to be a focus due to the ongoing recovery of this market.</p> <p>Under the new VCT regulations, investments are more likely to be in earlier stage companies, which lack financial performance history. These valuations are, therefore, subject to a greater degree of judgement.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• assessing the design and implementation of the Manager's controls around unlisted investment valuations;</li> <li>• review of the initial investment planning documents related to the investee, identification of the key milestones that underpin the company's anticipated growth and development;</li> <li>• enquiries with the individual investment managers to understand current performance of the companies against milestones, challenges and opportunities;</li> <li>• scrutiny of current management accounts, with particular emphasis on current cash position and cash flow forecasts for the next 12 months, and whether any additional funding is anticipated; and</li> <li>• assessment of the assumptions used in the performance of the entity against management accounts and other available market data.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing and enquiries with the Manager, we conclude that the valuation of the early stage unlisted investments is reasonable.</p>

## Existence of listed and unlisted investments

<p><b>Key audit matter description</b></p> 	<p>Refer to Note 1(e) of Accounting Policies on pages 61 and 62, Note 8 of the Notes to the Financial Statements on page 66 and the Assessment of Risks section of the Report of the Audit and Risk Committees on pages 48 and 49.</p> <p>The Company holds both listed and unlisted investments. These investments represent £33.9 million or 61.8% (2017: £20.1 million or 63.0%) of the entity's total net assets. The ownership of the listed and unlisted investments held by the Company is considered a key audit matter since if investments are not recorded in line with the holdings per the loan note certificates or custodian confirmation, this could result in a material misstatement of the assets held.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• assessing the design and implementation of the Manager's controls around investment existence;</li> <li>• obtaining share certificates for unlisted shares and loan notes held by the Manager and reconciling these to the portfolio listing; and</li> <li>• agreeing quoted investment ownership to reports from the underlying custodian.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing, we conclude that the Company has appropriate title to the investments reported in the Financial Statements.</p>

### Compliance with VCT regulations

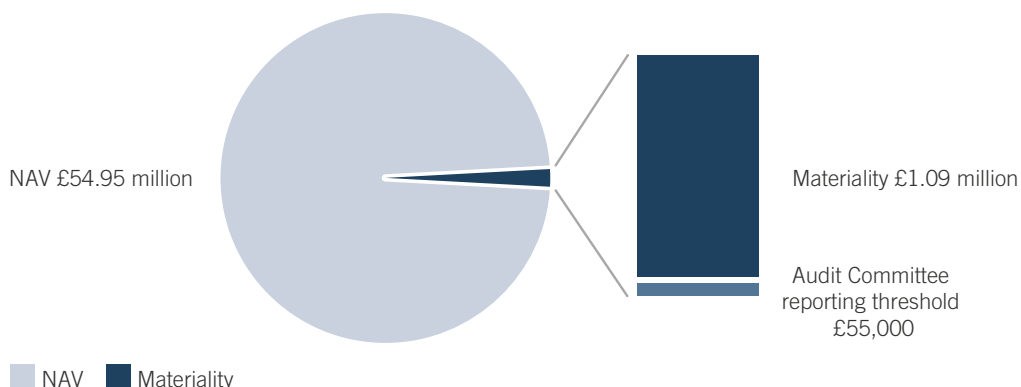
<p><b>Key audit matter description</b></p> 	<p>Refer to the assessment of the VCT Qualifying Status Risk in the Strategic Report on page 12.</p> <p>The Company must comply with Section 274 of the Income Tax Act 2007 to maintain VCT status. Failure to comply would result in the VCT losing its corporation tax exemption on chargeable gains, with investors' gains also no longer being exempt from income tax.</p> <p>The VCT rule changes have become increasingly more complex to administer, with close monitoring required of the use of monies and the appropriate categorisation as qualifying or non-qualifying investments.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• assessing the design and implementation of the Manager's controls relating to compliance with VCT regulations, including assessing the processes in place over the pre-trade identification of qualifying investments and the ongoing review of VCT Section 274 compliance;</li> <li>• reviewing the Manager's quarterly compliance statements against the Income Tax Act 2007 Section 274 criteria; and</li> <li>• reviewing that the criteria that must be met to retain VCT status have been complied with, through a sample re-performance of the relevant calculations and review of the qualifying investment listings.</li> </ul>
<p><b>Key observations</b></p> 	<p>Based on our testing and enquiries with the Manager, we noted no issue to report to those charged with governance on the Company's compliance with the VCT regulations.</p>

### Our application of 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:

<p><b>Materiality</b></p>	<p>£1.09 million (2017: £634,000)</p>
<p><b>Basis for determining materiality</b></p>	<p>2% (2017: 2%) of net asset value.</p>
<p><b>Rationale for the benchmark applied</b></p>	<p>Net asset value is the primary measure used by the Shareholders in assessing the performance of the Company, and this is a generally accepted auditing benchmark used for entities in this industry.</p>



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £55,000 (2017: £12,700), 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.

