# Maven Income and Growth VCT 5 PLC

Annual Report
Year ended 30 November 2012

VCTs are listed public companies which were introduced by the Government in 1995 to incentivise UK tax-payers to invest in smaller UK businesses that are looking for growth finance.

VCT investment benefits the wider economy by stimulating growth, innovation and job creation, and offers an opportunity to participate in an asset class that is not generally available to retail investors. The risk inherent in investing in small businesses can be mitigated through the range of tax reliefs available on investment in VCT shares.

Maven Income and Growth VCT 5 PLC was launched as an AIM focussed VCT in October 2000 but now aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders through investment in a widely diversified portfolio of later-stage UK private companies.

You can buy new shares in Maven Income and Growth VCT 5 PLC by subscribing to an Offer when one is open or you can buy and sell existing shares on the London Stock Exchange through a stockbroker or a share dealing service.

www.mavencp.com/migvct5

# Contents





# Shareholders' Calendar

| | |
|---|---|
| Annual General Meeting | 16 April 2013 |

# Dividend Schedule

| | Rate | XD date | Record date | Payment date |
|---|---|---|---|---|
| Interim dividend | 0.50p | 8 August 2012 | 10 August 2012 | 31 August 2012 |
| Proposed final dividend | 1.15p | 1 May 2013 | 3 May 2013 | 24 May 2013 |
| Total | 1.65p | | | |

# Financial Highlights

## Financial History

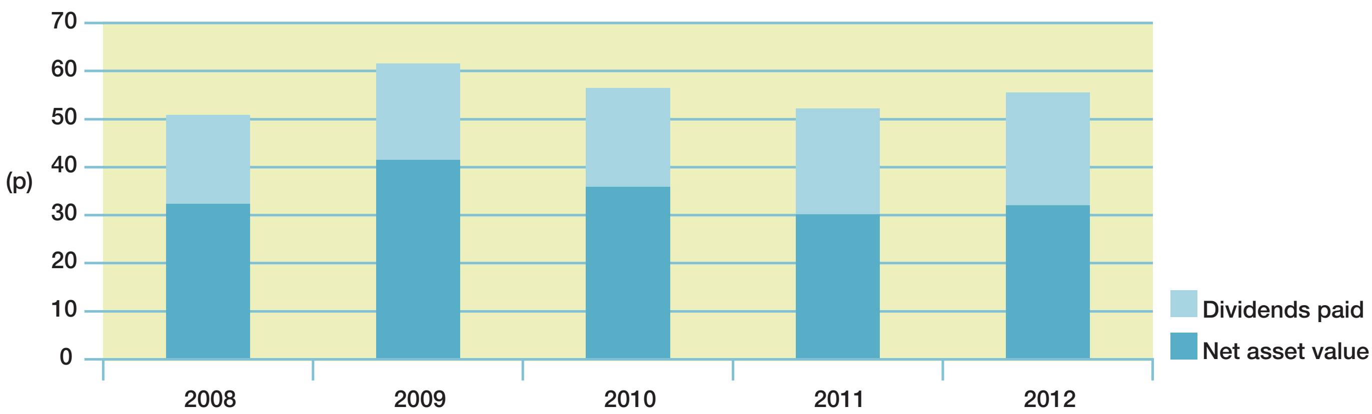
| | 30 November 2012 | 30 November 2011 | 30 November 2010 |
|---|---|---|---|
| Net asset value (NAV) | £18,729,000 | £17,925,000 | £21,337,000 |
| NAV per Ordinary Share | 32.08p | 30.24p | 36.00p |
| Dividends paid to date | 23.50p | 22.00p | 20.50p |
| Total return (without initial tax relief)[1] | 55.58p | 52.24p | 56.50p |
| Share price[2] | 23.6p | 18.9p | 23.3p |
| Discount to NAV | 26.4% | 37.5% | 35.3% |
| Ordinary Shares in issue | 58,379,108 | 59,277,137 | 59,277,137 |

[1]Sum of current net asset value per share and dividends paid to date.

[2]Mid-market price.

Source: Maven Capital Partners UK LLP, except share price (Bloomberg).

## NAV total return performance




The above chart shows the NAV total return per share (net asset value plus dividends paid to date) as at 30 November in each year. Dividends that have been proposed but not yet paid are included in the NAV at the balance sheet date.

## Dividends

| Year ended 30 November | Payment date | Interim/final | Rate (p) |
|---|---|---|---|
| 2001 - 2009 | | | 20.00 |
| 2010 | 27 August 2010 | Interim | 0.50 |
| | 28 April 2011 | Final | 1.00 |
| 2011 | 26 August 2011 | Interim | 0.50 |
| | 27 April 2012 | Final | 1.00 |
| 2012 | 31 August 2012 | Interim | 0.50 |
| **Total dividends paid** | | | **23.50** |
| 2012 | 24 May 2013 | Proposed final | 1.15 |
| **Total dividends paid or proposed** | | | **24.65** |

# Chairman's Statement

**I am pleased to report further positive progress during the year in meeting the objectives agreed when Maven Capital Partners UK LLP (Maven) was appointed as Manager in February 2011.**

At that time your Board concluded that the interests of Shareholders were best served by engaging the services of a Manager with the resources and experience to expand and broaden the asset base to include a portfolio of attractive, later-stage private company holdings. This strategy was aimed at diversifying the portfolio away from a highly concentrated exposure to AIM, and at the same time improve the level of revenues generated by your Company in support of the Board's desire to implement a progressive dividend programme.

Over the past two years a restructuring of the portfolio has been actively implemented, and a modest resurgence in the appeal of AIM during that period has allowed the Manager to realise certain holdings for value, and re-deploy the capital in income-producing private companies. Your Board firmly believes that a dual strategy of retaining a smaller number of growth focused AIM holdings in tandem with an expanded private company portfolio, will help to deliver steady improvements in Shareholder returns from a more diversified asset base which is less susceptible to movements in the quoted markets. The progress achieved in net asset value (NAV) and the improved final dividend this year are encouraging and tangible early signs that this strategy is beginning to bear fruit.

On a more general note, your Board is pleased that, in the period under review, there has been a wide range of independent industry recognition of the success of your Manager's investment approach and ability to deliver a consistent level of Shareholder returns. Maven was announced as the winner in the *UK Small Buyout House of the Year* category for the ACQ Finance Magazine Global Awards 2012 and named as winner of *VCT Exit of the Year* at the 2012 unquote" British Private Equity Awards as well as being a finalist in the *VCT House of the Year* category. These awards acknowledge innovation and excellence in the private equity and venture capital sectors.

## Market background

Despite reduced market volatility in recent months, there is continued political and economic uncertainty in parts of the Eurozone and consumers and businesses remain nervous about the possibility of Britain falling back into recession.

The AIM portfolio is exposed to market sentiment as seen with the quoted market's reaction to the agreement on US fiscal policy. Despite this economic backdrop the Board is pleased to note that the new later-stage private companies are performing broadly to plan and consistently paying a yield to your Company. In addition the reduction of the AIM concentration in the portfolio will help insulate Shareholders from market volatility.

## Performance

- NAV total return of 55.58p per share (2011: 52.24p) at the year end, up 6.4% over the period;
- NAV at period end of 32.08p per share (2011: 30.24p);
- Investment revenues increased by approximately 56.2% compared to the prior year;
- Final dividend proposed of 1.15p per share, up from 1.0p per share for the year ended 30 November 2011;
- Four substantial new later-stage yielding investments added during the year, and ten completed since the Manager was appointed;
- A total of £2,085,000 of proceeds realised from AIM disposals, generating gains of £471,000 over the carrying value at 30 November 2011; and
- Liquidity position improved to £2,047,000 from £1,645,000 during the year, providing additional funds for further investment.

The most important measure of performance for a VCT is the NAV total return, being the current NAV combined with the long term record of dividend payments out of income and capital gains. The NAV in isolation is a less important measure of performance as the underlying investments are long-term in nature and not readily realisable.

## Earnings and dividends

The Board proposes an increased final dividend of 1.15p per share, for payment on 24 May 2013 to Shareholders on the register at close of business on 3 May 2013. The total cost of this distribution would be approximately £671,000 and have the effect of reducing the Company's assets by around 3.6%.

The Company has a record of paying regular dividends and, following payment of the final dividend, will have distributed a total of 24.65p per share to Shareholders. The Board is committed to continuing to work with the Manager to expand the new income-producing private equity portfolio, and to position the Company to be able to pay a higher level of dividends in future years.

## Investment and realisation activity

The past year has seen significant levels of realisations and new investment activity across Maven's network of six regional offices, with new investments completed in four established cash-generative businesses.

As set out in previous Reports a detailed review of the legacy portfolio has been completed by Maven and £5.0 million of cash has already been realised from a number of AIM quoted assets. A further £1.2 million was received in respect of the sale of Infrared Integrated Systems to the US corporation Launchchange Operations, which represented a 2.4 times return on cost over the period since investment in November 2005.

The proceeds of disposals have provided sufficient liquidity to allow the Company to participate in all Maven led private equity transactions since February 2011, with ten new yielding private company assets added to the portfolio. Recent disposals mean that your Company has greater cash reserves than at any point in the past two years and is well positioned to continue with the strategy of generating increased revenues from an underlying portfolio of income-generating private companies.

## Borrowing powers

It was stated in the Circular to Shareholders, dated 7 March 2011 in respect of the proposed change of investment policy, that the Manager would have the authority to borrow up to 15% of net asset value, on a selective basis, in pursuit of its investment strategy. This authority has not been utilised to date and remains in place as an available option, but neither the Board nor the Manager anticipates that the Company will require to make use of it in the foreseeable future and no borrowing will be undertaken without Board approval.

## Valuation process

Investments held by Maven Income and Growth VCT 5 PLC 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. Comments on specific investments can be found in the Investment Manager's Review and the Legacy Portfolio Review.

## Board of Directors

Three of the four members of the Board, including myself as Chairman, have held office since the Company's launch and it was recognised that it is in the best interests of Shareholders that each of the continuing Directors should retire annually and, if appropriate, seek re-election. The Directors also wished to ensure that the strategic changes made in recent years have been given the opportunity to show improved results, before the implementation of a succession plan with the intention that one or more of the Directors would step down at the Annual General Meetings (AGMs) to be held in 2013 and 2014 to allow new Board members to be appointed.

In accordance with this strategy, Mr Humphries, Mr Mitchell and I will each retire and stand for re-election by Shareholders at the 2013 AGM, at which Mr Matheson will stand down and will not seek re-election. Subject to Shareholders' approval for his re-election at the 2013 AGM, it is intended that Mr Mitchell will stand down at a date to be agreed, but by no later than the AGM to be held in 2014. The Directors are considering a number of candidates for potential replacements and the appointment of new Directors and the future constitution of the Board will be confirmed and communicated fully to Shareholders in due course, with each new Director being subject to re-election by Shareholders at the subsequent AGM.

I would like to take this opportunity to thank Mr Matheson for the valued contribution that he has made to the deliberations of the Board during his time as a Director and wish him well for the future.

## Enhanced Share Buy-back (EBB) Scheme

On 16 October 2012 the Board announced that the EBB Scheme, launched on 17 August 2012, had closed. As a result, the Company purchased 6,461,699 Ordinary Shares at a price of 33.1p per share and allotted 6,253,670 Ordinary Shares at 34.2p per share pursuant to the EBB Scheme.

Due to the success of this EBB Scheme the Board may consider further such schemes in the future.

> "...a wide range of independent industry recognition of the success of your Manager's investment approach..."

## VCT Regulation

The Board was pleased to note the recent approval by the European Commission of proposed increases to the size of companies which can receive VCT funding, and of the amount which can be invested in a qualifying business. This was welcome news for investors and reaffirms the attraction of generalist VCTs as a tax-efficient route to investment in high-growth smaller companies.

The AIC has been working closely with the FSA on Consultation Paper CP12-19 (Restrictions on the retail distribution of unregulated collective investment schemes and close substitutes) and its applicability to venture capital trusts. VCTs are listed investment companies, each overseen by an independent board and regulated by the listing rules and company law in the same way that investment trusts are. The Board has supported the AIC in calling on the FSA to exclude VCTs from the proposals, in the same way that investment trusts have been, and the FSA has recently announced that it will be reconsidering its recommendations.

The Manager monitors all potential regulatory changes that are under consideration and keeps the Board informed of any implications for the Company.

## New VCT Offers and fund raising

On 23 January 2013 your Board announced an intention to offer an opportunity to acquire new Ordinary Shares in the Company through a top-up Offer aiming to raise £1.0 million before expenses, which is within the maximum permitted under the Prospectus Rules and avoids the higher costs associated with publishing a full prospectus. The Company will not be issuing more than 5,927,710 new Ordinary Shares which is within existing Shareholder authorities. The new Ordinary Shares will be issued at a Subscription Price that represents the latest published NAV per share at the date of issue of the Offers Document adjusted to cover the cost of the Offer, so that existing Shareholders do not suffer any dilution.

The Company made its Offer in parallel with Maven Income and Growth VCT, Maven Income and Growth VCT 2 and Maven Income and Growth VCT 3, each of which was aiming to raise £1.5 million. Each investor's subscription will be split between the four Companies in proportion to the amounts being raised. The Company may use the money raised under the Offer to pay dividends and general running costs, thereby preserving for investment purposes an equivalent sum of more valuable 'old money' which operates under more advantageous VCT regulations. The proceeds of the Offer will provide additional liquidity for the Company to make further later-stage investments, and enable it to spread its costs over a larger asset base to the benefit of all Shareholders.

On 11 February 2013, the Board announced that the Offer had closed, fully subscribed, and that confirmation of the allotments of shares and the scaling back of applications would be provided in due course. An initial allotment of 517,412 Ordinary Shares was made on 4 March 2013, with further allotments expected to take place during April 2013.

## Principal risks and uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company, which are set out in the Annual Report, and are the risks involved in investment in small and unquoted companies. In order to reduce the exposure to investment risk, the Company has invested in a broadly-based portfolio of investments in unlisted and AIM/ISDX quoted companies in the UK.

The VCT qualifying status of the Company is reviewed regularly by your Board and monitored on a continuous basis by the Manager in order to ensure that all of the criteria for VCT status continue to be satisfied. The Board can confirm that all tests continue to be met.