## An overview of the scope of our audit

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

Based on that assessment, we focused our audit scope primarily on the key audit matters described above. 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 controls and reviewed the Custodian's Service Organisation Report, and undertaken a combination of procedures, all of which are designed to target the Company's identified risks of material misstatements in the most effective manner possible.

## Other information

<p>The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's report thereon.</p> <p>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.</p> <p>In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.</p> <p>In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:</p> <ul style="list-style-type: none"> <li>• <i>Fair, balanced and understandable</i> – the statement given by the Directors that they consider 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, is materially inconsistent with our knowledge obtained in the audit; or</li> <li>• <i>Audit Committee reporting</i> – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or</li> <li>• <i>Directors' statement of compliance with the UK Corporate Governance Code</i> – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.</li> </ul>	<p><b>We have nothing to report in respect of these matters.</b></p>
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## Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

## 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### *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, our procedures included the following:

- enquiring of the Manager and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the Company's 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 related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team and involving relevant internal specialists, including tax and valuations specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the valuation of unlisted investments; and
- obtaining an understanding of the legal and regulatory framework that the Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the Companies Act 2006 and the Listing Rules. In addition, compliance with VCT regulations were fundamental to the Company's ability to continue as a going concern.

#### *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. 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 relevant laws and regulations discussed above;
- 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 any 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, 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

### 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.

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

<p><b><i>Adequacy of explanations received and accounting records</i></b> Under the Companies Act 2006 we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>• we have not received all the information and explanations we require for our audit; or</li> <li>• adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>• the Company's Financial Statements are not in agreement with the accounting records and returns.</li> </ul>	<p><b>We have nothing to report in respect of these matters.</b></p>
<p><b><i>Directors' remuneration</i></b> 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.</p>	<p><b>We have nothing to report in respect of these matters.</b></p>

### Other matters

#### ***Auditor tenure***

Following the recommendation of the Audit Committee, we were appointed as Auditor in July 2016 to audit the Financial Statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 12 years, covering the years ending 31 December 2007 to 31 December 2018.

#### ***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).

### 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

5 April 2019

## INCOME STATEMENT

For the Year Ended 31 December 2018

	Notes	Year ended 31 December 2018			Year ended 31 December 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8	-	1,082	1,082	-	984	984
Income from investments	2	697	-	697	1,182	-	1,182
Other income	2	29	-	29	11	-	11
Investment management fees	3	(205)	(819)	(1,024)	(201)	(806)	(1,007)
Other expenses	4	(423)	-	(423)	(283)	-	(283)
<b>Net return on ordinary activities before taxation</b>		<b>98</b>	<b>263</b>	<b>361</b>	<b>709</b>	<b>178</b>	<b>887</b>
Tax on ordinary activities	5	(12)	12	-	(128)	128	-
<b>Return attributable to Equity Shareholders</b>		<b>86</b>	<b>275</b>	<b>361</b>	<b>581</b>	<b>306</b>	<b>887</b>
<b>Earnings per share (pence)</b>		<b>0.16</b>	<b>0.50</b>	<b>0.66</b>	<b>1.75</b>	<b>0.92</b>	<b>2.67</b>

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 31 December 2018

Year ended 31 December 2018	Notes	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 31 December 2017</b>		<b>3,708</b>	<b>22,745</b>	<b>(2,111)</b>	<b>(1,825)</b>	<b>8,271</b>	<b>384</b>	<b>702</b>	<b>31,874</b>
Net return		-	-	(364)	639	-	-	86	361
Dividends paid	6	-	-	(6,545)	-	-	-	-	(6,545)
Repurchase and cancellation of shares	12	(88)	-	-	-	(596)	88	-	(596)
Issue of shares on merger		1,947	11,483	-	-	-	-	-	13,430
Net proceeds of share issue		2,023	13,947	-	-	-	-	-	15,970
Net proceeds of DIS issue		67	393	-	-	-	-	-	460
<b>At 31 December 2018</b>		<b>7,657</b>	<b>48,568</b>	<b>(9,020)</b>	<b>(1,186)</b>	<b>7,675</b>	<b>472</b>	<b>788</b>	<b>54,954</b>

Year ended 31 December 2017	Notes	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>At 31 December 2016</b>		<b>3,290</b>	<b>19,449</b>	<b>(1,571)</b>	<b>1,874</b>	<b>8,528</b>	<b>354</b>	<b>644</b>	<b>32,568</b>
Net return		-	-	4,005	(3,699)	-	-	581	887
Dividends paid	6	-	-	(4,545)	-	-	-	(523)	(5,068)
Repurchase and cancellation of shares	12	(30)	-	-	-	(257)	30	-	(257)
Net proceeds of share issue		437	3,211	-	-	-	-	-	3,648
Net proceeds of DIS issue		11	85	-	-	-	-	-	96
<b>At 31 December 2017</b>		<b>3,708</b>	<b>22,745</b>	<b>(2,111)</b>	<b>(1,825)</b>	<b>8,271</b>	<b>384</b>	<b>702</b>	<b>31,874</b>