## Annual General Meeting

The 2013 AGM will be held in the London office of Maven Capital Partners UK LLP on 16 April 2013, and the Notice of Annual General Meeting can be found on pages 53 to 57 of this Annual Report. In light of the geographic spread of the Company's investor base, the Board has given consideration to changing the location for future AGMs to allow more Shareholders the opportunity to meet the Directors and the Manager. Therefore, with effect from 2014, it is intended to hold AGMs in Glasgow and London in alternate years.

## Outlook

In tandem with the uplift in NAV, the improvements in liquidity and revenue achieved within the portfolio over the past 12 months have provided your Board with the confidence to increase the final dividend for the first time in five years. Furthermore, with a strong pipeline of prospective new transactions in progress across the Manager's network, your Board looks forward with cautious optimism and believes that the Manager is well positioned to continue the positive developments made to date in implementing its investment mandate and produce further improvement in Shareholder returns.

**Gordon Brough**
**Chairman**

**18 March 2013**

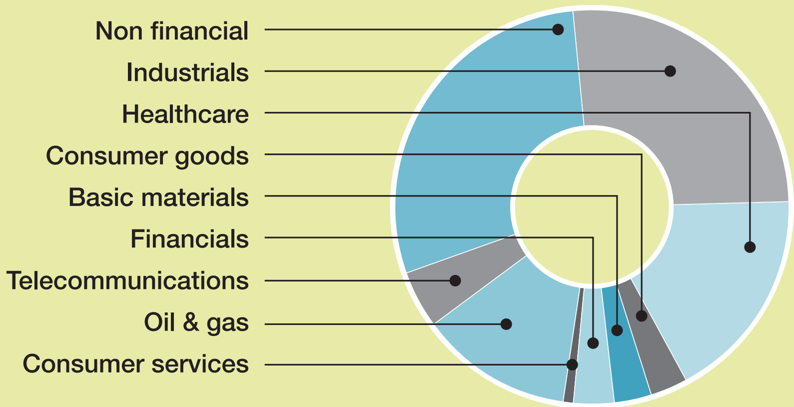
"...a strong pipeline of prospective new transactions in progress..."

# Analysis of Unlisted and Quoted Portfolio

## As at 30 November 2012

| Industrial sector | Unlisted valuation £'000 | % | Quoted valuation £'000 | % | Total valuation £'000 | % |
|---|---|---|---|---|---|---|
| Software & computer services | - | - | 4,258 | 26.5 | 4,258 | 26.5 |
| Support services | 337 | 2.1 | 2,729 | 17.0 | 3,066 | 19.1 |
| Oil & gas | 565 | 3.5 | 1,450 | 9.1 | 2,015 | 12.6 |
| Pharmaceuticals & biotechnology | 71 | 0.5 | 1,587 | 9.9 | 1,658 | 10.4 |
| Health | 544 | 3.4 | 599 | 3.7 | 1,143 | 7.1 |
| Engineering & machinery | - | - | 893 | 5.6 | 893 | 5.6 |
| Telecommunication services | 715 | 4.5 | 16 | 0.1 | 731 | 4.6 |
| Chemicals | 199 | 1.2 | 200 | 1.3 | 399 | 2.5 |
| Leisure & hotels | 299 | 1.9 | 73 | 0.5 | 372 | 2.4 |
| Information technology hardware | 70 | 0.4 | 301 | 1.9 | 371 | 2.3 |
| Speciality & other finance | - | - | 329 | 2.1 | 329 | 2.1 |
| Diversified industrials | - | - | 149 | 0.9 | 149 | 0.9 |
| Real estate | 131 | 0.8 | - | - | 131 | 0.8 |
| Automobiles & parts | - | - | 122 | 0.8 | 122 | 0.8 |
| Mining | - | - | 114 | 0.7 | 114 | 0.7 |
| Media & entertainment | - | - | 89 | 0.6 | 89 | 0.6 |
| Investment companies | - | - | 62 | 0.4 | 62 | 0.4 |
| Aerospace & defence | - | - | 61 | 0.4 | 61 | 0.4 |
| General retailers | - | - | 30 | 0.2 | 30 | 0.2 |
| **Total** | **2,931** | **18.3** | **13,062** | **81.7** | **15,993** | **100.0** |

### Valuation by industry sector

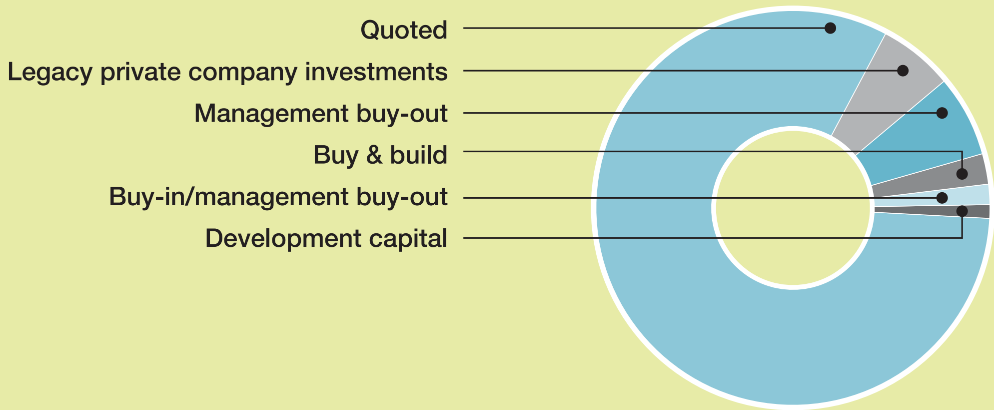


# Analysis of Unlisted and Quoted Portfolio (continued)

## As at 30 November 2012

| Transaction type | Number | Valuation £'000 | % |
|---|---|---|---|
| **Unlisted** | | | |
| Management buy-out | 5 | 1,100 | 6.9 |
| Legacy private company investments | 7 | 984 | 6.1 |
| Buy & build | 1 | 368 | 2.3 |
| Buy-in/management buy-out | 1 | 265 | 1.7 |
| Development capital | 1 | 214 | 1.3 |
| **Total unlisted** | **15** | **2,931** | **18.3** |
| **Quoted** | **62** | **13,062** | **81.7** |
| **Total unlisted and quoted** | **77** | **15,993** | **100.0** |

### Valuation by transaction type



# Investment Manager's Review

**When Maven was appointed Manager in early 2011 the Board of your Company set a number of objectives aimed at improving Shareholder value. After two years it is worth reflecting on the success of that change in strategy.**

## Overview

Your Company was previously almost entirely invested in AIM quoted holdings, together with a small number of mostly early-stage private company assets where the previous manager had invested as part of a syndicate. These holdings, in aggregate, generated very modest revenues which restricted the scope for dividends and, coupled with volatility on AIM, meant that performance and Shareholder value was negatively impacted in the years leading up to the appointment of Maven.

The Maven model is to invest mainly in established private companies, using yielding loan stock based structures which help to generate significant revenue for its VCT clients from the outset. This income helps to underpin the total return achieved on each investment and is used to support the development of a progressive programme of distributions to Shareholders.

At the time of writing, your Company has already participated in ten new income-producing private company investments made by Maven. Transaction sizes have been partly compromised to date due to constrained liquidity, however a structured and disciplined policy of realisations over the past two years from the AIM portfolio has positioned your Company such that investment unit sizes, and attendant income levels, should steadily increase.

As an illustration of the success of this approach, total annualised revenues generated by your Company from its underlying unlisted portfolio in early 2011 were around £10,000 per annum. At the end of the financial year covered by this Report, income from all such investments had increased to £140,000 per annum, and the trend remains upwards as new assets are acquired. Although the rate of final dividend declared by your Company remains below that of the majority of other Maven VCT clients, the strategy of generating revenues from later-stage private company investments should improve the capacity for increased distributions in the years ahead. The improved NAV and final dividend this year is evidence of the early success of the core objective to generate increased revenues and improve Shareholder returns.

Looking at the wider changes to the portfolio since early 2011, the concentration on AIM has reduced to 69.7% of total assets, and the number of quoted holdings has decreased to 62. Although a number of the inherited AIM assets had suffered significant falls in value prior to 2011, in some cases this was due to general market malaise or AIM falling out of favour with some investors. Many of the holdings were considered by Maven to have upside prospects at the inherited value and have consequently been retained on the basis that they continue to have the potential to deliver gains from take-on value, either through trading out the position to secondary buyers where, in the view of the Manager, there is a strong prospect for gains, or via acquisition by a competitor or financial institution.

Turning to other key areas of interest to Shareholders, the Manager is pleased to note a steady narrowing of the share price discount over the past 12 months. The Board previously identified this as an area of concern, and, as a consequence, a buy-back policy was introduced during the year reflecting the increasing confidence in the quality of the portfolio, alongside the emergence of a number of secondary buyers for the Company's shares.

For the first time your Company has also participated in the Maven VCT Top-up Offers, which will help to expand the Company and ameliorate the capital reduction impact of any share buy-backs. An enlarged capital base will also help to spread running costs, which remain largely fixed regardless of the size of the Company.

The Legacy Portfolio Review on pages 15 and 16 sets out performance information for selected inherited holdings. Since Maven's appointment in February 2011, income has improved materially and a more balanced portfolio of investments has been established. The share price discount has also been narrowed and the dividend increased. These are positive steps towards the restoration of Shareholder value and the team at Maven remains committed to the continued implementation of this strategy which has proved successful with other VCT clients.

"...a steady narrowing of the share price discount..."

## Investment activity

Positive cash flow from operating activities and the sale of selected low-yielding quoted holdings has enabled the Manager to continue the strategy of rebalancing the portfolio. There was also one significant private company sale when the legacy holding in Infrared Integrated Systems was acquired by US corporation Launchchange Operations for £1.2 million, equivalent to a return on cost of 2.4 times. The table below highlights realisations during the year under review.

| | Date first invested | Complete/ partial exit | Cost of shares disposed of £'000 | Value at 30 November 2011 £'000 | Sales proceeds £'000 | Realised gain/(loss) £'000 | Gain/ (loss) over November 2011 value £'000 |
|---|---|---|---|---|---|---|---|
| **Unlisted** | | | | | | | |
| Infrared Integrated Systems Limited | 2005 | Complete | 501 | 1,287 | 1,239 | 738 | (48) |
| Moriond Limited | 2011 | Partial | 118 | 118 | 118 | - | - |
| Space Student Living Limited | 2011 | Partial | 44 | 44 | 44 | - | - |
| **Total unlisted disposals** | | | **663** | **1,449** | **1,401** | **738** | **(48)** |
| **Quoted** | | | | | | | |
| Amerisur Resources PLC | 2010 | Partial | 122 | 174 | 278 | 156 | 104 |
| Avingtrans PLC | 2004 | Partial | 15 | 14 | 24 | 9 | 10 |
| Bond International Software PLC | 2004 | Partial | 39 | 30 | 45 | 6 | 15 |
| Concurrent Technologies PLC | 2005 | Partial | 111 | 148 | 154 | 43 | 6 |
| Egdon Resources PLC | 2001 | Partial | 179 | 286 | 182 | 3 | (104) |
| EKF Diagnostics Holdings PLC | 2010 | Partial | 134 | 214 | 261 | 127 | 47 |
| Ffastfill PLC | 2010 | Partial | 217 | 311 | 400 | 183 | 89 |
| Ideagen PLC | 2005 | Partial | 83 | 83 | 201 | 118 | 118 |
| Netcall PLC | 1999 | Partial | 23 | 53 | 79 | 56 | 26 |
| Sprue Aegis PLC | 2008 | Partial | 4 | 8 | 9 | 5 | 1 |
| Synchronica PLC | 2010 | Complete | 401 | 79 | 146 | (255) | 67 |
| Synectics PLC (formerly Quadnetics Group PLC) | 2005 | Partial | 241 | 214 | 306 | 65 | 92 |
| **Total quoted disposals** | | | **1,569** | **1,614** | **2,085** | **516** | **471** |
| **Listed fixed income** | | | | | | | |
| Treasury 5.25% 7 June 2012 | 2011 | Complete | 781 | 781 | 781 | - | - |
| Treasury Bill 24 December 2012 | 2012 | Partial | 500 | 501 | 500 | - | (1) |
| **Total listed fixed income disposals** | | | **1,281** | **1,282** | **1,281** | **-** | **(1)** |
| **Total disposals** | | | **3,513** | **4,345** | **4,767** | **1,254** | **422** |

Within the legacy portfolio there are eleven AIM and two unquoted companies currently in administration and valued at nil.

After the period end the Manager has continued its policy of disposing of quoted holdings and locking in profits on the back of improvements in share prices.

During the year the Maven team completed four substantial new private equity investments on behalf of your Company, alongside two follow-on investments in existing portfolio companies. The portfolio of later-stage companies acquired since the Manager was appointed is generally performing well, with most companies trading in line with plan.

The following investments were completed during the period:

| Investment | Date | Sector | Investment cost £'000 | Website |
|---|---|---|---|---|
| **Unlisted** | | | | |
| CatTech International Limited | March 2012 | Support Services | 298 | www.cat-tech.com |
| Glacier Energy Services Group Limited | June 2012 | Oil equipment services | 51 | www.glacier.co.uk |
| Moriond Limited | December 2011 | Real estate | 249 | No website available |
| Tosca Penta Exodus Mezzanine Limited Partnership (trading as 6 Degrees Group) | July 2012 | Telecommunication services | 83 | www.6dg.co.uk |
| Venmar Limited (trading as XPD8 Solutions) | June 2012 | Oil & gas | 300 | www.xpd8solutions.com |
| Vodat International Holdings Limited | March 2012 | Telecommunication services | 264 | www.vodat-int.com |
| **Total unlisted investment** | | | **1,245** | |
| **Listed fixed income** | | | | |
| Treasury 5.25% 7 June 2012 | December 2011 | UK government | 799 | |
| Treasury Bill 24 December 2012 | July 2012 | UK government | 1,300 | |
| **Total listed fixed income investment** | | | **2,099** | |
| **Total investment** | | | **3,344** | |

Maven Income and Growth VCT 5 has co-invested in some or all of the above transactions with Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Maven Income and Growth VCT 4, Talisman First Venture Capital Trust and Ortus VCT. The Company is expected to continue to co-invest with these as well as other Maven clients, which offers the advantage that, in aggregate, the Companies are able to underwrite a wider range and larger size of transaction than would be the case on a stand-alone basis.

"...during the year the Maven team completed four substantial new private equity investments..."

## Portfolio developments

Four substantial private company investments were added to the portfolio during the period under review:

- **Moriond**, a new company set up to acquire an established residential property portfolio at a significant discount to open market value. Maven is working on a joint venture basis with an experienced developer to break up the portfolio into single lots, carry out minor refurbishment, and then implement a structured sale of the individual assets over an 18 to 24 month period. The transaction provides a 6.5% paid yield through the life of the investment, and is also forecast to generate a significant capital gain when all of the assets are sold off at the end of the project;
- **CatTech International**, a leading provider of industrial services to oil refineries and petrochemical plants across several major international markets. The business operates in a sector with significant barriers to entry, and is well positioned for future growth given its excellent reputation and established market presence;
- **Vodat International Holdings**, a provider of payment and communications solutions to high street businesses, which enable retailers to reduce costs, boost store productivity and improve sales in an increasingly competitive trading environment. The company has an established and diverse customer base, has consistently improved profitability in recent years and enjoys high levels of recurring revenue from a number of long-term service and support contracts; and
- **Venmar**, the holding company for energy services business XPD8 Solutions, a provider of asset maintenance solutions to a blue chip client base of oil & gas operators.

Follow-on investments in existing portfolio companies during the period were as follows:

- **Glacier Energy Services**, a profitable oil & gas service group with two specialist trading subsidiaries, Roberts Pipeline Machining and Wellclad. Roberts designs and manufactures on-site portable cutting machines for its clients. Wellclad provides services to the European offshore and sub-sea equipment market. Glacier is focused on growth within its core UK market and the follow-on investment funded the acquisition of a complementary machining business in the North East of England; and
- **Tosca Penta Exodus**, trading as 6 Degrees Group, which was established by Penta Capital to implement a buy-and-build strategy in the business telecommunications service sector based on the converging of mobile, fixed-line, broadband, internet and IT technology businesses. Penta is an established private equity firm with which Maven previously co-invested in the successful 2010 management buy-out of *esure*. The follow-on investment was provided as a mezzanine loan to fund two additional acquisitions.

Four additional new investments, at a total cost of £850,000, completed after the year end:

- **Grangeford**, a company which owns and manages a large portfolio of ground rents throughout the UK, which are asset backed yielding investments that provide long term, low risk returns. This transaction is projected to generate a capital gain over a 42 month term alongside a 9% yield paid throughout the period of investment;
- **Airth Capital**, a new company set up to invest in a food services business, a sector where Maven is active and sees a large number of opportunities;
- **Burray Capital**, a new company established to invest in the oil & gas sector. A target manufacturing business has been identified and discussions are at an early stage; and
- **Kelvinlea**, a new company established to acquire a small portfolio of residential properties at a discount to market value and carry out a refurbishment and sales programme over an 18 to 24 month period. The transaction will provide an 8.5% paid yield through the life of the investment, and is also forecast to generate a significant capital gain when the project is completed and all assets are sold.

## Outlook

The past two years have seen the establishment of a clear and focused strategy to improve Shareholder value and distributions. The continued success of this approach is based upon the regular completion of new private company investments which meet the criteria set out by the Manager. Competition for these assets remains fierce across the UK, however with a nationwide dedicated VCT investment team operating from six offices in the key regional centres, Maven remains well placed to construct and maintain a diversified portfolio of later-stage private company holdings on behalf of its VCT clients. Going into 2013 the pipeline of prospective new transactions remains strong and the Manager is confident that a number of significant new investments will be completed in the first half of the year.

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

**18 March 2013**

# Summary of Investment Changes

## For the year ended 30 November 2012

| | Valuation 30 November 2011 £'000 | % | Net investment/ (disinvestment) £'000 | Appreciation/ (depreciation) £'000 | Valuation 30 November 2012 £'000 | % |
|---|---|---|---|---|---|---|
| **Legacy portfolio** | | | | | | |
| **Unlisted investments** | | | | | | |
| Equities | 3,139 | 17.5 | (1,239) | (916) | 984 | 5.3 |
| | 3,139 | 17.5 | (1,239) | (916) | 984 | 5.3 |
| **Quoted investments** | 12,275 | 68.5 | (2,085) | 2,872 | 13,062 | 69.7 |
| **Total legacy portfolio** | **15,414** | **86.0** | **(3,324)** | **1,956** | **14,046** | **75.0** |
| **Maven portfolio** | | | | | | |
| **Unlisted investments** | | | | | | |
| Equities | 444 | 2.5 | 311 | 61 | 816 | 4.4 |
| Loan stocks | 431 | 2.4 | 772 | (72) | 1,131 | 6.0 |
| | **875** | **4.9** | **1,083** | **(11)** | **1,947** | **10.4** |
| **Listed fixed income investments** | - | - | 801 | - | 801 | 4.3 |
| **Total Maven portfolio** | **875** | **4.9** | **1,884** | **(11)** | **2,748** | **14.7** |
| **Total portfolio** | **16,289** | **90.9** | **(1,440)** | **1,945** | **16,794** | **89.7** |
| Cash | 1,645 | 9.2 | 402 | - | 2,047 | 10.9 |
| Other assets | (9) | (0.1) | (103) | - | (112) | (0.6) |
| **Total assets** | **17,925** | **100.0** | **(1,141)** | **1,945** | **18,729** | **100.0** |

| | 30 November 2011 | 30 November 2012 |
|---|---|---|
| **Ordinary Shares in issue** | 59,277,137 | 58,379,108 |
| **Net asset value per share** | 30.24p | 32.08p |
| **Mid-market price** | 18.9p | 23.6p |
| **Discount** | 37.5% | 26.4% |

# Legacy Portfolio Review

**Despite the continuing backdrop of challenging market conditions and economic uncertainty, the performance of the quoted portfolio has demonstrated significant improvement during the year.**

The growth has been driven by strong progress experienced by Ideagen which saw a valuation increase of over £1 million during the reporting year and by the encouraging developments at Amerisur Resources, Avingtrans and Synectics which have all made impressive headway both in terms of robust financial performances and good prospects going forward. While there have also been a number of disappointing performers, such as Avia Health, 3D Diagnostics, AorTech and Egdon, as well as Norseman Gold entering administration, in the main it has been an encouraging year for the quoted portfolio.

During the year, Maven has realised £2.085 million from AIM disposals which is detailed in the realisations table on page 11. This was primarily to lock-in profits when stronger performing stocks picked up momentum, specifically in the cases of Amerisur, Concurrent, EKF, Ffastfill, Ideagen and Synectics but also in certain instances to partially realise holdings where there was deemed to be limited near-to-medium potential for any price uplifts, such as Egdon. As highlighted in the Investment Manager's Review, the Manager also completed the sale of Infrared Integrated Systems for a return of 2.4 times cost

Set out below are details of the performance of selected legacy holdings during the year.

## Quoted holdings

The most notable performer in the portfolio during the year was **Ideagen**. The company has demonstrated impressive growth with another strong set of results for the year ended 30 April 2012. Revenues were up 78% and adjusted profit before tax (PBT) was up 120% and reassuringly the recurring revenue base also continued to grow and now accounts for 90% of the group's fixed costs. The share price has performed well, benefitting from the recent transition to AIM from ISDX. It has gathered some significant momentum, increasing over 30% since its admission to AIM in July 2012. The Manager has taken the opportunity to lock in some profits, realising approximately 10% of the holding throughout the period.

It has been a more turbulent year for **Avia Health** following the short term funding issues and the suspension from AIM, albeit trading has since been restored following the qualification of the accounts. It has been a period of significant change with a shift in the board composition, the resignation of the CEO and investment from Advanced Software Computer Group in the form of a three year convertible loan note. This should provide Avia with some much needed stability, with a renewed focus now on sales activity, continued cost control and the objective of returning the company to profitability in 2013/14.

**AorTech** had a difficult period having been involved in a lengthy sales process which unfortunately did not culminate in any offers being made for the business. It has also found itself immersed in litigation with the medical technology group St Judes Medical. This was following AorTech's decision to serve a rectification notice on St Judes that asserts material breaches of the supply agreement for AorTech's proprietary materials. This has caused uncertainty for the group and adversely impacted the share price.

On a more positive note, the oil and gas producer **Amerisur** has made some very promising progress during the year in terms of its financial performance, near term opportunities in its portfolio and share price momentum. Significant developments have been made in both its Columbian and Paraguayan interests and the recent successful fundraising means that the company's project pipeline is now well funded. While the share price did dip a little in line with the recent placing price, overall it has improved quite markedly.

**Avingtrans** has made good progress in the period. The group announced another strong set of results for the year ended 31 May 2012, with turnover increasing 21% to £44 million and PBT increasing 43% to £2.3 million. Avingtrans has also disposed of its industrial division Jena Tec for £13.45 million allowing the group to focus on its aerospace and energy & medical divisions, with the aerospace division in particular continuing to thrive with a record order book. The recent announcement that the division had won a substantial contract with Rolls-Royce (worth £80 million over 10 years) helps to underpin growth expectations at Sigma. The increased focus on aerospace operations offers the opportunity to accelerate the group's growth, as well as enhance its margins and earnings visibility.

It has been another pleasing year for **K3** with the company performing strongly across all divisions, with revenues increasing by 28.85% and adjusted PBT by 15% for the year ended 30 June 2012. Following an expression of interest, a formal sales process was initiated but has now come to an end as the offers received were not at a level that could be recommended to shareholders. The management team remains committed and enthusiastic about the growth potential of the business and has a clear strategy in mind over the next 24 months.

**Bond International** has continued its robust performance, recently announcing sound financial results for the first half of 2012. The market does remain challenging but the team intends to focus on building its software as a service model and on opportunities in the Asia Pacific region, which is experiencing particularly good growth. A new office has recently been opened in Singapore to support expansion in this territory and a number of new contracts have been won in Japan and Australia.

The year ended 31 July 2012 has been challenging for **Egdon**. The company experienced issues with production at both its core assets, Kirkleatham and Ceres. The reduction in expected production has resulted in a shortfall in budgeted cash flow and consequently less available cash to fund the planned exploration programme. As a result the group undertook a review of the business, the result of which will see the company focus on fewer assets in three core geographical areas and will look to monetise non-core assets and farm out certain opportunities to fund growth.

"...£2.085 million realised from AIM disposals..."

The increased level of profitability generated by **IGas Energy** during the year will support the company's intention to advance its shale assets, with the production profile looking positive.

**Netcall** continues to perform well with an increase in revenues and profitability for the year ended 30 June 2012. The company also enjoys a strong balance sheet which remains debt-free with net cash funds of over £8 million. The group has seen pleasing growth in new orders as well as making good progress cross-selling new products from the enlarged product suite into the existing customer base.

**Norseman Gold** has announced that, following the suspension of the company's shares from trading on AIM, coupled with a prolonged period of uncertainty regarding operations and funding, the company has entered administration.

**Synectics** has continued to trade well, recently announcing another set of solid results with growth in both revenues and profits. Revenue forecast for the full year has been reduced slightly to factor in that the company is focusing on higher quality, higher margin business and the PBT forecast was unchanged at £4.3 million for the year ending 30 November 2012. The group enjoys a record order book, currently standing at £40.6 million which is almost double the level at the same time last year and importantly the platform of recurring income continues to grow supported by a number of new large multi-year contracts. The share price has performed well on the back of the positive performance and the Manager has chosen to lock in some profits.

Whilst it has experienced a challenging trading environment, **Concurrent** reported revenues of £6.1 million for the first half of the year to 30 June 2012 with PBT of £1.0 million. Although these were slightly down on the comparable period in 2011, the order book remains solid and underpins the full year forecast with sales in the region of £13.9 million and PBT of £2.2 million. The defence sector is expected to remain resilient and will be a key revenue driver for the group. There are also an increasing number of product launches expected during the second half of the year and the team continues to explore expansion into new territories such as South Korea and India.

There have been a number of corporate actions during the year and several portfolio companies have been subject to takeover approaches, made acquisitions or changed their investment strategy. Worthy of a mention is **3D Diagnostics** which following the AGM has now become an investment vehicle. Lengthy offer periods have concluded for **K3** and **AorTech**, neither of which resulted in a suitable offer being made for the respective companies. **Avingtrans**, **Ffastfill** and **Ideagen** have made sensible acquisitions during the year, which in each case resulted in improved share price performance.

## Private company holdings

The sale of one of the public houses owned by **Convivial London Pubs** generated proceeds to pay down debt and complete the refurbishment of the remaining flagship sites in central London.

Following disappointing sales performance during 2011, Medtronic returned to **TissueMed** marketing rights for TissuePatch-Dural, a surgical film for preventing fluid leaks following neurosurgery (marketed by Medtronic under the brand name Obex Neurofilm) and has ceased distributing the product. TissueMed is focusing on building a network of smaller distributors and selling directly in certain territories. The business has in excess of £2 million cash and is debt free.

While it is disappointing that profitability for the year to 30 April 2012 at **Cambridge Sensors** was down on the previous year, this was widely anticipated as the company had transitioned to a direct sales model in the US. The US operation is now fully operational and the business is no longer dependent on distributors outside of its control. Profitability will continue to suffer in 2012/13 as the business invests in the US ahead of growth and significant competition impacts glucose strip pricing. Management are making steady progress in terms of repositioning the company as a wider diabetes player selling a greater range of products via its own direct sales force. The company paid its first annual £1 per share dividend in April 2012, has a healthy cash balance and is debt free.

In the year to 30 June 2011 UK banks absorbed £365 million in card fraud and "Card not Present" fraud accounted for 62% of this figure. This figure is at least matched by the costs absorbed by retailers. **Secure Electrans** believes that its HomePay application (which plugs into the USB port of a PC) provides a unique, low cost CHIP-and-PIN system that addresses the threat of fraud in banking and payment transactions from the home. While Secure Electrans has yet to generate sales, the company's technology has been well received by the payments industry and during the year it made steady progress towards validating HomePay. In this regard Secure successfully obtained Amex accreditation during the year and initial pilot schemes have been live for more than six months with no evidence of fraud. Fundraising is ongoing to allow the business to make the transition from R&D outfit to service company and to support the roll-out of HomePay.