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

## BALANCE SHEET

As at 31 December 2018

	Notes	31 December 2018 £'000	31 December 2017 £'000
<b>Fixed assets</b>			
Investments at fair value through profit or loss	8	33,912	20,081
<b>Current assets</b>			
Debtors	10	537	456
Cash		20,553	11,587
		<b>21,090</b>	<b>12,043</b>
<b>Creditors</b>			
Amounts falling due within one year	11	(48)	(250)
<b>Net current assets</b>		<b>21,042</b>	<b>11,793</b>
<b>Net assets</b>		<b>54,954</b>	<b>31,874</b>
<b>Capital and reserves</b>			
Called up share capital	12	7,657	3,708
Share premium account	13	48,568	22,745
Capital reserve - realised	13	(9,020)	(2,111)
Capital reserve - unrealised	13	(1,186)	(1,825)
Special distributable reserve	13	7,675	8,271
Capital redemption reserve	13	472	384
Revenue reserve	13	788	702
<b>Net assets attributable to Ordinary Shareholders</b>		<b>54,954</b>	<b>31,874</b>
<b>Net asset value per Ordinary Share (pence)</b>	14	<b>71.77</b>	<b>85.97</b>

The Financial Statements of Maven Income and Growth VCT 4 PLC (registered in Scotland; company number SC272568) were approved by the Board of Directors and were signed on its behalf by:

**Ian Cormack**  
5 April 2019

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

## CASH FLOW STATEMENT

For the Year Ended 31 December 2018

	Notes	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
<b>Net cash flows from operating activities*</b>	15	(1,004)	(237)
<b>Cash flows from investing activities</b>			
Purchase of investments		(15,547)	(2,615)
Sale of investments		2,798	11,626
<b>Net cash flows from investing activities</b>		<b>(12,749)</b>	<b>9,011</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	6	(6,545)	(5,068)
Issue of Ordinary Shares		16,430	3,744
Issue of Ordinary Shares - merger		13,430	-
Repurchase of Ordinary Shares		(596)	(257)
<b>Net cash flows from financing activities</b>		<b>22,719</b>	<b>(1,581)</b>
<b>Net increase in cash</b>		<b>8,966</b>	<b>7,193</b>
<b>Cash at beginning of year</b>		<b>11,587</b>	<b>4,394</b>
<b>Cash at end of year</b>		<b>20,553</b>	<b>11,587</b>

\*Refer to Note 15 for reclassification in the current and prior years.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

## 1. Accounting Policies

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

### (a) Basis of preparation

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 Association of Investment Companies (AIC) in November 2014.

### (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 which are incidental to the acquisition and disposal of an investment are charged to capital;
- 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; and
- share issue and merger costs are charged to the share premium account.

### (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 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 or loss. At subsequent reporting dates, investments are valued at fair value, which represent the Directors' view of the amount for which an asset could be exchanged between knowledgeable 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 Method, except that adjustments are made when there has been a material change in the trading circumstances of the investee company.
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 prospective earnings to determine the enterprise value of the company.
  - 3.1 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.
  - 3.2 Preference shares, debentures and loan stock are valued using the Price of Recent Investment Method. When a redemption premium has accrued, this will only be valued if there is a reasonable prospect of it being paid. Preference shares that carry a right to convert into ordinary share capital are valued at the higher of the Price of Recent Investment Method basis and the price/earnings basis, both described above.
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 the portfolio management team of Maven. 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.
- Level 3 - inputs are unobservable (ie 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 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 31 December 2018 £'000		Year ended 31 December 2017 £'000	
<b>Income from investments:</b>				
UK franked investment income		37		45
UK unfranked investment income		660		1,137
		<b>697</b>		<b>1,182</b>
<b>Other Income:</b>				
Deposit interest		29		11
<b>Total income</b>		<b>726</b>		<b>1,193</b>

3. Investment management fees	Year ended 31 December 2018			Year ended 31 December 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fees	198	791	989	157	629	786
Performance fees	7	28	35	44	177	221
	<b>205</b>	<b>819</b>	<b>1,024</b>	<b>201</b>	<b>806</b>	<b>1,007</b>

Details of the fee basis are contained in the Directors' Report on page 34.