In light of current trading and further funding requirements, your Board has taken the prudent step to review the valuations in respect of Cambridge Sensors and Secure Electrans.

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

**18 March 2013**

# Investment Portfolio Summary

## As at 30 November 2012

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients[1] |
|---|---|---|---|---|---|
| **Unlisted** | | | | | |
| Cambridge Sensors Limited | 544 | 1,175 | 2.9 | 9.4 | - |
| Maven Co-invest Exodus Limited Partnership and Tosca Penta Exodus Mezzanine Limited Partnership (jointly trading as 6 Degrees Group) | 451 | 346 | 2.4 | 1.7 | 16.6 |
| Venmar Limited (trading as XPD8 Solutions) | 300 | 300 | 1.6 | - | 35.0 |
| Convivial London Pubs PLC | 299 | 400 | 1.6 | 1.8 | - |
| CatTech International Limited | 298 | 298 | 1.6 | 2.9 | 27.2 |
| Glacier Energy Services Group Limited | 265 | 265 | 1.4 | 2.0 | 23.0 |
| Vodat International Holdings Limited | 264 | 264 | 1.4 | 3.1 | 38.7 |
| LCL Hose Limited (trading as Dantec Hose) | 199 | 199 | 1.1 | 3.6 | 26.4 |
| Moriond Limited | 131 | 131 | 0.7 | 5.1 | 44.9 |
| Tissuemed Limited | 71 | 71 | 0.4 | 0.4 | - |
| Secure Electrans Limited | 70 | 70 | 0.4 | 1.7 | - |
| Space Student Living Limited | 39 | 155 | 0.2 | 6.1 | 79.9 |
| Other unlisted investments | - | 699 | - | | |
| **Total unlisted investments** | **2,931** | **4,373** | **15.7** | | |

# Investment Portfolio Summary (continued)

## As at 30 November 2012

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients[1] |
|---|---|---|---|---|---|
| **Quoted** | | | | | |
| Ideagen PLC (formerly Datum International PLC) | 1,860 | 707 | 9.9 | 12.6 | - |
| Synectics PLC (formerly Quadnetics Group PLC) | 1,153 | 932 | 6.2 | 2.4 | - |
| Sprue Aegis PLC | 919 | 415 | 4.9 | 4.4 | - |
| Avingtrans PLC | 817 | 472 | 4.4 | 3.0 | - |
| Vectura Group PLC | 754 | 431 | 4.0 | 0.3 | 0.1 |
| K3 Business Technology Group PLC | 744 | 572 | 4.0 | 1.7 | - |
| Bond International Software PLC | 462 | 475 | 2.5 | 2.5 | - |
| IGas Energy PLC | 437 | 391 | 2.3 | 0.4 | - |
| Sinclair Pharma PLC (formerly IS Pharma PLC) | 415 | 556 | 2.2 | 1.2 | - |
| Amerisur Resources PLC | 408 | 152 | 2.2 | 0.1 | - |
| Anpario PLC (formerly Kiotech International PLC) | 375 | 396 | 2.0 | 1.7 | - |
| Jelf Group PLC | 329 | 534 | 1.8 | 0.6 | - |
| Vianet Group PLC (formerly Brulines Group PLC) | 326 | 405 | 1.7 | 1.2 | 0.3 |
| Concurrent Technologies PLC | 301 | 191 | 1.6 | 0.8 | - |
| Infrastrata PLC | 290 | 3,850 | 1.5 | 3.3 | - |
| Vindon Healthcare PLC | 262 | 500 | 1.4 | 2.8 | - |
| Tangent Communications PLC | 238 | 400 | 1.3 | 1.1 | 0.8 |
| Access Intelligence PLC | 221 | 362 | 1.2 | 3.2 | - |
| Plant Impact PLC | 200 | 200 | 1.1 | 2.6 | - |
| EKF Diagnostics Holdings PLC | 194 | 104 | 1.0 | 0.3 | - |
| Regenersis PLC | 189 | 66 | 1.0 | 0.3 | - |
| Ffastfill PLC | 187 | 93 | 1.0 | 0.3 | - |
| Egdon Resources PLC | 179 | 156 | 1.0 | 1.5 | - |
| Netcall PLC | 177 | 46 | 0.9 | 0.5 | - |
| Water Intelligence PLC | 156 | 352 | 0.8 | 5.4 | - |
| Straight PLC | 148 | 396 | 0.8 | 4.2 | - |
| Premier Oil PLC | 136 | 169 | 0.7 | - | - |
| Omega Diagnostics Group PLC | 135 | 200 | 0.7 | 1.2 | - |
| Servoca PLC | 130 | 679 | 0.7 | 3.2 | - |
| Transense Technologies PLC | 122 | 1,188 | 0.7 | 0.8 | - |
| Peninsular Gold Limited | 114 | 300 | 0.6 | 0.7 | - |
| Resources in Insurance Group PLC | 100 | 422 | 0.5 | 12.8 | - |
| Mears Group PLC | 81 | 65 | 0.4 | - | - |
| Armour Group | 73 | 705 | 0.4 | 3.3 | - |
| Dods Group PLC | 66 | 450 | 0.4 | 0.4 | - |
| VSA Capital PLC | 62 | 510 | 0.3 | 4.1 | - |
| Croma Security Solutions Group PLC | 61 | 433 | 0.3 | 1.1 | |
| Avia Health Informatics PLC | 43 | 413 | 0.2 | 10.4 | - |
| AorTech International PLC | 43 | 229 | 0.2 | 1.5 | - |
| TEG Group PLC | 42 | 637 | 0.2 | 0.5 | - |
| Optare PLC | 34 | 473 | 0.2 | 0.3 | - |
| Vertu Motors PLC | 30 | 50 | 0.2 | - | - |
| MBL Group PLC | 23 | 357 | 0.1 | 1.4 | - |
| Software Radio Technology PLC | 16 | 27 | 0.1 | 0.1 | - |
| Other quoted investments | 10 | 1,466 | 0.1 | | |
| **Total quoted investments** | **13,062** | **21,927** | **69.7** | | |
| **Listed fixed income** | | | | | |
| Treasury Bill 24 December 2012 | 801 | 801 | 4.3 | | |
| **Total investments** | **16,794** | **27,101** | **89.7** | | |

[1] Other clients of Maven Capital Partners UK LLP.

# Largest Unlisted and Quoted Investments

## As at 30 November 2012

| Ideagen PLC | | Matlock | | | www.ideagen.co.uk |
|---|---|---|---|---|---|
| Cost (£'000) | 707 | Year ended | 30 April | 2012 | 2011 |
| Valuation (£'000) | 1,860 | | | £'000 | £'000 |
| Basis of valuation | Bid price | Sales | | 4,002 | 2,253 |
| Equity held | 12.6% | Profit/(loss) before tax | | 277 | 371 |
| Income received (£'000) | Nil | Retained profit/(loss) | | 109 | 570 |
| First invested | May 2005 | Net assets | | 5,786 | 3,067 |

Specialises in the development, supply, implementation and support of KnowledgeWorker, an Enterprise Content Management Solution.

| Synectics PLC (formerly Quadnetics Group PLC) | | Sheffield | | | www.synx.com |
|---|---|---|---|---|---|
| Cost (£'000) | 932 | Year ended | 30 November | 2011 | 2010[1] |
| Valuation (£'000) | 1,153 | | | £'000 | £'000 |
| Basis of valuation | Bid price | Sales | | 69,083 | 91,124 |
| Equity held | 2.4% | Profit/(loss) before tax | | 2,462 | 1,171 |
| Income received (£'000) | 69 | Retained profit/(loss) | | 1,588 | 860 |
| First invested | January 2004 | Net assets | | 32,449 | 31,800 |

Leader in advanced surveillance technology and security networks.

| Sprue Aegis PLC | | Coventry | | | www.sprueaegis.com |
|---|---|---|---|---|---|
| Cost (£'000) | 415 | Year ended | 31 December | 2011 | 2010 |
| Valuation (£'000) | 919 | | | £'000 | £'000 |
| Basis of valuation | Bid price | Sales | | 33,275 | 29,873 |
| Equity held | 4.4% | Profit/(loss) before tax | | 3,422 | 2,989 |
| Income received (£'000) | 32 | Retained profit/(loss) | | 2,739 | 2,181 |
| First invested | March 2004 | Net assets | | 9,513 | 7,060 |

Designs, manufactures and distributes innovative home safety products, notably smoke and carbon monoxide detectors, under the FireAngel brand.

| Avingtrans PLC | | Nottingham | | | www.avingtrans.plc.uk |
|---|---|---|---|---|---|
| Cost (£'000) | 472 | Year ended | 31 May | 2012 | 2011 |
| Valuation (£'000) | 817 | | | £'000 | £'000 |
| Basis of valuation | Bid price | Sales | | 43,992 | 36,260 |
| Equity held | 3.0% | Profit/(loss) before tax | | 1,235 | 1,422 |
| Income received | 3 | Retained profit/(loss) | | 935 | 1,261 |
| First invested | September 2004 | Net assets | | 23,692 | 22,858 |

Manufacturer of critical components and associated services to the medical, energy, industrial and global aerospace sectors.

| Vectura Group PLC | | Bath | | | www.vectura.co.uk |
|---|---|---|---|---|---|
| Cost (£'000) | 431 | Year ended | 31 March | 2012 | 2011 |
| Valuation (£'000) | 754 | | | £'000 | £'000 |
| Basis of valuation | Bid price | Sales | | 33,000 | 42,900 |
| Equity held | 0.3% | Profit/(loss) before tax | | (13,200) | (13,300) |
| Income received (£'000) | Nil | Retained profit/(loss) | | (4,400) | (8,800) |
| First invested | April 2001 | Net assets | | 139,500 | 140,300 |

Develops products to treat respiratory, neurological and other diseases.

## K3 Business Technology Group PLC — Manchester — www.k3btg.com

| | | | | | |
|---|---|---|---|---|---|
| **Cost (£'000)** | 572 | **Year ended** | 30 June | **2012** | **2011** |
| **Valuation (£'000)** | 744 | | | **£'000** | **£'000** |
| **Basis of valuation** | Bid price | **Sales** | | 67,961 | 52,800 |
| **Equity held** | 1.7% | **Profit/(loss) before tax** | | 6,043 | 4,908 |
| **Income received (£'000)** | 4 | **Retained profit/(loss)** | | 5,724 | 4,480 |
| **First invested** | September 2005 | **Net assets** | | 46,905 | 37,242 |

Leading suppliers of Microsoft based business solutions for the supply chain.

## Cambridge Sensors Limited — Cambridge — www.cs-limited.co.uk

| | | | | | |
|---|---|---|---|---|---|
| **Cost (£'000)** | 1,175 | **Year ended** | 30 April | **2012** | **2011** |
| **Valuation (£'000)** | 544 | | | **£'000** | **£'000** |
| **Basis of valuation** | Market value assessment | **Sales** | | 3,226 | 3,335 |
| **Equity held** | 9.4% | **Profit/(loss) before tax** | | 663 | 1,390 |
| **Income received** | 21 | **Retained profit/(loss)** | | 693 | 1,388 |
| **First invested** | June 2002 | **Net assets** | | 4,199 | 3,708 |

Designs and manufactures test strips for use in blood glucose test systems.

## Bond International Software PLC — Goring — www.bondinternationalsoftware.com

| | | | | | |
|---|---|---|---|---|---|
| **Cost (£'000)** | 475 | **Year ended** | 31 December | **2011** | **2010** |
| **Valuation (£'000)** | 462 | | | **£'000** | **£'000** |
| **Basis of valuation** | Bid price | **Sales** | | 36,751 | 28,314 |
| **Equity held** | 2.5% | **Profit/(loss) before tax** | | (1,430) | (1,463) |
| **Income received** | 19 | **Retained profit/(loss)** | | (1,274) | (818) |
| **First invested** | February 2004 | **Net assets** | | 33,941 | 36,310 |

Specialist provider of software for the international recruitment and human resources industries.

## Maven Co-invest Exodus Limited Partnership — London — www.6dg.co.uk

| | |
|---|---|
| **Cost (£'000)** | 346 |
| **Valuation (£'000)** | 451 |
| **Basis of valuation** | Earnings |
| **Equity held** | 1.7% |
| **Income received** | 7 |
| **First invested** | June 2011 |

This Company has not yet produced its first report and accounts.

The business is undertaking a buy and build in the B2B communications and data hosting sectors.

Other Maven clients invested: Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Maven Income and Growth VCT 4, Ortus VCT and Talisman First Venture Capital Trust.

## IGas Energy PLC — London — www.igasplc.com

| | | | | | |
|---|---|---|---|---|---|
| **Cost (£'000)** | 391 | **Year ended** | 31 March | **2012[2]** | **2010** |
| **Valuation (£'000)** | 437 | | | **£'000** | **£'000** |
| **Basis of valuation** | Bid price | **Sales** | | 22,120 | 656 |
| **Equity held** | 0.4% | **Profit/(loss) before tax** | | (17,897) | (1,543) |
| **Income received** | Nil | **Retained profit/(loss)** | | (12,124) | (1,543) |
| **First invested** | July 2009 | **Net assets** | | 54,958 | 16,728 |

Domestic gas producer and a leading developer of unconventional gas resources in the UK.

[1] Eighteen month period ended 30 November 2010.

[2] Fifteen month period ended 31 March 2012.

> "...a nationwide dedicated VCT investment team operating from six offices in the key regional centres..."

Maven offices

Ten Largest Investments

# Your Board

**The Board of four Directors, all of whom are non-executive and are considered by the Board to be independent of the Manager, supervises the management of Maven Income and Growth VCT 5 PLC and looks after the interests of its Shareholders.**

## **Gordon Brough** Chairman and Independent Non-executive Director

**Relevant experience and other directorships:** Gordon is General Counsel at Aberdeen Asset Management PLC. He was a founding partner of the City Law Partnership, which specialised in corporate work with particular emphasis on the fund management and life insurance sectors. The City Law Partnership merged with Maclay Murray & Spens where Gordon was a senior equity partner. On 9 February 2009, Gordon became global head of legal at Aberdeen Asset Management PLC, the company that previously employed the partners of the Manager and which has a minority interest in Maven Capital Partners UK LLP.