4. Other expenses	Year ended 31 December 2018			Year ended 31 December 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Secretarial fees	84	-	84	79	-	79
Directors' remuneration	77	-	77	66	-	66
Fees to Auditor - audit of financial statements	22	-	22	19	-	19
Fees to Auditor - tax compliance services	5	-	5	5	-	5
Bad debts written off	118	-	118	-	-	-
Miscellaneous expenses	117	-	117	114	-	114
	<b>423</b>	<b>-</b>	<b>423</b>	<b>283</b>	<b>-</b>	<b>283</b>



5. Tax on ordinary activities	Year ended 31 December 2018			Year ended 31 December 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporation tax	(12)	12	-	(128)	128	-

The tax assessed for the period is at the rate of 19% (2017: 20% up to 31 March 2017, thereafter 19%).

	Year ended 31 December 2018			Year ended 31 December 2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return on ordinary activities before taxation	98	263	361	709	178	887
Net return on ordinary activities before taxation multiplied by standard rate of corporation tax	19	50	69	136	35	171
Non taxable UK dividend income	(7)	-	(7)	(8)	-	(8)
Gains on investments	-	(206)	(206)	-	(190)	(190)
Increase in excess management expenses	-	144	144	-	27	27
	<b>12</b>	<b>(12)</b>	<b>-</b>	<b>128</b>	<b>(128)</b>	<b>-</b>

Losses with a tax value of £320,729 (2017: £191,902) 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 31 December 2018 £'000	Year ended 31 December 2017 £'000
<b>Revenue dividends</b>		
Final revenue dividend for the year ended 31 December 2017 of Nil (2016: 0.20p)	-	65
First interim revenue dividend for the year ended 31 December 2018 of Nil (2017: 0.60p)	-	196
Second interim revenue dividend for the year ended 31 December 2018 of Nil (2017: Nil)	-	-
Third interim revenue dividend for the year ended 31 December 2018 of Nil (2017: 0.80p)	-	262
	-	<b>523</b>
<b>Capital dividends</b>		
Final capital dividend for the year ended 31 December 2017 of Nil (2016: 2.85p)	-	934
First interim capital dividend for the year ended 31 December 2018 of 8.90p (2017: 2.76p) paid on 13 April 2018	3,793	902
Second interim capital dividend for the year ended 31 December 2018 of 4.80p (2017: 3.70p) paid on 22 June 2018	2,752	1,208
Third interim capital dividend for the year ended 31 December 2018 of Nil (2017: 4.59p)	-	1,501
	<b>6,545</b>	<b>4,545</b>
<b>Dividends</b>		
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	<b>86</b>	<b>581</b>
<b>Revenue dividends</b>		
Final revenue dividend proposed for the year ended 31 December 2018 of Nil (2017: Nil)	-	-
	-	-
<b>Capital dividends</b>		
Final capital dividend proposed for the year ended 31 December 2018 of Nil (2017: Nil)	-	-
	-	-

7. Return per Ordinary Share	Year ended 31 December 2018	Year ended 31 December 2017
The returns per share have been based on the following figures:		
Weighted average number of Ordinary Shares	55,321,759	33,115,448
Revenue return	£86,000	£581,000
Capital return	£275,000	£306,000
<b>Total return</b>	<b>£361,000</b>	<b>£887,000</b>

8. Investments	Year ended 31 December 2018			Total £'000
	Listed (quoted prices) £'000	AIM/NEX (quoted prices) £'000	Unlisted (unobservable inputs) £'000	
<b>Valuation at 31 December 2017</b>	<b>1,191</b>	<b>1,086</b>	<b>17,804</b>	<b>20,081</b>
Unrealised (gain)/loss	(155)	(8)	1,988	1,825
<b>Cost at 31 December 2017</b>	<b>1,036</b>	<b>1,078</b>	<b>19,792</b>	<b>21,906</b>
<b>Movements during the year:</b>				
Purchases	1,491	128	13,928	15,547
Sales proceeds	(1,230)	-	(1,568)	(2,798)
Realised gain	118	-	325	443
<b>Cost at 31 December 2018</b>	<b>1,415</b>	<b>1,206</b>	<b>32,477</b>	<b>35,098</b>
Unrealised (loss)/gain	(65)	34	(1,155)	(1,186)
<b>Valuation at 31 December 2018</b>	<b>1,350</b>	<b>1,240</b>	<b>31,322</b>	<b>33,912</b>

Within the total purchases figure of £15,547 an amount of £11,926 relates to the merger of the Company with Maven VCT 2.

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/NEX 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. 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.

The Directors are of the view that there are no reasonably possible alternative assumptions that will have a significant effect on the valuation of the unlisted portfolio.

There has been no transfers between fair value levels during the year.

The portfolio valuation	31 December 2018 £'000	31 December 2017 £'000
<b>Held at market valuation:</b>		
Investment trusts	1,350	1,168
Listed investments	-	23
AIM/NEX quoted equities	1,240	1,086
	<b>2,590</b>	<b>2,277</b>
<b>Unlisted at Directors' valuation:</b>		
Unquoted unobservable equities	15,960	7,367
Unquoted unobservable fixed income	15,362	10,437
	<b>31,322</b>	<b>17,804</b>
<b>Total</b>	<b>33,912</b>	<b>20,081</b>
Realised gains on historical basis	443	4,683
Net increase/(decrease) in value of investments	639	(3,699)
<b>Gains on investments</b>	<b>1,082</b>	<b>984</b>

## 9. Participating interests

The principal activity of the Company is to select and hold a portfolio of investments in unlisted, listed and AIM/NEX 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 its management. The size and structure of the companies with unlisted and AIM/NEX 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 31 December 2018, the Company held no shares amounting to 20% or more of the equity capital of any of the unlisted or quoted undertakings. The Company does hold shares or units amounting to more than 3% or more of the nominal value of the allotted shares or units of any class in certain investee companies.

Details of equity percentages held are shown in the Investment Portfolio Summary on pages 29 to 31.

10. Debtors	31 December 2018 £'000	31 December 2017 £'000
Prepayments and accrued income	530	450
Other debtors	7	6
	<b>537</b>	<b>456</b>

11. Creditors	31 December 2018 £'000	31 December 2017 £'000
Accruals	48	250
	<b>48</b>	<b>250</b>

12. Share capital	31 December 2018		31 December 2017	
	Number	£'000	Number	£'000
At 31 December the authorised share capital comprised: <i>allotted, issued and fully paid:</i>				
Ordinary Shares of 10p each				
Balance brought forward	37,074,635	3,708	32,897,502	3,290
Ordinary Shares issued during year	20,901,658	2,090	4,480,133	448
Ordinary Shares issued during year - merger	19,469,302	1,947	-	-
Repurchased and cancelled in year	(875,000)	(88)	(303,000)	(30)
	<b>76,570,595</b>	<b>7,657</b>	<b>37,074,635</b>	<b>3,708</b>

During the year 875,000 Ordinary Shares (2017: 303,000) were bought back by the Company at a cost of £596,000 (2017: £257,000) and cancelled. Subsequent to the year end, a further 250,000 Ordinary Shares were bought back at a cost of £162,000 and cancelled.

During the year the Company issued 20,228,537 shares (2017: 4,367,370) pursuant to an offer for subscription at subscription prices ranging from 77.85p to 85.35p per share (2017: ranging from 83.64p to 86.68p per share).

Also during the year, the Company issued 673,121 shares (2017: 112,763) under a DIS election at prices of 77.07p and 71.84p (2017: at prices of 89.29p and 83.64p).

On 15 November 2018, the Company merged with Maven VCT 2. On completion of the merger, 19,469,302 new Ordinary Shares were issued.

### 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.

#### Capital reserves

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.

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. The capital reserve realised account also represents capital dividends, capital investment management fees and the tax effect of capital items.

#### Special distributable reserve

The total cost to the Company of the repurchase and cancellation of shares is represented in the special distributable reserve.

#### Capital redemption reserve

The nominal value of shares repurchased and cancelled is represented in the capital redemption reserve.

#### Revenue reserve

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

### 14. Net asset value per Ordinary Share

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

	31 December 2018		31 December 2017	
	Net asset value per share p	Net asset value attributable £'000	Net asset value per share p	Net asset value attributable £'000
<b>Ordinary Shares</b>	<b>71.77</b>	<b>54,954</b>	<b>85.97</b>	<b>31,874</b>

The number of issued shares used in the above calculation is set out in Note 12.

15. Reconciliation of net return to cash utilised by operations	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Net return	361	887
Adjustment for:		
Gains on investments	(1,082)	(984)
<b>Operating cash flow before movement in working capital</b>	<b>(721)</b>	<b>(97)</b>
Decrease in prepayments	1	1
Decrease in accruals	(202)	(31)
Increase in debtors	(82)	(110)
<b>Cash utilised by operations</b>	<b>(1,004)</b>	<b>(237)</b>

In the current year, investment income and deposit interest received were reclassified from investing activities to operating activities. The 2017 Cash Flow Statement and the reconciliation of net return to cash utilised by operations has been updated accordingly. There is no effect on the overall cash position.

## 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/NEX 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 period. 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 11 of this Annual Report. 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:

	Fixed interest £'000	Floating rate £'000	Non-interest bearing £'000
<b>At 31 December 2018</b>			
<b>Sterling</b>			
Unlisted and AIM/NEX	15,362	-	17,200
Investment trusts	-	-	1,350
Cash	-	15,871	4,682
	<b>15,362</b>	<b>15,871</b>	<b>23,232</b>

	Fixed interest £'000	Floating rate £'000	Non-interest bearing £'000
<b>At 31 December 2017</b>			
<b>Sterling</b>			
Unlisted and AIM/NEX	10,437	-	8,476
Investment trusts	-	-	1,168
Cash	-	2,478	9,109
	<b>10,437</b>	<b>2,478</b>	<b>18,753</b>

The unlisted fixed interest assets have a weighted average life of 1.81 years (2017: 1.72 years) and a weighted average interest rate of 9.78% (2017: 9.80%). The floating rate assets consist of cash.