**Length of service:** He was appointed a Director and as Chairman on 30 October 2000.

**Last re-elected to the Board:** 17 April 2012

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

**Employment by the Manager:** None

**Other connections with Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 23,379 Ordinary Shares

## **Gordon Humphries** Independent Non-executive Director

**Relevant experience and other directorships:** Gordon is an Investment Director and Head of Investment Companies at Standard Life Investments. He has over 30 years' experience in financial services, particularly with regard to investment trusts. He joined Ivory & Sime plc in 1988 after qualifying as a chartered accountant with PricewaterhouseCoopers. He is a director of Foresight VCT plc.

**Length of service:** He was appointed a Director on 7 February 2006.

**Last re-elected to the Board:** 17 April 2012

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

**Employment by the Manager:** None

**Other connections with Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 8,944 Ordinary Shares

## **Jamie Matheson** Independent Non-executive Director

**Relevant experience and other directorships:** Jamie has around 40 years' experience in stockbroking. He is the chairman of Brewin Dolphin Holdings plc. He was previously responsible for the institutional and corporate broking activities of Brewin Dolphin. He is also a non-executive director of STV plc.

**Length of service:** He was appointed a Director on 30 October 2000.

**Last re-elected to the Board:** 17 April 2012

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

**Employment by the Manager:** None

**Other connections with Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 10,000 Ordinary Shares

## **Steven Mitchell** Senior Independent Non-executive Director

**Relevant experience and other directorships:** Steven has over 40 years' service in the financial services industry and is chairman of Oval Financial Services Limited, part of the Oval Group. Previously Steven was a founding director of the Hornbuckle Mitchell Group Limited and the Ward Mitchell Partnership Limited.

**Length of service:** He was appointed a Director on 30 October 2000.

**Last re-elected to the Board:** 17 April 2012

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

**Employment by the Manager:** None

**Other connections with Manager:** None

**Shared directorships with other Directors:** None

**Shareholding in Company:** 40,696 Ordinary Shares

# Directors' Report

**The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 30 November 2012.**

## Business review

A full review of the Company's activities is given in the Chairman's Statement and in the Investment Manager's Review. In addition, this Directors' Report includes a summary of the business objectives, the Board's strategy for achieving them, the key performance indicators and the principal risks and uncertainties faced by the Company.

## Results and dividends

The full results for the year are set out in the Financial Statements on pages 41 to 52. The NAV per share at 30 November 2012 was 32.08p (2011: 30.24p). The NAV per share has been calculated using the number of shares in issue at 30 November 2012 of 58,379,108 (2011: 59,277,137).

For the year ended 30 November 2012, the revenue return on ordinary activities after taxation amounted to £3,000 (2011: loss of £171,000). The total net return on ordinary activities after taxation for the year was £1,916,000 (2011: loss of £2,519,000). During the year, an amount of £889,000 (2011: £889,000) was recognised in respect of distributions made to Equity Shareholders. The Directors recommend a final dividend for the year ended 30 November 2012 of 1.15p per share (2011: 1.0p), payable on 24 May 2013 to Shareholders on the register at close of business on 3 May 2013 and a Resolution to this effect will be proposed at the Annual General Meeting.

## Investment objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders.

## Statement of investment policy

Under an investment policy approved by Shareholders at a General Meeting held on 30 March 2011, 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/ISDX quoted companies which meet the criteria for VCT qualifying investments and have strong growth potential;
- investing no more than £1 million in any company in one year and no more than 15 per cent of the Company's assets by cost in one business at any time;
- borrowing up to 15 per cent of net asset value, if required and only on a selective basis, in pursuit of its investment strategy.

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;
- seeking to appoint a non-executive director to the board of each private investee company, provided from the Manager's investment management team or from its pool of experienced independent directors;
- co-investing with other funds run by the Manager in larger deals, which tend to carry less risk;
- not investing in hostile public to private transactions; and
- retaining the services of a Manager that can provide the breadth and depth of resources required to achieve the investment objective and meet the criteria stated above.

Other risks are managed as follows:

- VCT qualifying status is monitored continuously and risk is minimised by retaining the services of a Manager that has the resources to provide sufficient flow of investment opportunities and integrated administrative and management systems to ensure continuing compliance with regulations; and
- risks of political change, exchange controls, taxation or other regulations that might affect investee companies, are monitored and taken account of before investments are made and when determining the valuations of unlisted investments.

## Statement of compliance with investment policy

The Company is adhering to its stated investment policy and managing the risks arising from it, and this can be seen in various tables and charts throughout the Annual Report, from figures provided in the Chairman's Statement and the Investment Manager's Review.

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

The Investment Portfolio Summary shows the number of investments in the portfolio and the degree of co-investment with other clients of the Manager. The tabular analyses of the unlisted and quoted portfolio by industrial sector and deal type show that the portfolio is diversified across a variety of sectors and deal types. The level of qualifying investments is monitored by the Manager on a daily basis and reported to the Board quarterly.

## Key performance indicators

At each Board Meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators are as follows:

- the progress being made on the transition of the legacy AIM portfolio to new unquoted investments;
- NAV total return; and
- dividends per share.

The NAV total return is a measure of Shareholder value that includes both the current NAV per share and the sum of dividends paid to date. The dividends per share measure shows how much of that Shareholder value has been returned to original investors in the form of dividends. A historical record of these measures is shown in the Financial Highlights.

The Board also considers peer group comparative performance and the Company has continued its membership of the Association of Investment Companies (AIC).

## Principal risks and uncertainties

The principal risks facing the Company relate to its investment activities and include market price, interest rate and liquidity risk. An explanation of these risks and how they are managed is contained in Note 18 to the Financial Statements.

Additional risks faced by the Company, and the mitigation approach adopted by the Board, are as follows:

- investment objective: the Board's aim is to achieve long term capital appreciation and generate maintainable levels of income for Shareholders, while managing risk by ensuring an appropriate diversification of investments;
- investment policy: inappropriate stock selection leading to underperformance in absolute and relative terms is a risk which the Manager mitigates by operating within investment guidelines and regularly monitoring performance against the peer group. The regulations affecting venture capital trusts are central to the Company's investment policy;
- discount volatility: due to the lack of liquidity in the secondary market, venture capital trust shares tend to trade at discounts to net asset values; and
- regulatory risk: the Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 274 of the Income Tax Act 2007 could result in the Company being subject to capital gains tax on the sale of its investments. A breach of the VCT Regulations could result in the loss of VCT status and consequent loss of tax reliefs currently available to Shareholders. A serious breach of other regulations, such as the UKLA Listing Rules or the Companies Act, would lead to suspension of its shares from the Stock Exchange, loss of VCT status and reputational damage. The Board receives quarterly reports from the Manager in order to monitor compliance with regulations.

At least twice each year the Board considers all of the above risks and the measures in place to manage them.

## Directors

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

As explained in more detail in the Chairman's Statement and the Statement of Corporate Governance, the Board has agreed that all continuing Directors will retire annually and, accordingly, Directors will retire at the Annual General Meeting and, being eligible, offer themselves for re-election. The Board confirms that, following a formal process of evaluation, the performance of each of the Directors 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 each of the Directors wishing to retain office is re-elected and Resolutions to this effect will be proposed at the Annual General Meeting.

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

| | 30 November 2012<br>Ordinary Shares of 10p each | 30 November 2011<br>Ordinary Shares of 10p each |
|---|---:|---:|
| Gordon Brough (Chairman)<br>Beneficial and family | 23,379 | 23,379 |
| Gordon Humphries<br>Beneficial and family | 8,944 | 8,944 |
| Jamie Matheson<br>Beneficial and family | 10,000 | 10,000 |
| Steven Mitchell<br>Beneficial and family | 40,696 | 40,696 |

All of the interests shown above are beneficial and there have been no further changes to the above share interests 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 of Association.

The Board has approved a protocol for identifying and dealing with conflicts and has resolved to conduct a regular review of actual or possible conflicts. No new conflicts or potential conflicts were identified during the year.

## Substantial interests

At 18 March 2013 the only persons known to the Company who, directly or indirectly, were interested in 3.0 per cent or more of the Company's issued share capital were as follows:

| | Number of Ordinary Shares held | % of issued share capital |
|---|---:|---:|
| Turcan Connell | 3,753,569 | 6.4 |
| Barclayshare Nominees | 3,436,032 | 5.9 |

## Manager and Company Secretary

With effect from 10 February 2011, Maven Capital Partners UK LLP (Maven) was appointed as Manager in place of Bluehone Investors LLP with Maven also replacing F&C Asset Management PLC as Secretary with effect from 30 March 2011. The effect of the investment management and secretarial fees for the year ended 30 November 2012 and termination fees payable to Bluehone Investors LLP during the prior year are detailed 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

- Subsequent to an initial period of two years from the commencement date, the agreement is thereafter capable of termination by the giving of twelve months' notice by either the Company or the Manager;
- 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

Under the investment management agreement, the payment of fees to the Manager will be made on the following terms:

- an investment management fee of 1.5% of total assets per annum, paid quarterly in arrears, and
- an annual administration fee of £70,000 (excluding VAT applicable thereon) payable quarterly in arrears and subject to an annual adjustment, calculated on 1 March each year, to reflect any increase in the retail prices index.

The Board and the Manager have agreed a waiver of the investment management fee for the first two years of the agreement.

Performance related incentive fee

As approved by Shareholders at the previous Annual General Meeting, the Board has introduced performance incentive arrangement that rewards Maven for achieving positive returns on the legacy portfolio and realised capital gains on new investments.

The proposed performance incentive arrangement entitles the Manager to receive:

- a sum equivalent to 12.5% of the total return over cost generated by each new private equity investment made by the Manager that achieves a realisation, adjusted for any realised losses incurred in respect of other new investments and subject to an annual hurdle of 4% on the new investments realised;
- a sum equivalent to 7.5% of the total return over cost generated by inherited private equity investments that achieve a realisation, adjusted for any realised losses incurred in respect of other legacy private company investments; and
- a sum equivalent to 7.5% of any annual increase in the value of the inherited quoted portfolio.

The base date for the valuation of the inherited investments was set at 28 February 2011 and the value for these portfolios is to be subsequently recalculated as at 30 November each year from 2012 onwards. In the case of the inherited quoted portfolio, a high water-mark is re-set on each occasion that a fee becomes payable to ensure that subsequent fees can only be earned on performance improvements in excess of those achieved in previous periods.

In light of investment performance provided 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 18 March 2013, Maven Capital Partners and certain of its executives hold, in aggregate, 440,000 of the Company's Ordinary Shares of 10p each.

In addition, in order to ensure that the Manager's staff are appropriately incentivised in relation to the management of the portfolio, a co-investment scheme allows individuals to participate in new investments in portfolio companies alongside the Company. All such investments are made through a nominee and under terms agreed by the Board. The terms of the scheme ensure that all investments are made on identical terms to those of the Company and that no selection of investments will be allowed. Total investment by participants in the co-investment scheme is set at 5% of the aggregate amount of ordinary shares subscribed for by the Company and the co-investing executives, except where the only securities to be acquired by the Company are ordinary shares or are securities quoted on AIM, in which case the co-investment percentage will be 1.5%. Any dilution of the Company's interests is, therefore, minimal and the Directors believe that the scheme provides a useful incentive which closely aligns the interests of key individuals within the Manager's staff with those of the Shareholders.

## Auditor

So far as the Directors 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 or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Resolution 7, to re-appoint KPMG Audit Plc as Auditor, will be proposed at the forthcoming Annual General Meeting, along with Resolution 8, to authorise the Directors to fix its remuneration.

## Purchase of Ordinary Shares

During the year ended 30 November 2012, the Company bought back a total of 7,151,699 of its own Ordinary Shares for cancellation (2011: nil) which included 6,461,699 shares acquired under an Enhanced Share Buy-back (EBB) Scheme that was subject to approval by Shareholders at a General Meeting held on 19 September 2012 and closed on 16 October 2012.

A Special Resolution, numbered 11 in the Notice of Meeting, will be put to Shareholders at the Annual General Meeting for their approval to renew the Company's authority to purchase in the market a maximum of 8,780,620 Ordinary Shares (14.99% of the shares in issue at 18 March 2013). Such authority will expire on the date of the Annual General Meeting in 2014 or after a period of 15 months from the date of the passing of the Resolution, whichever is the earlier.

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

Purchases of shares by the Company will be made from distributable reserves and will normally be paid out of cash balances held by the Company from time to time. As any purchases will be made at a discount to NAV at the time of purchase, the NAV of the remaining Ordinary Shares in issue should increase as a result of any such purchase. Shares will not be purchased by the Company in the period of 60 days immediately preceding the notification of the Company's Interim Report and the 60 days immediately preceding the announcement of the Annual Report or, if shorter, 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, the Company issued 6,253,670 new Ordinary Shares pursuant to the EBB referred to above and, subsequent to the period end, a further 517,412 new Ordinary Shares were allotted under the Offer for subscription. An Ordinary Resolution, numbered 9 in the Notice of Meeting, will be put to Shareholders at the Annual General Meeting for their approval for the Company to issue up to an aggregate nominal amount of £585,765 (equivalent to 5,857,650 Ordinary Shares or 10% of the total issued share capital at 18 March 2013). Further 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 2014 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 shareholdings. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro-rata issue to existing Shareholders. A Special Resolution, numbered 10 in the Notice of Meeting, will, if passed, give the Directors power to allot for cash, Ordinary Shares up to an aggregate nominal amount of £585,765 (equivalent to 5,857,650 Ordinary Shares or 10% of the total issued share capital at 18 March 2013) 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 2014 or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

## Share capital

As at 30 November 2012 the Company's share capital amounted to 58,379,108 Ordinary Shares of 10p each. Subsequent to the year end, the Company bought back 320,000 Ordinary Shares for cancellation and issued 517,412 Ordinary Shares under the Offer for Subscription, with further allotments scheduled for April 2013. As a result, there were 58,576,520 Ordinary Shares in issue as at 18 March 2013. Further details are included in Note 12 to the Financial Statements.