These assets are earning interest at prevailing money market rates. The non-interest bearing assets represent the equity element of the portfolio. 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 that determines the rate of interest receivable on cash is the bank base rate, which was 0.75% at 31 December 2018 (2017: 0.50%).

A 0.25% increase/(decrease) in the base rate would mean an increase/(decrease) of interest received in the year of £39,677 (2017: £6,195). 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:

<b>At 31 December 2018</b>	<b>Within 1 year £'000</b>	<b>Within 1-2 years £'000</b>	<b>Within 2-3 years £'000</b>	<b>Within 3-4 years £'000</b>	<b>Within 4-5 years £'000</b>	<b>More than 5 years £'000</b>	<b>Total £'000</b>
Unlisted	7,959	4,739	370	2,143	151	-	15,362
	<b>7,959</b>	<b>4,739</b>	<b>370</b>	<b>2,143</b>	<b>151</b>	<b>-</b>	<b>15,362</b>

<b>At 31 December 2017</b>	<b>Within 1 year £'000</b>	<b>Within 1-2 years £'000</b>	<b>Within 2-3 years £'000</b>	<b>Within 3-4 years £'000</b>	<b>Within 4-5 years £'000</b>	<b>More than 5 years £'000</b>	<b>Total £'000</b>
Unlisted	6,173	345	2,691	197	829	202	10,437
	<b>6,173</b>	<b>345</b>	<b>2,691</b>	<b>197</b>	<b>829</b>	<b>202</b>	<b>10,437</b>

### (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 31 December 2018 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:

	<b>31 December 2018 £'000</b>	<b>31 December 2017 £'000</b>
Investments in unlisted debt securities	15,362	10,437
Investment trusts	1,350	1,168
Cash	20,553	11,587
	<b>37,265</b>	<b>23,192</b>

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

**16. Financial instruments (continued)****(iv) Credit risk (continued)**

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 most 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 31 December 2018 or 31 December 2017.

**(v) Price risk sensitivity**

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

At 31 December 2018, if market prices of AIM/NEX 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 £124,000 (2017: £110,900) due to the change in valuation of financial assets at fair value through profit or loss.

At 31 December 2018, if the values of unlisted 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 £3,132,200 (2017: £1,780,400) due to the change in valuation of financial assets at fair value through profit or loss.

At 31 December 2018, 57.0% (2017: 55.8%) comprised investments in unlisted securities held at fair value attributable to Ordinary Shareholders. 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 Brexit.

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting of Maven Income and Growth VCT 4 PLC (the Company: Registered in Scotland with registered number SC272568) will be held at Fifth Floor, 1-2 Royal Exchange Buildings, London EC3V 3LF at 12.00 noon on Wednesday 15 May 2019 for the purposes of considering and, if thought fit, passing the following Resolutions:**

## Ordinary Resolutions

1. To receive the Directors' Report and the audited Financial Statements for the year ended 31 December 2018.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2018.
3. To elect Peter Linthwaite as a Director.
4. To re-elect Malcolm Graham-Wood as a Director.
5. To re-elect Steven Scott as a Director.
6. To re-elect Bill Nixon as a Director.
7. To re-appoint Deloitte LLP as Auditor to the Company.
8. To authorise the Directors to fix the remuneration of the Auditor.
9. 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 in the Company, or grant rights to subscribe for or convert any security into Ordinary Shares in the Company, up to an aggregate nominal amount of £763,205 (representing 10% of the total Ordinary Share capital in issue as at 3 April 2019) provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the expiry of 15 months after the passing of this Resolution, and so that the Company may before such expiry, make an offer or agreement which 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 agreement as if the authority conferred had not expired.

## Special Resolutions

10. THAT, subject to the passing of Resolution 9, the Directors be and are hereby 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 9 for cash as if Section 561(1) of the Act did not apply to the allotment, provided that this power shall be limited to allotment:
  - (a) of equity securities in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such 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 £763,205, representing 10% of the total Ordinary Share capital in issue as at 3 April 2019; and
  - (c) shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of the Resolution, and so that the Company may, before such expiry, make an offer or agreement which 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.

11. THAT the Company be and is hereby generally and, subject as here and 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 fully paid Ordinary Shares of 10p each in the capital of the Company provided always that:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 11,440,457 Ordinary Shares, representing approximately 14.99% of the Company's Ordinary Share capital in issue as at 3 April 2019;
  - (b) the minimum price 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) an amount equal to 105% of the average of the closing middle market price for the Ordinary Share 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 annual general meeting 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.
12. THAT a general meeting other, than an annual general meeting, may be called on not less than 14 days' clear notice.
13. THAT subject to the approval of the Scottish Court, the amounts standing to the credit of the Company's share premium account and capital redemption reserve at the date that the Court order granting the cancellations are made, be cancelled and, subject to any undertaking required by the Court, the credits thereby arising in the Company's books of account from the cancellation of the Company's share premium account and capital redemption reserve be applied in crediting a special reserve in the Company's books of account, which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied.

**By order of the Board**  
**Maven Capital Partners UK LLP**  
**Secretary**  
**Kintyre House**  
**205 West George Street**  
**Glasgow G2 2LW**  
**5 April 2019**

## 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 12.00 noon on 13 May 2019 (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 Companies Act 2006, is available from [www.mavencp.com/migvct4](http://www.mavencp.com/migvct4).

### **Attending in person**

- 3) If you wish to attend the Meeting in person, please bring some form of identification.

### **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 attach 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 which 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 Market Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by Link Market Services no later than 12.00 noon on 13 May 2019 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 on-line**

- 10) You may submit your proxy electronically using the Share Portal service at [www.signalshares.com](http://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 personalised 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. Shareholders 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 10.00 am on 13 May 2019. 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 Market Services 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 Market Services, 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 Market Services 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 automatically be terminated.

#### **Corporate representatives**

- 15) A corporation which 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 3 April 2019 the Company's issued share capital comprised 76,320,595 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 3 April 2019 is 76,320,595. 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 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' right to require the Company to publish audit concerns (see 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 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 4 PLC, Kintyre House, 205 West George Street, Glasgow G2 2LW; or
  - a request which 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 Association of the Company will be available for inspection at the registered office of the Company 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, stating "AGM" in the subject field.

**Registered in Scotland: Company Number SC272568**



# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

An explanation of the Resolutions to be proposed at the Annual General Meeting is set out below. Resolutions 1 to 9 will be proposed as Ordinary Resolutions requiring the approval of more than 50% of the votes cast and Resolutions 10 to 13 will be proposed as Special Resolutions requiring the approval of 75% or more of the votes cast.

## **Resolution 1 – Annual Report and Financial Statements**

The Directors seek approval to receive the Directors' Report and audited Financial Statements for the year ended 31 December 2018, which are included within the Annual Report.

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

The Board seeks the approval of the Directors' Remuneration Report for the year ended 31 December 2018, which is also included in the Annual Report.

## **Resolution 3 – Election of Director**

Peter Linthwaite was appointed as a Director on 15 November 2018 and, under the Company's Articles, is required to stand for election by Shareholders at the first annual general meeting thereafter. Therefore, being eligible, he offers himself for election as a Director of the Company.

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

Malcolm Graham-Wood retires pursuant to Code Provision B.7.1 and, being eligible, offers himself for re-election as a Director of the Company.

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

Steven Scott retires pursuant to Code Provision B.7.1 and, being eligible, offers himself for re-election as a Director of the Company.

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

Bill Nixon retires annually because he is not independent and, being eligible, offers himself for re-election as a Director of the Company.

## **Resolutions 7 and 8 – Re-appointment and remuneration of Auditor**

The Company must appoint an auditor at each general meeting at which the accounts are presented to Shareholders, to hold office until the conclusion of the next such meeting. Resolution 7 seeks Shareholder approval to re-appoint Deloitte LLP as the Company's Auditor. In accordance with normal practice, Resolution 8 seeks authority for the Directors to determine the Auditor's remuneration.

## **Resolution 9 – Authority to allot shares**

Resolution 9, if passed, will authorise the Directors to allot shares or rights to subscribe for them up to an aggregate nominal value of £763,205. This amounts to 7,632,050 Ordinary Shares representing approximately 10% of the total share capital of the Company in issue as at 3 April 2019 (this being the latest practicable date prior to publication of this Annual Report). The Directors' authority will expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

## **Resolution 10 – Waiver of statutory pre-emption rights**

Resolution 10, 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 annual general meeting 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 9 and 10 to allot further Ordinary Shares or rights to subscribe for them.

## **Resolution 11 – Purchase of own shares**

Under Resolution 11 the Company's Shareholders are being asked to renew the Directors' authority to make market purchases of up to 11,440,457 Ordinary Shares (excluding shares held in treasury) of the Company (which represents approximately 14.99% of the issued share capital of the Company as at 3 April 2019) and the Resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses. Any Ordinary Shares in the Company purchased pursuant to the authority sought under Resolution 11 may be either cancelled, and not be available for reissue, or held in treasury. Once held in treasury, such shares may be cancelled or sold for cash. At the date of this Annual Report, the Company does not hold any Ordinary Shares in the capital of the Company in treasury. The authority conferred by Resolution 11 will expire at the conclusion of the next annual general meeting of the Company or on the expiry 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.