## 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. HM Revenue and Customs will grant Section 274 status, if requested, provided that the Company's affairs have been conducted in such a manner as to satisfy the conditions of that Section of the Act. Such approval was last granted in respect of the year ended 30 November 2011.

## Corporate governance

The Statement of Corporate Governance is shown on pages 33 to 37.

## Political and charitable donations

The Company did not make any political or charitable donations during the year ended 30 November 2012 (2011: nil).

## Creditor payment policy

The Company's creditor payment policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any material trade creditors at the year end.

## 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 18 to the Financial Statements.

## 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 the financial position of the Company is described in the Chairman's Statement. In addition, Note 18 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 and credit risk. The Directors believe that the Company is well placed to manage its business risks.

Having made suitable enquiries, 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.

## Annual General Meeting and General Meetings

The Annual General Meeting will be held on 16 April 2013, and the Notice of Annual General Meeting is on pages 53 to 57 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.

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

**18 March 2013**

# Directors' Remuneration Report

**The Board has prepared this report, in accordance with the requirements of the Companies Act 2006. An Ordinary Resolution for the approval of this report will be put to the Members of the Company at the forthcoming Annual General Meeting.**

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 39 and 40.

## Remuneration Committee

At 30 November 2012, the Company had four non-executive Directors and their biographies are shown in the Your Board section of the Annual Report. The whole Board fulfils the function of a Remuneration Committee, which is chaired by Gordon Brough. 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 31.

During the year ended 30 November 2012, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Boards policy on Directors' remuneration, as defined below, the Committee expects, from time to time, to review the fees paid to the directors of other venture capital trust companies.

## Policy on Directors' remuneration

The Board's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other venture capital trusts with a similar capital structure and similar investment objectives. It is intended that this policy will continue for the year ended 30 November 2013 and subsequent years.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £85,624 per annum (as varied by the UK Retail Prices Index from year to year) and the approval of Shareholders in a General Meeting would be required to change this limit. The Company's policy is that 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.

During the year ended 30 November 2012, the Remuneration Committee carried out a review of the remuneration policy and the level of Directors' fees and concluded that no change should be made to the level of Directors' remuneration at that stage. It was also agreed that the policy would be to continue to review these rates at least annually in accordance with the UK Corporate Governance code.

## 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' service contracts

It is the Board's policy that Directors do not have service contracts, but new Directors are provided with a letter of appointment. The terms of appointments provide that Directors should retire and be subject to re-election at the first Annual General Meeting after their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years and that any Director who has served on the Board for more than nine years will offer himself for re-election annually. However, the Board has agreed that all Directors will retire annually and, if appropriate, seek re-election. 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.

The dates of appointment and the date on which they will next be proposed for re-election are as follows:

| Director | Date of original appointment | Due date for re-election |
|---|---|---|
| Gordon Brough | 30/10/2000 | AGM 2013 |
| Gordon Humphries | 7/2/2006 | AGM 2013 |
| Jamie Matheson[1] | 30/10/2000 | N/A |
| Steven Mitchell | 30/10/2000 | AGM 2013 |

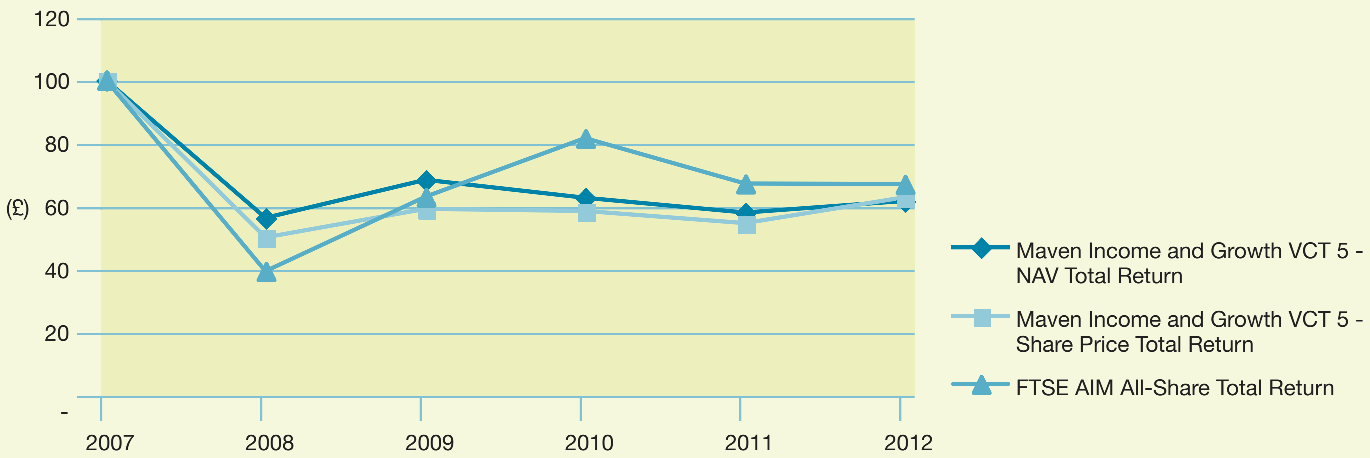
[1] Mr Matheson to stand down at 2013 AGM.

## 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 investment management agreement, as referred to in the Directors' Report.

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the five years to 30 November 2012, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE AIM All-share index is calculated. This index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio.

## Total return performance




Source: Maven Capital Partners UK LLP/Factset

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

## Directors' emoluments for the year (audited)

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

| | Year ended 30 November 2012<br>£ | Year ended 30 November 2011<br>£ |
|---|---|---|
| Gordon Brough (Chairman) | 16,500 | 16,500 |
| Gordon Humphries (Audit Committee Chairman) | 16,000 | 16,000 |
| Jamie Matheson | 12,000 | 12,000 |
| Steven Mitchell | 12,000 | 12,000 |
| **Total** | **56,500** | **56,500** |

No Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 30 November 2012 (2011: £nil).

## Approval

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

**Gordon Brough**
**Director**

**18 March 2013**

# Statement of Corporate Governance

**The Company is committed to 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 Code of Corporate Governance (the Code), published in October 2010 and available at website www.frc.org.uk.**

The Listing Rules of the UK Listing Authority require the Board to report on compliance with the provisions of the Code and this statement describes how the principles and supporting principles identified in the Code have been applied by the Company during the year ended 30 November 2012.

While the Company complied throughout the year with the provisions of the Code, the Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance (the AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (the AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in Section 1 of the Code, as well as setting out additional principles and recommendations on issues which are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide, will provide better information to Shareholders than if it adopted the Code.

## The Board

The Board currently consists of four Directors, all of whom are non-executive and considered to be independent of the investment manager (Maven Capital Partners UK LLP, Maven, or the Manager) and free of any relationship which could materially interfere with the exercise of their independent judgement. The biographies of the Directors appear in the Your Board section of this 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 which 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 the 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
- Stock Exchange, UK Listing Authority and Financial Services 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 of Association, Directors notify the Company of any situation which 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 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.

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 corporate Company 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 venture capital industry 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.

Mr Brough is Chairman of the Company, Mr Humphries is Chairman of the Audit Committee and Steven Mitchell is the Senior Independent Director. The Chairman is also Chairman of the Management Engagement, Nomination and Remuneration Committees as the other Directors considers that he has the skills and experience relevant to these roles.

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 30 November 2012, the Board held four full Board Meetings, and four Committee Meetings. In addition, there were two Meetings of the Audit Committee and one Meeting each of the Management Engagement, Nomination and Remuneration Committees.

Directors have attended Board and Committee Meetings during the year ended 30 November 2012 as follows:

| Director | Board | Board Committee | Audit Committee | Management Engagement Committee | Nomination Committee | Remuneration Committee |
|---|---|---|---|---|---|---|
| Gordon Brough (Chairman) | 4 | 4 | 2 | 1 | 1 | 1 |
| Gordon Humphries | 4 | 3 | 2 | 1 | 1 | 1 |
| Jamie Matheson | 3 | 2 | 2 | - | - | - |
| Steven Mitchell | 4 | 3 | 2 | 1 | 1 | 1 |

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 a sufficient time and contribute adequately to the work of the Board and its Committees. The Chairman is subject to evaluation by his fellow Directors.

## Directors' terms of appointment

The Company's Articles of Incorporation require all Directors to retire by rotation at least every three years and that any Director who has served on the Board for more than nine years will offer himself for re-election annually. However, the Board has agreed that, from 2011 onwards, all Directors will retire annually and, if appropriate, seek re-election. The Board subscribes to the view expressed in the AIC Code 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 or her 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.

## Policy on tenure

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 services 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 and comprises the full Board, the members of which are all independent and free from any relationship that would interfere with important judgement in carrying out their responsibilities. The terms of reference of each of the Committees, which are available on request from the Registered Office of the Company, are reviewed and re-assessed for their adequacy at each Meeting.

### Audit Committee

The Audit Committee, chaired by Mr Humphries, held two Meetings during the year ended 30 November 2012. The Board is satisfied that at least one member of the Committee has recent and relevant financial experience.

The terms of reference of the Audit Committee include:

- the review of the effectiveness of the internal control environment of the Company, including the receipt of reports from the Manager and the Auditors on a regular basis;
- the review of the Interim and Annual Reports and Financial Statements;
- the review of the terms of appointment of the Auditor, together with their 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; and
- making appropriate recommendations to the Board.

At each Meeting, the Audit Committee examined the Annual or Interim Report and Financial Statements, reviewed the Company’s internal controls and, when considering the Annual Report, reviewed the scope of the audit and the Auditor’s management report to the Board. No significant weaknesses in the control environment were identified.

The Company has in place a policy governing and controlling the provision of non-audit services by the external Auditor, so as to safeguard their independence and objectivity. Shareholders are asked to approve the re-appointment, and the Directors’ responsibility for 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 and the Audit Committee considers the external Auditor, KMPG Audit plc, to be independent.

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.

### Management Engagement Committee

The Management Engagement Committee is chaired by Mr Brough and annually reviews the management contract with the Manager, details of which are shown in the Directors’ Report. One Meeting was held during the year ended 30 November 2012, at which the Committee respectively recommended the appointment of Maven Capital Partners UK LLP as Manager of the Company.

### Nomination Committee

Mr Brough is Chairman of the Nomination Committee, which held one Meeting during the year ended 30 November 2012.

The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- 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;
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company’s Articles of Association;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman.

At its Meeting in October 2012, the Nomination Committee recommended to the Board that a succession plan be put in place with Mr Matheson and Mr Mitchell standing down at the 2013 AGM and before the 2014 AGM respectively. Also recommended were the re-election of Mr Brough, Mr Humphries and Mr Mitchell and, accordingly, Resolutions 4 to 6 will be put to the Annual General Meeting. 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 under the leadership of the Senior Independent Director.

## Remuneration Committee and Directors' remuneration

Where a venture capital trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. However, the Company does have a Remuneration Committee, comprising the full Board and which is chaired by Mr Brough. The Committee held one Meeting during the year ended 30 November 2012 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. The Company's policy on Directors' Remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report.

## Internal control

The Board of Directors of Maven Income and Growth VCT 5 PLC 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. Following the appointment of Maven Capital Partners UK LLP as the Manager of the Company, 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 the Annual Report and Financial Statements. This process is regularly reviewed by the Board and accords with internal control guidance issued by the Financial Reporting Council.

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

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

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted regularly to the Board;
- the Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- the compliance team of the Manager continually review 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 Board carries out a six-monthly 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 annually to the Audit 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 of loss.

## External agencies

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

## Accountability and audit

The Statement of Directors' Responsibilities in Relation to the Financial Statements is on page 38 and a statement of going concern is included in the Directors' Report on page 29. The Independent Auditor's Report is on pages 39 and 40 and it should be noted that the Auditor, KPMG Audit Plc, rotates the Senior Statutory Auditor responsible for the Company's audit every five years.

## Exercise of voting powers

The Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of good corporate governance and, therefore, the Board has given discretionary powers to the Manager 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. They acknowledge that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and the Directors, therefore, ensure that the Manager takes regular account of the social environment and ethical factors that may affect the performance or value of the Company's investments.

## Communication with Shareholders

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

As recommended under the Code, the Annual Report is normally posted to Shareholders at least twenty business days before the Annual General Meeting. However, the Company did not comply with this recommendation in respect of the Annual Report for the year ended 30 November 2011. 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/migvct5 from where Annual and Interim Reports, 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.

# 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

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

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

- the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 30 November 2012 and for the year to that date; and
- 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.

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

**18 March 2013**

# Independent Auditor's Report to the Members of Maven Income and Growth VCT 5 PLC

We have audited the Financial Statements of Maven Income and Growth VCT 5 PLC for the period ended 30 November 2012 set out on pages 41 to 52.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

## Respective responsibilities of the Directors and the Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 38, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

## Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion 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;
- the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Statement of Corporate Governance set out on pages 33 to 37 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

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

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Statement of Corporate Governance has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 29, in relation to going concern;
- the part of the Statement of Corporate Governance on pages 33 to 37 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to Shareholders by the Board on Directors' remuneration.