## **Resolution 12 – 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 annual general meeting. Resolution 12 seeks such approval and would be effective until the Company's next annual general meeting, when it is intended that a similar Resolution is proposed. If approved, it is anticipated that such authority will only be exercised under 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.

## **Resolution 13 – Cancellation of share premium account and capital redemption reserve**

Under Resolution 13, the Company's Shareholders are being asked to approve the cancellation of the Company's share premium account and capital redemption reserve, pursuant to the Companies Act 2006 (the Act) and subject to sanction by the Scottish Court, in order to create a further pool of distributable reserves that can be used to fund distributions, assist in writing off losses, finance repurchases of the Company's shares, or for certain other corporate purposes in accordance with the Act.

# GLOSSARY

<b>Alternative Performance Measures (APMs)</b>	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 4 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.
<b>Annual yield*</b>	The total dividends paid for the financial year expressed as a percentage of the share price at the year end date.
<b>Cumulative dividends paid</b>	The total amount of both capital and income distributions paid since the launch of the Company.
<b>Discount/premium to NAV*</b>	A discount is the percentage by which the mid-market price of an investment is lower than the net asset value per Ordinary Share. A premium is the percentage by which the mid-market price per share of an investment exceeds the net asset value per Ordinary Share.
<b>Distributable reserves</b>	Comprises capital reserve (realised), revenue reserve and special distributable reserve.
<b>Dividend per Ordinary Share</b>	The total of all dividends per Ordinary Share paid by the Company in respect of the year.
<b>Earnings per Ordinary Share (EPS)</b>	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.
<b>Ex-dividend date (XD date)</b>	The date set by the London Stock Exchange, normally being the date preceeding the record date.
<b>Index or indices</b>	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 instruments can be assessed.
<b>Investment income*</b>	Income from investments as reported in the Income Statement.
<b>NAV per Ordinary Share</b>	Net assets divided by the number of Ordinary Shares in issue.
<b>NAV total return per Ordinary Share*</b>	Net assets divided by the number of Ordinary Shares in issue, plus cumulative dividends paid per Ordinary Share to date.
<b>Net assets attributable to Ordinary Shareholders or Shareholders' funds (NAV)</b>	Total assets less current and long-term liabilities.
<b>Operational expenses*</b>	The total of investment management fees and other expenses as reported in the Income Statement.
<b>Realised gains/losses</b>	The profit/loss on the sale of investments during the year.
<b>Record date</b>	The date on which an investor needs to be holding a share in order to qualify for a forthcoming dividend.
<b>Revenue reserves</b>	The total of undistributed revenue earnings from prior years. This is available for distribution to Shareholders by way of dividend payments.
<b>Total return</b>	The theoretical return, including reinvesting each dividend in additional shares in the Company at the current 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.
<b>Unrealised gains/losses</b>	The profit/loss on the revaluation of the investment portfolio at the end of the year.

# CONTACT INFORMATION

<b>Directors</b>	Ian Cormack (Chairman) Malcolm Graham-Wood Peter Linthwaite Bill Nixon Steven Scott
<b>Manager and Secretary</b>	Maven Capital Partners UK LLP Kintyre House 205 West George Street Glasgow G2 2LW Telephone: 0141 306 7400 E-mail: <a href="mailto:enquiries@mavencp.com">enquiries@mavencp.com</a>
<b>Registered Office and Principal Place of Business</b>	Kintyre House 205 West George Street Glasgow G2 2LW
<b>Registered in Scotland</b>	Company Registration Number: SC272568 Legal Entity Identifier: 213800WSH2TNL9NG5I06 TIDM: MAV4 ISIN: GB00B043QW84
<b>Website</b>	<a href="http://www.mavencp.com/migvct4">www.mavencp.com/migvct4</a>
<b>Registrars</b>	Link Market Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU  Website: <a href="http://www.linkmarketservices.com">www.linkmarketservices.com</a> Shareholder Portal: <a href="http://www.signalshares.com">www.signalshares.com</a> Shareholder Helpline: 0333 300 1566 (Lines are open 9.00am until 5.30pm, Monday to Friday, excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom should be made to +44 371 664 0300 and will be charged at the applicable international rate.)
<b>Auditor</b>	Deloitte LLP
<b>Bankers</b>	JPMorgan Chase Bank
<b>Stockbrokers</b>	Shore Capital Stockbrokers Limited Telephone: 020 7647 8132
<b>VCT Adviser</b>	Philip Hare & Associates LLP

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## MAVEN CAPITAL PARTNERS UK LLP

Kintyre House

205 West George Street

Glasgow G2 2LW

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Authorised and Regulated by The Financial Conduct Authority

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