**Philip Merchant (Senior Statutory Auditor)**
**for and on behalf of KPMG Audit plc, Statutory Auditor**
**Chartered Accountants**
**Glasgow**

**18 March 2013**

# Income Statement

## For the year ended 30 November 2012

| | Notes | Year ended 30 November 2012 Revenue £'000 | Capital £'000 | Total £'000 | Year ended 30 November 2011 Revenue £'000 | Capital £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| Gains/(losses) on investments | 8 | - | 1,945 | 1,945 | - | (2,147) | (2,147) |
| Income from investments and deposit interest | 2 | 303 | - | 303 | 194 | - | 194 |
| Investment management fees | 3 | (10) | (32) | (42) | (67) | (201) | (268) |
| Other expenses | 4 | (290) | - | (290) | (298) | - | (298) |
| **Net return on ordinary activities before taxation** | | **3** | **1,913** | **1,916** | **(171)** | **(2,348)** | **(2,519)** |
| Tax on ordinary activities | 5 | - | - | - | - | - | - |
| **Return attributable to Equity Shareholders** | | **3** | **1,913** | **1,916** | **(171)** | **(2,348)** | **(2,519)** |
| **Earnings per share (pence)** | | - | **3.23** | **3.23** | **(0.29)** | **(3.96)** | **(4.25)** |

A Statement of Total Recognised Gains and Losses has not been prepared, as 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 derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

# Reconciliation of Movements in Shareholders' Funds

## For the year ended 30 November 2012

| | Notes | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|---|
| Opening Shareholders' funds | | 17,925 | 21,337 |
| Net return for year | | 1,916 | (2,519) |
| Proceeds of share issue | | 2,138 | - |
| Share issue expense | | (50) | (4) |
| Repurchase and cancellation of shares | | (2,311) | - |
| Dividends paid - revenue | 6 | - | - |
| Dividends paid - capital | 6 | (889) | (889) |
| **Closing Shareholders' funds** | | **18,729** | **17,925** |

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

# Balance Sheet

## As at 30 November 2012

| | Notes | 30 November 2012 £'000 | 30 November 2011 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments at fair value through profit or loss | 8 | 16,794 | 16,289 |
| | | | |
| **Current assets** | | | |
| Debtors | 10 | 33 | 34 |
| Cash and overnight deposits | | 2,047 | 1,645 |
| | | **2,080** | **1,679** |
| **Creditors:** | | | |
| Amounts falling due within one year | 11 | (145) | (43) |
| **Net current assets** | | **1,935** | **1,636** |
| **Net assets** | | **18,729** | **17,925** |
| | | | |
| **Capital and reserves** | | | |
| Called up share capital | 12 | 5,838 | 5,928 |
| Share premium account | 13 | 2,847 | 1,384 |
| Capital reserve - realised | 13 | (20,402) | (20,735) |
| Capital reserve - unrealised | 13 | (10,307) | (10,998) |
| Special distributable reserve | 13 | 38,771 | 41,082 |
| Capital redemption reserve | 13 | 3,381 | 2,666 |
| Revenue reserve | 13 | (1,399) | (1,402) |
| **Net assets attributable to Ordinary Shareholders** | | **18,729** | **17,925** |
| | | | |
| **Net asset value per Ordinary Share (pence)** | 14 | **32.08** | **30.24** |

The Financial Statements of Maven Income and Growth VCT 5 PLC, registered number 4084875, were approved and authorised for issue by the Board of Directors on 18 March 2013 and were signed on its behalf by:

**Gordon H Brough**

**Director**

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

# Cash Flow Statement

## For the year ended 30 November 2012

| | Notes | Year ended 30 November 2012 £'000 | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Investment income received | | 327 | | 177 | |
| Deposit interest and other income received | | (6) | | 1 | |
| Investment management fees paid | | - | | (303) | |
| Secretarial fees paid | | (86) | | (115) | |
| Directors' expenses paid | | (57) | | (71) | |
| Other cash payments | | (87) | | (140) | |
| **Net cash inflow/(outflow) from operating activities** | 15 | | **91** | | **(451)** |
| **Financial investment** | | | | | |
| Purchase of investments | | (3,344) | | (1,180) | |
| Sale of investments | | 4,767 | | 3,680 | |
| **Net cash inflow from financial investment** | | | **1,423** | | **2,500** |
| **Equity dividends paid** | 6 | | **(889)** | | **(889)** |
| **Net cash inflow before financing** | | | **625** | | **1,160** |
| **Financing** | | | | | |
| Issue of Ordinary Shares | | 2,138 | | - | |
| Expense of the share issue | | (50) | | (4) | |
| Repurchase of Ordinary Shares | | (2,311) | | - | |
| **Net cash (outflow)/inflow from financing** | | | **(223)** | | **(4)** |
| **Increase in cash** | 16 | | **402** | | **1,156** |

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

# Notes to the Financial Statements

## For the year ended 30 November 2012

### 1 Accounting Policies - UK Generally Accepted Accounting Practice

**(a) Basis of preparation**

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the SORP) issued in January 2009. The disclosures on going concern in the Directors' Report form part of these Financial Statements.

**(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 fixed 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; and
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 25% to revenue and 75% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

**(d) Taxation**

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

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

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

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

**(e) Investments**

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

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

1. For investments completed within the 12 months prior to the reporting date, 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 company or a substantial movement in the relevant sector of the stock market.
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 fully taxed 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 which 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.
4. Where there is evidence of impairment, a provision may be taken against the previous valuation of the investment.
5. 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.
6. All unlisted investments are valued individually by Maven Capital Partners Portfolio Management Team. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.
7. In accordance with normal market practice, investments listed on the Alternative Investment Market 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 - quoted prices in active markets for identical investments;
- Level 2 - other significant observable inputs (included quoted prices for similar investments, interest rates, prepayment speeds, credit risk etc); and
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

**(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.

## 2. Income

| | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|
| **Income from investments:** | | |
| UK listed investment income | 162 | 164 |
| Income from other unlisted investments | 140 | 26 |
| | **302** | **190** |
| **Other income:** | | |
| Bank interest | 1 | 4 |
| **Total income** | **303** | **194** |

## 3. Investment management fees

| | Year ended 30 November 2012 | | | Year ended 30 November 2011 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Termination fee to former manager | - | - | - | 48 | 145 | 193 |
| Investment management fees | - | - | - | 19 | 56 | 75 |
| Performance based investment management fees | 10 | 32 | 42 | - | - | - |
| | **10** | **32** | **42** | **67** | **201** | **268** |

Details of the fee basis are contained in the Directors' Report on pages 26 and 27.

## 4. Other expenses

| | Year ended 30 November 2012 | | | Year ended 30 November 2011 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Secretarial fees - F&C | - | - | - | 42 | - | 42 |
| Secretarial fees - Maven | 86 | - | 86 | 56 | - | 56 |
| Directors' remuneration | 57 | - | 57 | 57 | - | 57 |
| Fees to Auditor - audit services | 20 | - | 20 | 20 | - | 20 |
| Fees to Auditor - tax services | 9 | - | 9 | 5 | - | 5 |
| Miscellaneous expenses | 118 | - | 118 | 118 | - | 118 |
| | **290** | - | **290** | **298** | **-** | **298** |

## 5. Tax on ordinary activities

| | Year ended 30 November 2012 | | | Year ended 30 November 2011 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Corporation tax | **-** | **-** | **-** | **-** | **-** | **-** |

The tax assessed for the period is lower than the standard rate of corporation tax (24%). The differences are explained below:

| | Year ended 30 November 2012 | | | Year ended 30 November 2011 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Return on ordinary activities before tax | 3 | 1,913 | 1,916 | (171) | (2,348) | (2,519) |
| Revenue return on ordinary activities multiplied by standard rate of corporation tax | 1 | 459 | 460 | (44) | (611) | (655) |
| Non taxable UK dividend income | (44) | - | (44) | (43) | - | (43) |
| (Gains)/losses on investments | - | (467) | (467) | - | 558 | 558 |
| Increase in excess management expenses | 43 | 8 | 51 | 87 | 53 | 140 |
| | **-** | **-** | **-** | **-** | **-** | **-** |

Losses with a tax value of £1,358,099 (2011: £1,415,947) are available to carry forward against future trading profits. These have not been recognised as a deferred tax asset as recoverability is not certain.

## 6. Dividends

| | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|
| **Capital dividends** | | |
| Final dividend for year ended 30 November 2011 of 1.0p (2010: 1.0p) paid on 31 March 2012 | 593 | 593 |
| Interim dividend for year ended 30 November 2012 of 0.5p (2011: 0.5p) paid on 22 August 2012 | 296 | 296 |
| | **889** | **889** |

A final capital dividend of 1.15p per share has been proposed for payment on 24 May 2013.

**Revenue dividends**

We set out below the total revenue dividends proposed in respect of the financial year, which is the basis on which the requirements of Section 274 of the Income Tax Act 2007 are considered.

| | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|
| Revenue available for distribution by way of dividends for the year | **3** | **(171)** |
| Final revenue dividend proposed for the year ended 30 November 2012 of Nil (2011: Nil) | - | - |

## 7. Return per Ordinary Share

| | Year ended 30 November 2012 | Year ended 30 November 2011 |
|---|---|---|
| The returns per share have been based on the following figures: | | |
| Weighted average number of Ordinary Shares | 59,231,614 | 59,277,137 |
| Revenue return | £3,000 | (£171,000) |
| Capital return | £1,913,000 | (£2,348,000) |
| **Total return** | **£1,916,000** | **(£2,519,000)** |

## 8. Investments

| | Year ended 30 November 2012 | | | |
|---|---|---|---|---|
| | Listed (quoted prices) £'000 | AIM/ISDX (quoted prices) £'000 | Unlisted (unobservable inputs) £'000 | Total £'000 |
| Valuation at 1 December 2011 | - | 12,275 | 4,014 | 16,289 |
| Unrealised (gains)/losses | - | 11,221 | (223) | 10,998 |
| Cost at 1 December 2011 | - | 23,496 | 3,791 | 27,287 |
| | | | | |
| Purchases | 2,099 | - | 1,245 | 3,344 |
| Sales | (1,281) | (2,085) | (1,401) | (4,767) |
| Realised gains | - | 516 | 738 | 1,254 |
| Amortisation of book cost | (17) | - | - | (17) |
| Cost at 30 November 2012 | 801 | 21,927 | 4,373 | 27,101 |
| Unrealised losses | - | (8,865) | (1,442) | (10,307) |
| **Valuation at 30 November 2012** | **801** | **13,062** | **2,931** | **16,794** |

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 29 "Financial Instruments: Disclosures".

| **The portfolio valuation<br>Held at market valuation** | **30 November 2012 £'000** | **30 November 2011 £'000** |
|---|---|---|
| AIM quoted equities | 13,062 | 12,275 |
| Listed fixed income | 801 | - |
| | **13,863** | **12,275** |
| | | |
| **Unlisted at Directors' valuation:** | | |
| Unquoted unobservable equities | 1,800 | 3,583 |
| Unquoted unobservable fixed income | 1,131 | 431 |
| | **2,931** | **4,014** |
| **Total** | **16,794** | **16,289** |
| | | |
| Realised gains based on historical basis | 1,254 | 46 |
| Unrealised movement | 691 | (2,193) |
| | | |
| **Gains/(losses) on investments** | **1,945** | **(2,147)** |

During the year to 30 November 2012 the valuation of Space Student Living Limited was written down by £115,917 to £38,639.

## 9. Participating interests

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

At 30 November 2012 the Company held no shares or units amounting to 20% or more of the equity capital of any of the unlisted or quoted investments

The company holds shares or units amounting to 3% or more of the nominal value of the allotted shares or units of any class of certain investee companies. Details of the equity percentages held are shown in the Investment Portfolio Summary.

## 10. Debtors

| | 30 November 2012 £'000 | 30 November 2011 £'000 |
|---|---|---|
| Prepayments and accrued income | **33** | **34** |

## 11. Creditors

| | 30 November 2012 £'000 | 30 November 2011 £'000 |
|---|---|---|
| Accruals | 92 | 43 |
| Other creditors | 53 | - |
| | **145** | **43** |

## 12. Share capital

| | 30 November 2012 | | 30 November 2011 | |
|---|---|---|---|---|
| | Number | £'000 | Number | £'000 |
| At 30 November the authorised share capital comprised: | | | | |
| Allotted, issued and fully paid | | | | |
| Ordinary Shares of 10p each: | | | | |
| Balance brought forward | 59,277,137 | 5,928 | 59,277,137 | 5,928 |
| Repurchased and cancelled during year | (7,151,699) | (715) | - | - |
| Issued during the year | 6,253,670 | 625 | - | - |
| | **58,379,108** | **5,838** | **59,277,137** | **5,928** |

During the year, pursuant to the enhanced buy-back, 7,151,699 Ordinary Shares (2011: Nil) were repurchased by the Company at a total cost of £2,311,000 (2011: £Nil) and cancelled; and the Company issued 6,253,670 Ordinary Shares (2011: Nil) at a subscription price of 34.2p per share (2011: £Nil).

Subsequent to the year end, the Company bought back and cancelled a further 320,000 Ordinary Shares at a total cost of £79,000; and 517,412 Ordinary Shares were issued at a subscription price of 35.39p per share under the Offer for Subscription.

## 13. Reserves

| | Share premium account £'000 | Capital reserve realised £'000 | Capital reserve unrealised £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Revenue reserve £'000 |
|---|---|---|---|---|---|---|
| At 1 December 2011 | 1,384 | (20,735) | (10,998) | 41,082 | 2,666 | (1,402) |
| Gains on sales of investments | - | 1,254 | - | - | - | - |
| Net increase in value of investments | - | - | 691 | - | - | - |
| Investment management fees | - | (32) | - | - | - | - |
| Dividends paid | - | (889) | - | - | - | - |
| Repurchase and cancellation of shares | - | - | - | (2,311) | 715 | - |
| Share issue | 1,463 | - | - | - | - | - |
| Net return on ordinary activities | - | - | - | - | - | 3 |
| **At 30 November 2012** | **2,847** | **(20,402)** | **(10,307)** | **38,771** | **3,381** | **(1,399)** |

## 14. Net asset value per Ordinary Share

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

| | 30 November 2012 | | 30 November 2011 | |
|---|---|---|---|---|
| | Net asset value per share p | Net asset value attributable £'000 | Net asset value per share p | Net asset value attributable £'000 |
| **Ordinary Shares** | 32.08 | 18,729 | 30.24 | 17,925 |

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

## 15. Reconciliation of net return before taxation to net cash inflow/(outflow) from operating activities

| | Year ended 30 November 2012 £'000 | Year ended 30 November 2011 £'000 |
|---|---|---|
| Net profit/(loss) before taxation | 1,916 | (2,519) |
| (Gains)/losses on investments | (1,945) | 2,147 |
| Decrease/(increase) in debtors and accrued income | 1 | (6) |
| Decrease in prepayments | - | 5 |
| Increase/(decrease) in accruals and other creditors | 102 | (78) |
| Amortisation of fixed income investment book cost | 17 | - |
| **Net cash inflow/(outflow) from operating activities** | **91** | **(451)** |

## 16. Analysis of changes in net funds

| | At 30 November 2011 £'000 | Cash flows £'000 | At 30 November 2012 £'000 |
|---|---|---|---|
| Cash and overnight deposits | 1,645 | 402 | 2,047 |

| | At 30 November 2010 £'000 | Cash flows £'000 | At 30 November 2011 £'000 |
|---|---|---|---|
| Cash and overnight deposits | 489 | 1,156 | 1,645 |

## 17. Capital commitments, contingencies and financial guarantees

| | At 30 November 2012 £'000 | At 30 November 2011 £'000 |
|---|---|---|
| Financial guarantees | - | - |

## 18. Derivatives and other financial instruments

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

The main risks the Company faces from its financial instruments are: (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement; (ii) interest rate risk; and (iii) liquidity risk. In line with the Company's investment objective, the portfolio comprises UK securities and, therefore, has no exposure to foreign currency risk.

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

### (i) Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 24. Adherence to investment guidelines and to investment and borrowing powers set out in the management agreement mitigates the risk of excessive exposure to any particular type of security or issuer. These powers and guidelines include the requirement to invest 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 concentration and deal type analysis) is set out in the Analysis of Unlisted and AIM/ISDX Portfolio, Investment Manager's Review, Summary of Investment Changes, Investment Portfolio Summary and Largest Unlisted and AIM/ISDX investments.

### (ii) Interest rate risk

The interest rate risk profile of financial assets at the balance sheet date was as follows:

| | 30 November 2012 | | |
|---|---|---|---|
| **Sterling:** | **Fixed interest £'000** | **Floating rate £'000** | **Non interest bearing £'000** |
| Listed fixed income | - | - | 801 |
| Unlisted and AIM/ISDX | 1,131 | - | 14,862 |
| Cash | - | 2,047 | - |
| | **1,131** | **2,047** | **15,663** |

| | 30 November 2011 | | |
|---|---|---|---|
| **Sterling:** | **Fixed interest £'000** | **Floating rate £'000** | **Non interest bearing £'000** |
| Listed fixed income | - | - | - |
| Unlisted and AIM/ISDX | 431 | - | 15,858 |
| Cash | - | 1,645 | - |
| | **431** | **1,645** | **15,858** |

The unlisted fixed interest assets have a weighted average life of 3.92 years (2011: 5.65 years) and weighted average interest rate of 11.2% (2011: 13.4%).

It is the Directors' opinion that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

*Maturity profile*

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

| At 30 November 2012 | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | More than 5 years £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| **Fixed interest** | | | | | | | |
| Listed | 801 | - | - | - | - | - | 801 |
| Unlisted | 350 | 150 | 306 | 325 | - | - | 1,131 |
| | **1,151** | **150** | **306** | **325** | **-** | **-** | **1,932** |

| At 30 November 2011 | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | More than 5 years £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| **Fixed interest** | | | | | | | |
| Listed | - | - | - | - | - | - | - |
| Unlisted | 291 | 140 | - | - | - | - | 431 |
| | **291** | **140** | **-** | **-** | **-** | **-** | **431** |

All liabilities are due within one year and, as such, no maturity profile has been provided.

**(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 30 November 2012 in valuing the Company's investments carried at fair value. Credit risk and interest rate risk are minimised by acquiring high quality government treasury stocks or other bonds which have a relatively short time to maturity.

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 :

| | 30 November 2012 £'000 | 30 November 2011 £'000 |
|---|---|---|
| Investments in fixed interest instruments | 801 | - |
| Investments in unlisted debt securities | 1,131 | 431 |
| Cash and cash equivalents | 2,047 | 1,645 |
| | **3,979** | **2,076** |

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

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

There were no significant concentrations of credit risk to counterparties at 30 November 2012 or 30 November 2011.

**(v) Price risk sensitivity**

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

At 30 November 2012, if market prices of listed or AIM/ISDX 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 £1,306,000 (2011: £1,228,000) due to the change on valuation of financial assets at fair value through profit or loss.

At 30 November 2012, 15.6% (2011: 22.4%) comprised investments in unquoted companies held at fair value. The valuation of unlisted investments reflect a number of factors, including the performance of the investee company itself and the wider market. Therefore, it is not considered meaningful to provide a sensitivity analysis on the net asset position and total return for the year due to the fact any such movements would be immaterial to users of the Financial Statements.

# Notice of Annual General Meeting

**This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or transferred all of your shares in Maven Income and Growth VCT 5 PLC, please forward this document, together with any accompanying documents, as soon as possible to the purchaser or the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice is hereby given that the Annual General Meeting of Maven Income and Growth VCT 5 PLC (the Company; Registered in England and Wales with registered number 4084875) will be held at 10.00 am on Tuesday 16 April 2013 at 9-13 St Andrew Street, London EC4A 3AF, for the purposes of considering and, if thought fit, passing the following Resolutions:

## Ordinary Resolutions

1. To receive the Directors' Report and audited financial statements for the year ended 30 November 2012.
2. To approve the Directors' Remuneration Report.
3. To approve a final dividend of 1.15p per ordinary share of 10p each in the capital of the Company (Ordinary Shares) for payment on 24 May 2013 to Shareholders on the register at the close of business on 3 May 2013.
4. To re-elect Gordon Brough as a Director.
5. To re-elect Gordon Humphries as a Director.
6. To re-elect Steven Mitchell as a Director.
7. To re-appoint KPMG Audit plc as Auditor.
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 Shares, or grant rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal amount of £585,765 provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, and so that the Company may before such expiry, make an offer or agreement 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 agreements as if the authority conferred had not expired.

## Special Resolutions

10. That, subject to the passing of Resolution 9, the Directors be and hereby are empowered, under Section 570 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:
    - 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 Ordinary Shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
    - (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £585,765 (equivalent to 5,857,650 Ordinary Shares); and
    - in each case where the proceeds may be used in whole or part to purchase existing Ordinary Shares and shall expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this resolution, whichever is the first to occur, save that the Company may, before such expiry, make an offer or agreement 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 hereby is generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided always that:

    (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 8,780,620;

    (ii) the minimum price that may be paid for an Ordinary Share shall be 10p per share;

    (iii) 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:

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

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

    (iv) 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 complete 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.

## Recommendation

The Directors consider that all the Resolutions to be put to the Annual General Meeting 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 you do so as well.

**By order of the Board**
**Maven Capital Partners UK LLP**
**Secretary**
**9-13 St Andrew Street**
**London EC4A 3AF**

**18 March 2013**

## 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 10.00 am on 12 April 2013 (or, if the Meeting is adjourned, 5.00 pm on the date which is two business days before the adjourned 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/migvct5.

### 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 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 the 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 form of proxy 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, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by Capita Registrars no later than 10.00 am on 12 April 2013 or by 5.00 pm 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 proxies through CREST

10. 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 12 April 2013. 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

11. 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

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time 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 Capita Registrars 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

13. 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 Capita Registrars, 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 Capita Registrars 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

14. 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

15. As at 18 March 2013, the Company's issued share capital comprised 58,576,520 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 18 March 2013 is 58,576,520. The website referred to in note 2 will include information on the number of shares and voting rights.

### Questions at the meeting

16. 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

17. 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 18 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 19 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 19 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

18. In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 17). 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 15 above and the website referred to in note 2.

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

19. Where a member or members wishes to request the Company to publish audit concerns (see note 17) such request be must be made in accordance with one of the following ways:

- a hard copy request which is signed by you, states your full name and address and is sent to The Secretary, Maven Income and Growth VCT 5 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

20. 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;
- 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

21. 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 9-13 St Andrew Street, London EC4A 3AF from the date of this notice until the end of the Meeting.

### Communication

22. 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
- emailing enquiries@mavencp.com, stating "AGM" in the subject heading.

# 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 12 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 30 November 2012 which are included within the Annual Report.

### Resolution 2 – Directors' Remuneration Report

The Board seeks the approval of the Directors' Remuneration Report which is also included within the Annual Report.

### Resolution 3 – Final dividend

The Company's Shareholders will be asked to approve a final dividend of 1.15p per Ordinary Share for the year ended 30 November 2012 for payment on 24 May 2013 to Shareholders on the register at the close of business on 3 May 2013.

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

Gordon Brough will retire by rotation at the Annual General Meeting in accordance with the Articles of Association and, being eligible, is offering himself for re-election.

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

Gordon Humphries will retire by rotation at the Annual General Meeting in accordance with the Articles of Association and, being eligible, is offering himself for re-election.

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

Steven Mitchell will retire by rotation at the Annual General Meeting in accordance with the Articles of Association and, being eligible, is offering himself for re-election.

### Resolution 7 – Appointment of Auditor

Shareholders will be asked to approve the re-appointment of KPMG Audit plc as the Company's Auditor; KPMG Audit plc having expressed their willingness to remain in office.

### Resolution 8 – Remuneration of Auditor

Shareholders will be asked to give the Directors' authority to fix the remuneration of KPMG Audit plc.

### Resolution 9 – Authority to allot shares

The Directors are seeking authority pursuant to Section 551 of the Act for the Company to allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £585,765. This amounts to 5,857,650 Ordinary Shares representing approximately 10% of the issued share capital as at 18 March 2013 (this being the latest practicable date prior to the publication of this Annual Report). This authority will be used for the purposes set out in Resolution 10. The authority conferred by Resolution 9 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

Shareholders will be asked to grant authority to the Directors to allot Ordinary Shares (i) on a pre-emptive basis to existing Shareholders as far as possible, subject to excluding circumstances where it is impractical to apply the strict pro-rating; and (ii) otherwise allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £585,765 (representing, in accordance with institutional investor guidelines, approximately 10% of the issued share capital as at 18 March 2013, this being the latest practicable date prior to the publication of this Annual Report) as if the pre-emption rights of Section 561 of the Act did not apply, in each case where the proceeds may be used in whole or part to purchase existing Ordinary Shares. The authority conferred by Resolution 10 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 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

Shareholders will be asked to authorise the Company to make market purchases of up to 8,780,620 Ordinary Shares (representing approximately 14.99% of the issued share capital as at 18 March 2013, this being the latest practicable date prior to the publication of this Annual Report). The Resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses and Ordinary Shares bought back may be cancelled or held in treasury as may be determined by the Board. 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. Once held in treasury, such Ordinary Shares may be sold for cash or cancelled. The Board intends to use this authority to continue implement 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 previously approved by Shareholders at the last annual general meeting. Resolution 12 seeks such approval and would be effective until the Company's next Annual General Meeting when it would be intended that a similar Resolution to be proposed.

# Corporate Summary

**Maven Income and Growth VCT 5 PLC (formerly known as Bluehone AiM VCT2 plc) is a venture capital trust (VCT) and a constituent of the FTSE All-Share Index. It has one class of share and was incorporated on 3 October 2000.**

## Investment objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders.

## Benchmark

There is no meaningful venture capital trust index against which to compare the performance of the Company. However, for reporting to the Board and Shareholders, the Manager uses comparisons with appropriate indices and the Company's peer group.

## Capital structure

The Company's issued share capital as at 30 November 2012 consisted of 58,379,108 Ordinary Shares of 10p each.

## Total assets and net asset value per share

At 30 November 2012, the Company had net assets of £18,729,000 and a net asset value of 32.08p per share.

## Dividend

A final dividend of 1.15p per share has been proposed in respect of the year ended 30 November 2012 to be paid on 24 May 2013 to Shareholders on the register at close of business on 3 May 2013.

## Continuation date

The Articles of Association 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 2018 or, if later, at the Annual General Meeting following the fifth anniversary of the latest allotment of new shares.

## Risks and uncertainties

Investments in unlisted and quoted companies carry substantially greater risk, in terms of price and liquidity, than investments in larger companies or companies listed on the Official List. In addition, many of the businesses in which the Company invests may be exposed to the risk of political change, exchange controls, tax or other regulations that may affect their value and marketability. The levels and bases of tax reliefs may change. As the volume of the Company's shares traded on the market is likely to be small, the shares may trade at a significant discount to net asset value.

In order to qualify as a VCT, the Company has to comply with a number of specific criteria. However, the Company may invest in a number of companies which are not considered to be qualifying investments for a VCT.

Further details of the Company's risk profile are contained in the Directors' Report and Note 18 to the Financial Statements.

## Management agreement

The Company has an agreement with Maven Capital Partners UK LLP for the provision of management, company secretarial and administrative services. Please refer to the Directors' Report and Notes 3 and 4 to the Financial Statements for details of the management and secretarial fees payable.

## 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.

## 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-tradable, 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 Financial Services Authority (FSA), the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FSA register to confirm if the caller is authorised;
- call back using the details on the FSA 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 cold calls with an offer to buy or sell shares to the FSA and the City of London Police.

Useful contact details:

- **Action Fraud**

  Telephone: 0300 123 2040

  Website: www.actionfraud.org.uk

- **FSA**

  Telephone: 0845 606 1234

  Website: www.fsa.gov.uk

  Register: www.fsa.gov.uk/pages/register

  Boiler room warning: www.fsa.gov.uk/consumerinformation/scamsandswindles

## Directors

Gordon Brough (Chairman)

Gordon Humphries

Jamie Matheson

Steven Mitchell

## Manager and Secretary

Maven Capital Partners UK LLP
Kintyre House
205 West George Street
Glasgow G2 2LW

Telephone: 0141 306 7400

E-mail: enquiries@mavencp.com

## Points of Contact

The Chairman and/or the Company Secretary at:
Kintyre House
205 West George Street
Glasgow G2 2LW

## Registered Office

9-13 St Andrew Street
London EC4A 3AF
Registered in England and Wales

Company Registration Number: 4084875

## Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Website: www.capitaregistrars.com

Shareholder Helpline: 0871 664 0300

(Calls cost 10p per minute plus network extras;
lines are open 8.30am until 5.30pm, Monday to Friday)

## Auditor

KPMG Audit plc

## Bankers

J P Morgan Chase Bank

## Solicitors

SGH Martineau LLP

## Stockbrokers

Shore Capital Stockbrokers Limited

## Website

www.mavencp.com/migvct5

London Stock Exchange
LISTED
PREMIUM

Maven Capital Partners UK LLP
Kintyre House
205 West George Street
Glasgow G2 2LW

Tel 0141 306 7400

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